



**SIFL/SECT/EA/18-19/86**

July 21, 2018

The Secretary  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001  
Fax: 022-2272 2037/2039/2041/3121  
**BSE Scrip Code: 523756**

The Secretary  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5th Floor, Plot no. C/1  
G Block, Bandra-Kurla Complex  
Bandra (E), Mumbai - 400 051  
Fax: 022-2659 8237/38; 2659 8347/48  
**NSE Symbol: SREINFRA**

Dear Sir,

**Sub: 33rd (Thirty-Third) Annual General Meeting (AGM)**

Kindly note that the 33rd (Thirty-Third) Annual General Meeting (AGM) of the Company has been duly convened and held on Saturday, July 21, 2018 at 'Science City Mini Auditorium', Kolkata at 10:30 a.m.

In this regard, please find enclosed the following:

1. The gist of proceedings of the 33rd (Thirty-Third) Annual General Meeting (AGM) of the Company held on July 21, 2018, pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Voting results in the prescribed format pursuant to Regulation 44(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. Consolidated Scrutinizer's Report dated July 21, 2018 submitted by Mr. Mohan Ram Goenka, Practising Company Secretary, Kolkata (FCS No. 4515, CP No. 2551), Scrutinizer appointed to conduct the electronic voting process (Remote e-voting as well as Insta Poll).
4. Annual Report of the Company for the Financial Year 2017-18 pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly approved and adopted by the Members of the Company.

Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of Companies (Management & Administration) Rules, 2014 and Clause 8.6.2 of Secretarial Standard – 2 on General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI), the Voting Result alongwith the Scrutinizer's Consolidated Report is available on the Company's website [www.srei.com](http://www.srei.com) and on the website of Karvy <https://evoting.karvy.com> for information of all concerned. Further, the results are also placed on the notice board of the Company at its Registered Office as well as Corporate Office.

The same is for information and records.

Thanking you.



**Srei Infrastructure Finance Limited**

CIN: L29219WB1985PLC055352

Registered Office : 'Vishwakarma' 86C, Topsia Road (South), Kolkata - 700 046

Tel.: +91 33 22850112-15, 61607734 Fax: +91 33 2285 8501/7542

Email: [corporate@srei.com](mailto:corporate@srei.com) Website: [www.srei.com](http://www.srei.com)



Yours faithfully,  
For Srei Infrastructure Finance Limited

*Sandeep K. Lakhota*

**Sandeep Lakhota**  
**Company Secretary**  
**FCS No. 7671**



Encl: a/a

cc:

|   |  |
|---|--|
| <b>Central Depository Services (India) Limited</b><br>25th Floor, Marathon Futurex<br>N M Joshi Marg, Lower Parel (East)<br>Mumbai – 400 013<br>Fax: : (022) 2272 3199/2072 | <b>National Securities Depository Limited</b><br>Trade World, A Wing, 4th Floor<br>Kamala Mills Compound<br>Senapati Bapat Marg, Lower Parel<br>Mumbai - 400 013<br>Fax: 022-2497 2993/2497 6351 |
|---|--|

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Email: corporate@srei.com Website: www.srei.com



**Gist of the proceedings of the 33rd (Thirty-Third) Annual General Meeting (AGM) of  
Srei Infrastructure Finance Limited held on July 21, 2018**

The 33rd (Thirty-Third) Annual General Meeting (AGM) of the Company has been duly convened and held on Saturday, July 21, 2018 at 'Science City Mini Auditorium', Kolkata at 10:30 a.m.

Mr. Hemant Kanoria, Chairman and Managing Director of the Company, chaired the proceedings of the Meeting.

The Meeting was attended by 2207 Members in person, by proxy and through authorised representatives.

The Chairman informed the Members that the requisite quorum was present and called the Meeting to order. The Quorum was present throughout the Meeting.

The Meeting was attended by all the Directors, Chief Financial Officer (CFO), Company Secretary, representative of Statutory Auditor and the Secretarial Auditor.

Thereafter, the Chairman delivered his speech. He gave an overview of the financial performance of the Company for the Financial Year ended on March 31, 2018 and its future outlook. He further informed that there is no qualification, reservation or adverse remark in the Auditors' Report on the Financial Statements and the report of Secretarial Auditors of the Company.

The Chairman informed the Members that in compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations, 2015'), the Company had extended voting facility to the Members of the Company in respect of business transacted at the 33rd AGM to cast their vote electronically from a place other than the venue of the Meeting i.e. Remote e-voting. The Remote e-voting period commenced on Tuesday, July 17, 2018 (9.00 a.m. IST) and ended on Friday, July 20, 2018 (5.00 p.m. IST).

The Chairman further informed the Members that the facility for voting through electronic voting system (i.e. Insta Poll) has been made available at the meeting for the Members who have not cast their vote through Remote e-voting.

He further informed that the Company has engaged the services of Karvy Computershare Private Limited (Karvy) as the authorized agency to provide e-voting facility and has appointed Mr. Mohan Ram Goenka, Practising Company Secretary, Kolkata (FCS No. 4515, CP No. 2551) as the Scrutinizer for the purpose of scrutinizing the electronic voting process (Remote e-voting as well as Insta Poll) in a fair and transparent manner.



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The Chairman invited the Members to raise questions, offer comments or seek clarifications on the annual report and accounts or any of the items stated in the Notice of the 33rd AGM of the Company. Upon the Members completing their submissions, the Chairman furnished requisite clarifications to all the relevant queries raised by the Members.

Thereafter, all the 7 (Seven) resolutions required to be passed were proposed and seconded by the Members.

During the course of the Meeting, the Chairman being interested in respect of Item No. 3 pertaining to his re - appointment as a Director, entrusted the conduct of the proceeding pertaining to the said item to Mr. Shyamalendu Chatterjee and thereafter resumed the Chair after the particular item of business was transacted.

Thereafter, the Chairman ordered a Poll to be taken at the AGM venue electronically through tablets/ipads (i.e. Insta Poll) for those Members who could not cast their vote through remote e-voting.

The Chairman, thereafter, authorized Mr. Shyamalendu Chatterjee, Independent Director, to declare the result of e-voting (Remote e-voting as well as Insta Poll) and announced that the e-voting results shall be submitted to the Stock Exchanges in the prescribed format and the said results alongwith the Scrutinizer's Consolidated Report on remote e-voting and electronic voting at the AGM venue through Insta Poll, shall also be placed on the Company's website [www.srei.com](http://www.srei.com) and Karvy's website <https://evoting.karvy.com>. He further informed that the results shall also be placed on the notice board of the Company at its Registered Office as well as Corporate Office.

Thereafter, the electronic voting through Insta Poll was conducted smoothly.

Based on the Consolidated Scrutinizer's Report dated July 21, 2018, following resolutions have been passed by the Members with requisite majority:

| <b>Ordinary Business</b> |  |
|--------------------------|--|
| 1.                       | Adoption of -<br>a. The Standalone Financial Statement of the Company for the financial year ended March 31, 2018, and the report of the Directors and Auditors thereon.<br>b. The Consolidated Financial Statement of the Company for the financial year ended March 31, 2018, and the report of the Auditors thereon; <b>(Ordinary Resolution)</b> |
| 2.                       | Declaration of dividend @ Re. 0.50 (i.e. 5%) per Equity share of Rs. 10/- each; <b>(Ordinary Resolution)</b>   |
| 3.                       | Re-appointment of Mr. Hemant Kanoria (holding DIN 00193015) as Director of the Company; <b>(Ordinary Resolution)</b>   |
| 4.                       | Ratification of appointment of Haribhakti & Co. LLP, Chartered Accountants   |

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|                         |  |
|-------------------------|--|
|                         | having Registration No. 103523W / W100048 allotted by The Institute of Chartered Accountants of India (ICAI), as Statutory Auditors of the Company (appointed for 5 (five) years till the conclusion of the Thirty - Fifth Annual General Meeting (AGM) of the Company); <b>(Ordinary Resolution)</b>  |
| <b>Special Business</b> |  |
| 5.                      | Appointment of Mr. Malay Mukherjee (holding DIN 02272425) as a Non-Executive and Independent Director of the Company; <b>(Ordinary Resolution)</b>   |
| 6.                      | Re-designation of Mr. Ram Krishna Agarwal (holding DIN 00416964) as a Non-Executive and Independent Director of the Company; <b>(Ordinary Resolution)</b> and  |
| 7.                      | Issue of Non-Convertible Debt Securities on private placement basis in one or more tranches upto a maximum aggregate amount of Rs. 5,000 Crores (Rupees Five Thousand Crores only) during the period of 1 (one) year from the date of passing of the Resolution by the Members, in terms of Section 42 and 71 of the Companies Act, 2013 and Rules thereunder. <b>(Special Resolution)</b> |

The Meeting concluded at 1:00 P.M. with a vote of thanks to the Chairman.

For Srei Infrastructure Finance Limited

*Sandeep K. Lakhota*

**Sandeep Lakhota**  
Company Secretary  
FCS No. 7671



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| Details of Voting Results of 33rd AGM  |   |
|--|---|
| <b>Date of AGM / EGM:</b>  | Saturday, July 21, 2018 (AGM)               |
| <b>Total number of Shareholders on record date:</b><br>[i.e. July 14, 2018 – cut-off date for remote e-voting and voting at the venue of the AGM (through Insta Poll)] | 67880                                       |
| <b>No. of Shareholders attended the meeting either in person or through proxy</b>  |   |
| Promoters and Promoter Group:  | 4   |
| Public:  | 2,203                                       |
| <b>No. of Shareholders attended the meeting through Video Conferencing</b>   | No video conferencing facility was arranged |
| Promoters and Promoter Group:  |   |
| Public :   |   |

#### Agenda-wise disclosure

The mode of voting for all resolutions was remote e-voting which included voting by electronic mode conducted between Tuesday, July 17, 2018 (9.00 a.m. IST) and ends on Friday, July 20, 2018 (5.00 p.m. IST) and e-voting at the venue of the AGM on July 21, 2018 through tablets/i-pads i.e. Insta Poll.

Given below is the resolution wise Consolidated Results of remote e-voting and e-voting at the AGM -

#### Resolution No. 1

##### Adoption of -

- The Standalone Financial Statement of the Company for the financial year ended March 31, 2018, and the report of the Directors and Auditors thereon.
- The Consolidated Financial Statement of the Company for the financial year ended March 31, 2018, and the report of the Auditors thereon.

| Resolution required: (Ordinary/ Special)                                  |                |                    | Ordinary            |   |                          |                        |                                      |                                    |
|---|----------------|--------------------|---------------------|---|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Whether promoter/ promoter group are interested in the agenda/resolution? |                |                    | Not Applicable      |   |                          |                        |                                      |                                    |
| Category  | Mode of Voting | No. of shares held | No. of votes polled | % of Votes Polled on outstanding shares | No. of Votes – in favour | No. of Votes – against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|   |                | (1)                | (2)                 | (3)=[(2)/(1)]*100                       | (4)                      | (5)                    | (6)=[(4)/(2)]*100                    | (7)=[(5)/(2)]*100                  |

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|                             |                               |                  |                  |                  |                  |                  |                |                |
|-----------------------------|-------------------------------|------------------|------------------|------------------|------------------|------------------|----------------|----------------|
| Promoter and Promoter Group | E-Voting (Remote e-voting)    | 305868559        | 305868559        | 100.0000         | 305868559        | -                | 100.0000       | -              |
|                             | Poll (Insta Poll)             |                  | -                | -                | -                | -                | -              | -              |
|                             | Postal Ballot (if applicable) |                  | NA               | NA               | NA               | NA               | NA             | NA             |
|                             | <b>Total</b>                  |                  | <b>305868559</b> | <b>305868559</b> | <b>100.00</b>    | <b>305868559</b> | <b>-</b>       | <b>100.00</b>  |
| Public-Institutions         | E-Voting (Remote e-voting)    | 93471923         | 79649903         | 85.2127          | 79649903         | -                | 100.00         | -              |
|                             | Poll (Insta Poll)             |                  | -                | -                | -                | -                | -              | -              |
|                             | Postal Ballot (if applicable) |                  | NA               | NA               | NA               | NA               | NA             | NA             |
|                             | <b>Total</b>                  |                  | <b>93471923</b>  | <b>79649903</b>  | <b>85.2127</b>   | <b>79649903</b>  | <b>-</b>       | <b>100.00</b>  |
| Public-Non Institutions     | E-Voting (Remote e-voting)    | 103745851        | 24433386         | 23.5512          | 24433038         | 348              | 99.9985        | 0.0014         |
|                             | Poll (Insta Poll)             |                  | 606325           | 0.5844           | 605680           | 645              | 99.8936        | 0.1063         |
|                             | Postal Ballot (if applicable) |                  | NA               | NA               | NA               | NA               | NA             | NA             |
|                             | <b>Total</b>                  |                  | <b>103745851</b> | <b>25039711</b>  | <b>24.1356</b>   | <b>25038718</b>  | <b>993</b>     | <b>99.9960</b> |
| <b>Total</b>                |                               | <b>503086333</b> | <b>410558173</b> | <b>81.6079</b>   | <b>410557180</b> | <b>993</b>       | <b>99.9998</b> | <b>0.0002</b>  |

## Resolution No. 2

### Declaration of dividend on the Equity Shares of the Company.

| Resolution required: (Ordinary/ Special)                                  |                               |                    | Ordinary            |   |                          |                        |                                      |                                    |
|---|-------------------------------|--------------------|---------------------|---|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Whether promoter/ promoter group are interested in the agenda/resolution? |                               |                    | Not Applicable      |   |                          |                        |                                      |                                    |
| Category  | Mode of Voting                | No. of shares held | No. of votes polled | % of Votes Polled on outstanding shares | No. of Votes – in favour | No. of Votes – against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|   |                               | (1)                | (2)                 | (3)=[(2)/(1)]*100                       | (4)                      | (5)                    | (6)=[(4)/(2)]*100                    | (7)=[(5)/(2)]*100                  |
| Promoter and Promoter Group   | E-Voting (Remote e-voting)    | 305868559          | 305868559           | 100.0000                                | 305868559                | -                      | 100.0000                             | -                                  |
|   | Poll (Insta Poll)             |                    | -                   | -                                       | -                        | -                      | -                                    | -                                  |
|   | Postal Ballot (if applicable) |                    | NA                  | NA                                      | NA                       | NA                     | NA                                   | NA                                 |
|   | <b>Total</b>                  |                    | <b>305868559</b>    | <b>305868559</b>                        | <b>100.00</b>            | <b>305868559</b>       | <b>-</b>                             | <b>100.00</b>                      |
| Public-Institutions   | E-Voting (Remote e-voting)    | 93471923           | 79649903            | 85.2127                                 | 79649903                 | -                      | 100.0000                             | -                                  |
|   | Poll (Insta Poll)             |                    | -                   | -                                       | -                        | -                      | -                                    | -                                  |
|   | Postal Ballot (if applicable) |                    | NA                  | NA                                      | NA                       | NA                     | NA                                   | NA                                 |
|   | <b>Total</b>                  |                    | <b>93471923</b>     | <b>79649903</b>                         | <b>85.2127</b>           | <b>79649903</b>        | <b>-</b>                             | <b>100.0000</b>                    |



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|                         |                               |           |           |          |           |          |         |         |
|-------------------------|-------------------------------|-----------|-----------|----------|-----------|----------|---------|---------|
| Public-Non Institutions | E-Voting (Remote e-voting)    | 103745851 | 24433386  | 23.5512  | 24433256  | 130      | 99.9994 | 0.0005  |
|                         | Poll (Insta Poll)             |           | 606325    | 0.5844   | 605680    | 645      | 99.8936 | 0.1063  |
|                         | Postal Ballot (if applicable) |           | NA        | NA       | NA        | NA       | NA      | NA      |
|                         | Total                         |           | 103745851 | 25039711 | 24.1356   | 25038936 | 775     | 99.9969 |
| Total                   |                               | 503086333 | 410558173 | 81.6079  | 410557398 | 775      | 99.9998 | 0.0002  |

### Resolution No. 3

#### Re-appointment of Mr. Hemant Kanoria (DIN 00193015) as Director.

| Resolution required: (Ordinary/ Special)                                  |                               |                    | Ordinary  |   |                          |                        |                                      |                                    |
|---|-------------------------------|--------------------|---|---|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Whether promoter/ promoter group are interested in the agenda/resolution? |                               |                    | Mr. Hemant Kanoria, Chairman & Managing Director and Mr. Sunil Kanoria, Vice Chairman being brother of Mr. Hemant Kanoria |   |                          |                        |                                      |                                    |
| Category  | Mode of Voting                | No. of shares held | No. of votes polled   | % of Votes Polled on outstanding shares | No. of Votes – in favour | No. of Votes – against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|   |                               | (1)                | (2)   | (3)=[(2)/(1)]*100                       | (4)                      | (5)                    | (6)=[(4)/(2)]*100                    | (7)=[(5)/(2)]*100                  |
| Promoter and Promoter Group   | E-Voting (Remote e-voting)    | 305868559          | 305868559   | 100.0000                                | 305868559                | -                      | 100.0000                             | -                                  |
|   | Poll (Insta Poll)             |                    | -   | -                                       | -                        | -                      | -                                    | -                                  |
|   | Postal Ballot (if applicable) |                    | NA  | NA                                      | NA                       | NA                     | NA                                   | NA                                 |
|   | Total                         |                    | 305868559   | 305868559                               | 100.00                   | 305868559              | -                                    | 100.00                             |
| Public-Institutions   | E-Voting (Remote e-voting)    | 93471923           | 79649903  | 85.2127                                 | 79118000                 | 531903                 | 99.3322                              | 0.6678                             |
|   | Poll (Insta Poll)             |                    | -   | -                                       | -                        | -                      | -                                    | -                                  |
|   | Postal Ballot (if applicable) |                    | NA  | NA                                      | NA                       | NA                     | NA                                   | NA                                 |
|   | Total                         |                    | 93471923  | 79649903                                | 85.2127                  | 79118000               | 531903                               | 99.3322                            |
| Public-Non Institutions   | E-Voting (Remote e-voting)    | 103745851          | 24432866  | 23.5507                                 | 24432188                 | 678                    | 99.9972                              | 0.0027                             |
|   | Poll (Insta Poll)             |                    | 606325  | 0.5844                                  | 605680                   | 645                    | 99.8936                              | 0.1063                             |
|   | Postal Ballot (if applicable) |                    | NA  | NA                                      | NA                       | NA                     | NA                                   | NA                                 |
|   | Total                         |                    | 103745851   | 25039191                                | 24.1351                  | 25037868               | 1323                                 | 99.9947                            |
| Total   |                               | 503086333          | 410557653   | 81.6078                                 | 410024427                | 533226                 | 99.8701                              | 0.1299                             |



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**Resolution No. 4**

**Ratification of appointment of Haribhakti & Co. LLP, Chartered Accountants as Statutory Auditors.**

| Resolution required: (Ordinary/ Special)                                  |                                      |                    | Ordinary            |   |                          |                        |                                      |                                    |
|---|--------------------------------------|--------------------|---------------------|---|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Whether promoter/ promoter group are interested in the agenda/resolution? |                                      |                    | Not Applicable      |   |                          |                        |                                      |                                    |
| Category  | Mode of Voting                       | No. of shares held | No. of votes polled | % of Votes Polled on outstanding shares | No. of Votes – in favour | No. of Votes – against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|   |                                      | (1)                | (2)                 | (3)=[(2)/(1)]*100                       | (4)                      | (5)                    | (6)=[(4)/(2)]*100                    | (7)=[(5)/(2)]*100                  |
| <b>Promoter and Promoter Group</b>  | <b>E-Voting (Remote e-voting)</b>    | 305868559          | 305868559           | 100.0000                                | 305868559                | -                      | 100.0000                             | -                                  |
|   | <b>Poll (Insta Poll)</b>             |                    | -                   | -                                       | -                        | -                      | -                                    |                                    |
|   | <b>Postal Ballot (if applicable)</b> |                    | NA                  | NA                                      | NA                       | NA                     | NA                                   |                                    |
|   | <b>Total</b>                         |                    | <b>305868559</b>    | <b>305868559</b>                        | <b>100.00</b>            | <b>305868559</b>       | <b>-</b>                             | <b>100.00</b>                      |
| <b>Public-Institutions</b>  | <b>E-Voting (Remote e-voting)</b>    | 93471923           | 79649903            | 85.2127                                 | 78117898                 | 1532005                | 98.0766                              | 1.9234                             |
|   | <b>Poll (Insta Poll)</b>             |                    | -                   | -                                       | -                        | -                      | -                                    |                                    |
|   | <b>Postal Ballot (if applicable)</b> |                    | NA                  | NA                                      | NA                       | NA                     | NA                                   |                                    |
|   | <b>Total</b>                         |                    | <b>93471923</b>     | <b>79649903</b>                         | <b>85.2127</b>           | <b>78117898</b>        | <b>1532005</b>                       | <b>98.0766</b>                     |
| <b>Public-Non Institutions</b>  | <b>E-Voting (Remote e-voting)</b>    | 103745851          | 24432886            | 23.5507                                 | 24432095                 | 791                    | 99.9967                              | 0.0032                             |
|   | <b>Poll (Insta Poll)</b>             |                    | 606305              | 0.5844                                  | 605660                   | 645                    | 99.8936                              | 0.1063                             |
|   | <b>Postal Ballot (if applicable)</b> |                    | NA                  | NA                                      | NA                       | NA                     | NA                                   |                                    |
|   | <b>Total</b>                         |                    | <b>103745851</b>    | <b>25039191</b>                         | <b>24.1351</b>           | <b>25037755</b>        | <b>1436</b>                          | <b>99.9943</b>                     |
| <b>Total</b>  |                                      | <b>503086333</b>   | <b>410557653</b>    | <b>81.6078</b>                          | <b>409024212</b>         | <b>1533441</b>         | <b>99.6265</b>                       | <b>0.3735</b>                      |



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**Resolution No. 5**

**Appointment of Mr. Malay Mukherjee (holding DIN 02272425) as a Non-Executive and Independent Director of the Company.**

| Resolution required: (Ordinary/ Special)                                  |                               |                    | Ordinary            |   |                          |                        |                                      |                                    |
|---|-------------------------------|--------------------|---------------------|---|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Whether promoter/ promoter group are interested in the agenda/resolution? |                               |                    | Not Applicable      |   |                          |                        |                                      |                                    |
| Category  | Mode of Voting                | No. of shares held | No. of votes polled | % of Votes Polled on outstanding shares | No. of Votes – in favour | No. of Votes – against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|   |                               | (1)                | (2)                 | (3)=[(2)/(1)]*100                       | (4)                      | (5)                    | (6)=[(4)/(2)]*100                    | (7)=[(5)/(2)]*100                  |
| Promoter and Promoter Group   | E-Voting (Remote e-voting)    | 305868559          | 305868559           | 100.0000                                | 305868559                | -                      | 100.0000                             | -                                  |
|   | Poll (Insta Poll)             |                    | -                   | -                                       | -                        | -                      | -                                    | -                                  |
|   | Postal Ballot (if applicable) |                    | NA                  | NA                                      | NA                       | NA                     | NA                                   | NA                                 |
|   | <b>Total</b>                  |                    | <b>305868559</b>    | <b>305868559</b>                        | <b>100.00</b>            | <b>305868559</b>       | <b>-</b>                             | <b>100.00</b>                      |
| Public-Institutions   | E-Voting (Remote e-voting)    | 93471923           | 79649903            | 85.2127                                 | 79649903                 | -                      | 100.0000                             | -                                  |
|   | Poll (Insta Poll)             |                    | -                   | -                                       | -                        | -                      | -                                    | -                                  |
|   | Postal Ballot (if applicable) |                    | NA                  | NA                                      | NA                       | NA                     | NA                                   | NA                                 |
|   | <b>Total</b>                  |                    | <b>93471923</b>     | <b>79649903</b>                         | <b>85.2127</b>           | <b>79649903</b>        | <b>-</b>                             | <b>100.0000</b>                    |
| Public-Non Institutions   | E-Voting (Remote e-voting)    | 103745851          | 24432691            | 23.5505                                 | 24432046                 | 645                    | 99.9973                              | 0.0026                             |
|   | Poll (Insta Poll)             |                    | 606305              | 0.5844                                  | 605660                   | 645                    | 99.8936                              | 0.1063                             |
|   | Postal Ballot (if applicable) |                    | NA                  | NA                                      | NA                       | NA                     | NA                                   | NA                                 |
|   | <b>Total</b>                  |                    | <b>103745851</b>    | <b>25038996</b>                         | <b>24.1349</b>           | <b>25037706</b>        | <b>1290</b>                          | <b>99.9948</b>                     |
| <b>Total</b>  |                               | <b>503086333</b>   | <b>410557458</b>    | <b>81.6078</b>                          | <b>410556168</b>         | <b>1290</b>            | <b>99.9997</b>                       | <b>0.0003</b>                      |

**Resolution No. 6**

**Re-designation of Mr. Ram Krishna Agarwal (holding DIN 00416964) as a Non-Executive and Independent Director of the Company.**

| Resolution required: (Ordinary/ Special)                                  |  | Ordinary       |  |
|---|--|----------------|--|
| Whether promoter/ promoter group are interested in the agenda/resolution? |  | Not Applicable |  |



**Srei Infrastructure Finance Limited**

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Tel.: +91 33 22850112-15, 61607734 Fax: +91 33 2285 8501/7542

Email: corporate@srei.com Website: www.srei.com



| Category                    | Mode of Voting                | No. of shares held | No. of votes polled | % of Votes Polled on outstanding shares | No. of Votes – in favour | No. of Votes – against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|-----------------------------|-------------------------------|--------------------|---------------------|---|--------------------------|------------------------|--------------------------------------|------------------------------------|
|                             |                               | (1)                | (2)                 | (3)=[(2)/(1)]*100                       | (4)                      | (5)                    | (6)=[(4)/(2)]*100                    | (7)=[(5)/(2)]*100                  |
| Promoter and Promoter Group | E-Voting (Remote e-voting)    | 305868559          | 305868559           | 100.0000                                | 305868559                | -                      | 100.0000                             | -                                  |
|                             | Poll (Insta Poll)             |                    | -                   | -                                       | -                        | -                      | -                                    | -                                  |
|                             | Postal Ballot (if applicable) |                    | NA                  | NA                                      | NA                       | NA                     | NA                                   | NA                                 |
|                             | <b>Total</b>                  |                    | <b>305868559</b>    | <b>305868559</b>                        | <b>100.00</b>            | <b>305868559</b>       | <b>-</b>                             | <b>100.00</b>                      |
| Public-Institutions         | E-Voting (Remote e-voting)    | 93471923           | 79649903            | 85.2127                                 | 79649903                 | -                      | 100.0000                             | -                                  |
|                             | Poll (Insta Poll)             |                    | -                   | -                                       | -                        | -                      | -                                    | -                                  |
|                             | Postal Ballot (if applicable) |                    | NA                  | NA                                      | NA                       | NA                     | NA                                   | NA                                 |
|                             | <b>Total</b>                  |                    | <b>93471923</b>     | <b>79649903</b>                         | <b>85.2127</b>           | <b>79649903</b>        | <b>-</b>                             | <b>100.0000</b>                    |
| Public-Non Institutions     | E-Voting (Remote e-voting)    | 103745851          | 24432686            | 23.5505                                 | 24432038                 | 648                    | 99.9973                              | 0.0026                             |
|                             | Poll (Insta Poll)             |                    | 606305              | 0.5844                                  | 605660                   | 645                    | 99.8936                              | 0.1063                             |
|                             | Postal Ballot (if applicable) |                    | NA                  | NA                                      | NA                       | NA                     | NA                                   | NA                                 |
|                             | <b>Total</b>                  |                    | <b>103745851</b>    | <b>25038991</b>                         | <b>24.1349</b>           | <b>25037698</b>        | <b>1293</b>                          | <b>99.9948</b>                     |
| <b>Total</b>                |                               | <b>503086333</b>   | <b>410557453</b>    | <b>81.6078</b>                          | <b>410556160</b>         | <b>1293</b>            | <b>99.9997</b>                       | <b>0.0003</b>                      |

### Resolution No. 7

### Issuance of Non-Convertible Debt Securities upto Rs. 5,000 Crores on Private Placement basis.

| Resolution required: (Ordinary/ Special)                                  |                               | Special            |                     |   |                          |                        |                                      |                                    |
|---|-------------------------------|--------------------|---------------------|---|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Whether promoter/ promoter group are interested in the agenda/resolution? |                               | Not Applicable     |                     |   |                          |                        |                                      |                                    |
| Category  | Mode of Voting                | No. of shares held | No. of votes polled | % of Votes Polled on outstanding shares | No. of Votes – in favour | No. of Votes – against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|   |                               | (1)                | (2)                 | (3)=[(2)/(1)]*100                       | (4)                      | (5)                    | (6)=[(4)/(2)]*100                    | (7)=[(5)/(2)]*100                  |
| Promoter and Promoter Group   | E-Voting (Remote e-voting)    | 305868559          | 305868559           | 100.0000                                | 305868559                | -                      | 100.0000                             | -                                  |
|   | Poll (Insta Poll)             |                    | -                   | -                                       | -                        | -                      | -                                    | -                                  |
|   | Postal Ballot (if applicable) |                    | NA                  | NA                                      | NA                       | NA                     | NA                                   | NA                                 |
|   | <b>Total</b>                  |                    | <b>305868559</b>    | <b>305868559</b>                        | <b>100.00</b>            | <b>305868559</b>       | <b>-</b>                             | <b>100.00</b>                      |

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|                                     |  |                  |                  |                |                  |               |                |               |
|-------------------------------------|--|------------------|------------------|----------------|------------------|---------------|----------------|---------------|
| <b>Public-<br/>Institutions</b>     | <b>E-Voting<br/>(Remote e-<br/>voting)</b> | 93471923         | 79649903         | 85.2127        | 79335633         | 314270        | 99.6054        | 0.3946        |
|                                     | <b>Poll (Insta Poll)</b>                   |                  | -                | -              | -                | -             | -              | -             |
|                                     | <b>Postal Ballot (if<br/>applicable)</b>   |                  | NA               | NA             | NA               | NA            | NA             | NA            |
|                                     | <b>Total</b>                               | <b>93471923</b>  | <b>79649903</b>  | <b>85.2127</b> | <b>79335633</b>  | <b>314270</b> | <b>99.6054</b> | <b>0.3946</b> |
| <b>Public-<br/>Non Institutions</b> | <b>E-Voting<br/>(Remote e-<br/>voting)</b> | 103745851        | 24432853         | 23.5507        | 24431353         | 1500          | 99.9938        | 0.0061        |
|                                     | <b>Poll (Insta Poll)</b>                   |                  | 606325           | 0.5844         | 605559           | 766           | 99.8736        | 0.1263        |
|                                     | <b>Postal Ballot (if<br/>applicable)</b>   |                  | NA               | NA             | NA               | NA            | NA             | NA            |
|                                     | <b>Total</b>                               | <b>103745851</b> | <b>25039178</b>  | <b>24.1351</b> | <b>25036912</b>  | <b>2266</b>   | <b>99.9910</b> | <b>0.0090</b> |
| <b>Total</b>                        |  | <b>503086333</b> | <b>410557640</b> | <b>81.6078</b> | <b>410241104</b> | <b>316536</b> | <b>99.9229</b> | <b>0.0771</b> |

Note: All the aforesaid resolutions were passed with requisite majority.



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**SCRUTINIZER'S REPORT**

(Voting through Remote e-voting, and e-voting at the Annual General Meeting venue through tablets/ipads i.e. Insta Poll)

**[Pursuant to Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014]**

To,

The Chairman of the 33rd (Thirty-Third) Annual General Meeting (AGM) of the Members of Srei Infrastructure Finance Limited (CIN: L29219WB1985PLC055352), held on Saturday, 21st day of July, 2018 at the Science City Mini Auditorium, JBS Haldane Avenue, Kolkata – 700 046 at 10.30 A.M.

Dear Sir,

1. I, Mohan Ram Goenka, a Company Secretary in Practice (FCS No. 4515, CP No. 2551), Partner of MR & Associates, was duly appointed as a Scrutinizer by the Board of Directors of Srei Infrastructure Finance Limited (the Company) for the purpose of Scrutinizing the process of voting through Remote e-voting and e-voting at the Annual General Meeting venue through tablets/ipads i.e. Insta Poll under the provisions of Section 108 of the Companies Act, 2013 (the 2013 Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The Management of the Company is responsible to ensure the Compliance of the requirements of the Companies Act, 2013 and Rules relating to voting through Remote e-voting and e-voting at the Annual General Meeting venue through Insta Poll for the resolutions proposed in the Notice of 33rd Annual General Meeting of the Members of the Company dated April 28, 2018. My responsibility as a Scrutinizer for the process of voting through Remote e-voting and e-voting at the Annual General Meeting venue through tablets/ipads i.e. Insta Poll is to ensure that the voting process is conducted in a fair and transparent manner and is restricted to making a Scrutinizer's Report for the votes cast in "favour" or "against" on the resolutions proposed in the Notice of the 33rd AGM of the Company, based on the report provided by Karvy Computershare Private Limited (Karvy), the agency engaged by the Company to provide e-voting facility for voting through electronic means.

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3. In terms of the aforesaid Notice and as per the provisions of Section 108 of the Companies Act, 2013 (the 2013 Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the remote e-voting facility was kept open for 4 (four) days from Tuesday, July 17, 2018 (9.00 a.m. IST) till Friday, July 20, 2018 (5.00 p.m. IST) and Members were requested to cast their votes electronically conveying their assent or dissent in respect of the resolution on the e-voting platform provided by Karvy Computershare Private Limited (Karvy).
4. The Members holding equity shares as on the "cut-off date" i.e. July 14, 2018 were entitled to vote on the resolutions proposed in the Notice calling the 33rd Annual General Meeting.
5. At the end of the remote e-voting period on Friday, July 20, 2018 (5.00 p.m. IST), the voting portal of the service provider was blocked forthwith.
6. After transacting the business at the meeting, the Chairman ordered for an E-Poll i.e. voting at the AGM venue electronically through tablets/ipads (i.e. Insta Poll) for those Members who could not cast their vote through remote e-voting with the assistance of the Scrutinizer.
7. Immediately after the conclusion of e-voting at the venue of the AGM on the 21st day of July, 2018 the votes cast at the venue were counted, thereafter the votes cast through remote e-voting were unblocked in the presence of Ms. Sneha Khaitan and Ms. Tanvee, who acted as witnesses as prescribed under sub-rule 4(xii) of Rule 20 of the Companies (Management and Administration) Rules, 2014.
8. Thereafter, the details containing inter alia, list of the Members, who voted "for" or "against" on each of the resolution that were put to vote, were derived from the report generated from the e-voting website of Karvy Computershare Private Limited (Karvy) i.e. <https://evoting.karvy.com> and based on such reports,

189 Members have cast their votes through remote e-voting;

737 Members have cast their votes through tablets/ipads i.e. Insta Poll at the AGM venue

The brief analysis of the results of the voting through Remote e-voting and e-voting at the Annual General Meeting venue through tablets/ipads i.e. Insta Poll are as under:

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Phone No .2237 9517

**Item No. 1 - Ordinary Resolution :**

Adoption of –

- a) The Standalone Financial Statement of the Company for the Financial Year ended March 31, 2018, and the report of the Directors and Auditors thereon.
- b) The Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2018, and the report of the Auditors thereon.

| Particulars       | No. of votes contained in |           |           |        |       |           | Percentage (%) |
|-------------------|---------------------------|-----------|-----------|--------|-------|-----------|----------------|
|                   | Remote E-Voting           |           | Instapoll |        | Total |           |                |
|                   | No.                       | Votes     | No.       | Votes  | No.   | Votes     |                |
| Assent            | 186                       | 409951500 | 732       | 605680 | 918   | 410557180 | 99.9998        |
| Dissent           | 1                         | 348       | 5         | 645    | 6     | 993       | 0.0002         |
| Total             | 187                       | 409951848 | 737       | 606325 | 924   | 410558173 | 100.00         |
| Abstain / Invalid | 2                         | 574000    | 0         | 0      | --    | --        | --             |

**Item No. 2 - Ordinary Resolution :**

Declaration of dividend on the Equity Shares of the Company for the Financial Year ended March 31, 2018

| Particulars       | No. of votes contained in |           |           |        |       |           | Percentage (%) |
|-------------------|---------------------------|-----------|-----------|--------|-------|-----------|----------------|
|                   | Remote E-Voting           |           | Instapoll |        | Total |           |                |
|                   | No.                       | Votes     | No.       | Votes  | No.   | Votes     |                |
| Assent            | 186                       | 409951718 | 732       | 605680 | 918   | 410557398 | 99.9998        |
| Dissent           | 1                         | 130       | 5         | 645    | 6     | 775       | 0.0002         |
| Total             | 187                       | 409951848 | 737       | 606325 | 924   | 410558173 | 100.00         |
| Abstain / Invalid | 2                         | 574000    | 0         | 0      | --    | --        | --             |

**Item No. 3 - Ordinary Resolution :**

Re-appointment of Mr. Hemant Kanoria (DIN 00193015) as Director.

| Particulars       | No. of votes contained in |           |           |        |       |           | Percentage (%) |
|-------------------|---------------------------|-----------|-----------|--------|-------|-----------|----------------|
|                   | Remote E-Voting           |           | Instapoll |        | Total |           |                |
|                   | No.                       | Votes     | No.       | Votes  | No.   | Votes     |                |
| Assent            | 182                       | 409418747 | 732       | 605680 | 914   | 410024427 | 99.8701        |
| Dissent           | 4                         | 532581    | 5         | 645    | 9     | 533226    | 0.1299         |
| Total             | 186                       | 409951328 | 737       | 606325 | 923   | 410557653 | 100.00         |
| Abstain / Invalid | 4                         | 574520    | 0         | 0      | --    | --        | --             |

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**Item No. 4 - Ordinary Resolution :**

Ratification of appointment of Haribhakti & Co. LLP, Chartered Accountants having Registration No. 103523W / W100048 allotted by The Institute of Chartered Accountants of India (ICAI), as Statutory Auditors of the Company appointed for 5 (five) years till the conclusion of the Thirty - Fifth Annual General Meeting (AGM) of the Company.

| Particulars       | No. of votes contained in |           |           |        |       |           | Percentage (%) |
|-------------------|---------------------------|-----------|-----------|--------|-------|-----------|----------------|
|                   | Remote E-Voting           |           | Instapoll |        | Total |           |                |
|                   | No.                       | Votes     | No.       | Votes  | No.   | Votes     |                |
| Assent            | 177                       | 408418552 | 731       | 605660 | 908   | 409024212 | 99.6265        |
| Dissent           | 10                        | 1532796   | 5         | 645    | 15    | 1533441   | 0.3735         |
| Total             | 187                       | 409951348 | 736       | 606305 | 923   | 410557653 | 100.00         |
| Abstain / Invalid | 3                         | 574500    | 1         | 20     | --    | --        | --             |

**Item No. 5 - Ordinary Resolution :**

Appointment of Mr. Malay Mukherjee (holding DIN 02272425) as a Non-Executive and Independent Director of the Company.

| Particulars       | No. of votes contained in |           |           |        |       |           | Percentage (%) |
|-------------------|---------------------------|-----------|-----------|--------|-------|-----------|----------------|
|                   | Remote E-Voting           |           | Instapoll |        | Total |           |                |
|                   | No.                       | Votes     | No.       | Votes  | No.   | Votes     |                |
| Assent            | 183                       | 409950508 | 731       | 605660 | 914   | 410556168 | 99.9997        |
| Dissent           | 2                         | 645       | 5         | 645    | 7     | 1290      | 0.0003         |
| Total             | 185                       | 409951153 | 736       | 606305 | 921   | 410557458 | 100.00         |
| Abstain / Invalid | 5                         | 574695    | 1         | 20     | --    | --        | --             |

**Item No. 6 - Ordinary Resolution :**

Re-designation of Mr. Ram Krishna Agarwal (holding DIN 00416964) as a Non-Executive and Independent Director of the Company.

| Particulars       | No. of votes contained in |           |           |        |       |           | Percentage (%) |
|-------------------|---------------------------|-----------|-----------|--------|-------|-----------|----------------|
|                   | Remote E-Voting           |           | Instapoll |        | Total |           |                |
|                   | No.                       | Votes     | No.       | Votes  | No.   | Votes     |                |
| Assent            | 181                       | 409950500 | 731       | 605660 | 912   | 410556160 | 99.9997        |
| Dissent           | 2                         | 648       | 5         | 645    | 7     | 1293      | 0.0003         |
| Total             | 183                       | 409951148 | 736       | 606305 | 919   | 410557453 | 100.00         |
| Abstain / Invalid | 6                         | 574700    | 1         | 20     | --    | --        | --             |

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Phone No .2237 9517



Item No. 7 - Special Resolution :

Issue of Non-Convertible Debt Securities on private placement basis in one or more tranches upto a maximum aggregate amount of Rs. 5,000 Crores (Rupees Five Thousand Crores only) during the period of 1 (one) year from the date of passing of the Resolution by the Members, in terms of Section 42 and 71 of the Companies Act, 2013 and Rules thereunder.

| Particulars       | No. of votes contained in |           |           |        |       |           | Percentage (%) |
|-------------------|---------------------------|-----------|-----------|--------|-------|-----------|----------------|
|                   | Remote E-Voting           |           | Instapoll |        | Total |           |                |
|                   | No.                       | Votes     | No.       | Votes  | No.   | Votes     |                |
| Assent            | 177                       | 409635545 | 730       | 605559 | 907   | 410241104 | 99.9229        |
| Dissent           | 9                         | 315770    | 7         | 766    | 16    | 316536    | 0.0771         |
| Total             | 186                       | 409951315 | 737       | 606325 | 923   | 410557640 | 100.00         |
| Abstain / Invalid | 5                         | 574533    | 0         | 0      | --    | --        | --             |

9. Based on the foregoing, the resolution no.(s) 1 to 7 shall be deemed to have been passed with the requisite majority.

10. All the relevant records relating to the e-voting is under my safe custody and will be handed over to the Chairman or Company Secretary for preserving safely after the Chairman considers, approves and signs the minutes of the said AGM.

Thanking You,  
For MR & Associates  
Company Secretaries



Mohan Ram Goenka  
Partner  
C.P. No: 2551

July 21, 2018, Kolkata



Countersigned by:  
For Srei Infrastructure Finance Limited



Shyamalendu Chatterjee  
Director  
DIN: 00048249

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**FOCUSED ON**  
**VALUE**  
**CREATION**

## Board of Directors

**Mr. Hemant Kanoria**  
Chairman & Managing Director

**Mr. Sunil Kanoria**  
Vice Chairman  
**Mr. Srinivasachari Rajagopal**  
**Mr. Shyamalendu Chatterjee**  
**Dr. Punita Kumar Sinha**  
**Mr. Ram Krishna Agarwal**  
**Mr. Malay Mukherjee**  
(w.e.f. October 26, 2017)

## Chief Executive Officer

**Mr. Sameer Sawhney**

## Company Secretary

**Mr. Sandeep Lakhota**

## Auditors

**Haribhakti & Co. LLP**  
Chartered Accountants

## Secretarial Auditor

**Dr. K. R. Chandratre**  
Practising Company Secretary

## Principal Banker

**Axis Bank Limited**

## Audit Committee

**Mr. Shyamalendu Chatterjee**  
Chairman  
**Mr. Sunil Kanoria**  
**Mr. S. Rajagopal**  
**Mr. Sandeep Lakhota**  
Secretary

## Committee of Directors

**Mr. Hemant Kanoria**  
Chairman  
**Mr. Sunil Kanoria**  
**Mr. Shyamalendu Chatterjee**  
**Mr. Sandeep Lakhota**  
Secretary

## Stakeholders Relationship Committee

**Mr. Shyamalendu Chatterjee**  
Chairman  
**Mr. Sunil Kanoria**  
**Mr. Hemant Kanoria**  
**Mr. Sandeep Lakhota**  
Secretary

## Asset Liability Management Committee

**Mr. Sunil Kanoria**  
Chairman  
**Mr. Shyamalendu Chatterjee**  
**Mr. Malay Mukherjee**  
**Mr. Sanjeev Sancheti**  
**Mr. P. C. Patni**  
**Mr. Sandeep Lakhota**  
**Mr. S. B. Tiwari**  
Secretary

## Credit Committee

**Mr. Hemant Kanoria**  
Chairman  
**Mr. Sunil Kanoria**  
**Mr. Shyamalendu Chatterjee**  
**Mr. S. B. Tiwari**  
Secretary

## Investment Committee

**Mr. Hemant Kanoria**  
Chairman  
**Mr. Sunil Kanoria**  
**Dr. Punita Kumar Sinha**  
**Mr. Sanjeev Sancheti**  
Secretary

## Risk Committee

**Mr. Shyamalendu Chatterjee**  
Chairman  
**Mr. Sunil Kanoria**  
**Mr. Hemant Kanoria**  
**Mr. Malay Mukherjee**  
**Mr. S. B. Tiwari**  
Secretary

## Nomination and Remuneration Committee

**Mr. Shyamalendu Chatterjee**  
Chairman  
**Mr. Sunil Kanoria**  
**Mr. S. Rajagopal**  
**Mr. Sandeep Lakhota**  
Secretary

## Corporate Social Responsibility Committee

**Mr. Hemant Kanoria**  
Chairman  
**Mr. Sunil Kanoria**  
**Mr. Shyamalendu Chatterjee**  
**Mr. Madhusudan Dutta**  
Secretary

## Business Responsibility Committee

**Mr. Shyamalendu Chatterjee**  
Chairman  
**Mr. Ram Krishna Agarwal**  
**Mr. Sanjeev Sancheti**  
**Mr. S. B. Tiwari**  
**Mr. Madhusudan Dutta**  
**Mr. Sandeep Lakhota**  
Secretary

## Corporate Identification Number

**L29219WB1985PLC055352**

## Registered Office

"Vishwakarma", 86C, Topsia Road  
(South), Kolkata - 700 046  
Telephone : 91-33-6160-7734  
Facsimile no : 91-33-2285-7542/8501  
Email: corporate@srei.com  
Website: www.srei.com

## Corporate Office

6A Kiran Shankar Roy Road  
Kolkata - 700 001

## Listing

National Stock Exchange of India Limited  
BSE Limited  
The Calcutta Stock Exchange Limited

## Depositories

National Securities Depository Limited  
Central Depository Services (India) Limited

## Registrar and Share Transfer Agents

Kary Computershare Private Limited  
(Kary)

33rd Annual General Meeting on  
Saturday, July 21, 2018 at 10.30  
a.m. at the Science City Mini  
Auditorium, JBS Haldane Avenue,  
Kolkata - 700 046

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1 billion = 100 crore, 1 million = 10 lacs

All figures attributed to Srei are figures of Srei Consolidated unless otherwise stated.

# THE STORY OF SREI IS LIVED THROUGH MILLIONS OF LIVES IT HAS TOUCHED AND TRANSFORMED.

## *Bhola Yadav*

was only a driver with a large transportation fleet. But what he always dreamt of was becoming a 'badha babu' - an entrepreneur. Someone pointed him towards Srei for direction. Srei's executive welcomed him, served him tea and asked a number of questions (personal and professional). Then said 'Hum aapke saath hai.' That did the trick. Bhola has three backhoe loaders today. And each time he finances new equipment through Srei, he invites the executive whose guidance made all the difference to break the ceremonial coconut in front of the vehicle. Srei: once a financier, always a partner.



## *Ritesh Rana*

started his career as management trainee at Srei. When he joined, he wasn't treated like one. He was provided a challenging assignment to work in an upcoming infrastructure segment - on his own. He achieved the target. He was then entrusted a bigger challenge. When this was achieved, he was given a new designation. Ritesh believes he 'co-owns' Srei. And that has made all the difference.



## *Surendra Bajaj*

invested in 1000 shares during Srei's IPO in 1992. The industry encountered a number of up and down cycles. Srei was confident of infrastructure being the key driver of the country's economic growth. So did Mr Bajaj. The value of his investment increased manifold. Patience and conviction paid-off big time.



# INFRASTRUCTURE BUILDS NATIONS. SREI HELPS BUILD INFRASTRUCTURE

**Srei** has a presence across all infrastructure verticals. By consolidating its market leadership in financing equipment for infrastructure, construction and mining, and by getting more active in financing of infrastructure projects, Srei is actively contributing to the process of nation building and has been grooming entrepreneurs for nearly three decades.

**The** one reason why we have endured across three decades is because we consistently extended our focus beyond profitability. And we continuously innovate to enhance value for entrepreneurs, sectors and the economy.



# AT SREI, THE OPERATIVE WORD IS 'BEYOND'

**Srei's** focus extends beyond the profit of a year. It extends to sustainable growth across market cycles.

**This** sustainability is determined by our capacity to enhance stakeholder trust and value.

**If** they gain, we gain; if they grow, we grow.



# IN A LARGE SECTOR, SREI FOCUSES ON THE FINE PRINT.

**Srei's** relationship does not end with a product or service.

**The** Company's innovative solutions extend beyond mere financing : they help customers enhance and protect revenues and cash flows; they empower employees to turn into entrepreneurs; they help reconcile organisational goals with personal objectives.

**Driven** by innovation, efficiency, risk mitigation and honouring repayment obligations.



# SREI. WORKING IN THE SHORT-TERM TO ENHANCING VALUE ACROSS THE LONG-TERM

**At** Srei, we are not just creating products, selling them, enlarging our assets under management and increasing profits.

**We** are committed to nurture enduring customer relationships instead.

**We** could have selected to widen our presence across financing segments. We trusted our conviction and selected to focus on the burgeoning infrastructure sector instead.

**The** founders could have engaged in taking all the decisions in the organisation. However, by believing in decentralisation and accountability, they empowered team members. The result is that leaders have been created and an institution built.

**We** extended beyond the legacy approach of building a volume-driven organisation. We created life-cycle engagement services that helped maximise return from assets.

**We** could have stuck to only financing infrastructure assets. We engaged across the life-cycle of the equipment and emerged as a one-stop equipment financing solution provider instead.







# **SREI. UNMATCHED SOLUTIONS. ENABLING PROGRESS. SPREADING HAPPINESS**

Srei, for nearly three decades now, has been a purveyor of happiness bringing positive changes in the lives of people associated with us directly and indirectly; enabling entrepreneurs, infrastructure and dreams.

#HappyRainbowBox is a signifier of Srei's core belief in the powers of positivity and optimism; just a thought can go a long way in changing the world for the better and bring with it the many hues of happiness.



**CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE**



## Dear Shareholders

**HEMANT KANORIA**  
Chairman & Managing Director



There is renewed excitement about the India Growth Story. The year under review has also been an exceptional one for your Company marking a clean break from the past few years of slower growth

Last financial year 2017-18 has witnessed a year of growth for the Indian economy making it once again regain its position as the world's fastest growing major economy. There is renewed excitement about the India Growth Story. The year under review has also been an exceptional one for your Company marking a clean break from the past few years of slower growth. Not only did the loan book increase in size, your Company added new customers and also made significant progress in improving the asset quality. There was a perceptible pick-up in the pace of infrastructure creation during the year led by government spending. As private infrastructure investments start picking up, new opportunities will also unfold for your Company.

### Economy and business outlook

A broad-based cyclical upturn was visible across the global economy during the year under review and this got reflected in recovery in investment, manufacturing, trade and the firming of commodity prices. However, protectionist moves by the US government and partial retaliation by China have raised concerns about the future of global trade. But more importantly, the growing uncertainty in global geopolitics and the recent surge in crude oil prices are two factors that will have a bearing on the pace of

global economic recovery. Several of the developed economies have either stopped or are in the process of slowing down their monetary expansion programmes undertaken in the aftermath of the global financial crisis a decade ago. But despite that, the emerging markets have not witnessed any major outflow of foreign capital as there has been a steady flow of liquidity from Japan and China to these markets.

The domestic economy grew 6.7 per cent in 2017-18. Although this is lower than the growth achieved during the previous fiscal, the point to be noted here is that considerable progress has been made on a number of fronts during the year under review the impact of which will start manifesting in the coming months and years.

The government's efforts towards enhancing India's attractiveness as an investment destination have started bearing fruits. India has made substantial progress in improving its ranking on various parameters like Ease of Doing Business Index, Competitiveness, Innovation and Logistics Performance. More importantly, for the first time in 14 years, Moody's has raised India's sovereign ratings.

While the banks' ability to lend to infrastructure projects remains constrained due to the bad loans



1989

Started operations and identified infrastructure sector as the core business

1992

Floated an initial public offer

1997

Engaged international developmental institutions – IFC, Washington (World Bank Group), DEG (owned by Government of Germany) and FMO (owned by the Government of the Netherlands) as strategic equity partners

2005

First Indian NBFIs to be listed on the London Stock Exchange\*

\*Since delisted

problem, the bond market is gaining prominence as an alternative source of funds. Meanwhile, resolving the 'twin balance sheet problem' through the Insolvency and Bankruptcy Code (IBC) route has got under way. However, the IBC is still evolving, and the process will get fine-tuned gradually over the next few years. At least, the IBC has been ensuring quicker resolution of stressed assets. The biggest achievement during the year under review was the roll-out of the Goods and Services Tax (GST). Despite some initial documentation-related problems faced by smaller enterprises, GST is a giant step forward in creating a

stable and transparent taxation regime and will reap rich dividends for the economy.

With foreign exchange reserves at around USD 420 billion, India is in a position to tackle any major adverse currency fluctuation. However, a long-term solution to this would be to step up our exports. Government realizes this, and has thus continued investing in sectors like roads and highways, railways, renewable energy and irrigation. The growth in the Capital Goods and Infrastructure/Construction Goods in 2017-18 under the Index of Industrial Production (IIP) supports

this infrastructure push. In fact, India continues to figure among the top recipients of Foreign Direct Investment (FDI) for greenfield projects. The decision to dismantle the monopoly of Coal India Ltd. will go a long way in augmenting domestic coal production, exposing the mining sector to state-of-the-art technology and global best practices and will also be instrumental in bringing down cost of thermal power generation. The resultant rise in demand for construction, mining and infrastructure equipment augurs well for your Company.

Several initiatives aimed at bolstering the rural economy were announced in the last budget. The notable aspect was that instead of just increasing allocations on various rural schemes, 85 per cent of the rural budget was allocated to various construction-related schemes aimed at expansion and improvement of the rural infrastructure. Increased outlay for irrigation and various agro-support services coupled with the decision to set up 42 Mega Food Parks will provide a fillip to the agro-processing industries and fuel entrepreneurship at the rural level. With a normal monsoon forecast for the coming year, a spurt in rural consumption is expected. Significant opportunities will open up in the rural sector which will benefit your Company.



## 2008

Entered into a joint venture with BNP Paribas for the equipment financing business

## 2009

Entered into a strategic partnership with Tata Group for the passive telecom infrastructure business

## 2010

Synergistic integration of Srei and Quippo to create a fully integrated holistic infrastructure institution

## 2011

Received 'Infrastructure Finance Company' and 'Public Finance Institution' status from Reserve Bank of India and Ministry of Corporate Affairs, respectively



## Company outlook

During the year under review, your Company posted a consolidated income of Rs. 5,262 crore (an increase of 12 per cent over last fiscal's Rs. 4,681 crore) and registered a consolidated net profit of Rs. 385 crore (a 58 per cent jump over last year's Rs. 243 crore). Your Company's consolidated disbursements stood at Rs. 22,726 crore, registering a 29 per cent year-on-year growth. The consolidated net worth of your Company, at Rs. 4,881 crore, registered an 8 per cent growth. Your Company's consolidated assets under management stood at Rs. 47,050 crore at the end of the year under review, registering a 26 per cent year-on-year growth. In addition, on a consolidated basis, the gross non-performing loans (NPL) came down from 2.93 per cent to 2.40 per cent, while the net NPL decreased from 2.00 per cent to 1.75 per cent. Thus, clearly your Company has put up a stellar performance during the year under review.

During the year under review, your Company witnessed a significant turnaround, especially for the equipment financing business. Your Company, because of its market leadership in this segment and its track-record of being a steady financial partner, has emerged as the natural choice for the customers. Now that GST has got implemented, your Company is well placed to grow leasing as a cost-effective alternative to the customers. The project financing space may take some more time to pick up momentum. While the banks' inability to lend to infrastructure projects creates an advantage for your Company, we are keenly following the developments on the IBC front as we

The consolidated net worth of your Company, at Rs. 4,881 crore, registered an 8 per cent growth. Your Company's consolidated assets under management stood at Rs. 47,050 crore at the end of the year under review, registering a 26 per cent year-on-year growth.

expect several brownfield investment opportunities to open up there. Your Company, with its expertise, experience and skill-sets, is well placed to turn around some of the stressed infrastructure projects that are under the IBC resolution process.

During the year under review, for its road portfolio, Bharat Road Network Ltd., your Company raised fresh capital of Rs. 600 crore through an IPO, the proceeds of which will be utilized for growth capital and for strengthening the SPV financials. The management is now working towards a strategic divestment, this time in the equipment financing portfolio. The resources thus mobilized will be used for catering to the new demand emanating from the infrastructure space and thus consolidating your Company's leadership in the market.

Going forward, technology will define one's competitive edge in the market. The management of your Company realizes that and has been investing

in technological upgradation and also fine-tuning the systems and processes to ensure that those are in sync with the technology platforms. Future innovations will depend on how well human imagination can leverage the technological advantage. Thus, your Company is now focusing on how to make the employees adapt to technology. Training on technology is now therefore a vital aspect of the strategy to be future-ready.

Your Company is on the verge of completing three decades of its operations. Equipped with the resources, processes, manpower, technology, and more importantly the experience and expertise gained over the years, your Company is now all set to tap the new opportunities that will open up in the infrastructure space as the economic recovery gathers momentum. The future of your Company's businesses continues to look more promising. We look forward to receiving your continued support in this exciting journey ahead.

Thank you.



**HEMANT KANORIA**

Chairman & Managing Director

Q&A WITH THE VICE CHAIRMAN



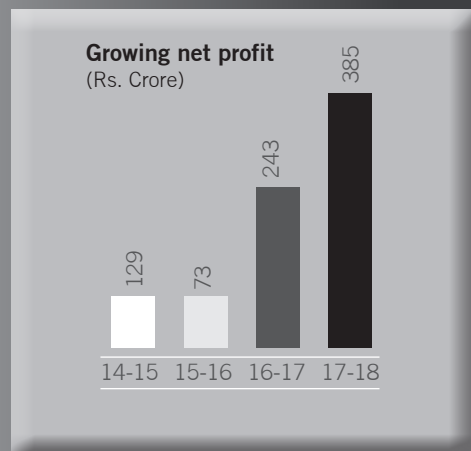
→  
Total income growth (%)  

---

**12.41**  

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FY2017-18



**SUNIL KANORIA**  
Vice Chairman

What is your assessment of Srei's performance in 2017-18?

**The infrastructure sector in the** country continued to stage a gradual recovery following a protracted slowdown, the Government's best efforts notwithstanding. Even as the country's economic growth slowed to 6.7 per cent in 2017-18, Srei reported a total income growth of 12.41 per cent and PAT (after minority interest) growth of 58.02 per cent. The

Company's PAT to total income ratio grew 211 bps over the preceding year. It would be pertinent to indicate that our construction equipment segment reported robust growth during the year under review.

**What were the reasons for this outperformance?**

**The fact that Srei is among handful** NBFCs in India's equipment financing space translated into a substantial market share and corresponding revenues cum margins cum surplus. The positioning empowered the Company to capitalize on the improvement in the country's infrastructure sector - faster and decisively.

**One of the highlights of the year was** the successful IPO of Bharat Road Network, where we raised Rs. 600 crore. The proceeds will be utilized for growth capital and strengthening SPV financials.

**How did these initiatives translate into enhanced stakeholder value?**

**This is how we have enhanced value** for our stakeholders, who comprise OEMs, lenders, investors, employees, society and the environment

• **Customers:** Over three decades, we addressed the equipment financing needs of thousands of customers. Our engagements were not restricted to fund disbursement for equipment procurement. We evolved from lender to business consultant, assisting them through market cycles as well. In doing so, we extended our focus from debt recovery to inspiring customer success. The result is that each time the economy passed through a trough, we helped customers ring-fence their cash flows in addition to helping them deploy and dispose assets and protect our cash flows. Besides, we extended our presence from first-life financing to life-cycle equipment financing (spare parts, used equipment, maintenance and disposal). The result: we have more repeat customers in our client base.

• **OEMs:** We have a strong relationship network through partnerships with OEMs and vendors that have enabled us to maintain sustainable growth and market leadership over the years. We have long-standing relationships with leading OEMs such as Tata Hitachi, JCB, Volvo, Hyundai, Putzmeister, Komatsu, CNH, Kobelco, Bharat Benz (DICVPL), TEREX and Sany. These partnerships provide us with deep knowledge on the diverse range

2012

Received Certificate of Registration for mutual funds (infrastructure debt fund) from Securities and Exchange Board of India

2016

Divested stake in Viom to American Tower Corporation; transformed the equipment financing arm into a 100 per cent subsidiary

2017

Successful completion of IPO of Bharat Road Network Limited





of equipment used in our various verticals, which ultimately enables us not only to offer financing solutions to our customers but also to understand and meet their future project requirements.

- **Lenders and investors:** Investors and lenders look at two things – one, whether their investments remain safe and two, whether they are able to generate incremental returns. Over the last three decades, the Srei business model has showcased its effectiveness across industry cycles: we emerged as one of the largest NBFCs in our space while several others exited the business. For instance, during the last sectoral down-cycle when costs increased, we optimized overheads and enhanced agility. The result: we never defaulted in our repayments; our lender consortium comprises confidence-enhancing institutions like FMO Netherlands, Deutsche Bank AG, OeEB Development Bank of Austria, European Investment Bank and DBS Bank - Singapore among others.

- **Employees:** We don't just recruit employees, we groom them to become entrepreneurs. We bring in talented personnel, we train and we mentor; we provide stretch assignments and recognize / reward them – an overarching challenge-embracing culture. The result: Srei reported employee retention of ~80 per cent in the last five years.

- **The society and environment:** We believe that as we grow, so must society at large. Our CSR activities are conducted under the aegis of the Kanoria Foundation and address education, skill development, healthcare/wellness and environment sustainability. In 2010, we initiated a one-of-its-kind initiative – the World Confluence of Humanity, Power and Spirituality, where leaders from various walks of life from around the world converged to discuss ways to enhance global peace. The result: our various

CSR initiatives helped in addressing domestic and international issues.

### How have these initiatives strengthened the Company?

**At a time when India witnessed a** prolonged slowdown, policy paralysis and collapse of the infrastructure sector, Srei remained viable and profitable. We cautiously enhanced our asset base, helped customers judiciously deploy their assets and protected their cash flows – in turn, protecting ours.

### What makes Srei different?

**Srei's competitive edge lies not just** in its financing cost but its ability to provide a differentiated service. The result is that Srei does not compete on the basis of price; it competes on the basis of its overall service-value proposition. This proposition comprises the ability to offer innovative products on the one hand and in helping the customers at various stages of the asset life-cycle. The result: dominant leadership in the equipment financing business.

### How will these initiatives drive business growth?

**These initiatives have created a** foundation of Srei for tomorrow through the following initiatives:

- **Digitisation:** We are embracing digitisation to strengthen risk management, enhance customer delight, increase process efficiency and connect stakeholders through an information-sharing platform. This has made us transparent and agile, keeping pace with modern times. Our risk management has further improved due to our investment in artificial intelligence tools and we are now in a position to design precautionary measures by a better tracking of consumer behaviour.
- **Asset financing:** We intend to continue to leverage our experience in CME financing and expand our

business by further developing and growing relatively new lines of business such as financing of certain CME equipment categories such as tippers, material handling equipment (MHE), and expanding certain verticals such as used equipment (within CME), IT and allied equipment, medical equipment, farming equipment and other assets.

### What are the likely challenges?

**While the business environment** remains favourable, one of the key challenges lies in the sourcing of funds. The tentative banking sector will make it challenging to mobilize funds owing to high NPAs. We will seek alternative routes for raising funds (bond market, securitisation and external commercial borrowings, among others). For instance, we raised ~Rs. 336.78 crore through the bonds market and expect this to remain an important funding source.

### What makes you optimistic about the sector's prospects?

**The year 2017-18 represented a** turnaround, especially for the equipment business. The Central Government's focus on infrastructure spending was visible in the demand coming from sectors like roads, railways and irrigation. The Union Budget 2018-19 allocated Rs. 5.97 trillion towards the country's infrastructure sector in line with India's vision of remaining the fastest-growing major economy.

The growth in the infrastructure sector in the country is returning; a number of new players are entering the sector. At Srei, we possess a rich experience of hand-holding new and young players in their entrepreneurial journey and we provide innovative solutions. We believe that projects that are stuck provide an opportunity for Srei as the government is focusing on getting them moving once again. Srei is attractively placed to capitalize

on these unfolding opportunities in brownfield projects.

The accelerated infrastructure creation activities can be seen from the fact that the National Highway Authority of India (NHAI) awarded projects worth Rs. 1.22 trillion (USD 18 billion) during 2017-18. The construction of national highways touched an all-time high with ~10,000 km in 2017-18 (28 km a day). The previous record was 8,231 km in 2016-17. The increased pace, combined with ongoing projects, should help the country achieve its target of constructing 40 km per day in 2018-19. During 2017-18, the Central Government approved the ambitious Bharatmala Scheme, a probable game-changer for the country's infrastructure sector.

The government is drawing up an investment plan of Rs. 35.3 trillion (USD 543 billion) to modernize Indian Railways. A bulk of this is aimed at capital expenditure towards capacity creation, revamping existing infrastructure and enhancing safety standards. Creation of dedicated freight corridors (DCF) would segregate freight and passenger traffic on high density routes, enabling significant increase in the speed of trains.

The Finance Minister announced an allocation of Rs. 26 billion (USD 388 million) to ensure irrigation facilities in 96 irrigation-deprived districts. The Government set up a Long Term Irrigation Fund (LTIF) in NABARD to fund irrigation works.

All these augur well for our Company and the growth momentum will spread to other infrastructure verticals as well. With construction equipment accounting for 10-30 per cent of the total cost across various projects, this could widen financing opportunities for Srei. Following GST implementation in July 2017, several attractive equipment leasing opportunities opened. Since banks, by statute,

cannot enter the leasing business, Srei (by virtue of being an NBFC) is suitably placed. The share of leasing in gross domestic capital formation in India is <2 per cent, compared with the global average of 10 per cent, which indicates significant potential considering that we are among the few NBFCs in the equipment financing space.

### What is your principal message to shareholders?

**We are confident of carving a larger share of the sectoral cake.** The slowdown was an aberration due to multiple factors in the Company; we believe that the worst is over. We have emerged with a stronger business model – stronger process, lower costs, wider footprint as well as new products and interfaces.

To unlock further value, we intend to take Srei Equipment Finance Limited public. The IPO proceedings could

help us meet growing demand of our customers.

Our focus, as always, will be on the quality of our exposure and not the size. This will help us remain grounded and growing.

In view of these realities, we believe that our growth over next five years will be quicker and more inclusive. We are grateful to our stakeholders for requisite their faith in us and seek their continuing support.

| Srei's commencement of journey  | Srei today   |
|---|--|
| <ul style="list-style-type: none"> <li>Started as one of India's first private sector infrastructure equipment financing companies</li> </ul> | <ul style="list-style-type: none"> <li>Classified as a 'Infrastructure Finance Company'</li> <li>Notified as 'Public Financial Institution' (PFI) by the Ministry of Corporate Affairs</li> </ul>  |
| Involved in the financing of construction equipment   | <ul style="list-style-type: none"> <li>Equipment Acquisition</li> <li>Equipment Deployment</li> <li>Equipment Maintenance</li> <li>Second Life Financing</li> <li>Equipment Exit</li> </ul>  |
| Largely Eastern India-focused   | Pan India presence   |
| AUM was Rs. 3.02 crore in 1990  | AUM at Rs. 47,050 crore as on March 31, 2018   |
| Financed only construction equipment  | Srei is now engaged in project financing, advisory and development as well. Along with construction equipment, it is also financing Tippers, Material Handling Equipment ("MHE"), and expanding certain verticals such as used equipment (within CME), IT and allied equipment, medical equipment, farming equipment and other assets. |
| No structured risk management system  | Highly structured risk management system integrating analytics and machine learning for robustness   |

**SREI'S  
RELENTLESS  
FOCUS ON  
CREATING  
LONG-TERM  
VALUE**

→  
CAGR between  
2011-12 and  
2017-18  
**7.34**  
\_\_\_\_\_

(%)



AUM as on  
March 31, 2012

**30,764**  
\_\_\_\_\_

(Rs. crore)



AUM as on  
March 31, 2018

**47,050**  
\_\_\_\_\_

(Rs. crore)

**AT SREI, WE ARE  
CONTINUALLY  
TRANSFORMING TO  
ENHANCE VALUE FOR  
OUR SHAREHOLDERS**

We carry out extensive studies of emerging trends with the sole objective of building a stronger, leaner, de-risked and more agile company

**THE PILLARS OF OUR  
TRANSFORMATION**



**DIGITISATION**

We were largely a manually-run organisation



**INTERNAL CONTROL**

From legacy systems to process-driven internal control mechanism - helping create a more de-risked organisation



**EFFECTIVE  
FINANCING**

Conventional sources to innovative routes

**WE ENHANCE VALUE FOR THE ENTIRE ECOSYSTEM THROUGH VARIOUS  
BUSINESS-BUILDING INITIATIVES**

- Leader in equipment financing space
- Among the handful NBFCs in the equipment financing sector
- Focus on creating innovative products
- Deep distribution network
- Reduced cost of risk
- Maximal value generation from each asset
- Successful monetisation of investments
- Immaculate client servicing

We are leveraging digitisation to drive process efficiency, risk management and customer experience

We are leveraging digital tools to reduce turnaround time

Implementing machine learning in risk management to predict deviations and reduce the cost of risks

Leveraged our in-depth sectoral knowhow to fine-tune processes

The Risk Committee, under the supervision of the Board, devises policy frameworks and updates it on the basis of emerging trends

Decentralized decision-making to create a transparent and professionally-run organisation

The Company reduced its dependence on banks and traditional financing sources

The Company sourced Rs. 336.78 crore in 2017-18 through NCDs

The Company maintained a capital adequacy ratio of 17.60 per cent (standalone) against the RBI stipulated 15 per cent

The Company reduced the average cost of debt over time

### Creating value for shareholders

| Customers / OEMs  | Employees  | Investors / analysts  | Society and the environment   |
|---|--|---|---|
| <ul style="list-style-type: none"> <li>■ Relationship-driven</li> <li>■ One-stop shop for infrastructure financing</li> <li>■ Support during down cycles for departments</li> </ul> | <ul style="list-style-type: none"> <li>■ Empowered decision-making</li> <li>■ Long-term career planning</li> <li>■ Fair and equitable pay</li> </ul> | <ul style="list-style-type: none"> <li>■ Shock-proof business model</li> <li>■ Moderated cost of risk</li> <li>■ Widening margins</li> <li>■ Focus on enhancing ROCE</li> </ul> | <ul style="list-style-type: none"> <li>■ Responsible and ethical conduct</li> <li>■ Driving healthcare and livelihood development initiatives</li> <li>■ Contribution to the exchequer</li> </ul> |



## CREATING VALUE FOR OUR CUSTOMERS

At Srei, we compete primarily around service, understanding risks and strengthening customer stickiness through a superior price-value proposition.

### Holistic solutions

Srei's expertise involves project advisory, evaluation and understanding of the risks associated with the business, working with customers to achieve financial closure of the projects and providing bridge finance facilities among others. The Company also engages with global financial majors like FMO, IFC and others to draw up long-term and medium term credit lines.

### Robust and disciplined business model

We operate a holistic business model providing end-to-end solutions across the equipment life-cycle beginning from the equipment's acquisition to its refinancing or resale. We are able to leverage our capabilities and relationships to be present across the entire equipment value chain, support customer requirements across the equipment life cycle and reinforce customer loyalty. Our market leading position in the CME sector and brand name has helped us to expand to other sectors such as tippers, IT and allied equipment, medical and allied equipment, farm equipment and other assets, which present both greenfield and brownfield opportunities. Our offerings at different stages of the equipment life cycle include:

**Equipment Acquisition:** We provide assistance in equipment procurement through customized solutions comprising loans and leases (where we benefit from our OEM relationships).

**Equipment Deployment:** During this stage, if a customer requires, we help in allocating equipment financed by us to projects/jobs to allow efficient deployment of idle assets.

**Equipment Maintenance:** We provide equipment maintenance assistance through spare parts financing and enable our customers to access maintenance support.

**Second Life Financing:** We have also introduced branded refurbished equipment solutions for our customers where we help our customers in acquiring branded refurbished equipment in conjunction with our OEMs partners.

**Equipment Exit:** We facilitate various services including equipment valuation and inspection, auctioning and other equipment disposal services. Our pan-India stockyards are important to offer exit services efficiently. Our used

equipment financing, refurbishment programmes and exchange programmes assist customers to dispose of their old equipment.

### Partnerships with new OEMs and vendors and expand categories and business verticals

We have developed long-term relationships with our customers by addressing their equipment life-cycle requirements. We intend to continue to leverage our experience in CME financing and expand our business by further developing and growing relatively new lines of business such as financing of certain CME equipment categories such as Tippers, MHE, and expanding certain verticals such as Used equipment (within CME), IT and allied equipment, medical equipment, farming equipment and other assets.

We have a strong relationship network through partnerships with OEMs and vendors, enabling us to maintain sustainable growth and market leadership over the years. We have long-standing relationships with leading OEMs such as Tata Hitachi, JCB, Volvo, Hyundai, Putzmeister, Komatsu, CNH, Kobelco, Bharat Benz (DICVPL), TEREX and Sany. These partnerships provide us with deep knowledge on the diverse range of equipment used in our various verticals, enabling us not only to offer financing solutions to our customers but also to understand and meet their future project requirements. We have also strategically expanded our distribution and marketing network and operations through partnerships with Srei Entrepreneur Partners (SEPs), our exclusive channel partners. The SEPs combine their knowledge of the local market requirements with our business needs to deliver new accounts. They also facilitate in acquisition of new customers independent of OEMs referrals.

### Widening reach

Our widespread network of branches demonstrates our strength across India to cater to the needs of our stakeholders including our customers, OEMs, SEPs, dealers, local industry bodies and regulatory agencies. Besides a strong network of branches across India, we also cater to additional satellite locations where our employees service customers directly using technology without a physical branch office. Besides, our stockyards for equipment maintenance are helping us to preserve the repossessed equipment quality for potential redeployment or resale.

### Innovative marketing and customer origination schemes

We continue to develop innovative marketing and customer origination schemes and events specifically targeted at individuals, SMEs and institutions. For example, we organize a Dutch auction for interest rates, in several major states in India, from time to time, and launch seasonal marketing schemes. Some of our other major marketing schemes include "Srei Partnership Week", "Asset Power" and "Money Power" and we involve OEMs to jointly create financing and leasing solutions with a distinctive customer proposition. These marketing schemes and events enable us to develop and sustain relationships with repeat customers, and provide us with opportunities to generate new business. They also provide us a platform to increase our brand awareness, aid in increasing customer loyalty and customer referrals and enable us to promote our financing and leasing solutions.



CREATING VALUE FOR OUR  
**EMPLOYEES**



## At Srei, we consider our employees to be our key growth drivers.

Over the years, we have been strengthening the Company through a culture of empowerment. This empowerment is not practiced in a vacuum; we prepare employees through continuous training (functional, behavioural and technical) coupled with a blend of online and offline workshops for re-skilling and up-skilling.

We believe that customer engagement requires formal and specialized training. In view of this, we provide role-based training to employees in customer-facing roles (customer relationship managers, collection

managers and branch heads) through key modules (credit appraisals, risk processes, operational risk, people management, customer relationship management, negotiations, personal effectiveness and time management).

During 2017-18, we conducted several leadership development activities across levels (emerging leaders, mid-managers and the senior leadership team) and areas (strategy building, problem solving and people management). We managed a development centre with a third-party agency to conduct organisational diagnosis on the one hand and map leadership cum individual competencies based on specific development plans on the other.

We will continue to monitor and reward employee performance, while taking a proactive approach towards people retention and recruitment. We recruited and retained professionals from various backgrounds (banks and NBFCs) with an expertise in credit collection, risk management, treasury, technology and marketing.

The result is that over the last few decades we have been able to foster a culture conducive for independent decision-making. We expect to rotate talented employees across verticals and functions to enhance their exposure.

We believe that these initiatives will permit us to cement our reputation as a dynamic employer focused on developing employee careers.

## The Srei culture

At Srei, we transform employees into entrepreneurs leading to outperformance.

### Key focus areas

| 1. Growing  |  | 2. Rewarding   | 3. Living  |
|---|--|--|--|
| <b>Achieving work-life balance</b>  | <b>Honing skills</b>   | <b>Appreciating outperformance</b>   | <b>Fostering a differentiated culture</b>  |
| <ul style="list-style-type: none"> <li>■ Fostering a culture of celebration</li> <li>■ Creating a semi-formal and happy workplace environment</li> <li>■ Instituting a liberal leave policy</li> <li>■ Kick-starting assistance and mentoring programmes</li> </ul> | <ul style="list-style-type: none"> <li>■ Identifying talent based on performance</li> <li>■ Managing talent tactfully</li> <li>■ Mobilising learning and development initiatives</li> <li>■ Chalking out career development plans</li> <li>■ Tying up with reputed global institutions for growing capabilities</li> </ul> | <ul style="list-style-type: none"> <li>■ Institutionalising a competitive and differential pay structure</li> <li>■ Offering best-in-industry benefits like health and insurance schemes</li> <li>■ Devising a well-defined performance management system</li> <li>■ Providing ample opportunity for career growth</li> <li>■ Recognising and rewarding standout performers</li> </ul> | <ul style="list-style-type: none"> <li>■ Laying a keen emphasis on performance</li> <li>■ Creating an integrated value system</li> <li>■ Setting up a knowledge-sharing platform</li> <li>■ Driving innovation persistently</li> </ul> |

### Impact

- Strong respect
- Inspirational leadership
- Diversity and inclusion
- World-class infrastructure
- Equal opportunities
- Emerged as 'Great Place to Work'-certified company in 2017





CREATING VALUE FOR OUR  
**INVESTORS  
AND FINANCIERS**

At Srei, we believe that investors invest in our business with the expectation of superior returns (in addition to capital protection).

**Business growth:** Over the last three decades, we strengthened the quality of our customers' business (through profitable assets deployment or disposal). This helped us grow AUM from Rs. 3.02 crore in 1990-91 to Rs. 47,050 crore in 2017-18. Even during the downturn between 2012 and 2016, when banks struggled with NPAs, our peak NPA did not exceed 4.75 per cent.

**Cost of operations:** At Srei, we believe that cost management is key to viability. We implemented automation to scale operations without proportionately increasing

employment. Result: our cost of operations as a proportion of revenues reduced from 19.32 per cent in 2010-11 to 12.60 per cent in 2017-18.

**Deepening value creation:** At Srei, we extended our presence from financing the first life of the asset to across the life cycle. We provided assistance in equipment procurement through customized solutions (comprising loans and leases when required), helped deploy idle equipment of customers to projects/jobs, provided equipment maintenance assistance through spare parts financing, enabled customers to access strong OEM and dealer relationships for maintenance support, and introduced branded refurbished equipment financing solutions, used equipment financing and exit solutions for customers. While our intervention at each stage of the asset life-cycle mitigated risk for the previous stage, we were also able to

generate enhanced returns from the same asset and over the entire tenure of the asset in operation. Consider this: our engagement across the life-cycle helped generate an multiple investment opportunity from an asset.

**Strengthening risk process:** At Srei, we leveraged cutting-edge technologies to mitigate risks. We are embracing machine learning to map customer behavior and take corrective measures. We are installing GPS and IoT devices to track equipment performance and assess prospective cash flow. We are accessing credit report data online to price risks associated with customers.

**Value unlocking:** We have begun to monetize assets. The stake dilution in Viom Networks helped retire debt. Bharat Road Network Limited went through an IPO that raised Rs. 600 crore. We intend to unlock the value of our equipment financing subsidiary, in 2018.

5

REASONS  
WHY I AM  
EXCITED  
ABOUT  
SREI

**Domain knowledge:** Srei possesses decades-long experience in the country's infrastructure sector and the right knowledge to scale the business.

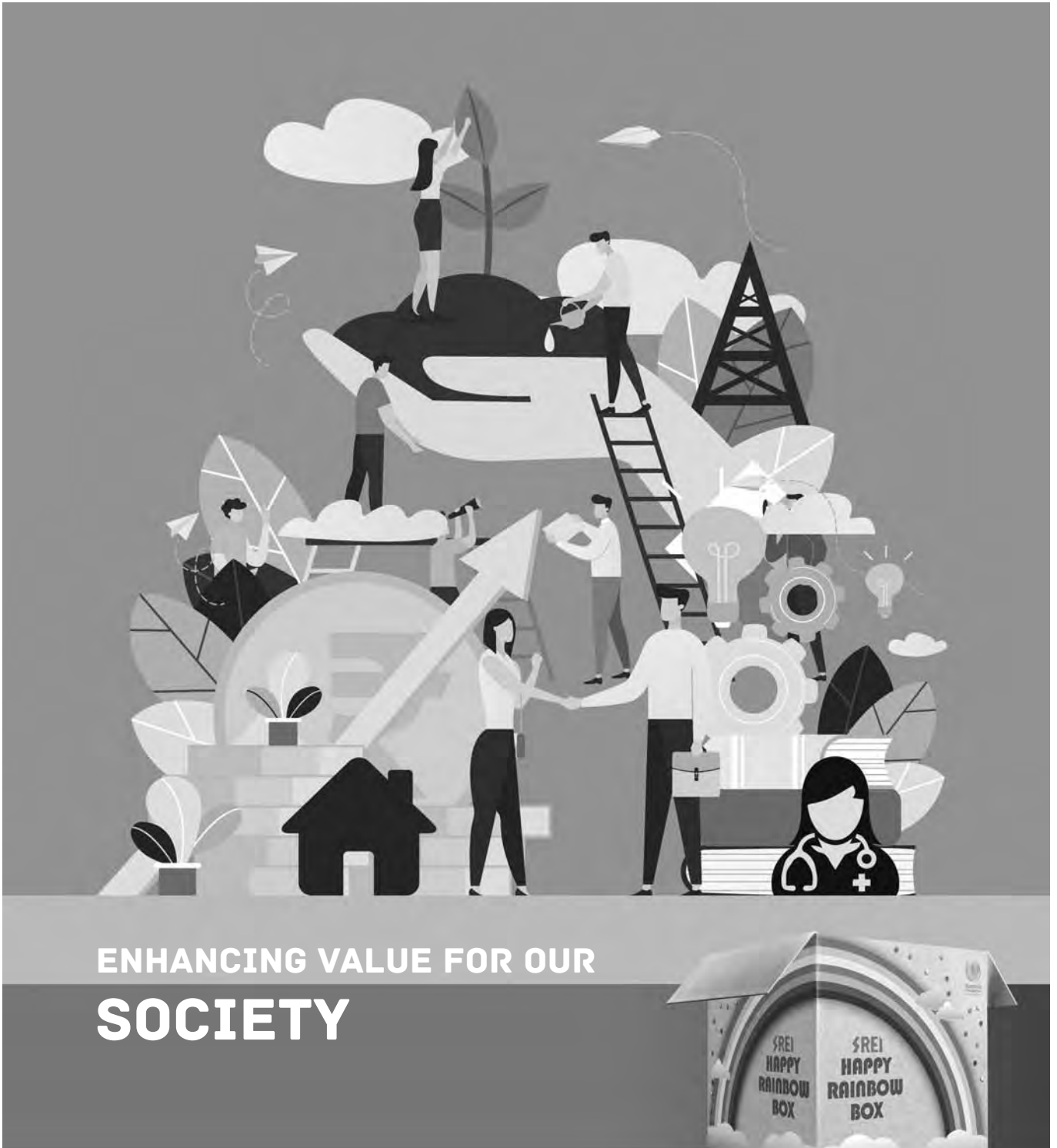
**Pedigree:** Srei has been able to weather various down cycles during which it has not only survived but grown significantly as well.

**OEM clientele:** Srei has forged tie-ups with all major construction equipment OEMs.

**People:** Srei possesses a strong pool of human resources, helping build the business across segments like construction equipment, power, roads among others.

**Balance Sheet:** Srei, with an AUM of Rs. 47,050 crore as on 31 March 2018, has a strong Balance Sheet and consistent fund sourcing through NCDs and deposits. It enjoys strong rating from credit rating agencies. It successfully monetized strategic investments.

*Jigar Shah, CEO, Maybank Kim Eng Securities India*



**ENHANCING VALUE FOR OUR  
SOCIETY**

The Kanoria Foundation is a trust to create value for the society and its Social Impact Initiative's mission is to work for the welfare of humanity by touching the body, mind and soul.

The Foundation is engaged across three areas: **Body, Mind and Soul**

## BODY

### Acid Survivors & Women Welfare

**Foundation (ASWWF)** is a leading non-profit non-governmental organization working for the prevention of acid burns and other violence against women in India.

**ASWWF** works towards the development and welfare of women. It acts as a forum for the advocacy of acid related cases and promotes a social environment conducive to the elimination of gender violence. ASWWF espouses a firm legal basis for the prosecution of offenders. It also advocates a prescription of national guidelines for treatment, after-care and rehabilitation of acid survivors and other victims. ASWWF operates through a network of offices pan-India. The Foundation plans to open more chapters and offices to enhance the outreach of its mission and rebuild

the lives of all women victims and survivors.

**SIRAGU** – Wings of Change, an initiative of ASWWF, was launched to empower women by providing them a platform for self-development and independence.

**Srei Foundation** was established to serve humanity and has been continuously expanding its offerings by adopting a holistic approach towards Body-Mind-Soul without discrimination. The Foundation promotes and supports education services (technical & vocational), healthcare, housing rights with a special focus given on development of women. It proactively extends financial support, treatment, rehabilitation, legal assistance and continuously works towards assisting the 'persons in need'.

**Solar Charkha Mission** is the grand initiative of Kanoria Foundation, one of its kind, towards the self empowerment of women in villages in the district of Baraiya, Bihar. It was launched on April 1, 2018, in the presence of ministers, industrialists, social workers and thousands of rural people. For the first time, solar charkhas were installed to empower women economically. This project will allow thousands of women to cut threads in these charkhas and sell them to the government directly. The project is expected to generate more than 1 lac self-employment in the future.

**Swayangsiddha:** Kanoria Foundation donated funds for the rehabilitation of 22 trafficked women. The programme was implemented with West Bengal Police and Goranbose Gram Bikas Kendra.

## MIND

### Institute for Inspiration and Self

**Development (IISD):** IISD Edu World provides higher education as well as skills training in areas such as hospitality management, culinary arts and teaching, among others. It helps prepare students for major competitive

exams for admission to post-graduate medical courses, selection for administrative services and other exams at national and international levels, as well as providing quality and affordable higher education.

**Suryodaya School:** Unit of IISD Edu World educating over 700 underprivileged students in Kolkata and providing 100 per cent scholarships, uniforms and nutritious meals.

## SOUL

### World Confluence of Humanity, Power and Spirituality:

The World Confluence of Humanity, Power and Spirituality, is being held every year with success since 2010. Ten confluences were held in the last eight years. This programme is the first of its kind in the world to engage in important issues on humanity, power (inner and outer) and spirituality. Several distinguished luminaries from

different communities and religions across the world, shared their views that every religion propagates service to humanity, and that moral and social principles have their own paths leading to one cosmic reality. Various religions are like flowers of different colours to be tied with a cord of love into a beautiful bouquet to be offered at the altar of truth. Diversity with unity is inherent in nature.

**Tree plantation:** Kanoria Foundation, in association with ASWWF, celebrated World Environment Day on June 5, 2017 with a message "We care for them, they care for mother earth". Every year it has been a ritual for Kanoria Foundation to extend its hand towards providing a healthy environment for all.



# HOW SREI PLANS TO MAKE THE NEXT FIVE YEARS MORE ATTRACTIVE THAN THE LAST 30 YEARS

Srei is strengthening its business model to capitalize on the opportunity and leveraging technology to enhance efficiency levels and reaching out to more customers.



# ENHANCING PROCESS EFFICIENCY



Srei's endeavour is to connect equipment, customers, OEMs, SEPs and human resources across an integrated technology platform. The Company invested in technology to improve functionality, reduce errors and enhance productivity through defined processes. As Srei continues to expand its geographic reach and enhance scale, it intends to develop

and integrate technologies to improve service quality. Srei plans to upgrade existing technology systems through automated, digitised and other technology-enabled platforms / tools to strengthen its core financing initiatives and generate superior efficiencies.

Srei initiated the digitization of processes, implementing technology-

led systems to make appraisal and collection processes efficient. Besides, these investments are expected to facilitate rapid credit delivery to customers and augment a relationship-based approach. Srei's differentiated technology framework is expected to enhance customer convenience and reduce branch expenditure.

| CRM   | Digital platform   | Perspective risk management tool   | Cash credit app  | Customer portal/app  |
|---|--|--|--|--|
| We are developing an integrated information system designed to optimise customer interaction, manage customer relationships, provide insights for customer strategy development by analysing customer data and behaviour, and implementing customer-centric business processes. | We are developing a channel to connect stakeholders in our business (customers, dealers, vendors / OEMs, SEPs, employees, equipment and banks) by means of an online portal and mobile applications. | We are developing an analytics and Business Intelligence ("BI") tool to manage portfolio risk (both customer and equipment) by automating risk evaluation with data analytics and risk prognosis through algorithms. | We are developing an application to manage our multiple cash credit lines with various banks, status (sanctioned limit, tied up limit, limit on hold), drawing limit management and daily account management. This application will ensure fund management with dynamic reporting to ensure effective utilisation of funds in a cost efficient manner. | We have developed and will continue to upgrade our customer portal/app - a single channel for accessing account information, accessing document details, raise queries and post complaints by our customers. |

# ENTREPRENEURIAL



At Srei, we have been entrusting our people with growing responsibilities to drive organizational growth. The Company believes in creating entrepreneurs out of employees to strengthen ownership and decision-making. This is enhancing decentralized decision-making, organizational agility and transparency. Srei appointed veteran industry professionals as CEOs for independent business execution. It has created a strong management team with a high retention in the middle and senior management. Srei is adequately manned to drive the next level of growth.



# NEW SECTORS

Srei is a focused infrastructure solutions provider enjoying long-standing relationships with players across the infrastructure value chain. Srei is strengthening its infrastructure financing business by reinforcing existing business lines and churning low yield items in its portfolio with high yield alternatives. Srei intends to provide term loan capex funding, bridge financing, receivables structure, holding company financing, acquisition financing, growth capital, last mile financing, priority financing, asset stripping and turnaround situations. Srei also seeks to generate cross-sale. It is extending beyond traditional construction equipment financing to new age segments (medical, IT and rural infrastructure).

# GOVERNANCE

The Company is committed to the adoption of and adherence to the best Corporate Governance practices at all times and continuously benchmarks itself against each such practice in the industry. The Company's Equity shares are presently listed on three Stock Exchanges in India namely The Calcutta Stock Exchange Limited, BSE Limited and National Stock Exchange of India Limited. The Board comprises of optimum combination of Executive, Non-Executive and Independent Directors. 4 (Four) Directors are Independent Directors including 1 (One) Woman Director. The Company has framed a Policy on Board Diversity which sets out the approach to diversity on the Board of Directors of the Company. The Board has constituted various Committees consisting of Executive and Non-Executive Directors to focus on the critical functions of the Company. The Company also seeks to promote and follow highest level of ethical standards and has formulated various corporate governance policies duly approved by the Board. All the governance policies are available on the Company's website at [www.srei.com](http://www.srei.com).

Srei was awarded the Golden Peacock Award in 2017 for excellence in corporate governance in the financial services sector in India.



## Case study

The deterioration of legacy sewer pipes is an acute problem resulting in systemic weakness and slower effluents flow. Replacement warrants a typical open cut, dig and replace method which, in turn requires breaking the bitumen road, soil excavation, refilling and repaving. This engagement is time-consuming, inefficient and inconvenient.

A popular rehabilitation method is the trenchless process of Machine Wound Spiral Lining (MWSL). The MWSL method comprises a PVC liner (new PVC pipe) inside the old pipe by lowering a machine at the bottom of the manholes. The machine rotates and pushes the PVC profile (reinforced with a steel strip to increase structural strength) into the existing pipe. The result is that a virtually new pipe is formed inside the old pipe. The process is trenchless, needing no excavation or underground disturbance. Srei is the first company to bring this technology to India, creating a newer market.



# STRENGTHENING RISK MANAGEMENT



Risk management is an integral part of the Company's business, given the imperatives to effect optimal allocation of capital while enhancing shareholders' value, to maintain high standards of asset quality along with achieving business growth, and to hedge against unforeseen events and market conditions, especially in an environment characterized by increasing uncertainties. The risk management strategy of the Company 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. The Company has developed robust systems and embraced adequate practices for identifying, measuring and mitigating various risks – business, strategic, operational, market, credit, liquidity, reputation and process risks – and ensuring that they are maintained within pre-defined risk appetite levels. In compliance with norms laid down by the Reserve Bank of India, the Company computed the capital-to-risk-weighted assets ratio as on March 31, 2018 to be 17.60 per cent, while Tier-I capital/net owned funds stood at 13.71 per cent, above the minimum regulatory requirements of 15 per cent and 10 per cent, respectively.

### Governance structure

The overall risk strategy and direction of the Company is formulated by the Board of Directors and its implementation is overseen by the Risk Committee of the Board. Policies approved from time to time by the Board of Directors or the Risk Committee of the Board in consultation with other sub-committees of the Board, viz. the credit committee and the asset liability management 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, market risk, operational risk, liquidity risk, counter-party risk and group risk supplemented by periodic validations of the methods used. Under the guidance of the Risk Committee of the Board, the risk department assesses and manages risks on a regular basis. This entails garnering adequate knowledge of macroeconomic trends, insights into various sectoral dynamics, understanding of regulatory environments and application of quantitative and qualitative tools so as to facilitate an accurate assessment of all relevant risks at all times.



**Market  
Risk**

Market risk is the risk of diminution in the value of investments on account of extraneous market factors like inadequate market liquidity, or volatile interest rates and foreign exchange rates. As an integral part of the overall risk management system, the Company addresses different forms of market risks, viz., liquidity risk, interest rate risk and foreign exchange risk. The Company has adopted a comprehensive approach that not only hedges itself against market risks, but also endeavours to maximize the risk-adjusted rate of return of the portfolio by keeping a close track of macroeconomic developments including movement of interest rates, foreign exchange rates and liquidity positions in the market. The Company's market risk management is guided by well-laid policies, guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits set in accordance with the risk appetite of the Company. With a view to limit the exposure to liquidity and interest rate risks, risk limits are specified with the approval of the Board of Directors. The asset liability management committee periodically reviews benchmark rates, borrowing mix and liquidity, funding and currency risks so as to monitor actual risk positions. The treasury mid-office independently monitors the risk limits stipulated in the market risk policy and reports deviations, if any, to the appropriate authorities as laid down in the policy. 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). The asset liability management committee 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 analysed on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and periodic liquidity stress tests. The asset liability management position of the Company is periodically reported to the asset liability management committee, Risk Committee of the Board and also to the Reserve Bank of India. Interest rate risk is the possible change in portfolio value due to interest rate fluctuations. The Company manages interest rate risks by adopting a floating rate mechanism by linking the lending rate of interest to the Company's benchmark rate, which is reviewed periodically in sync with the changes in terms of the Company's cost of funds. Foreign exchange risk management is an integral part of the Company's risk management policy as it borrows money in foreign currencies and lends in domestic currency. Therefore, in order to optimize the cost of funds and diversify the funding mix, effective hedging strategies are institutionalized in line with the Company's risk appetite. Furthermore, limits pertaining to open positions are devised. The Company uses statistical measures like value-at-risk method, stress tests, back tests and scenario analyses to continuously monitor market movements and manage exchange rate risks.



**Operational  
Risk**

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Company has adopted strict measures towards formulating an effective operational risk management strategy which involves identification, assessment, review, control and reporting of key operational risks. The Company has built into its operational process proper segregation of functions, clear reporting structures, well-defined processes, operating manuals, staff training, verification of high value transactions and strong audit trails to control and mitigate operational risks. New product and activity notes prepared by business units are reviewed by all concerned departments including compliance, risk management and legal. Measurement and reporting is also achieved through the various management information systems, providing easily retrievable information, intertwined with each operational process which are generated and monitored regularly. All concerned departments coordinate and discuss key operational risk issues involving people, process, and technology, external factors, among others, so as to minimize them or ensure adequate controls over them. Risk registers across various processes are assessed for likelihood and vulnerability of threats, and their acceptability evaluated based on existing controls. Appropriate controls are adopted based on guidance provided by the globally accepted ISO27001:2013 norms. The Company has set up a centralized control mechanism for better deployment and management of resources, The Company has also put in place a rigorous surveillance and classification of information system to ensure robust information technology risk management. The Company has a well-designed business continuity plan, whose effectiveness is gauged by proper testing mechanisms and which ensures continuity of business in the unlikely event of business disruption. In order to provide continued and uninterrupted service even during natural disasters, a disaster recovery site is in place. All information technology systems have been certified with the ISO27001:2013 standard, and comprise features like disaster recovery, security features covering firewalls, encryption technologies and spam-guards, which provide protection against disruption and modification of information. To further enhance the standard operating procedures and various technological functions, the Company is has been investing so as to keep its technological systems constantly updated across the various domain functions. In addition, to manage operational risk prudently, know your customer and anti-money laundering policy are in place, which helps to prevent the Company from being used intentionally or unintentionally by criminal elements for money laundering. The Company's risk management framework emphasises on analysing and understanding the underlying risks before undertaking any transactions and changing or implementing processes and systems. This is facilitated by a robust governance structure, which includes multi-tiered approval levels for all transactions and processes. This mechanism is aided by a regular review of the portfolio and control mechanisms, undertaking self-assessment programmes and monitoring of key risk indicators.

## Credit Risk

Assessment of credit risk of the Company's borrowers or lessees or counter-parties constitutes a major part of the overall risk management strategy. The goal of credit risk management is to maximize risk-adjusted rate of return on capital by maintaining a healthy asset portfolio and managing credit risks at the individual as well at the portfolio-level. As a means to this end, a keen emphasis is laid on evaluating and containing risks at the individual exposures and analysis of portfolio behaviours. The contours of credit risk assessment are defined by a comprehensive and well-defined credit risk policy which encompasses guidelines for monitoring and mitigating the risks associated with them, structured and standardized credit approval processes and proactive policies that are regularly updated to take into account economic developments. The Company has established a strong framework for appraising and executing project finance transactions that involves a detailed evaluation of technical, commercial, financial, marketing and management factors including the financial strength and experience of the sponsors. A team of qualified and experienced personnel scrutinizes proposals at various stages and analyses all relevant information that are gathered from relevant sources during the assessment process to facilitate credit decisions of the credit committee. For every proposal, project risks and mitigating factors are identified. Residual risks are taken care of through various mechanisms, which may include creation of adequate security cover and debt service reserves and channelling project revenues through a trust and retention account, besides taking additional credit comforts such as corporate or personal guarantees from one or more project sponsors or a pledge of the sponsors' equity-holding in the project company. Besides the procedures for credit sanctioning, there are robust mechanisms to monitor and review credit exposure in the portfolio. Portfolio-level performance, including delinquency, is tracked at regular intervals with a focus on detection of early signs of stress. The Risk Committee of the Board periodically reviews the adherence to sectoral, borrower-level and group credit limits and the impact of stress scenarios or drop in the asset values in case of secured exposures on the portfolio. Key sectors are analysed in detail to develop strategies that take into account both risks and opportunities.



# ANALYSIS OF FINANCIAL STATEMENT 2017-18

## 1. Analysis of Consolidated Statement of Profit and Loss

### Highlights, 2017-18

Total income was Rs. 5,262 crore in 2017-18 as against Rs. 4,681 crore in 2016-17.

Assets under management increased from Rs. 37,413 crore in 2016-17 to Rs. 47,050 crore in 2017-18, a growth of about 26%.

Disbursement increased by about 29% from Rs. 17,604 crore in 2016-17 to Rs. 22,726 crore in 2017-18. Disbursement recorded by the equipment financing business was Rs. 16,990 crore whereas that for infrastructure finance was Rs. 5,736 crore in 2017-18.

Profit before tax during 2017-18 was Rs. 592 crore as against Rs. 360 crore in 2016-17 registering a growth of about 64%.

Profit after tax and minority interest increased by about 58% to Rs. 385 crore in 2017-18 as against Rs. 243 crore in 2016-17. Earnings per share increased by about 58% to Rs. 7.64 in 2017-18 as against Rs. 4.84 in 2016-17.

Gross interest spread was 2.69% in 2017-18 as against 2.42% in 2016-17.

### Revenue

Group revenues was Rs. 5,262 crore in 2017-18 as against Rs. 4,681 crore in 2016-17. Group revenues accrued from three verticals - fund-based businesses, fee-based businesses and investments.

Income from the fund-based businesses increased by about 26% from Rs. 3,904 crore in 2016-17 to Rs. 4,938 crore in 2017-18.

The Company's fee-based income was Rs. 58 crore in 2017-18 as against Rs. 33 crore in 2016-17. Income from investments decreased to Rs. 26 crore in 2017-18 as against Rs. 529 crore in 2016-17. Income from investments could vary from year to year as these would depend on the timing of the sale of such investments.

Equipment rental income contribution to total income increased to Rs. 211 crore in 2017-18 as against Rs. 165 crore in 2016-17. The Group's non-core income was Rs. 30 crore in 2017-18 as against Rs. 35 crore in 2016-17.

### Operational expenses

The Group's total operating cost (before interest and depreciation) was Rs. 663 crore in 2017-18 as against Rs. 541 crore in 2016-17, an increase by about 23%.

**Employee costs:** Employee cost in 2017-18 was Rs. 240 crore compared to Rs. 202 crore in 2016-17. The number of employees was increased from 2075 in 2016-17 to 2631 in 2017-18.

**Administrative costs:** Administrative costs (including provision for diminution in value of stock for trade and investment) in 2017-18 are Rs. 423 crore compared to Rs. 339 crore in 2016-17 owing to an increase in overhead costs like legal & professional fees, brokerage & service charges, travelling and conveyance, loss on sale of fixed assets etc.

### Finance charges

Finance charges increased by about 12% from Rs. 2,628 crore in 2016-17 to Rs. 2,938 crore in 2017-18.

### Taxation

Group total tax expense increased by about 64% from Rs. 117 crore in 2016-17 to Rs. 192 crore in 2017-18. The average tax expense rate was about 32% in 2017-18 as against 33% in 2016-17.

## 2. Analysis of Consolidated Balance Sheet

### Highlights, 2017-18

Book value per share increased from Rs. 90 as on March 31, 2017 to Rs. 97 as on March 31, 2018. Net Worth increased by about 7% from Rs. 4,531 crore as on March 31, 2017 to Rs. 4,881 crore as on March 31, 2018. Debt-equity ratio was 6.74 as on March 31, 2018 as against 5.78 as on March 31, 2017.

### Capital employed

Capital employed increased by about 23% from Rs. 30,736 crore as on March 31, 2017 to Rs. 37,754 crore as on March 31, 2018 owing to an increase in activity across various business verticals.

### Equity

Share capital comprised of 503086333 equity shares with a face value Rs. 10 totaling to Rs. 503 crore. There was no increase in equity capital compared to the previous year. As on March 31, 2018, promoters' holding constituted 60.80% and foreign portfolio investor constituted 12.69%.

**Reserves:** Group reserves and surplus grew by about 8% from Rs. 4,415 crore



as on March 31, 2017 to Rs. 4,765 crore as on March 31, 2018.

#### External funds

Secured debt was Rs. 26,365 crore as on March 31, 2018 as against Rs. 22,062 crore as on March 31, 2017. Secured loans comprised debentures, term loans and working capital loans/facilities. Working capital facilities from banks were increased by about 19% in comparison to previous year. Of the outstanding secured debt, 91% was rupee denominated debt and 9% was foreign currency borrowing. Outstanding non-convertible debentures increased from Rs. 3,006 crore as on March 31, 2017 to Rs. 3,133 crore as on March 31, 2018. During the year, the group increased its subordinated debentures/bonds/loans exposure by about 20%. Buyer's credit exposure during the year increased to Rs. 406 crore as on March 31, 2018 from Rs. 162 crore as on March 31, 2017. Sourcing of funds through commercial paper increased to Rs. 2,636 crore as on March 31, 2018 as against Rs. 858 crore as on March 31, 2017.

#### Other Current and Non-Current Liabilities

Other current and non-current liabilities increased by about 54% from Rs. 1,813 crore as on March 31, 2017 to Rs. 2,799 crore as on March 31, 2018. Trade payables increased by about 66% from Rs. 1,032 crore as on March 31, 2017 to Rs. 1,712 crore as on March 31, 2018 and other long term and current liabilities increased by 39% from Rs. 781 crore as on March 31, 2017 to Rs. 1,088 crore as on March 31, 2018.

#### Current and Non-Current Provisions

Provisions increased by about 41% to Rs. 164 crore in 2017-18 from Rs. 117 crore in 2016-17. Provision against standard assets increased from Rs. 88 crore as on March 31, 2017 to Rs. 144 crore as on March 31, 2018.

#### Net Block

Group's net block (including CWIP) increased by about 69% to Rs. 5,088 crore as on March 31, 2018 as against Rs. 3,009 crore as on March 31, 2017, mainly due to increase in operating lease assets.

#### Financial Assets

This largely comprises outstanding equipment finance loans given to customers. Outstanding equipment finance loan stood at Rs. 18,474 crore as on March 31, 2018 against Rs. 14,257 crore as on March 31, 2017.

#### Loans Asset

This largely comprises outstanding infrastructure finance loan book, which stood at Rs. 13,171 crore as on March 31, 2018 against Rs. 11,939 crore as on March 31, 2017. Gross NPA on a consolidated basis decreased from 2.93% as on March 31, 2017 to 2.40% as on March 31, 2018, whereas net NPA decreased from 2% as on March 31, 2017 to 1.75% as on March 31, 2018.

#### Trade Receivables

Trade receivables stood at Rs. 177 crore as on March 31, 2018 against Rs. 120 crore as on March 31, 2017, an increase of about 48%.

#### Cash and Cash Equivalents

Cash and cash equivalents increased by about 40% to Rs. 1,305 crore as on March 31, 2018 against Rs. 932 crore as on March 31, 2017.

#### Other Current and Non-Current Asset and Advances

Other current and non-current asset and advances increased by about 26% from Rs. 1,852 crore as on March 31, 2017 to Rs. 2,325 crore as on March 31, 2018. Balance with revenue authorities (on account of income tax deducted at source, GST input credit etc.) increased from Rs. 205 crore as on March 31, 2017 to Rs. 611 crore as

on March 31, 2018. Stock for trade has increased to Rs. 111 crore as on March 31, 2018 as against Rs. 101 crore as on March 31, 2017. Fixed deposit with balance maturity of more than 12 months increased from Rs. 43 crore as on March 31, 2017 to Rs. 195 crore as on March 31, 2018. Capital advances decreased to Rs. 67 crore as on March 31, 2018 against Rs.104 crore as on March 31, 2017.

#### Current and Non-Current Investments

Current and non-current investments decreased from Rs.1,282 crore as on March 31, 2017 to Rs. 913 crore as on March 31, 2018, a decrease of about 29%. This was due to sale of investments in 2017-18.

#### 10-year CAGR

Total Income

**22%**

Profit before tax

**21%**

Net worth

**18%**

Disbursement

**15%**

Assets under management

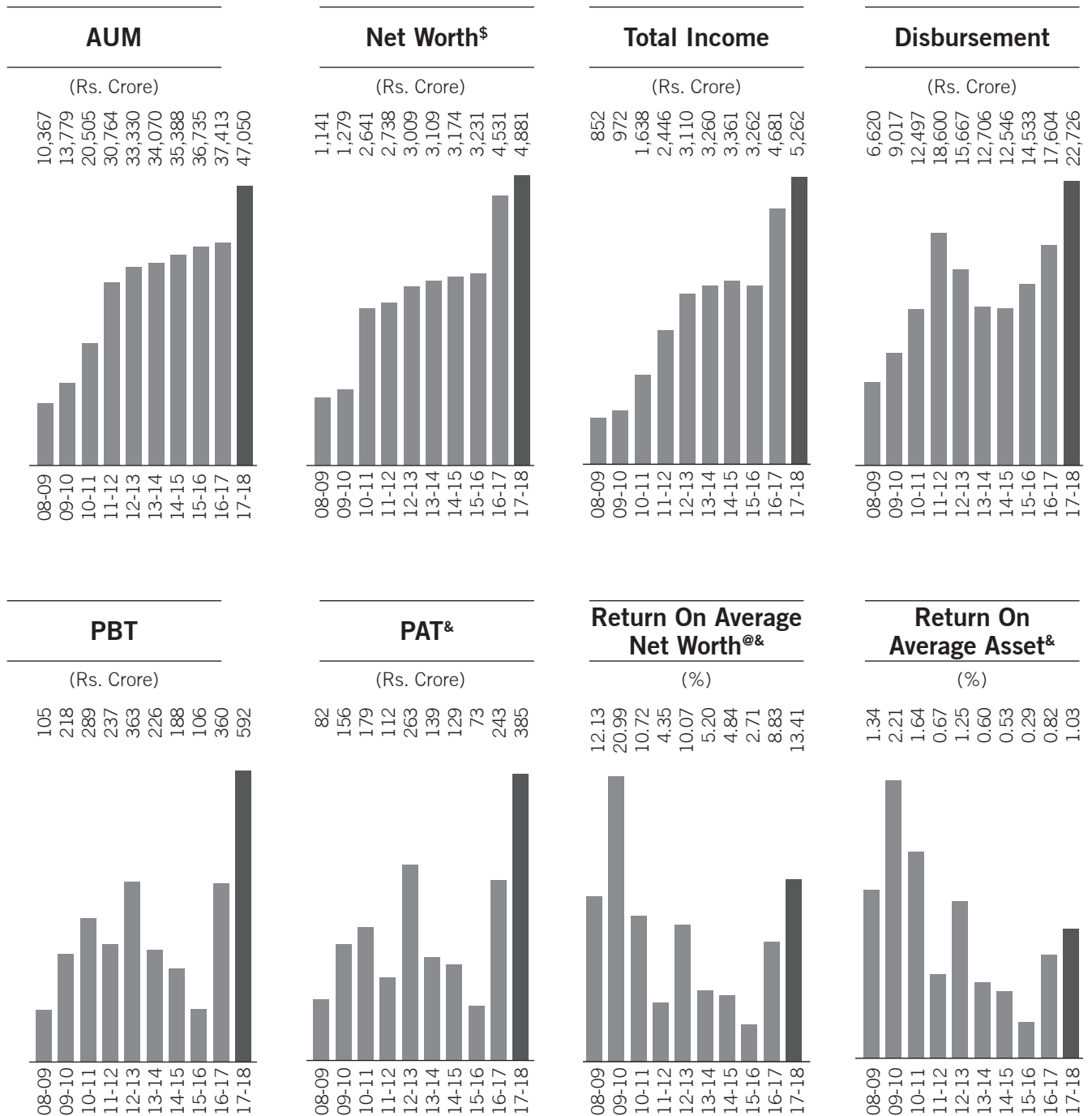
**18%**

## Consolidated

| Sources of Funds                           | 2017-18        |                     | 2016-17        |                     | Y-O-Y Growth (%) |
|--|----------------|---------------------|----------------|---------------------|------------------|
|  | Amount         | Percentage of Total | Amount         | Percentage of Total |                  |
|  | (Rs. in Crore) |                     | (Rs. in Crore) |                     |                  |
| Share Capital                              | 503            | 1.21                | 503            | 1.51                | 0%               |
| Reserves and Surplus                       | 4,765          | 11.48               | 4,415          | 13.22               | 8%               |
| Minority Interest                          | 0              | 0.00                | 1              | 0.00                | -100%            |
| Long-Term Borrowings                       | 10,330         | 24.89               | 8,913          | 26.68               | 16%              |
| Short-Term Borrowings                      | 19,638         | 47.31               | 14,598         | 43.72               | 35%              |
| Current Maturities of Long-Term Borrowings | 2,906          | 7.00                | 2,694          | 8.07                | 8%               |
| Deferred Tax Liabilities                   | 403            | 0.97                | 339            | 1.02                | 19%              |
| Other Long-Term Liabilities                | 548            | 1.32                | 257            | 0.77                | 113%             |
| Trade Payables                             | 1,711          | 4.12                | 1032           | 3.09                | 66%              |
| Others Current Liabilities                 | 540            | 1.30                | 524            | 1.57                | 3%               |
| Long-Term Provisions                       | 108            | 0.26                | 82             | 0.25                | 32%              |
| Short-Term Provisions                      | 56             | 0.14                | 34             | 0.10                | 65%              |
| <b>Total</b>                               | <b>41,508</b>  | <b>100.00</b>       | <b>33,392</b>  | <b>100.00</b>       | <b>24%</b>       |

| Application of funds                             | 2017-18        |                     | 2016-17        |                     | Y-O-Y Growth (%) |
|--|----------------|---------------------|----------------|---------------------|------------------|
|  | Amount         | Percentage of Total | Amount         | Percentage of Total |                  |
|  | (Rs. in Crore) |                     | (Rs. in Crore) |                     |                  |
| Fixed Assets                                     | 5,088          | 12.26               | 3,009          | 9.01                | 69%              |
| Goodwill   | 284            | 0.69                | 284            | 0.85                | 0%               |
| Non-Current Investments                          | 906            | 2.18                | 1,270          | 3.80                | -29%             |
| Deferred Tax Assets                              | 16             | 0.04                | 19             | 0.06                | -16%             |
| Long Term Financial Assets                       | 11,751         | 28.31               | 8,568          | 25.66               | 37%              |
| Short-Term Financial Assets                      | 2,388          | 5.75                | 1,850          | 5.54                | 29%              |
| Current Maturities of Long-Term Financial Assets | 4,205          | 10.13               | 3,717          | 11.13               | 13%              |
| Long Term Loan Assets                            | 8,279          | 19.95               | 7,910          | 23.69               | 5%               |
| Short-Term Loan Assets                           | 1,206          | 2.91                | 438            | 1.31                | 175%             |
| Current Maturities of Long-Term Loan Assets      | 3,545          | 8.54                | 3,389          | 10.15               | 5%               |
| Trade Receivables                                | 177            | 0.43                | 120            | 0.36                | 48%              |
| Inventories                                      | 26             | 0.06                | 22             | 0.07                | 18%              |
| Current Investments                              | 7              | 0.02                | 12             | 0.04                | -42%             |
| Cash and Cash Equivalents                        | 1,305          | 3.14                | 932            | 2.79                | 40%              |
| Other Long-Term Advances                         | 823            | 1.98                | 754            | 2.26                | 9%               |
| Other Short-Term Advances                        | 399            | 0.96                | 86             | 0.26                | 364%             |
| Other Non-Current Assets                         | 653            | 1.57                | 509            | 1.52                | 28%              |
| Other Current Assets                             | 450            | 1.08                | 503            | 1.50                | -11%             |
| <b>Total</b>                                     | <b>41,508</b>  | <b>100.00</b>       | <b>33,392</b>  | <b>100.00</b>       | <b>24%</b>       |

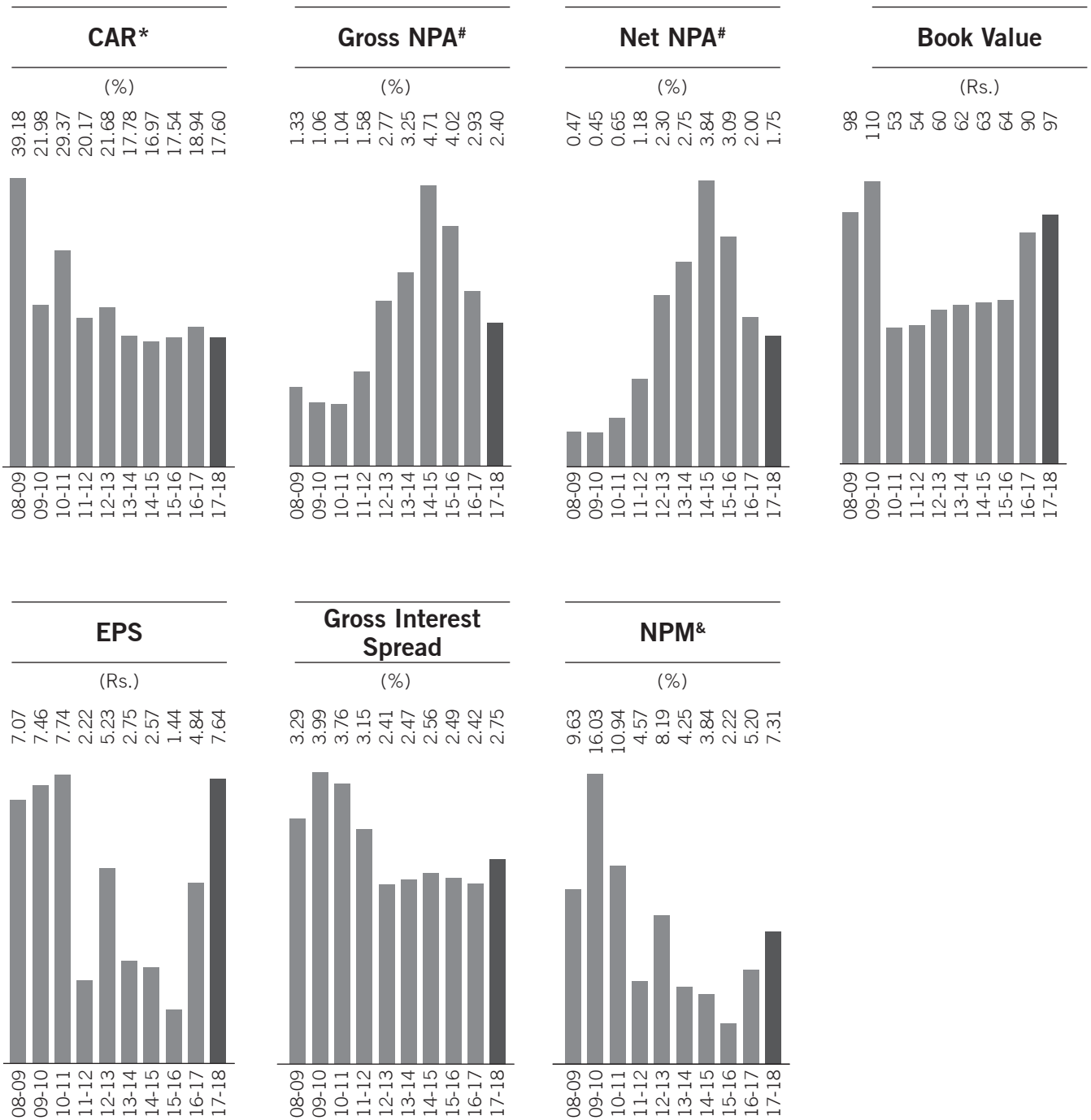
# OUR PERFORMANCE OVER THE YEARS



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

& Based on Profit after Minority Interest

@ Based on Standalone Net worth



& Based on Profit after Minority Interest

\* Based on Standalone numbers

# Calculated on Total Assets

# DIRECTORS' PROFILE

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**Mr. Hemant Kanoria**  
Chairman & Managing Director

He holds a bachelor's degree in commerce from the University of Calcutta and has 38 years of experience in industry, trade and financial services. He is currently serving as board member in the Indian Institute of Information Technology, Guwahati, Neotia University and New Delhi Institute of Management and is a member of the advisory board of the Calcutta Business School. He has held several prestigious positions, including serving as the president of Calcutta Chamber of Commerce and the chairman of the FICCI National Committee on Infrastructure, and has served on the board of governors of Indian Institute of Management, Calcutta. He was also a member of the Regional Direct Taxes Advisory Committee, Government of India (Gol).

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**Mr. Sunil Kanoria**  
Vice Chairman, Non-Executive Director

He is a chartered accountant with 33 years of experience in the financial services industry. He has been the president of the Associated Chambers of Commerce & Industry of India, a former governing body member of the Construction Industry Development Council and is presently a council member of the Institute of Chartered Accountants of India. He is also presently the honorary consul of Spain in Kolkata, with jurisdiction over the State of West Bengal.

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**Mr. Srinivasachari Rajagopal**  
Non-Executive & Independent Director

He is the former Chairman & Managing Director of Bank of India and Indian Bank and has more than 42 years of experience in the banking industry.

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**Mr. Shyamalendu Chatterjee**  
Non-Executive & Independent Director

He holds a bachelor's degree in arts from University of Ranchi. He is an ex-banker and has been associated with the State Bank of India, and with UTI Bank Limited (now Axis Bank Limited) as an executive director in the past. In addition, he has also served as a member of the Board of Directors of Nabil Bank Limited, Nepal.

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**Dr. Punita Kumar Sinha**  
Non-Executive & Independent Director

She has focused on investment management and financial markets during her 27 years career. She spearheaded some of the first foreign investments into the Indian equity markets in the early 1990s. She is the Founder and Managing Partner, Pacific Paradigm Advisors, an independent investment advisory and management firm focused on Asia. She is also a Senior Advisor and serves as an Independent Director for several companies. Prior to founding Pacific Paradigm Advisors, she was a Senior Managing Director of Blackstone Group LP and the Chief Investment Officer of Blackstone Asia Advisors LLC. She has a Ph.D. and a Masters in Finance from the Wharton School, University of Pennsylvania. She received her undergraduate degree in chemical engineering with distinction from the Indian Institute of Technology, New Delhi. She is an MBA and also a CFA charter holder. She is a member of the CFA Institute, the Boston Security Analysts Society and the Council on Foreign Relations. She is a Charter Member and was a Board Member of TIE-Boston. She has been awarded the Distinguished Alumni Award from IIT Delhi. She was also awarded the Best Woman Director 2016 from the Centre of Corporate Governance & Sustainability.

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**Mr. Ram Krishna Agarwal**  
Non-Executive Director

He has over 41 years of experience in various fields like audit, taxation, company law, consultancy, among others. He has been a Partner with S. R. Batliboi & Co. (Member firm of Ernst & Young in India) since 1978 and was the Managing Partner of the Firm at the time of his retirement in June, 2013. He is the past President of The Institute of Internal Auditors, India and was a member of the Central Council of The Institute of Chartered Accountants of India during 1991-97. He is connected with various Chambers of Commerce as the Committee Chairman / Executive Committee member, permanent invitee, among others and is a past Chairman of CII (Eastern Region). He was the National Chairman of Direct Tax Sub - Committee of CII in the year 2013-14.

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**Mr. Malay Mukherjee**  
Additional Director  
(Category: Independent Director)

He has over 40 years of experience in the field of Banking and NBFC including Venture Funding, Factoring and Broking. He was the Chief Executive Officer and Managing Director of IFCI Limited and was responsible for the growth and development of the business of IFCI. He also held the position of Chairman in various group Companies of IFCI Limited. As an Executive Director at the Central Bank of India, he looked after portfolios such as Credit, HR, General Administration, IT, Corporate Communications, Publicity, Marketing, Client coverage and New Initiatives. Further, being associated with Indian Bank for 36 years he accrued wide field exposure, having worked in various branches, regions and zones including Assam, Bihar, West Bengal, Karnataka, Maharashtra, Gujarat and New Delhi. He has been the past Chairman of Board of Governors of Management Development Institute (MDI) and Chairman of Institute of Leadership Development, Jaipur. Additionally, he was also a member of the Governing Body of Entrepreneurship Development Institute of India (EDII), Ahmedabad.

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# DIRECTORS' REPORT

*Dear members*

Your Directors are pleased to present the Thirty-Third Annual Report together with the Audited Accounts of your Company for the financial year ended March 31, 2018. The summarised consolidated and standalone financial performance of your Company is as follows:

## FINANCIAL SUMMARY

(Rs. in Lacs)

|   | Consolidated                      |                                   | Standalone                        |                                   |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|   | Year ended<br>31st March,<br>2018 | Year ended<br>31st March,<br>2017 | Year ended<br>31st March,<br>2018 | Year ended<br>31st March,<br>2017 |
| Total Income  | 5,26,187                          | 4,66,576                          | 1,77,362                          | 2,29,962                          |
| Total Expenses (including depreciation etc.)  | 4,22,820                          | 3,54,921                          | 1,49,654                          | 1,60,370                          |
| Profit before bad debts and advances written off (net) / Provisions, Contingencies, Diminutions & Tax | 1,03,367                          | 1,11,655                          | 27,708                            | 69,592                            |
| Bad Debts and Advances written off (net) / Provisions, Contingencies, Diminutions                     | 44,190                            | 77,207                            | 9,495                             | 54,756                            |
| <b>Profit Before Exceptional Items &amp; Tax</b>  | <b>59,156</b>                     | <b>34,448</b>                     | <b>18,213</b>                     | <b>14,836</b>                     |
| Adjustment on disposal / cessation of Subsidiaries and Step-down Subsidiaries                         | 33                                | 1,561                             | -                                 | -                                 |
| Current Tax   | 15,496                            | 10,768                            | 7,226                             | 6,582                             |
| Mat Credit entitlement (including in respect of earlier years)  | (2,895)                           | (5,715)                           | -                                 | (1,112)                           |
| Deferred Tax  | 6,615                             | 6,680                             | (1360)                            | (241)                             |
| <b>Profit After Tax but before Share of Loss of Associate and Minority Interest</b>                   | <b>39,973</b>                     | <b>24,276</b>                     | <b>12,347</b>                     | <b>9,607</b>                      |
| Share of Loss / (Profit) of Associate   | 1,547                             | (5)                               | -                                 | -                                 |
| Minority Interest   | (29)                              | (55)                              | -                                 | -                                 |
| <b>Profit After Tax after adjustment for Minority Interest</b>  | <b>38,455</b>                     | <b>24,336</b>                     | <b>12,347</b>                     | <b>9,607</b>                      |
| Surplus brought forward from Previous Year  | 31,513                            | 28,649                            | 20,679                            | 27,120                            |
| <b>Profit Available For Appropriation</b>   | <b>69,968</b>                     | <b>52,985</b>                     | <b>33,026</b>                     | <b>36,727</b>                     |
| Paid up Equity Share Capital  | 50,324                            | 50,324                            | 50,324                            | 50,324                            |
| Amount transferred to Reserves  | 17,030                            | 20,358                            | 8,761                             | 15,218                            |
| Reserves and Surplus  | 4,76,509                          | 4,41,550                          | 2,45,877                          | 2,36,174                          |
| Earning Per Share (Rs.)   | 7.64                              | 4.84                              | 2.45                              | 1.91                              |

Note: The above figures are extracted from the standalone and consolidated financial statements for the financial year ended on March 31, 2018

## OPERATIONAL REVIEW

Your Company is one of the leading private sector infrastructure financing institutions in India. Some of the key highlights of your Company's performance during the year under review are:

- The gross profit (before bad debts and advances written off (net) / Provisions, Contingencies, Diminutions & Tax) is Rs. 27,708 Lacs as against Rs. 69,592 Lacs in the last year.
- Profit before taxation is Rs. 18,213 Lacs as against Rs. 14,836 Lacs in the last year.
- Net profit after taxation is Rs. 12,347 Lacs as against Rs. 9,607 Lacs in the last year.
- The total assets under management of the Srei Group is Rs. 47,05,035 Lacs as against Rs. 37,41,290 Lacs in the last year.

The Capital to Risk Assets Ratio (CRAR) of your Company stood at 17.60 per cent as on March 31, 2018, well above the regulatory minimum level of 15 per cent prescribed by the Reserve Bank of India for systemically important non-deposit taking NBFCs (NBFCs-ND-SI). Of this, the Tier I CRAR was 13.71 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 Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014) and the relevant provisions of the Companies Act, 1956 / Companies Act, 2013, as applicable and Regulation 48 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI

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

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

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

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

## DIVIDEND

In accordance with Regulation 43A of SEBI Listing Regulations, 2015, a Dividend Distribution Policy is adopted by your Company, covering, inter alia, the parameters for declaration of dividend, utilization of retained earnings, procedure for dividend declaration etc. The Dividend Distribution Policy is available on your Company's website at <https://www.srei.com/investor/corporate-policies/pdf/dividend-distribution-policy.pdf>.

Your Company follows a consistent dividend policy that balances the dual

objectives of appropriately rewarding Members through dividends and retaining capital, in order to maintain a healthy capital adequacy ratio to support long term growth of your Company. Consistent with this Policy, your Board has recommended a dividend of Re. 0.50 per Equity share (5 per cent) for the financial year 2017-18 to the Members of your Company. The proposal is subject to the approval of the Members at the 33rd Annual General Meeting (AGM) of your Company scheduled to be held on July 21, 2018. The dividend together with the dividend distribution tax will entail a cash outflow of Rs. 3,032 Lacs (previous year Rs. 3,028 Lacs).

The dividend payout for the year under review is in accordance with your Company's policy to pay sustainable dividend linked to long-term growth objectives of your Company to be met by internal cash accruals.

## PUBLIC DEPOSITS

Your Company decided not to accept any further public deposits or renew such maturing deposits in any manner w.e.f. April 20, 2010 and the entire amount of outstanding public deposits as on April 19, 2010 together with interest promised to the depositors, has been kept in an Escrow Account with a scheduled commercial bank for the purpose of making payment to the depositors as and when they raise the claim. Despite sustained efforts to identify and repay unclaimed deposits, the amount payable to the depositors as on March 31, 2018 is Rs. 1,33,191.35.

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



## PUBLIC ISSUE OF SECURED AND UNSECURED SUBORDINATED REDEEMABLE NON-CONVERTIBLE DEBENTURES

During the year under review, your Company accessed retail public markets through its public issue of Secured and Unsecured Subordinated Redeemable Non-Convertible Debentures (the “Debentures”) of face value of Rs. 1,000 each which mobilized Rs. 336.78 Crores, as per the details given hereunder:

| Date of opening of Issue | Base Issue Size (Rs. in Crores) | Total Issue Size including Green Shoe Option (Rs. in Crores) | Maturity Period                         | Allotment Date | Amount (Rs. in Crores) |
|--------------------------|---------------------------------|--|---|----------------|------------------------|
| 09.02.2018*              | 200                             | Upto 2000  | 400 days / 3 years / 5 years / 10 years | 16.03.2018     | 336.78                 |

\*Issue w.r.t. Tranche 1 Prospectus dated February 05, 2018 read together with Shelf Prospectus dated February 05, 2018.

As on March 31, 2018, the total shareholding of the Promoters’ Group of your Company is 60.7984 per cent and none of the Promoter / Promoters’ Group shareholding is under pledge.

Debenture Trustee Agreement(s) for the aforesaid issue was duly executed with Axis Trustee Services Limited. The said Debentures are listed on the Debt Segment of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The entire proceeds have been utilised for the purpose of lending / repayment of existing loans and for general corporate purposes.

The public issue of the said Debentures has not only facilitated diversification of your Company’s sources for mobilising long term resources but has also provided the retail Investors an opportunity to participate in India’s infrastructure development and progress. Through the public issue launched in FY 2017-18, your Company has acquired nearly 16,000 retail investors. Along with previous issues, your Company now enjoys a retail base of nearly 86,000 investors. The various communication efforts of your Company surrounding the Debentures played a meaningful role in enhancing your Company’s brand image amongst relevant constituencies.

### PROMOTERS’ GROUP SHAREHOLDING

As on March 31, 2018, the total shareholding of the Promoters’ Group of your Company is 60.7984 per cent and none of the Promoter / Promoters’ Group shareholding is under pledge. Further, in compliance with Regulation 31(2) of SEBI Listing Regulations, 2015, the entire shareholding of promoter(s) and promoter group is in dematerialised form.

### WHITE LABEL ATMs

The RBI has granted licences to private non-bank companies to set up, own and operate their own brand of ATMs in the Country, known as White Label ATMs (WLAs). Your Company was issued Certificate of Authorisation (CoA) from RBI under the Payment and Settlement Systems Act, 2007 for setting up, owning and operation of WLAs in the year 2014.

Your Company has decommissioned the existing WLAs and has accordingly communicated to the Department of Payment and Settlement System, Reserve Bank of India (RBI) that it would like to surrender the CoA.

## ADOPTION OF NEW ARTICLES OF ASSOCIATION

The Ministry of Corporate Affairs (MCA) has notified and brought into force most of the Sections and corresponding Rules of the Companies Act, 2013 ('the Act') which replaces the provisions of the Companies Act, 1956. In order to bring the Articles of Association (AOA) of your Company in lines with the provisions of the Act, your Company recommended that the Members adopt a new set of AOA in substitution of and to the complete exclusion of the existing AOA. The resolution to adopt the new AOA was passed by requisite majority by the Members of your Company through postal ballot which concluded on December 10, 2017.

## INTRODUCTION OF FUTURES & OPTIONS (F&O) CONTRACTS

The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) have vide Circular Ref. No. 64 / 2017 dated 23rd June, 2017 and Notice No. 20170627-5 dated 27th June, 2017, respectively, included the securities of your Company under the symbol SREINFRA and scrip code 523756 under Futures & Options (F&O) Contracts for trading on the Exchanges w.e.f. 30th June, 2017.

## VOLUNTARY DELISTING OF EQUITY SHARES OF THE COMPANY FROM THE CALCUTTA STOCK EXCHANGE LIMITED (CSE)

Your Company's Equity Shares are presently listed on the National Stock Exchange of India Limited (NSE), BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE). Since there was no trading in the equity shares of your Company at CSE from considerable time, your Company has decided to voluntarily delist the equity shares from CSE in terms of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations").

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ECONOMIC REVIEW

#### a. Global Outlook

The World Bank forecasts global economic growth to edge up to 3.1 per cent in 2018. This comes after a 3 per cent growth achieved in 2017. Growth rate is projected to be 3 per cent in 2019. The International Monetary Fund (IMF) presents a more positive outlook. It expects the global economy to grow at 3.9 per cent both in 2018 and 2019 after growing at 3.6 per cent in 2017.

The global economy is experiencing a broad-based cyclical upturn, riding on a recovery in investment, manufacturing, trade and firming commodity prices, which is expected to sustain over the next couple of years. However, downside risks persist which can have wider ramifications on other countries:

- US economy is becoming increasingly protectionist. The recent increase in tariffs for select import items and China's retaliation can escalate into a full-fledged trade war;
- Crude prices have started firming up. The future direction of oil prices will depend on how much US-based shale producers can step up production to counter the production cuts carried out by Organization of Petroleum Exporting Countries (OPEC)-plus grouping;
- There is a sense of growing uncertainty in geopolitics in several pockets – be it the civil war at Syria, the conflict in the Middle East between Saudi Arabia and Iran-Qatar, the tension in Korean peninsula, or even China's aggressive expansionism and belligerent posturing in the South China Sea.

Meanwhile, confusing signals are coming out of Europe. The European Union and the United Kingdom are making progress on their talks to make Brexit smooth. Within the Eurozone, despite political uncertainty in some of the countries,

the economy appears to be on a steady footing presently. The star performers in Eurozone during the last quarter of 2017 were Estonia, Slovenia and Lithuania, and interestingly China has a role to play in this. In fact, China has offered to build infrastructure in 16 Eastern European countries, 11 of which belong to European Union. As the countries are using the Chinese assistance as a bargaining tool against Brussels, this is apparently creating a divide between Western and European Europe.

Putting an end to its quantitative easing (QE) programme, the US Federal Reserve has increased its key interest rate six times since December 2015. The European Central Bank (ECB) is also contracting its monetary expansion. But despite that, the emerging markets have not witnessed any major outflow of foreign capital as there has been a steady supply of liquidity from Japan and China to these markets. In fact, Japan and China now compete in many markets, including investments in areas of high-technology and infrastructure. China, in particular, has been on a major expansionary drive, financing infrastructure in different countries and also buying up companies from around the world. The move by Xi Jinping to indefinitely extend his term as Chinese President is very important as it clearly indicates China's ambition to position itself as the top global power.

Many of the emerging markets are undergoing a distinct change in the nature of their growth models. Earlier, the fortunes of many of those were linked to the commodities for which they were exporters. Now, those markets are diversifying and harnessing technology to make innovative offerings of products and services thus creating new markets for themselves. In fact, many of them are no longer dependent on developed nations for their exports. Their goods trade with other emerging markets is continuously rising.

It is therefore not a surprise that as per the World Bank forecasts, the Emerging

Market and Developing Economies (EMDEs) will be the main drivers of global growth. The EMDEs, after registering a 4.3 per cent growth rate in 2017, is expected to clock a growth rate of 4.5 per cent in 2018 and thereafter growth rate will further strengthen to 4.7 per cent in 2019. The advanced economies (AEs), after growing at 2.3 per cent growth rate in 2017, are expected to clock a growth rate of 2.2 per cent in 2018 and then further slow down to 1.9 per cent in 2019.

### b. Indian Scenario

India's GDP growth stood at 6.6 per cent in 2017-18 as per data from Central Statistics Office (CSO). After conceding its position as the fastest growing major economy to China for a year in 2017, India is poised to regain the position in 2018. The World Bank predicts a GDP growth rate of 7.3 per cent in 2018 whereas the IMF estimates the figure at 7.8 per cent for the same year. The Economic Survey 2017-18 has forecast a GDP growth of 7-7.5 per cent in 2018-19.

Clear signs of a pick-up in economic activity were visible during the year under review. Growth momentum in sectors like agriculture, manufacturing and construction has been on the rise. The Index for Industrial Production (IIP) has grown at more than 7 per cent for four consecutive months from November, 2017 to February, 2018. The manufacturing sector, which constitutes over 77 per cent of the IIP index, grew at 8.7 per cent in February, 2018. Capital goods output rose by a robust 20 per cent in the same month. Consumer demand has remained strong and a sharp pick-up in demand for consumer durables is also visible in recent months. All these developments give an impression that the economy may be on a sustained recovery path.

However, most of this growth has been fuelled by government spending, and for that the Government had to slightly relax its fiscal deficit target. Thankfully, the record high foreign exchange reserve of USD 425 billion provides an adequate

buffer. In addition, foreign direct investment (FDI) inflow has remained steady. After recording a total FDI (equity + re-invested earnings + other capital) inflow of USD 60 billion in 2016-17, India has attracted a total FDI of USD 48.2 billion during April-December 2017. India is presently the leading country for attracting greenfield FDI. This is an endorsement of the fact that the global investor community is upbeat about the India growth story.

Some points to be conscious of, while crafting growth plans:

- While the economy came to terms with the after-effects of the demonetization episode, the implementation of the Goods and Services Tax (GST) created some new challenges, especially for small businesses and entrepreneurs who found the documentation quite cumbersome
- The Insolvency and Bankruptcy Code (IBC), introduced by the government to address the bad loans problem of the banking sector, is still a work-in-progress. Meanwhile, a recapitalization package has been announced for the public sector banks so that banks can resume lending
- Private sector investment in infrastructure is yet to pick up despite a number of sector-specific reforms undertaken by the government
- India's export growth has slowed at a time when global trade flows are accelerating. The trade deficit for 2017-18 increased by almost 50 per cent y-o-y to USD 156.83 billion. The firming up of crude prices can further widen India's trade deficit which will weigh on the Indian Rupee (INR) trajectory in the coming months. In addition, for labour-intensive sectors such as gems and jewellery, readymade garments, jute products, agriculture products and other micro, small and medium enterprise (MSME)-dominated sectors, the exporters are facing problems

of liquidity on account of banks tightening lending norms and delays in GST refunds

Despite the initial niggles, the GST is expected to benefit economic activity and fiscal sustainability by reducing the cost of complying with multiple state tax systems, drawing informal activity into the formal sector, fuelling entrepreneurship and expanding the tax base. In addition, there has been a marked improvement in the direct tax collections. With the IBC gradually evolving, the stress in the banking sector is likely to get addressed in an orderly manner going forward. Structural reforms in the banking sector are also being planned which will vastly improve the credit intermediation. In addition, the forecast of a normal monsoon in 2018 augurs well for the economy.

### NBFCs IN INDIA

NBFCs have been playing a complementary role to the other financial institutions including banks in meeting the funding needs of the economy. They help fill the gaps in the availability of financial services that otherwise occur in bank-dominated financial systems. NBFCs have traditionally focused on customer segments which were not served by banks like MSMEs, construction, mining and farm equipment, commercial vehicles (new and used) and plant and machinery; etc. NBFCs typically are specialized vehicles –both in terms of products and the geographies in which they operate. This specialization provides them a unique framework to assess the risk in the undertaken business. The ability of NBFCs to produce innovative products in consonance with needs of their clients is well recognized. This, in addition to the proximity to the clients, makes the NBFCs distinct from its banking sector counterparts.

The Economic Survey 2017-18 has highlighted that NBFCs bring in diversity and efficiency to the financial sector and makes it more responsive to the needs of the customers. The flow of non-bank resources to the corporate sector, which includes bond market borrowing and lending by NBFCs has increased by 43 per cent from April to December, 2017 substituting in part for weak bank credit.

During the year under review, RBI made the following amendments to the regulatory framework for NBFCs:

- Information Technology Framework for the NBFC sector was prescribed with focus; on IT Governance, IT Policy, Information & Cyber Security, IT Operations, IS Audit and IT Outsourcing;
- Infomercs Valuation and Rating Private Limited (IVRPL) was accredited for rating of NBFCs;
- All NBFCs notified as Financial Institutions under the SARFAESI Act were asked to appoint nominated counsels in Hon'ble Delhi High Court;
- Regulation of Peer to Peer Lending NBFCs were issued;
- Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs were issued;
- Mandatory submission of financial information and information relating to assets in which security interest has been created, to the Information Utility in compliance to the Insolvency and Bankruptcy Code, 2016. National E-Governance Services Ltd (NeSL) has been registered as the Information Utility by IBBI;
- Ombudsman Scheme for NBFCs was introduced. It shall be applicable to only Deposit Taking NBFCs in the initial phase and then extended to all NBFCs with asset base of Rs. 100 crores and above;
- Relief given to MSME borrowers registered under GST by way of extending the asset classification

norm to 180 days for amounts overdue on September 01, 2017 and amounts due between September 01, 2017 and January 31, 2018.

Your Company is keeping a consistent monitoring of all these developments and is continuously exploring new opportunities. Your Company has been the flag bearer for the NBFC sector for the last decade now and has been aggressively taking up the cause of the sector by way of regular interaction with the regulators and the Governments, both at the Centre and the States.

## BUSINESS OUTLOOK AND FUTURE PLANS

The Government is earnestly working towards enhancing India's attractiveness as an investment destination. These efforts have started bearing fruits:

- India has climbed up 30 places in the World Bank's Ease of Doing Business Index
- India has moved up 32 places in the last two years in the Global Competitiveness Index of the World Economic Forum
- India has moved up 21 places on the Global Innovation Index of World Intellectual Property Organization in two years
- For the first time in 13 years, Moody's has raised India's sovereign ratings.

In order to sustain the growth momentum and to create jobs, the Government has been proactively spending on infrastructure creation. An estimated budgetary and extra budgetary expenditure of Rs. 5.97 trillion has been finalized for 2018-19 as against an estimated expenditure of Rs. 4.94 trillion in 2017-18, an increase of 21 per cent.

Elaborate investment plans have been drawn up by the Government for sectors like roads, railways and ports :

- Under the Bharatmala Pariyojana, 35,000 km of new highways (subsuming existing plans to add 10,000 km of national highways) are

to be added with an outlay of Rs. 5.35 trillion over the next five years. An additional Rs. 1.57 trillion is set to be used in existing projects. Thus, a total of Rs. 6.92 trillion will be spent on highway construction over the next five years. In addition, another Rs. 882 billion will be spent on rural roads in the next three years

- An investment plan of Rs. 35.3 trillion up to 2032 has been drawn up for Indian Railways. The bulk of this investment is aimed at capital expenditure towards capacity creation including track doubling, gauge conversion, replacement of old tracks, introduction of modern trains, creation of dedicated freight corridors, redevelopment of 600 stations, overhauling of signaling system. Enhancing safety measures and improving passenger amenities are integral to this grand overhaul plan
- An investment plan of Rs. 1.42 trillion has been envisioned for modernization of ports till 2035. A new Model Concession Agreement (MCA) for Public Private Partnerships (PPPs) in port projects has been approved to make this sector attractive for private investments

In addition, a number of sector-specific initiatives have been taken during the year under review to attract private investments into infrastructure. The announcement to dismantle the monopoly of Coal India Ltd. is a major development. Not only will this augment domestic coal production by attracting private majors from around the world, it will also ease the supply of coal for power generation besides exposing our mining practices to the global best practices. The Open Acreage Licensing policy in hydrocarbon sector has already started attracting global majors. There are renewed efforts to bring in necessary changes in the Special Economic Zone (SEZ) policy to address the concerns of present and potential investors. Union Budget 2018-19 has provided

an impetus to affordable housing by creating a dedicated fund under the National Housing Bank.

Union Budget 2018-19 had a strong rural focus. A wide array of steps including expansion of rural infrastructure, enhanced outlay for irrigation, adoption of cluster model for horticulture and upgradation of Rural Haat-s were announced which augur well for the agro-economy. The decision to set up an Agri-Market Infrastructure Fund with a corpus of Rs. 20 billion and creation of 42 Mega Food Parks can provide fillip to the agro-processing industries and fuel entrepreneurship at the rural level.

Demand for infrastructure equipment is expected to multiply as a result of all these. Thus, demand for financing of such assets is also bound to rise. With GST unifying the Indian market, inter-state mobility of these assets is no longer a problem. Thus, this is the ideal time to promote cost-effective methods of utilisation of these assets like renting and leasing. Apart from demand for construction, mining and allied equipment, a spurt in demand for agriculture equipment is also expected. Due to the budget announcements on expansion of healthcare, demand for medical equipment is also expected to increase as well. Quite naturally, all these open up huge opportunities for your Company.

Your Company is actively tracking all these developments and the management is confident that the business scenario will improve significantly during FY 2018-19.

## BUSINESS REVIEW

The three main business activities of your Company are categorised as Fund based, Fee based and Strategic Investments.

### I. FUND BASED ACTIVITIES

#### INFRASTRUCTURE PROJECT FINANCE

The infrastructure sector is showing signs of stability, although pockets of stress still

linger. The outlook on the sector looks stable for FY 2019 from negative in FY 2018 with visible improvements in toll roads and wind projects. India is one of the preferred investment destinations globally, with strong FDI inflows of around US\$ 45 Billion (INR 2925 Billion) per annum. Favourable investment climate in India is now ranked 3rd amongst the most prospective host economy for 2016-18 along with China and the US. The outlooks for thermal power (project level), oil and gas (including city gas distribution), power (corporate utilities), ports and airports remain unchanged. Whereas Road Sector is showing positive sign, wind sector continues to exhibit underperformance, protection from fixed capacity charges and built up of reserves provide stability to the ratings.

#### Power Sector

Power demand growth will improve gradually (6-6.5 per cent CAGR) over FY 2018 - 22 and be inadequate to support any material improvement. Capacity additions will slow down sharply. Structure of Power Purchase Agreement (PPAs) will change to more short / medium to refrain from long term commitment on fixed costs given a potential change in power sector. Consequently, Power Sector to continue to reel under significant financial stress until demand-supply scenario improves, which is likely only after 2020. On account of large additions by private sector, low plant load factor (PLF), inadequate off-take and fuel arrangement, 21 GW power assets is reeling under stress.

Non-conventional energy sector, there was fair growth & future prospect in solar & wind power sector compared to hydel & bio-fuel power.

#### Solar Power

The tariff of utility-connected large solar photovoltaic (PV) power projects has hit a record low of Rs. 2.44 / kwh. At this tariff, solar plants are cheaper than several new and old conventional coal-fired power plants. During past six years, the tariff of large solar power

in India has reduced annually by 20 per cent. The International Renewable Energy Agency (IRENA) says by 2025, the global average cost of energy (LCOE) of solar PV system could fall by 59 per cent from 2015 levels. Even if the tariff of large solar projects drops by 5 per cent annually in India between now and 2020 (lower than IRENA's prediction), solar plants would soon be the cheapest source of electricity during the daytime.

#### Wind Power

Wind power tariff also shows a downward trend. In the latest auction of 1,000 MW wind power, the tariff hit a record low of Rs. 2.64 / kWh. By 2025, the global average cost of onshore wind power is projected to fall further by a quarter from 2015 levels, making it cheaper than conventional coal-based power.

Lithium-ion battery prices have also tanked by over 70 per cent since 2010. If this trend continues, the global average cost of electricity storage could fall further by 70-80 per cent and reach Rs. 3.0 / kWh by 2025. At this cost, utility-scale electricity storage would become economically viable, and batteries could act as a large base load power plant (which generates power to satisfy the minimum demand like coal-power plants) as well as a peaking power plant (which generally runs when there is a high demand like gas-power plants).

Your Company has allocated about 41 per cent of its total allocation to this sector diversified into generation and transmission & distribution. Out of the above, around 18 per cent of your Company's total power sector investment is in renewable energy sector.

#### Road Sector

Road projects have mainly been bolstered by the entry of foreign investors into the projects and relaxation of norms by National Highways Authority of India (NHAI). Currently, the credit profiles of several road projects have been strengthened by way of debt reduction, enabled by a new strong sponsor and locking in low interest rates by accessing

capital market or other financial institutions for refinancing.

Road projects have displayed a quantum jump in construction pace due to timely clearances and acquisitions. Government has set an ambitious target to build highways at a pace of 45 km / day in FY 2018-19 as compared to 27 km / day in FY 2017-18. Last year, the Ministry and its wings like NHAI had together awarded 17,055 km highway projects. This year, the target has been kept by about 25 per cent higher at around 20,000 km.

It is expected that the refinancing of the existing loans will continue in FY 2019 and companies owning mature assets will tap the capital market. A capex of INR 0.85 trillion have been planned for FY 2019 by the Ministry of Road Transport and Highways (MoRTH).

There is a stable outlook visibility on annuity-based road projects for FY 2019. This stems from assured semi-annual revenue from the highly rated NHAI, which has demonstrated this ability across numerous projects over the years.

During the year, your Company has selectively participated in financing road projects by NHAI and State Authorities. Your Company has allocated about 14 per cent of its total allocation to this sector.

### **SEZ & Industrial Parks**

The Special Economic Zone (SEZ) policy was introduced by the Government of India in year 2000 to overcome the shortcomings of the Export Processing Zones (EPZ) like size, infrastructure constraints, location handicaps and lack of policy framework.

As on March, 2018, formal approvals over 400 have been granted for setting up of Special Economic Zones, out of which around 350 SEZs have been notified and are in various stages of operation out of which more than 200 are operational.

During the year, your Company has selectively participated in financing projects in this sector. Your Company has allocated around 14 per cent of its total allocation to this sector.

### **Ports**

The outlook of seaports for FY 2019 is stable. The performance in FY 2018 across major ports was diverse with eight ports recording growth in traffic and remaining witnessing a year-on-year decline in throughput. In terms of commodity, petroleum oil and liquids continued to have the largest share (around 38 per cent), followed by coal (around 20 per cent) and containerised cargo (around 20 per cent).

Your Company has exposure to this sector by financial participation in a mix of major ports, minor ports and captive ports. The port sector now comprises about 5 per cent of the portfolio.

### **Water & Sanitation**

Focus on capital expenditure on water and waste water infrastructure in India set to increase by 83 per cent over the next few years and expected to reach around INR 1 trillion annually by 2020. Waste water treatment sector expected to grow exhibiting a CAGR of 15.3 per cent to reach INR 442 Billion in FY 2020 whereas investments in water supply to grow from INR 361 billion to INR 611 billion over the next five years.

During the year, your Company has selectively participated in financing projects in this sector. Your Company has allocated around 3 per cent of its total allocation to this sector.

Your Company remains to be a leader in providing advisory and funding solutions to companies that are operating in the infrastructure sector. Your Company continues to improve its capabilities and bring in best in class technology and solution to its customers.

There is a stable outlook visibility on annuity-based road projects for FY 2019. This stems from assured semi-annual revenue from the highly rated NHAI, which has demonstrated this ability across numerous projects over the years.

## INFRASTRUCTURE EQUIPMENT FINANCE - SREI EQUIPMENT FINANCE LIMITED

Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of your Company, is registered with the Reserve Bank of India (RBI) as a non-deposit taking NBFC (Category - Asset Finance) and is the leading financier in the Construction, Mining and allied Equipment (“CME”) sector in India. In addition to CME, SEFL is also diversified into financing of tippers, IT and allied equipment, medical and allied equipment, farm equipment and other assets. The financial products and services comprise loans for new and used equipment and leases.

Infrastructure sector being a key driver for the Indian economy enjoys continued focus from government. In the recent years, Indian infrastructure sector is characterised by high budgetary allocation, increasing number of deals, increasing private sector investment, reforms, and rising foreign direct investment (FDI) in the sector. In the Union Budget for 2018-19, allocation to infrastructure sector increased by more than a trillion rupees to Rs. 5.97 trillion. Sectors like roads and highways, irrigation, railways, and renewable energy will drive the investments in the coming years. The recent Goods and Services Tax (GST) implementation is benefitting the construction equipment leasing segment and thereby aiding as a vital tool for asset creation as it allows the companies to use equipment without leveraging.

The construction, mining, and allied equipment (CME) industry is estimated to have grown by upwards of 20 per cent year-on-year in Fiscal 2018 in terms of unit sales.

SEFL, with the total disbursement of Rs. 19,106 crores in FY 2017-18, continues to be a dominant financier in the CME market. In a report by Feedback Consulting, SEFL was a leading financier in the CME sector in India, with an approximately 32.7

per cent market share in Fiscal 2017. The report also highlights that the construction equipment finance industry is expected to grow at a CAGR of 19 per cent to Rs. 470 billion for the next three years (2016-17 to 2019-20).

The year under review saw a marked improvement in the financial performance of SEFL. Buoyed by a rejuvenated infrastructure segment, the total disbursements in terms of asset cost of SEFL grew by 40.46 per cent during the year under review. The total Asset under Management (AUM) grew to Rs. 30,073 crores, representing a 41.64 per cent growth over last year. The Gross Non-Performing Assets (GNPA) reduced from 2.48 per cent in 2016-17 to 1.84 per cent in 2017-18, while the Net Non-Performing Assets have reduced from 1.76 per cent in 2016-17 to 1.30 per cent in 2017-18. The Capital Adequacy Ratio (CAR) remained compliant at 15.94 per cent. The profit before tax grew to Rs. 394.41 crores in the year under review from Rs. 216.42 crores in 2016-17.

The improved financial performance is a result of SEFL's continued inroads into newer asset classes and lifecycle solutions that provides customer value and investment in technology which benefits its service delivery, customer experience, and risk prognosis.

In the forthcoming year, SEFL would continue to leverage growth opportunities in the Indian equipment financing market through its end-to-end asset lifecycle business model and strive to maintain its strong market position. Further, SEFL will remain focussed on upgrading its existing technology systems with automated, digitised and other technology-enabled platforms and tools to strengthen its financing initiatives and derive operational cost and management efficiencies.

During the year under review, SEFL explored on the possibilities of raising of fresh capital by issue and / or transfer and allotment of equity shares through Initial Public Offering (IPO) comprising

The construction, mining, and allied equipment (CME) industry is estimated to have grown by upwards of 20 per cent year-on-year in Fiscal 2018 in terms of unit sales.

a combination of fresh issue and offer for sale by the parent company. The said issue was approved by the Members of SEFL and accordingly Draft Red Herring Prospectus (DRHP) was filed with BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and The Securities and Exchange Board of India (SEBI) on November 28, 2017. Further, necessary application was made to the Stock Exchanges for obtaining in-principle approval for listing of Equity shares of the Company. The SEBI approval is awaited.

## II. FEE BASED ACTIVITIES

### INFRASTRUCTURE PROJECT ADVISORY

Infrastructure Project Advisory Division of your Company is expanding its spectrum as strategic advisors through conceptualising various infrastructure projects in different domains.

Your Company has signed a MoU with the Government of Uttar Pradesh to rejuvenate Agra as an iconic tourist and holiday destination. As a part of the MoU, your Company will accentuate the city's historical, cultural and heritage contours, promote lesser known monuments and temples, and expand tourists' focal point from Taj Mahal to all the three World Heritage sites in the city. It is proposed to espouse investment of around Rs. 25,000 crore for rejuvenation of Agra including providing assistance to the State Government and its agencies in mobilizing resources and catalyzing investments for the creation of necessary infrastructure.

Your Company has been empanelled with the Ministry of Transport & Highways, Government of India for providing Transaction Advisory services for Projects under the Toll Operate Transfer (TOT) Model. This will enable your Company to participate in restricted tenders in this sector.

Your Company continues to work as Programme Management Agency (PMA) for the Ministry of Food Processing Industries, Government of India, to facilitate establishment of Mega Food

Parks across the Country. Further, your Company has been appointed by the Ministry to work as PMA for the Scheme for Creation of Infrastructure for Agro Processing Clusters for creation of modern infrastructure for food processing, closer to production areas and for providing integrated and complete supply chain from farm gate to consumer. Further, your Company has also been appointed as PMA to provide management, coordination and monitoring support to the Ministry for implementation of Creation / Expansion of Food Processing / Preservation Capacities (CEFPPC) under Pradhan Mantri Kishan Sampada Yojana in the Country.

Your Company has been appointed by Food Corporation of India as Independent Engineer & Auditor (IE&A) to oversee / supervise setting up of Silos on Design, Build, Finance, Own & Operate (DBFOO) basis for storage of food grain at Kannauj in Uttar Pradesh and Sangrur in Punjab.

Urban Development Department, Government of Jharkhand has decided to prepare GIS Based Master Plan and Zonal Development Plans for thirty-two towns of the state. The objective of undertaking this study is to develop common digital geo-referenced base maps and land use maps using Geographical Information System (GIS) and Master Plan Formulation for cities that are selected as Atal Mission for Rejuvenation and Urban Transformation (AMRUT) Cities. Your Company has been assisting the Government of Jharkhand for formulation of GIS based Master Plan for Chas and Deoghar cities in Jharkhand.

Your Company continues to assist Government of Jharkhand in providing Housing for All through programme verticals and also assisting in preparation of the detailed project report for their implementation and Project Management under the centrally sponsored Scheme for a Cluster of eight cities and towns namely Jamshedpur,

Adityapur, Jugsalai, Mango, Seraikela, Chakulia, Chaibasa and Chakradharpur.

Your Company continues to work as Consultant for preparation of Pre-feasibility Reports, Detailed Project Reports and tender documents for full coverage of drinking water to rural population in two Packages viz., Ramgarh and Hazaribagh in Jharkhand.

During the year under review, your Company continued to work as PMA for Food Processing Industries in Bihar and Jharkhand. Your Company also worked as Project Management Consultant (PMC) for implementation of Sewerage Scheme in Navelim and Porvorim areas in Goa.

As Smart City and AMRUT Mission are flagship projects of Government of India supported by the State Governments, your Company has been continuing its effort to participate in these high value programmes.

Your Company proposes to take visible strategic initiatives in leveraging the Group's presence in allied infrastructure sector and to act as the primary knowledge management / advisory platform to inculcate, define and develop infrastructure projects in common domains. It is now the endeavour of your Company to develop enduring and plausible partnerships with various consulting and advisory firms, typically based on geographical regions to bring down input cost, better utilization of experienced human resources and increase profitability.

It is the constant and enduring effort of Infrastructure Project Advisory Division of your Company to bring value to the table for all stakeholders through constant market assessment, strategic market alignment and effective utilization of human resources and harnessing all effective opportunities.

## III. STRATEGIC INVESTMENTS

The global economic environment remains favourable but short-term risk has increased mainly attributed to rising geopolitical tensions and trade



protectionisms. Medium term risk poses a threat to global growth due to recent years of low interest rates and other accommodative policies. Given the ongoing financial volatility, IMF has projected global growth to accelerate from 3.7 per cent in 2017 to 3.9 per cent only both in 2018 and 2019, respectively (Source: IMF). During 2017, both the advanced economies and emerging economies contributed growth stronger than expected in three out of the four quarters, largely supported by pickup in investments during 2017 (Source: IMF). There could be a possible trigger of faster than expected increase in inflation and interest rates in advanced economies as demand picks-up. If the global environment remains resilient and inflation is subdued, then economic condition could remain loose in medium term leading to build-up of financial susceptibility. Increase in inflation could lead central banks to tightening of financial policies, which could pose a threat to emerging markets wherein fundamentals have been improving. The current condition provides an appropriate platform for implementing structural reforms which could boost productivity and make road for inclusive growth. The advanced, emerging and developing economies need to work together to strengthen medium term prospects, safeguard from the risk of heightened volatility and ensure that benefits from technological progress are shared equally. All the stakeholders should be mindful of potential risks associated with rising interest rates, increased market volatility and increasing trade protectionisms in near future.

The GST roll-out had an adverse impact on the economy resulting in loss of output and employment in labour intensive unorganised sector. However, there was sustained expansion in capital goods production and modest revival in construction activity in Q3. Q4 indicators also reflect increased domestic economic activities followed by alleviation of GST challenges. Despite the challenges posted by GST roll out during

fiscal 2017-18, the Indian economy is estimated to have grown by 6.6 per cent during FY 2017-18 supported by government expenditure. The Indian economy growth during FY 2018-19 is projected to be 7.4 per cent (Source: RBI). Several factors including revival in investment activity, expansion in capital goods production and rising imports will accelerate the growth in economy in FY 2018-19. Given the rising trade barriers and global market volatility, the policy makers need to ensure that local macroeconomic factors are strengthened, distressed entities are deleveraged, bank balance sheets are recapitalised. The inflation uncertainty poses an internal threat due to concern of adequacy of monsoon rains and implementation of revision of minimum support prices. This will be third consecutive year wherein MET department has projected normal monsoon in current financial year at 97 per cent of long period average for the Country. Normal monsoon could boost sectors such as FMCG, auto, fertilisers, tractors, and cement. In FY18, the yield on 10 year government securities rose by 77 bps from average yield of 6.85 per cent in April, 2017 to 7.62 per cent in March, 2018. The corporate bond yield market has also inched up in last few quarters and hovering around at average of 8.6 per cent for 5 years tenor (Source: Care). RBI is keeping a close watch on the inflation numbers to decide on any rate hike in future. The continued focus of Indian Government to roll-out structural reforms such as boosting farm supply chain & increasing rural welfare programs; policies for building infrastructure across defence, smart cities, roads, railways, ports, inland waterways, etc. and financial reforms to boost bond market, bank capitalisation, hybrid instrument for foreign investments, etc. will attract investment in the Country.

Your Company's investment encompasses infrastructure sector such as transportation, energy, special economic zone & industrial parks, urban infra and social infrastructure.

The Insolvency and Bankruptcy Code roll-out during FY 2016-17 has started showing good results with resolutions of some corporates in sight. Your Company hopes to see a large number of such cases getting resolved in future and thereby relieving the worries of lenders. The impetus of Indian Government to boost infrastructure sector by providing higher budgetary support has led to faster project awards & execution in the infrastructure sector. Your Company expects that both Central and State Government's continued focus to build infrastructure sector will provide the much needed economic environment during FY 2018-19 and will attract investment in infrastructure sector. Infrastructure sector provides sustainable investment opportunities to long term investors in India. Your Company expects that government policy reforms to boost infrastructure sector will create right economic condition in India during FY 2018-19 and will help your Company in monetising its investment value.

Bharat Road Network Limited, one of your Company's investments, having presence in highway projects, came out with its initial public offering during September, 2017 and got successfully listed on BSE Limited and National Stock Exchange of India Limited. Leveraging the current favourable economic environment and uptick in the sale of construction equipment in the Country, Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of your Company having presence in equipment financing business and regulated by the Reserve Bank of India, has filed Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI) and plans to come out with its Initial Public Offer (IPO) in FY 2018-19. Your Company plans to offer to sell in the IPO a part of its shareholding in SEFL, thus embarking upon monetising another of its investment.

Your Company has started rolling out technology driven risk model across businesses, created brand positioning which epitomise with happiness,

and embarked on its digital journey to optimise its eco-system while continuously emphasizing to enhance shareholder returns. Your Company is continuously striving on enhancing the portfolio value of its investments through upskilling its human capital, creating partnerships, agile approach and robust processes which can withstand the risks posed due to global uncertainties and market volatility as well as grow its revenues. Your Company is continuously trying to explore divestment opportunities of its investment portfolio to realize better value by leveraging the positive economic environment.

## RESOURCES

During FY 2017-18, the Treasury department of your Company has seamlessly mobilised resources at competitive rates in the market. Leveraging its long standing relationship and robust track record, your Company has been able to maintain cost while ensuring proper asset liability match.

### i. Bank Finance

Your Company's strong relationships and past credit record with nationalized banks and private sector banks enables it to access cost effective fund. Your Company is funded by a diversified consortium of 27 Indian banks and has enhanced the tied-up fund based working capital limit to Rs. 9,885 crores from consortium member banks at the end of financial year. Further, your Company also successfully mobilised Long Term Loans aggregating to Rs. 575 crores during the year at the most competitive rates and continued to tap resources through domestic sources.

### ii. Bonds / Debentures / Commercial Papers

Your Company has allotted debentures aggregating to Rs. 336.78 crores (including Tier II Capital of Rs. 27.02 crores) by issue of long term Non-Convertible Debentures (NCDs) during the year under review through public

issue. Your Company is focussing on diversifying liability mix and hence, going forward, NCDs will be one of the focus areas to augment long term resources. Your Company has also raised Rs. 8,184.40 crores through Commercial Papers during the year under review.

## RISK MANAGEMENT

Risk management remains an important and integral part of your Company's business, given the imperatives to effect optimal allocation of capital while enhancing shareholders' value, to maintain high standards of asset quality along with achieving business growth, and to hedge against unforeseen events and market conditions, especially in an environment characterised by increasing uncertainties. The risk management strategy of your Company 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 developed robust systems and embraced adequate practices for identifying, measuring and mitigating various risks – business, strategic, operational, market, credit, liquidity, reputational and process risks – and ensuring that they are maintained within pre-defined risk appetite levels. In compliance with norms under RBI, your Company computed the capital to risk-weighted assets ratio (CRAR) as on March 31, 2018. The CRAR of your Company worked out to 17.60 per cent, while Tier-I capital / net owned funds was 13.71 per cent, above the minimum regulatory requirements of 15 per cent and 10 per cent respectively.

## Governance Structure

The overall risk strategy and direction of your Company is enunciated by the Board of Directors and overseen by the Risk Committee of Board (RCB). Policies approved from time to time by the Board of Directors or the RCB in consultation with other sub-committees of the Board, viz. the Credit Committee (CC) and the Asset

Leveraging its long standing relationship and robust track record, your Company has been able to maintain cost while ensuring proper asset liability match.

Liability Management Committee (ALCO), 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, market risk, operational risk, liquidity risk, counterparty risk and group 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**

Assessment of credit risk of your Company's borrowers or lessees or counterparties constitutes a major part of overall risk management strategy. The goal of credit risk management is to maximise risk-adjusted rate of return on capital by maintaining a healthy asset portfolio and managing the credit risk inherent in individual exposures as well at the portfolio level. The emphasis is placed, both on evaluation and containment of risk at the individual exposures and analysis of the portfolio behaviour. The contours of credit risk assessment are defined by a comprehensive and well-defined Credit Risk Policy which encompasses guidelines for monitoring and mitigating the risks associated with them, structured and standardised credit approval processes through proactive policies which are regularly reviewed and updated to take into account developments in the business and economic environments.

Your Company has a strong framework for the appraisal and execution of

project finance transactions that involves a detailed evaluation of technical, commercial, financial, marketing and management factors including sponsor's financial strength and experience. A team of qualified and experienced personnel scrutinises proposals at various stages and analyses all relevant information which are gathered from relevant sources during the assessment process to facilitate credit decisions of the Credit Committee. For every proposal, project risks and mitigating factors are identified. Residual risks are taken care of through various mechanisms, which may include creation of adequate security cover and debt service reserves and channelling project revenues through a trust & retention account, besides taking additional credit comforts such as corporate or personal guarantees from one or more project sponsors or a pledge of the sponsors' equity holding in the project company. Besides well-laid out procedures for credit sanctioning, there are robust mechanisms to monitor and review existing credit exposure in the portfolio. Portfolio level performance, including delinquency, is tracked at regular intervals with focus on detection of early warning signals of stress. The RCB periodically reviews the adherence to sector, borrower and group credit limits and impact of the stress scenarios or drop in the asset values in case of secured exposures on the portfolio. Key sectors are analysed in details to suggest strategies considering both risks and opportunities.

### **Market risk**

Market risk is the risk of diminution in the value of investments on account of extraneous market factors like inadequate market liquidity, or volatile interest rates and foreign exchange rates. As an integral part of the overall risk management system, your Company addresses different forms of market risks, viz., liquidity risk, interest rate risk and foreign exchange risk. Your Company has adopted a

The RCB periodically reviews the adherence to sector, borrower and group credit limits and impact of the stress scenarios or drop in the asset values in case of secured exposures on the portfolio.

comprehensive approach for market risk that not only hedges against market risks, but also endeavours to maximise the risk-adjusted rate of return of the portfolio by keeping close track of macro-economic developments including changes and its impact on movement in interest rates, foreign exchange rates and liquidity position in the market.

Your Company's market risk management is guided by well-laid policies, guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits set in accordance with the risk appetite of your Company. With a view to limit your Company's exposure to liquidity and interest rate risks, risk limits are specified with the approval of the Board of Directors. Your Company's Asset Liability Management Committee (ALCO) periodically reviews benchmark rates, your Company's borrowing mix and liquidity, funding and currency risk, and monitors the actual risk positions. Based on these requirements, steps are taken to maintain a safe distance from these risks in accordance with the specified levels. Treasury Mid-Office independently monitors the risk limits stipulated in the market risk policy and reports deviations, if any, to the appropriate authorities as laid down in the policy.

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). The 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. The Asset Liability Management (ALM) position of your

Company is being periodically reported to ALCO, RCB and also to the RBI.

Interest rate risk is the possible change in portfolio value due to interest rate fluctuations. Your Company manages interest rate risk by adopting a floating rate mechanism by linking the lending rate of interest to Srei Benchmark Rate, which is reviewed periodically with changes in your Company's cost of funds.

Foreign exchange risk management becomes an imperative as your Company borrows money in foreign currency and lends in domestic currency. Therefore, in order to optimise the cost of funds and diversify the funding mix, effective hedging strategies are put in place in keeping with the Company's risk appetite; and limits pertaining to an open position are devised. Your Company uses statistical measures like Value at Risk (VaR) method, stress tests, back tests and scenario analysis and continuously monitors the market movements to effectively manage the exchange rate risk.

### **Operational risk**

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Your Company has adopted strict measures towards formulating an effective operational risk management strategy which involves identification, assessment, review, control and reporting of key operational risks.

Your Company has built into its operational process proper segregation of functions, clear reporting structures, well-defined processes, operating manuals, staff training, verification of high value transactions and strong audit trails to control and mitigate operational risks. New product and activity notes prepared by business units are reviewed by all concerned departments including compliance, risk management and legal. Measurement and reporting is also achieved through the various

management information systems (MIS), providing easily retrievable information, intertwined with each operational process which are generated and monitored regularly. All concerned departments coordinate and discuss key operational risk issues involving people, process, and technology, external factors etc. so as to minimise them or ensure adequate controls over them.

Your Company has a well-defined approach to identify, measure and mitigate information technology (IT) risks. Risk registers across various processes are assessed for likelihood and vulnerability of threats, and their acceptability evaluated based on existing controls. Appropriate controls are adopted based on guidance provided by the globally accepted ISO27001:2013 standard. Your Company has been evolving towards a centralised control mechanism for better deployment and management of resources, an increasingly rigorous surveillance and classification of information to ensure a robust IT Risk management system.

Your Company has a well-designed Business Continuity Plan (BCP), whose effectiveness is gauged by proper testing mechanisms and which ensures continuity of business in the unlikely event of business disruption. In order to provide continued and uninterrupted service even during natural disasters, a Disaster Recovery (DR) Site is in place. All IT systems have been certified with the ISO27001:2013 standard and comprise features like DR, security features covering firewalls, encryption technologies and spam-guards, which provide protection against disruption and modification of information. To further enhance the Standard Operating Procedures and various technological functions, your Company has been investing so as to keep its technological systems constantly updated across the various domain functions.

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.

Your Company's risk management framework emphasises proper analysing and understanding the underlying risks before undertaking any transactions and changing or implementing processes and systems. This enables a proper assessment of all risks and ensures that the transactions and processes conform to your Company's risk appetite and regulatory requirements. This is facilitated by a robust governance structure, which includes multi-tiered approval levels for all transactions and processes. This mechanism is aided by a regular review of the portfolio and control mechanisms, undertaking self-assessment programmes and monitoring of key risk indicators.

## **HUMAN RESOURCES ACTIVITIES**

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

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

In terms of building organizational capability and people development, the Human Resource (HR) Team of your Company worked with world class faculty from institutions such as Singularity University, MIT and Stanford University to create cutting edge workshops on disruptive technologies that are going to shape our future. Your Company has also worked on creating a future focused mindset with workshops on design thinking and scenario planning.

As a part of your Company's Leadership Development initiatives, your Company together with Korn Ferry Hay Group will be working with selected senior leaders in building future-oriented leadership capabilities. Each leader will have an individual development plan which is based on assessments carried out in a Development Centre. The interventions include workshops, coaching, action learning projects, among others, as per individual needs.

Your Company has undertaken several people development interventions over the last year. In order to create "Robust People Bench Strength" across key functions, your Company has undertaken market mapping with NBFCs / Financial Services companies and a white paper on synergies and gaps, talent Infusion to provide a blend of "new skills" and "existing skills" to its reservoir; 9 Box Model implementation to ascertain key talents of your Company. Interventions to build and strengthen people, process and product design in structured credit have also been undertaken.

In order to exponentially increase collaboration, idea sharing and engagement between employees, your Company had earlier launched Srei Sampark, an app based social media platform which also acts as a digital sensor for employee mood and engagement. This has gone from strength to strength. More than one million points have been redeemed for Srei branded products against "Shabash" received. This platform has been used for several major initiatives including engagement activities, Employee Value Proposition (EVP), competitions, surveys etc.

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

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

The employee count of your Company stands at 99 (Ninety Nine) as on March 31, 2018.

## **INFORMATION TECHNOLOGY**

Information Technology (IT) in your Company has remained focussed to stay upright in the shifting sands of the technology world to ensure growth, managing risk return while ensuring productivity. Your Company has taken proactive technology strategy to compete more effectively disrupting the current market and help your Company gain strategic advantages to retain the industry leadership. High importance has been given on operational risks, such as availability, business continuity planning and disaster recovery planning and regulatory and government compliance issues, such as privacy, and business compliance. Major thrust has been given to constantly scan for opportunities opening up in the technology front eyeing at transforming business process not only to automate but also to raise the bar for products or services.

During the year under review, the IT Function has made strategic alignments to ensure compliance to the new RBI IT framework and build cloud Disaster Recovery (DR) with Business Continuity Planning (BCP) along with system controls in respect to risk and governance. Systems were subject to rigorous test process to eradicate vulnerability to threat ensuring effective backups processes in place. Your Company has complied with the requirements of ISO 27001:2013 and continued with certification in the last surveillance audit with no non-compliance. There were no instances of business impact through cyber-attacks, including the WannaCry which effected

multiple organisations. Your Company has progressed significantly to adhere to the requirements of the new RBI Master Direction on Information Technology Framework for the NBFC Sector and continue to take necessary actions accordingly.

Comprehensive security strategies have been framed, and the controls have been designed to mitigate the risk and enhance resistance to cyber-attacks. Your Company has revamped the risk management methodology and did a comprehensive IT risk identification exercise aligned with your Company's business processes. Rigorous review mechanism has been put in place and all major IT applications were aligned with related policies and procedures with your Company's business stakeholders.

Your Company has further progressed in its cloud first strategy and deployed all new business services on the cloud. This has in turn given it scalability and eliminated technology obsolescence. The IT function was able to address the large change of Goods and Services Tax (GST) implementation and is readying itself for IND-AS Reporting standards. Your Company's digital strategy is now set on the right path and is poised to ensure that your Company's leadership status and financial health is ably supported in the coming year.

Your Company has strategically driven towards re-making, re-developing, and re-energising the business processes in an agile and effective manner to ensure all-round development in terms of customer delivery and productivity, essentially a Customer facing architecture, flexible / modular growth model. With this objective that primarily translates to shortest period of waiting time to the customer at the acquisition stage, Straight through processing (enabler-Mobility) and utmost simplification as well as industrialisation of acquisition process, your Company

successfully implemented fast track efficient and agile mobility solutions.

## **INTERNAL CONTROL AND AUDIT**

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

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

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

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

**Y**our 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.

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.

## **ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM**

Your Company has adopted Environmental & Social Management System (ESMS) to adequately meet, respond to and enhance benchmarks in Environmental and Social (E&S) management. E&S risks associated with a proposal considered for financing / investment and its existing portfolio are adequately taken care of by ESMS, which was adopted to reduce the business risk of its portfolio related to E&S issues and adhere to Sustainable Finance Practice, which has been integrated as a part of overall Credit & Risk Policy. This management system is aimed at properly evaluating, assessing and ensuring customer compliance with relevant E&S requirements and encourages clients to take corrective action & mitigation plans against the identified E&S risks.

The core elements of your Company's ESMS are a self-declared Policy Framework, due-diligence, appraisal, mitigation measures, action plans, monitoring & review of ongoing / invested projects, training & workshop and continuous improvement of the system. Due-diligence includes rapid, sustainability, client risk assessment, project / activity risk categorization and if required site visiting whereas appraisal implies analysis of E&S impacts and client's capacity & commitment to address them. By following ESMS practice, your Company has been able to create awareness in the market

regarding relevance of E&S issues and their impacts on the society and the environment.

A full scale E&S due-diligence is carried out in your Company for any business activity as per International Finance Corporation (IFC) Performance Standards and Country's E&S Laws, Rules & Notifications, based on which a 'go' or 'no go' decision is given by ESMS team. Your Company maintains an exclusion list and your Company neither participates nor invests in the activities and industries which fall under the exclusion list. Your Company invest in the projects which comply with the environmental & social norms and laws of the Country.

As a part of sustainability strategy, your Company entered into a capacity development agreement with Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) [Netherlands Development Finance Company] and Oesterreichische Entwicklungsbank AG (OeEB) [Development Bank of Austria] to launch a corporate roll-out programme for its clients called Environmental & Social Management System- Corporate Rollout Programme (ESMS –CRP). The purpose of the programme is to control the business risk out of different E&S issues from its own and its clients' portfolio, gain control over third party risks and carry out the business with a better E&S risk management. In the process, your Company's brand image in the market is enhanced.

Under this ESMS-CRP, your Company prepares sector specific ESMS policy manual based on International Finance Corporation (IFC) Performance Standards for its clients' business and facilitated Health, Safety and Environmental (HSE) training program. In post implementation stages, your Company helps the clients in E&S monitoring and audit of ESMS. Adoption of ESMS-CRP for the clients of your Company has been made mandatory from FY 2016 onwards for any fresh exposure. This programme

reduced business risk substantially from your Company's portfolio and helped your Company to gain third party control. In FY 2017-18, your Company implemented ESMS-CRP with fifteen Clients and delivered them sector specific ESMS Policy framework and Risk Toolkits, HSE trainings and mock sustainability audit for these clients to carry out their business with better understanding & mitigation of E&S risks.

Over the past years, your Company has been able to successfully manage, reduce and control the E&S risks associated with its portfolio. Your Company has encouraged sustainable development by investing in various renewable energy projects. Your Company monitors & reviews the invested projects on a regular basis whereas shortfalls or misconducts are rectified by framing action plans for the same. Your Company continuously updates and upgrades the ESMS policy framework from time to time. Over the past years, your Company has been able to successfully manage, reduce and control the E&S risks associated with its portfolio.

Your Company believes in a Sustainable Finance Business Approach by considering conservation, management & sustainable use of human & natural resources. This endeavour helps your Company to create a strong & confident long term relationship with its stakeholders for several years.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The total amount available for CSR spending, being 2 (two) per cent of the average net profits of your Company made during the 3 (three) immediately preceding financial years, during the financial year 2017-18 aggregated to approximately Rs. 2.32 Crores.

Recognising its social responsibility, your Company had earlier established a public charitable trust in the name of 'Srei Foundation' with the objective of granting scholarships and other financial assistance to deserving and talented

candidates. The Fund also supports setting up of schools, colleges, medical and scientific research institutions. Donations to Srei Foundation qualify for deduction under Section 80G of the Income Tax Act, 1961. Your Company has granted donation of Rs. 1,50,00,000/- (Rupees One Crore and Fifty Lacs only) to Srei Foundation during the financial year 2017-18.

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

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

The CSR Committee of your Company has formulated the CSR Policy which describes the multiple lines around which the CSR activities of your Company are positioned being education and skill development, social and economic welfare, environmental sustainability and such other activities included in Schedule VII of the Companies Act, 2013 as may be identified by the CSR Committee from time to time. The said

Policy is available on your Company's website at <https://www.srei.com/investor/corporate-policies/pdf/corporate-social-responsibility-policy.pdf>. The Committee presently comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria, Non-Executive Director and Mr. Shyamalendu Chatterjee, Independent Director. Mr. Hemant Kanoria, Chairman and Managing Director of your Company acts as the Chairman of the CSR Committee. Mr. Madhusudan Dutta, Group Head – Corporate Strategy & Planning (Human Capital) acts as the Secretary to the CSR Committee.

3 (Three) meetings of the CSR Committee were held during the year 2017-18 on May 08, 2017, October 25, 2017 and January 15, 2018.

During the year under review, your Company spent an aggregate amount of Rs. 1,52,40,000/- (Rupees One Crore Fifty Two Lacs and Forty Thousand 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. Your Company had spent the entire amount available for CSR spending during the FY 2016-17, however, during the year under review your Company could not spend the entire available amount of Rs. 2.32 Crores as it is in the process of identifying long term CSR projects to benefit the society on a long term basis. Your Company shall find out ways and means to spend on CSR activities including carrying out CSR activities at Group level coupled with new initiatives that may be considered in future. Your Company will endeavour to spend on CSR activities in accordance with the prescribed limit going forward, in the next financial year.

## **BUSINESS RESPONSIBILITY REPORT**

The Business Responsibility (BR) Report as stipulated under Regulation 34(2) (f) of SEBI Listing Regulations, 2015, describing the initiatives taken by your Company from an environmental, social and governance perspective, forms part of the Annual Report.

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

## **SREI WEBSITE**

The website of your Company [www.srei.com](http://www.srei.com) has been developed on the new responsive technology based platform known as 'Drupal', ensuring uniform display across all devices like mobile, tablet, desktop etc. and all the operating systems. The website has 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, employees and other stakeholders. The website of your Company also has 'Live Stock Ticker' with dynamic display of current stock prices in BSE and NSE with respective market caps, along with a link to your Company's YouTube channel. The site carries a comprehensive database of information of interest to the investors including the financial results of your Company, dividend declared, unclaimed dividend list, shareholding pattern, any price sensitive information disclosed to the regulatory authorities from time to time, analysts' reports, investor presentations, standard downloadable



forms, media coverage, corporate profile and business activities of your Company and the services rendered by your Company to its investors. Some useful features like Online Resume Management System to pull the best talents and Online NCD Application Form download system as a part of fund raising initiatives are functional in the system. An auto generate functionality with unique form ID for Non-Convertible Debenture (NCD) form was created in 2017. Your Company's integration of the customer portal in the corporate website still enables customers to access their account and download the essential documents directly from the website. By introducing the download facility of MySREIApp mobile application from the website, your Company extends the digital services and creates an 'anywhere anytime' experience like never before. The multiplatform mobile app empowers customers to raise service request, contact relationship managers, send request for new finance etc. The links to different social media i.e. Facebook, YouTube, Twitter, LinkedIn is embedded in the home page of the website to get access of the key initiatives and achievements of your Company.

### SUBSIDIARY COMPANIES

The Statement in Form AOC-1 containing the salient features of the financial statement of your Company's subsidiaries and associates pursuant to first proviso to Section 129(3) of the Companies

Act, 2013 (Act) read with Rule 5 of the Companies (Accounts) Rules, 2014, forms part of the Annual Report. Further, in line with Section 129(3) of the Act read with the aforesaid Rules, SEBI Listing Regulations, 2015 and in accordance with the Accounting Standard 21 (AS-21), Consolidated Financial Statements prepared by your Company includes the financial information of its subsidiary and associate companies.

A Report on the performance and financial position of each of the Subsidiaries and Associate Companies included in the Consolidated Financial Statements prepared by your Company as per Rule 8(1) of the Companies (Accounts) Rules, 2014, forms part of the annual accounts of each of the Subsidiary and Associate Companies which have been placed on the website of your Company [www.srei.com](http://www.srei.com) and also forms part of Form AOC-1 pursuant to Rule 5 of the Companies (Accounts) Rules, 2014, which is set out as an annexure to the Directors' Report and forms part of this Annual Report. Members interested in obtaining a copy of the annual accounts of the Subsidiaries and Associate Companies may write to the Company Secretary at your Company's Registered Office. The said Report is not repeated here for the sake of brevity.

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

| Name   | Status   |
|--|--|
| Bharat Road Network Limited                    | Ceased to be an associate w.e.f. 14.09.2017.                                   |
| Srei Infrastructure Advisors Limited           | Ceased to be a wholly owned subsidiary w.e.f. 12.03.2018.                      |
| Bengal Srei Infrastructure Development Limited | Ceased to be a step down subsidiary and became a subsidiary w.e.f. 12.03.2018. |

Members interested in obtaining a copy of the annual accounts of the Subsidiaries and Associate Companies may write to the Company Secretary at your Company's Registered Office.

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

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

## POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

As on March 31, 2018, Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of your Company is a listed 'material' subsidiary of your Company with its debt securities being listed on the Stock Exchanges in India. However, your Company does not have any material unlisted subsidiary. Your Company has formulated a Policy for determining Material Subsidiaries in accordance with SEBI Listing Regulations, 2015. The said Policy was last revised on October 26, 2017 and is available on your Company's website at <https://www.srei.com/investor/corporate-policies/pdf/policy-on-determining-material-subsidiaries.pdf>.

## KEY MANAGERIAL PERSONNEL (KMPs)

The following directors / executives of your Company are whole-time Key Managerial Personnel (KMPs) as on March 31, 2018 in accordance with the provisions of Section 203 of the Companies Act, 2013 -

| Name                | Designation                  |
|---------------------|------------------------------|
| Mr. Hemant Kanoria  | Chairman & Managing Director |
| Mr. Sameer Sawhney  | Chief Executive Officer      |
| Mr. Sandeep Lakhota | Company Secretary            |

During the year, Mr. Kishore Lodha, Key Managerial Personnel (KMP) of your Company resigned as Chief Financial Officer (CFO) in order to pursue other career opportunities. Mr. Lodha has since been relieved from the services of

your Company as per Company's Policy. Further, pursuant to the provisions of Section 2(51) of the Companies Act, 2013 ('Act') as amended by the Companies (Amendment) Act, 2017 read with Section 203 of the Act and rules made thereunder, the Board of Directors of your Company at their meeting held on April 28, 2018, designated the following Executives of your Company as whole-time Key Managerial Personnel (KMPs) of your Company w.e.f. April 28, 2018, in addition to the existing KMPs:

| Name                        | Designation                |
|-----------------------------|----------------------------|
| Mr. Sanjeev Sancheti        | Chief Strategy Officer     |
| Mr. Chandrasekhar Mukherjee | Group Chief People Officer |
| Mr. Debashis Ghosh          | Internal Auditor           |
| Mr. Samir Kumar Kejriwal    | Senior Vice President      |

## NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of your Company have constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations, 2015. The Board of Directors, at its meeting held on July 22, 2017, reconstituted the Nomination and Remuneration Committee, consequent to resignation of Mr. Salil K. Gupta, Chief Mentor and Independent Director, and designated Mr. Shyamalendu Chatterjee, Independent Director, as the Chairman of the Committee. Further, Ms. Tamali Sengupta, Independent Director, was inducted as a Member of the Committee. The Board of Directors, at its meeting held on October 26, 2017, further reconstituted the Nomination and Remuneration Committee consequent to resignation of Ms. Tamali Sengupta, Independent Director and induction of Mr. S. Rajagopal, Independent Director, as a Member of the Committee. The Committee

comprises Mr. Shyamalendu Chatterjee, Mr. S. Rajagopal, Independent Directors and Mr. Sunil Kanoria, Non-Executive Director. Mr. Shyamalendu Chatterjee acts as the Chairman of the Nomination and Remuneration Committee. Mr. Sandeep Lakhota, Company Secretary of your Company acts as the Secretary to the Nomination and Remuneration Committee. The Terms of Reference of the Committee has been provided in the Corporate Governance Section forming part of this Report.

3 (Three) meetings of the Nomination and Remuneration Committee of your Company were held during the year 2017-18 on May 08, 2017, October 25, 2017 and January 17, 2018.

The Committee has formulated the Nomination and Remuneration Policy ('Srei Nomination and Remuneration Policy') which broadly laid down the various principles of remuneration being support for strategic objectives, transparency, internal & external equity, flexibility, performance-driven remuneration, affordability and sustainability and covers the procedure for selection, appointment and compensation structure of Board members, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company. The said Policy is available on your Company's website at <https://www.srei.com/investor/corporate-policies/pdf/srei-nomination-and-remuneration-policy.pdf>.

## WHISTLE BLOWER POLICY (VIGIL MECHANISM)

Your Company has formulated a codified Whistle Blower Policy incorporating the provisions relating to Vigil Mechanism in terms of Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, 2015, in order to encourage Directors and Employees of your Company to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of your Company and its stakeholders in any way. Your

Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimisation, for whistle blowing in good faith. The said Policy is available on your Company's website at <https://www.srei.com/investor/corporate-policies/pdf/whistle-blower-policy.pdf>.

### **POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT**

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

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

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

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

### **PERFORMANCE EVALUATION**

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

- i) Board Evaluation: degree of fulfillment of key responsibilities; Board culture and dynamics.
- ii) Board Committee Evaluation: effectiveness of meetings; Committee dynamics.
- iii) Individual Director Evaluation (including IDs): contribution at Board Meetings.

Further, the Chairman and Managing Director is evaluated on key aspects of the role which includes inter-alia effective leadership to the Board and adequate guidance to the CEOs.

During the year under review, the Board carried out annual evaluation of its own

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.

performance as well as evaluation of the working of various Board Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. This exercise was carried out through a structured questionnaire prepared separately for Individual Board Members (including the Chairman) and Board Committees based on the criteria as formulated by the NRC and in context of the Guidance note dated January 05, 2017 issued by SEBI. The said questionnaire was circulated to the Directors in physical mode and the same was also made available to the Directors on their i-Pads under the 'Diligent Boards' (Diligent) Application to carry out performance evaluation for the Financial Year 2017-18 on the broad parameters as laid down by the NRC.

Based on these criteria, the performance of the Board, various Board Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, and Individual Directors (including Independent Directors and Chairman) was evaluated and found to be satisfactory.

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

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

The Board as a whole is an integrated, balanced and cohesive unit where diverse views are expressed and

dialogued 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.

### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS (IDs)**

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

3 (Three) such specific familiarisation programmes were conducted on October 26, 2017 and January 17, 2018. As a part of the first programme, presentation on Ind-AS was made to the Independent Directors inter alia covering responsibility and reporting requirements fundamental changes & significant GAAP differences covering new concepts and statements;

key implementation challenges; disclosure requirements etc.

As a part of the second programme, presentation was circulated to the Independent Directors highlighting the key amendments to Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI) and effective from October 01, 2017.

As a part of the third programme, presentation was circulated to the Independent Directors highlighting the key amendments proposed under the Companies (Amendment) Act, 2017. Further, actionables arising therefrom was also specifically highlighted to all Directors, including Independent Directors.

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

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

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

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

India (SEBI), Ministry of Corporate Affairs (MCA), etc.

The Company Secretary also regularly apprise the Board about their roles, rights and responsibilities in your Company from time to time as per the requirements of SEBI Listing Regulations, 2015, Companies Act, 2013 read together with the Rules and Schedules thereunder and Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

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

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

The details of familiarisation programmes imparted to Independent Directors, as required under Regulation 46 of SEBI Listing Regulations, 2015, are available on your Company’s website at <https://www.srei.com/investor/corporate-policies/pdf/familiarisation-programme-for-independent-directors.pdf>.

## **EXTRACT OF ANNUAL RETURN**

An extract of Annual Return as on the financial year ended on March 31, 2018 in Form No. MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is set out as an annexure to the Directors’ Report and forms part of this Annual Report.

## **PARTICULARS OF CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES**

All the related party transactions of your Company are entered in the ordinary course of business and are on arm’s length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015. There are no materially significant transactions entered into by your Company with Promoters, Directors or Key Managerial Personnel (KMPs), which have potential conflict with the interest of your Company at large. Your Company has not entered into any material related party transactions with any of its related parties during the FY 2017-18 without requisite approval of the shareholders. Members may refer to the notes to the financial statements for details of related party transactions.

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

In terms of Regulation 23(2) of SEBI Listing Regulations, 2015, your Company obtained prior approval of the Audit Committee for entering into transactions with related parties, as applicable. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The statement is supported by the Certificate from the Chief Financial officer (CFO) of your Company.

A Related Party Policy has been devised by your Company for determining the materiality of transactions with related parties and dealings with them. The said Policy is available on your Company’s website at <https://www.srei.com/investor/corporate-policies/pdf/related-party-transactions-policy.pdf>.

## **PARTICULARS OF EMPLOYEES**

The prescribed particulars of remuneration of employees pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out as annexures to the Directors’ Report and forms part of this Annual Report.

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

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

During the year under review, the total foreign exchange earnings and expenditure of your Company was NIL and Rs. 6,383 Lacs, respectively (previous year Rs. NIL and Rs. 7,921 Lacs, respectively).

## AUDIT COMMITTEE

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI Listing Regulations, 2015. Mr. Salil K. Gupta, Chief Mentor and Independent Director resigned from the Board of Directors of your Company w.e.f. July 22, 2017 and consequently, the Audit Committee of your Company was reconstituted w.e.f. that date. The Audit Committee presently comprises Mr. Shyamalendu Chatterjee, Mr. Srinivasachari Rajagopal, Independent Directors and Mr. Sunil Kanoria, Non-Executive Director. Mr. Shyamalendu Chatterjee, Independent Director of your Company is the Chairman of the Audit Committee.

The Company Secretary of your Company acts as the Secretary to the Audit Committee. The Terms of Reference of the Audit Committee has been provided in the Corporate Governance Section forming part of this Report.

4 (Four) meetings of the Audit Committee were held during the year 2017-18 on May 09, 2017, July 22, 2017, October 26, 2017 and January 17, 2018.

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

## AUDITORS

At the 30th Annual General Meeting (AGM) of your Company held on August 01, 2015, Haribhakti & Co. LLP, Chartered Accountants, having registration No. 103523W / W100048 allotted by the Institute of Chartered

Accountants of India (ICAI), were appointed as Statutory Auditors of your Company to hold office for a term of 5 (Five) years from the conclusion of 30th AGM (subject to ratification of such appointment by the Members at every AGM) till the conclusion of the 35th AGM of your Company. Accordingly, the appointment of Haribhakti & Co. LLP, Chartered Accountants, as Statutory Auditors of your Company, is placed for ratification by the Members. Your Company has received a confirmation from Haribhakti & Co. LLP, Chartered Accountants, to this effect that their appointment, if ratified, would be 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 as prescribed under Regulation 33(1) (d) of SEBI Listing Regulations, 2015. The Audit Committee and the Board of Directors of your Company recommend ratification of their appointment from the conclusion of this AGM upto the conclusion of the 34th AGM of your Company.

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

## SECRETARIAL AUDIT REPORT

Your Company appointed Dr. K. R. Chandratre, Practising Company Secretary, holding membership of The Institute of Company Secretaries of India (Membership No. FCS 1370; Certificate of Practice No. 5144) as the Secretarial Auditor of your Company for FY 2017-18 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, Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2)), Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to your Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and the Reserve Bank of India Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC – ND – SI).

The Secretarial Audit Report for the financial year ended March 31, 2018 does not contain any qualification, reservation or adverse remark or disclaimer and the same forms part of the Annual Report.

## CORPORATE GOVERNANCE

Your Company has always practised sound corporate governance and takes necessary actions at appropriate times for enhancing and meeting stakeholders'

expectations while continuing to comply with the mandatory provisions of Corporate Governance.

As required under Regulation 34(3) read with Schedule V of SEBI Listing Regulations, 2015, a separate section on Corporate Governance and a Certificate from the Auditors of your Company confirming compliance with the requirements of Corporate Governance, forms part of the Annual Report.

**MEETINGS OF THE BOARD**

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

4 (Four) Board meetings were held during the year 2017-18 on May 09, 2017, July 22, 2017, October 26, 2017 and January 17, 2018. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days.

**DIRECTORS**

During the year under review, your Company appointed Mr. Malay Mukherjee (DIN 02272425) as an Additional Director (Category – Non Executive and Independent Director) of your Company with effect from October 26, 2017 to hold office as such upto the date of 33rd (Thirty-Third) Annual General Meeting (AGM) of your Company. Subject to approval of the Members of your Company, the Board recommends appointment of Mr. Malay Mukherjee as Independent Director of your Company for a period of 5 (five) consecutive years from date of the Thirty-Third AGM of your Company.

Based on the recommendation of the Nomination and Remuneration Committee and subject to approval of the Members of your Company, the

Board of Directors of your Company recommends re-designation of Mr. Ram Krishna Agarwal (DIN 00416964) as an Independent Director of your Company for a period of 5 (five) consecutive years from the date of the Thirty-Third AGM of your Company.

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

Mr. Salil K. Gupta (DIN 00651223) resigned as a Director of your Company w.e.f. July 22, 2017 due to advanced age. Dr. Tamali Sengupta (DIN 00358658) resigned as a Director of your Company w.e.f. October 26, 2017 in terms of Section 164(2) of the Companies Act, 2013. Further, Mr. T.C.A. Ranganathan (DIN 03091352) resigned as a Director of your Company w.e.f. December 07, 2017 in terms of Regulation 20(1) of Banking Regulation Act, 1949. The Board wishes to place on record its sincere appreciation of the contribution, advice and guidance extended by them during their tenure as Directors of your Company.

The brief resume / details relating to Director who is proposed to be 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 above Directors.

Your Company has received declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI Listing Regulations, 2015. All requisite declarations were placed before the Board.

Pursuant to Regulation 16(b) of SEBI Listing Regulations, 2015 and Section 197 of the Act read with the Rules framed thereunder, your Company has approved payment of remuneration of Rs. 75 (Seventy Five) Lacs by way of commission on net profits computed under Section 198 of the Act to Non-Executive Directors and Independent Directors of your Company for the financial year 2017-18. The payment is within the limit of 1 (One) per cent of the net profits of your Company for the financial year 2017-18 as approved by the Members of your Company at the AGM held on August 02, 2014 and in accordance with the applicable provisions of SEBI Listing Regulations, 2015 and the Act read with the Rules framed thereunder.

Further, Mr. Hemant Kanoria, Chairman and Managing Director (CMD) and Mr. Sunil Kanoria, Vice Chairman (Non-Executive Director) of your Company, are also the CMD and Vice Chairman, respectively, of Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of your Company and are in receipt of remuneration (including commission) during the Financial Year 2017-18 from SEFL as per the details given below:

| Name of Director | Remuneration (Rs. in Lacs) |
|------------------|----------------------------|
| Hemant Kanoria   | 678.46                     |
| Sunil Kanoria    | 684.56                     |

Further, Mr. Shyamalendu Chatterjee, Independent Director of your Company, is an Independent Director of SEFL and Chairman (Non – Executive) of Srei Capital Markets Limited, both wholly owned subsidiaries of your Company and is in receipt of sitting fees from the said subsidiary companies.

Apart from the above, Mr. Hemant Kanoria, Mr. Sunil Kanoria and Mr. Shyamalendu Chatterjee have not received any remuneration or commission from any of your Company’s subsidiaries or holding company during the Financial Year 2017-18.

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

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for the year;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts for the financial year ended March 31, 2018 on a going concern basis;
- (v) they have laid down internal financial controls to be followed by your Company and that such internal

financial controls are adequate and are operating effectively;

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

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

## GENERAL DISCLOSURES

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

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

## AWARDS AND RECOGNITION

During the year, your Company has been adjudged as the winner of "Golden Peacock Award for Excellence in Corporate Governance" for the year 2017. Your Company has also completed the assessment conducted by Great Place to Work Institute, India and has been certified as a "Great Place to Work" for the period May, 2017 to April, 2018. Further, your Company has been globally certified as a 'Healthy Workplace' for the period of 2017-19 making your Company an employer of choice while demonstrating sound ethical business principles, performance and value to stakeholders.

## ACKNOWLEDGEMENT

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

On behalf of the Board of Directors



**Hemant Kanoria**  
Chairman & Managing Director  
DIN 00193015

Kolkata, April 28, 2018



# BUSINESS RESPONSIBILITY REPORT

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company :** L29219WB1985PLC055352
2. **Name of the Company :** Srei Infrastructure Finance Limited
3. **Registered address :** 'Vishwakarma', 86C Topsia Road (South), Kolkata - 700046, West Bengal, India
4. **Website :** www.srei.com
5. **E-mail id :** secretarial@srei.com
6. **Financial Year reported :** April 01, 2017 to March 31, 2018
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** The Company holds a certificate of registration issued by the Reserve Bank of India (RBI) allowing the Company to carry on the business of non-banking financial institution under Section 45-IA of the RBI Act, 1934. The Company is classified as an Infrastructure Finance Company – Systemically important Non - Deposit taking under Section 45-IA of the RBI Act, 1934. The Company is also notified as a Public Financial Institution (PFI) by the Ministry of Corporate Affairs (MCA), Government of India.
8. **List three key products / services that the Company manufactures / provides (as in balance sheet):** The Company is one of India's largest holistic infrastructure institutions constantly and consistently delivering innovative solutions in the infrastructure sector. The Company has been playing a significant role in nation-building for nearly three decades, both in urban and rural India. The Company's businesses include Infrastructure Project Finance, Advisory & Development, Infrastructure Equipment Finance, Alternate Investment Funds, Capital Markets and Insurance Broking.
9. **Total number of locations where business activity is undertaken by the Company:**
  - (a) **Number of International Locations (Provide details of major 5) :** Nil.
  - (b) **Number of National Locations :** Kolkata, New Delhi, Mumbai and Hyderabad.
10. **Markets served by the Company – Local/State/National/ International:** The Company serves customers both in national and international locations.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR):** Rs. 503.08 Crores comprising of 50,30,86,333 equity shares of Rs. 10/- each.
2. **Total Turnover (INR):** Rs. 1,773.62 Crores. (Total Income which includes Revenue from Operations and Other Income).
3. **Total profit after taxes (INR):** Rs. 123.47 Crores.
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**
  - a. **Average net profit of the Company for last three financial years (INR):** Rs. 116.19 Crore.
  - b. **Prescribed CSR Expenditure (two per cent of the amount as in Sl. No. 4(a) above) (INR):** Rs. 2.32 Crore.
  - c. **Total amount spent for the Financial Year:** The Company has spent Rs. 1.52 Crores i.e. approximately 1.31% of the average net profits of last 3 (three) years. Appropriate disclosures as prescribed under the Companies Act, 2013 have been made in the annual report for the year ended March 31, 2018.
5. **List of activities in which expenditure in 4 above has been incurred:** The CSR activities are carried out by the Company in multiple ways:
  1. Independently.
  2. Jointly with Srei Foundation, IISD Edu World, Acid Survivors and Women Welfare Foundation.
  3. In partnership with external social bodies / NGOs.

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

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

## SECTION C: OTHER DETAILS

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

Yes, the Company had 14 subsidiaries as on 31st March, 2018.

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

Yes, the Company encourages its subsidiaries to participate in the BR initiatives. Almost all subsidiary companies directly or indirectly endorse or participate in the BR initiatives of the Company. Further, 1 (one) subsidiary of the Company has contributed to the corpus of Srei Foundation during the Financial Year 2017-18.

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

No.

**SECTION D: BR INFORMATION**

**1. Details of Director/Directors responsible for BR.**

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

**1. DIN Number:** 00048249

**2. Name:** Mr. Shyamalendu Chatterjee

**3. Designation:** Non-Executive and Independent Director

(b)Details of the BR head:

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

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

Responsibility Principles as well as the BR Policy of the Company.

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

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

P1. Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2. Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3. Businesses should promote the wellbeing of all employees.

P4. Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

P5. Businesses should respect and promote human rights.

P6. Business should respect, protect, and make efforts to restore the environment.

P7. Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8. Businesses should support inclusive growth and equitable development.

P9. Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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

| No. | Questions   | Ethics, transparency and accountability   | Product safety | Well-being of employees | Stakeholders engagement | Human rights | Environment Policy | Public and regulatory policy | Inclusive growth | Value to customers and consumers |
|-----|---|---|----------------|-------------------------|-------------------------|--------------|--------------------|------------------------------|------------------|----------------------------------|
|     |   | P1  | P2             | P3                      | P4                      | P5           | P6 (Refer Note)    | P7                           | P8 (Refer Note)  | P9                               |
| 1   | Do you have a policy/policies for   | Y   | Y              | Y                       | Y                       | Y            | Y                  | Y                            | Y                | Y                                |
| 2   | Has the policy being formulated in consultation with the relevant stakeholders?*  | Y   | N              | Y                       | Y                       | Y            | Y                  | Y                            | Y                | Y                                |
| 3   | Does the policy conform to any national/international standards? If yes, specify? (50 words)                            | Y   | Y              | Y                       | Y                       | Y            | -                  | -                            | Y                | Y                                |
|     |   | The policies are based on NVG guidelines.   |                |                         |                         |              |                    |                              |                  |                                  |
| 4   | Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?      | Y   | Y              | Y                       | Y                       | Y            | Y                  | Y                            | Y                | Y                                |
| 5   | Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy? | Y   | Y              | Y                       | Y                       | Y            | Y                  | Y                            | Y                | Y                                |
| 6   | Indicate the link for the policy to be viewed online?®  | <ol style="list-style-type: none"> <li>1. Srei Investor Grievance Redressal Policy is available at <a href="http://www.srei.com/investor/corporate-policies">www.srei.com/investor/corporate-policies</a></li> <li>2. Whistle Blower Policy is available at <a href="http://www.srei.com/investor/corporate-policies">www.srei.com/investor/corporate-policies</a></li> <li>3. Corporate Social Responsibility Policy is available at <a href="http://www.srei.com/investor/corporate-policies">www.srei.com/investor/corporate-policies</a></li> <li>4. Nomination &amp; Remuneration Policy is available at <a href="http://www.srei.com/investor/corporate-policies">www.srei.com/investor/corporate-policies</a></li> <li>5. Policy on Board Diversity is available at <a href="http://www.srei.com/investor/corporate-policies">www.srei.com/investor/corporate-policies</a></li> <li>6. Policy on Prevention of Sexual Harassment is available at <a href="http://www.srei.com/investor/corporate-policies">www.srei.com/investor/corporate-policies</a></li> <li>7. Srei Code of Conduct for Prohibition of Insider Trading is available at <a href="http://www.srei.com/investor/corporate-policies">www.srei.com/investor/corporate-policies</a></li> <li>8. Srei Code of Conduct for Board of Directors and Senior Executives is available at <a href="http://www.srei.com/investor/corporate-policies">www.srei.com/investor/corporate-policies</a></li> <li>9. Srei Fair Practices Code is available at <a href="http://www.srei.com/investor/corporate-policies">www.srei.com/investor/corporate-policies</a></li> </ol> |                |                         |                         |              |                    |                              |                  |                                  |

| No. | Questions  | Ethics, transparency and accountability  | Product safety | Well-being of employees | Stakeholders engagement | Human rights | Environment Policy | Public and regulatory policy | Inclusive growth | Value to customers and consumers |
|-----|--|--|----------------|-------------------------|-------------------------|--------------|--------------------|------------------------------|------------------|----------------------------------|
|     |  | P1   | P2             | P3                      | P4                      | P5           | P6 (Refer Note)    | P7                           | P8 (Refer Note)  | P9                               |
| 6   | Indicate the link for the policy to be viewed online?®   | 10. Corporate Governance Framework is available at <a href="http://www.srei.com/investor/corporate-policies">www.srei.com/investor/corporate-policies</a><br>11. ESMS Policy is available at <a href="http://www.srei.com/investor/corporate-policies">www.srei.com/investor/corporate-policies</a><br>12. Data Privacy and Protection Policy is available at <a href="http://www.srei.com/investor/corporate-policies">www.srei.com/investor/corporate-policies</a><br>13. Dividend Distribution Policy is available at <a href="http://www.srei.com/investor/corporate-policies">www.srei.com/investor/corporate-policies</a><br>14. Shareholders' Referencer is available at <a href="https://www.srei.com/investor/srei-shareholders/shareholders-referencer">https://www.srei.com/investor/srei-shareholders/shareholders-referencer</a><br>15. Public policy and advocacy is available at <a href="http://www.srei.com/investor/corporate-policies">www.srei.com/investor/corporate-policies</a> |                |                         |                         |              |                    |                              |                  |                                  |
| 7   | Has the policy been formally communicated to all relevant internal and external stakeholders?  | Y  | Y              | Y                       | Y                       | Y            | Y                  | Y                            | Y                | Y                                |
| 8   | Does the Company have in-house structure to implement the policy / policies?   | Y  | Y              | Y                       | Y                       | Y            | Y                  | Y                            | Y                | Y                                |
| 9   | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Y  | Y              | Y                       | Y                       | Y            | Y                  | -                            | Y                | Y                                |
| 10  | Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?#                             | Y  | Y              | Y                       | Y                       | Y            | Y                  | Y                            | Y                | Y                                |

Note:

P6: The aspects outlined under this Principle are not substantially relevant to the Company given the nature of its business. The Company complies with applicable environmental regulations in respect of its premises and operations. Further, the Company participates in initiatives towards addressing environmental issues. The Company also requires the borrowers of project loans to comply with the applicable environmental standards. The Company adheres to the RBI guidelines with respect to Lending to restricted industries.

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

\* The consultations are conducted as required and where relevant.

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

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

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

| No. | Questions   | Ethics, transparency and accountability | Product safety | Well-being of employees | Stakeholders engagement | Human rights | Environment Policy | Public and regulatory policy | Inclusive growth | Value to customers and consumers |
|-----|---|---|----------------|-------------------------|-------------------------|--------------|--------------------|------------------------------|------------------|----------------------------------|
|     |   | P1                                      | P2             | P3                      | P4                      | P5           | P6                 | P7                           | P8               | P9                               |
| 1   | The Company has not understood the Principles   | -                                       | -              | -                       | -                       | -            | -                  | -                            | -                | -                                |
| 2   | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | -                                       | -              | -                       | -                       | -            | -                  | -                            | -                | -                                |
| 3   | The Company does not have financial or manpower resources available for the task  | -                                       | -              | -                       | -                       | -            | -                  | -                            | -                | -                                |
| 4   | It is planned to be done within next 6 months   | -                                       | -              | -                       | -                       | -            | -                  | -                            | -                | -                                |
| 5   | It is planned to be done within the next 1 year   | -                                       | -              | -                       | -                       | -            | -                  | -                            | -                | -                                |
| 6   | Any other reason (please specify)   | -                                       | -              | -                       | -                       | -            | -                  | -                            | -                | -                                |

**3. Governance related to BR**

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

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

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

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (SEBI LODR) read together with SEBI notification dated 22nd December, 2015, the Annual Report of the top 500 listed entity based on market capitalization (calculated as on March 31 of every year) shall contain the Business Responsibility Report (BR Report) describing the initiative taken by them from an environmental, social and

governance perspective, in the prescribed format from time to time.

Therefore, the Company as it featured in the top 500 list, published its first BR Report along with its Annual Report for the financial year 2016-17, in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (SEBI Listing Regulations). The BR Report of the Company for the financial year 2016-17 can be accessed at [https://www.srei.com/investor/financial-reports/business-responsibility-report/pdf/business-responsibility-report-2016-17\\_1.pdf](https://www.srei.com/investor/financial-reports/business-responsibility-report/pdf/business-responsibility-report-2016-17_1.pdf). Further, the BR Report for the Financial Year 2017-18 shall form part of the Annual Report of the Company for the Financial Year ending on 31st March, 2018 and can be accessed at [https://www.srei.com/investor/financial-reports/business-responsibility-report/pdf/business-responsibility-report-2017-18\\_1.pdf](https://www.srei.com/investor/financial-reports/business-responsibility-report/pdf/business-responsibility-report-2017-18_1.pdf).

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

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

The Company is committed to acting professionally, fairly and with integrity in all its dealings. The Company has adopted a ‘zero-

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

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

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

Further, the Directors, Management and Employees at all level ensure good governance, ethical practices, transparency and accountability in conducting affairs of the Company and dealing with stakeholders of the Company.

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

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

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

### **Board of Directors**

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

the strength of entrepreneurship and the breadth of global perspective.

The Company conducted familiarisation programme for the independent directors. The Company has deployed the practice of separating the roles of the Chairman of the Board and CEO to ensure the right focus to governance.

### **Board Committees**

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

### **Code of Conduct & Policy**

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

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

The Company is primarily engaged in the business of Infrastructure Project Finance. Taking cognizance of the macroeconomic scenario, the Company has consciously adopted a cautious approach and exercised extreme prudence in its disbursements. The quality of loan portfolio has been consistently improving and stressed clients are being closely monitored towards prudent recovery.

The Company also ensures that its activities comply with applicable statutes and regulations. The Company works towards ensuring that services are provided in an ethical manner and in consideration of occupational health, safety & environment. Further, the Company adopts Environmental & Social Management System (ESMS) in order to reduce the business risk of its portfolio related to E&S issues and adhere to sustainable Finance practices.

### **Principle 3: Businesses should promote well-being of employees**

The Company believes that employees are its most valuable asset and greatest strength. With this firm belief, the Company considers wellness, safe and healthy living of its employees as one of the important aspects of work culture. The Company has an extremely strong Employee benefit scheme supported by various insurance programs like health, health top-up, personal accident, term life, voluntary term life, EDLI etc. In order to boost the employee morale, the Company has introduced various innovative measures under its insurance platform like

continuity of health cover post retirement, availing of continuity benefit post separation with the Company etc. Further, the Health plans were suitably amended time to time to keep pace with the technology advancement and global standards.

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

The Company has also participated in the areas of employee benefits such as Adult vaccination for employees & their families for Hepatitis B, Influenza, Swine Flu and Cervical Cancer. Further, project "Vendigo" has been installed by the Company at few branches, which is a sanitary napkin vending machine. All these efforts have led to the Company being conferred with the "Accreditation of Global Centre for Healthy Workplace".

The Company provides equal opportunity to all employees starting from their recruitment irrespective of their caste, creed, gender, race, religion, language, disability or sexual orientation. The Company's employees belong to all parts of the Country and are selected based on individual merit without any discrimination or preference. The Company continues to encourage the capable female employees reaching senior positions and participating in the organization's decision making process.

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

The Company has adopted an initiative called 'Swasth Srei' with the intent to create a 'culture of wellness and safety' that fosters a long term commitment to healthy lifestyles and the reduction of health risks amongst the employees. Further, in order to prevent sexual harassment of women employees, the Company has also constituted Internal Complaint Redressal Committees at various workplaces.

The Company has also constituted a People Council, which is a cross functional leadership team who actually leads the talent pool. The People Council steered the roll-out of new Performance Management System (PMS) and Compensation Policy in the Company. The highlight of this was an improved objectivity in performance management which had detailed job description of unique roles, standardized KRAs for all frontline jobs. Further, for the smooth assimilation of new recruits in the organization, Design for Success was rolled out which encompassed

support to the new entrants. Such initiatives brought trust and transparency and the effect was a score of over 70% (seventy per cent) under "Great Place to work" survey.

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

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

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

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

#### **1. Customers**

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

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

#### **2. Investors and Lenders**

The Company has consistent track record of payment of dividend for past several years. The Company is regular in payment of interest and repayment of credit facilities availed from Banks and Financial Institutions & Bondholders of the Company. The track record has enabled the Company to obtain better credit ratings from the Credit Rating Agencies. This enables smooth

raising of funds from investors. The Company believes that it enjoys good reputation, goodwill and standing in the financial markets. The Company has formulated a Dividend Distribution Policy which is available on the website of the Company at [www.srei.com](http://www.srei.com). The said Policy encapsulates inter alia, the parameters for declaration of dividend, utilization of retained earnings, procedure for dividend declaration etc.

### 3. Society

The Company works towards creation of value for the society in a manner which is sustainable, scalable and replicable. As a part of Corporate Social Responsibility (CSR), the Company is actively engaged in deliberating and practicing humble service to Humanity on a sustainable basis. The Company perceives CSR as a strategic social investment aimed at uplifting the society at large, empowering individuals, making them self-reliant. The CSR philosophy is embedded in its commitment to all stakeholders namely consumers, employees, environment and society while the Company's approach extends both to external community as well as to the Company's large and diverse internal employee base and their families. The Company has formulated a CSR Policy which is available on the website of the Company at [www.srei.com](http://www.srei.com). The said Policy encapsulates inter alia, the Company's CSR Vision and Mission, approach to CSR, CSR thrust areas etc. For further details, please refer to the Annual Report of the Company for the financial year 2017-18.

#### **Principle 5: Businesses should respect and promote human rights**

As a good corporate citizen, the Company respects the human rights of those who it engages with. The Company pays fair wages to its employees and does not discriminate between male and female employees. They are treated equally with dignity and are given equal opportunities, rights and benefits. The Company complies and adheres to all the human rights laws and guidelines.

The Company has developed a Human Resource Manual (HR Manual) titled "Srei Niti" which encompasses the Company's core values such as Customer partnership, Respect for people, Integrity, Stakeholder's value enhancement, Professional entrepreneurship & Passion for excellence and aims to provide employees with information on HR policies, practices and operating procedures that will be applicable in the Organization. The same is available on the Intranet of the Company.

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

The Company has formulated an Environmental & Social Management System (ESMS) which reduces the business risk of its portfolio related to E&S issues and enables adherence to sustainable finance practices. The Company continues to create awareness about environment protection. The Company is continuously making appeal to its shareholders to participate in the 'Green initiative' to reduce use of paper by converting

their holding of physical shares into electronic shareholding by dematerialization, receiving soft copies of annual reports using internet facilities, receiving dividend by direct credit to their bank accounts instead of physical dividend warrants etc.

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

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

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

The Company takes up the issues and matters impacting its business segments and gives suggestions in respect of the proposals of the regulatory and government bodies directly as well as through Chambers of Commerce and Industry associations such as Finance Industry Development Council (FIDC), Confederation of Indian Industries (CII), Associated Chambers of Commerce & Industry of India (ASSOCHAM) and Federation of Indian Chambers of Commerce and Industry (FICCI).

#### **Principle 8: Businesses should support inclusive growth and equitable development**

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

The Company has formulated a CSR Policy which is available on the website of the Company at [www.srei.com](http://www.srei.com). Please refer the Annual Report of the Company for the Financial Year 2017-18 containing details of Company's CSR activities undertaken for the benefit of financially weaker and vulnerable sections of the society.



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

The Company has track record of loyal customers who have achieved advancement, progress, growth of their business through long term relationship with us. The Company strives

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

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

**BUSINESS RESPONSIBILITY PARAMETER INDEX**

**Principle-Wise Performance**

| Sr. No.            | Questions  | Whether Complied?  |
|--------------------|--|--|
| <b>Principle 1</b> |  |  |
| 1.                 | Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?   | Yes, it covers the Company and its subsidiaries.   |
| 2.                 | How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.  | No complaint was received regarding ethical and other matters contained in this principle.   |
| <b>Principle 2</b> |  |  |
| 1.                 | List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.  | The Company is not engaged in manufacture of any goods.<br><br>The Company is a Non-Banking Financial Institution (Category: Infrastructure Finance Company) engaged primarily in the business of Infrastructure Project Finance.<br><br>The Company does not finance and/or invest in any project that does not comply with the environmental & social norms and laws of the Country. |
| 2.                 | For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):<br><br>a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?<br><br>b. Reduction during usage by consumers (energy, water) has been achieved since the previous year? | Not Applicable.  |
| 3.                 | Does the Company have procedures in place for sustainable sourcing (including transportation)?<br><br>a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.   | Not Applicable.  |
| 4.                 | Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?<br><br>a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?   | No.  |

| Sr. No.            | Questions   | Whether Complied?  |   |          |   |   |   |   |   |   |   |                   |   |   |   |                           |   |   |
|--------------------|---|--|---|----------|---|---|---|---|---|---|---|-------------------|---|---|---|---------------------------|---|---|
| 5.                 | Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so. | <p>The Company is not engaged in the manufacture of any goods.</p> <p>The waste generated at its offices is managed as per the waste disposal process. `</p> <p>The Company has procedures in place to dispose of e-waste through authorised e-waste vendors.</p> <p>The Company has normal sewerage system as per plans of Municipality.</p>  |   |          |   |   |   |   |   |   |   |                   |   |   |   |                           |   |   |
| <b>Principle 3</b> |   |  |   |          |   |   |   |   |   |   |   |                   |   |   |   |                           |   |   |
| 1.                 | Please indicate the Total number of employees.  | 99.  |   |          |   |   |   |   |   |   |   |                   |   |   |   |                           |   |   |
| 2.                 | Please indicate the Total number of employees hired on temporary/contractual/casual basis.  | Nil.   |   |          |   |   |   |   |   |   |   |                   |   |   |   |                           |   |   |
| 3.                 | Please indicate the Number of permanent women employees.  | 12.  |   |          |   |   |   |   |   |   |   |                   |   |   |   |                           |   |   |
| 4.                 | Please indicate the Number of permanent employees with disabilities   | The Company does not specifically track the number of disabled employees. The Company is an equal opportunity employer and treats all employees at par.  |   |          |   |   |   |   |   |   |   |                   |   |   |   |                           |   |   |
| 5.                 | Do you have an employee association that is recognized by management.   | No.  |   |          |   |   |   |   |   |   |   |                   |   |   |   |                           |   |   |
| 6.                 | What percentage of your permanent employees is members of this recognized employee association?   | Not Applicable.  |   |          |   |   |   |   |   |   |   |                   |   |   |   |                           |   |   |
| 7.                 | Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.                        | <table border="1"> <thead> <tr> <th>No.</th> <th>Category</th> <th>No. of complaints filed during the year</th> <th>No. of complaints pending as on end of the financial year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Child labour / forced labour / involuntary labour</td> <td>-</td> <td>-</td> </tr> <tr> <td>2</td> <td>Sexual harassment</td> <td>-</td> <td>-</td> </tr> <tr> <td>3</td> <td>Discriminatory employment</td> <td>-</td> <td>-</td> </tr> </tbody> </table> | No.   | Category | No. of complaints filed during the year | No. of complaints pending as on end of the financial year | 1 | Child labour / forced labour / involuntary labour | - | - | 2 | Sexual harassment | - | - | 3 | Discriminatory employment | - | - |
| No.                | Category  | No. of complaints filed during the year  | No. of complaints pending as on end of the financial year |          |   |   |   |   |   |   |   |                   |   |   |   |                           |   |   |
| 1                  | Child labour / forced labour / involuntary labour   | -  | -   |          |   |   |   |   |   |   |   |                   |   |   |   |                           |   |   |
| 2                  | Sexual harassment   | -  | -   |          |   |   |   |   |   |   |   |                   |   |   |   |                           |   |   |
| 3                  | Discriminatory employment   | -  | -   |          |   |   |   |   |   |   |   |                   |   |   |   |                           |   |   |

| Sr. No.            | Questions   | Whether Complied?  |
|--------------------|---|--|
| 8.                 | <p>What percentage of your under mentioned employees were given safety &amp; skill up-gradation training in the last year?</p> <p>a. Permanent Employees</p> <p>b. Permanent Women Employees</p> <p>c. Casual/Temporary/Contractual Employees</p> <p>d. Employees with Disabilities</p> | <p>The Company continues to focus on skilling employees with the requisite knowledge and skill through LEaD Srei. The Company has training centres where various training programmes, designed to meet the changing skill requirements of its employees are conducted. These training programmes include orientation sessions for new employees, programmes conducted by various skill-enhancing, role specific functional academies, leadership mentoring programmes and other management development programmes for mid-level and senior executives. In addition to classroom training, e-learning programmes are also available for employees. The e-learning portal has been customized for employees using Edunxt - the leading Learning Management System from Manipal Global Education Services. Further, with an objective to build in-house talent, an intensive Department and Business specific curriculum is structured to create capability excellence in four areas namely, Work Excellence, Personal Excellence, People Excellence and Business Excellence.</p> <p>As on 31st March, 2018 the Company spent around 94 man-days towards learning and development, 74 man-days towards senior leadership development programmes and 20 man-days towards middle management development programmes.</p> |
| <b>Principle 4</b> |   |  |
| 1.                 | Has the Company mapped its internal and external stakeholders? Yes/No   | Yes.   |
| 2.                 | Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.   | Yes.   |
| 3.                 | Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.   | Yes. Please refer Para 3 of Principle 4 under Section E of this Report.  |
| <b>Principle 5</b> |   |  |
| 1.                 | Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?  | Yes, the policy also extends to our subsidiaries.  |
| 2.                 | How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?   | No complaint was received for human rights violation during the reporting period.  |
| <b>Principle 6</b> |   |  |
| 1.                 | Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.   | The aspects outlined under this Principle are not substantially relevant to the Company given the nature of its business. The Company complies with applicable international & national environmental and social regulations in respect of its premises and operations. Further, the Company participates in initiatives towards addressing environmental and social issues. The Company also requires the borrowers of project loans to comply with the applicable environmental and social standards. The Company never invests or finances any project which falls under its exclusion list.  |

| Sr. No.            | Questions  | Whether Complied?  |
|--------------------|--|--|
| 2.                 | Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.                   | Yes, the Company has Environment and social policy in place. The Company has taken the green initiative through paperless office, water conservation etc. The offices have been designed such that they are equipped with energy efficient air conditioners. As a part of Green initiative for paperless office, the Company uses electronic methods of communication within and outside our offices and avoids use of paper as far as possible. The Company has invested and financed a couple of green projects and has plans to extend its green portfolio steadily.  |
| 3.                 | Does the Company identify and assess potential environmental risks? Y/N  | The Company is aware of the potential environmental and social risks and participates in initiatives as mentioned above to address the environmental and social concerns. The Company complies with applicable environmental and social regulations in respect of its premises and operations. The Company also requires the borrowers of project loans to comply with the applicable environmental and social standards.<br><br>Further, every project where the Company invests or finances, a thorough E&S due diligence is followed by the ESMS team based on national E&S rules and IFC – performance standards. In case of any potential environmental and social risks identified, suitable environmental and social action plans are designed to mitigate or reduce the impacts of the identified risks. The Company also has a mechanism in place to monitor and review environmental and social risks of its portfolio on a regular basis. |
| 4.                 | Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? | Not applicable to the Company as it is not a manufacturing Company.  |
| 5.                 | Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.                                 | The Company participates in several initiatives in the area of environment sustainability. The Company invests in clean technology like Wind Power and Hydro Power. Around 18% of the Company's total power sector investment is in renewable energy sector. It is around 7% of the total Portfolio.   |
| 6.                 | Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?   | The Company complies with applicable environmental and social regulations in respect of its premises and operations.   |
| 7.                 | Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year   | Nil.   |
| <b>Principle 7</b> |  |  |
| 1.                 | Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with   | Yes, the Company is a member of various industry associations. The notable names among those include Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce & Industry (FICCI), Associated Chambers of Commerce & Industry in India (ASSOCHAM), Indian Chamber of Commerce (ICC), Bengal Chamber of Commerce & Industry (BCCI) and Finance Industry Development Council (FIDC).<br><br>The Senior management of the Company are members of various committees constituted by government, regulators, chambers and industry bodies.  |

| Sr. No. | Questions   | Whether Complied?   |
|---------|---|---|
| 2.      | Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) | <p>Yes, the Company uses these platforms to take up sector-specific reforms required in areas of infrastructure and finance. The policy advocacy is done sometimes through sending of representations to the government and regulatory bodies, sometimes through meetings with concerned officials and sometimes through organization of theme-specific conferences and seminars.</p> <p>Further, the Directors and members of senior management participate in various committees/working groups constituted by the Government of India, the Reserve Bank of India and other regulators from time to time.</p> |

**Principle 8**

|    |  |  |
|----|--|--|
| 1. | Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.              | Yes, please refer Para 1 & 2 of Principle 8 under Section E of the Report. The Company through one of its associate company, namely Sahaj e-Village Limited provides rural India's consumers with urban services. Sahaj offers e-governance services, utility services, payments, deposits, insurance, financial services, and a host of e-information and e-learning facilities delivered through dedicated Sahaj Kendras (one for every six villages) operated by Sahaj Mitra, who are self-motivated village-level entrepreneurs. As on 31st March, 2018, there were approx 73,000 touch points across 22 States with strong presence in North, Central and East India covering approximately 400 million people constituting nearly 50% of India's rural population. |
| 2. | Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?                 | Yes, the projects are undertaken primarily through in-house teams and Srei Foundation, with the assistance of partners wherever required.  |
| 3. | Have you done any impact assessment of your initiative?  | No.  |
| 4. | What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.               | <p>The Company has spent Rs. 1.52 Crores during the financial year ending on 31st March, 2018. The CSR activities were carried out along the following thrust areas:</p> <ul style="list-style-type: none"> <li>a. Education and Skills Development.</li> <li>b. Healthcare / Medical facilities.</li> <li>c. Social and Economic Welfare.</li> <li>d. Environmental Sustainability.</li> </ul> <p>Appropriate disclosures as prescribed under the Companies Act, 2013 have been made in the Annual Report for the year ending on 31st March, 2018.</p>  |
| 5. | Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. | Yes, the Company actively encourages participation of stakeholders in various programs. This includes both volunteering and proactive participation.   |

**Principle 9**

|    |  |                 |
|----|--|-----------------|
| 1. | What percentage of customer complaints/consumer cases are pending as on the end of financial year.   | None.           |
| 2. | Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information) | Not Applicable. |

| Sr. No. | Questions   | Whether Complied?  |
|---------|---|--|
| 3.      | Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. | In the ordinary course of Company's business, several customers and borrowers may have disputes with the Company which could result in their filing a civil suit claiming compensation for damages and for enforcing contractual obligation etc., criminal complaint or consumer complaint alleging deficiency of services. The Company always strives to have a cordial relationship with its customers/borrowers and attempts to have an amicable settlement of the dispute but yet, in some cases it may need to pursue legal resolution of the same. |
| 4.      | Did your Company carry out any consumer survey/ consumer satisfaction trends?   | No.  |

For **Srei Infrastructure Finance Limited**

Sd/-

**Shyamalendu Chatterjee**

DIN: 00048249

Chairman - Business Responsibility Committee

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

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

To:

The Members,

**Srei Infrastructure Finance Limited**

Vishwakarma, 86C, Topsia Road (South)

Kolkata – 700 046

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

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March, 2018 (‘Audit Period’) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not Applicable to the Company during the Audit Period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**.

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

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

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**I further report that**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at

least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**I further report that** during the audit period:

- (i) The Company has passed a special resolution at the annual general meeting held on 22 July 2017 for issuance of Non-Convertible Debt Securities (NCDs) up to Rs. 10,000 Crores on private placement basis;
- (ii) The Company has amended its Articles of Association by passing a special resolution on 10 December 2017 through postal ballot; and
- (iii) The Company has offered by way of public issue, Secured Redeemable Non-Convertible Debentures (“Secured NCDs”) of Face Value of Rs. 1,000/- each aggregating up to Rs. 15,000 Million and Unsecured Subordinated Redeemable Non-Convertible Debentures (“Unsecured NCDs”) of Face Value of Rs. 1,000/- each aggregating up to Rs. 5,000 Million, totalling up to Rs. 20,000 Million;

Sd/-

Place: Pune

**Dr. K. R. Chandratre**

Date: 28th April, 2018

FCS No. 1370, C P No. 5144



# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

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

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

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

- a. Independently
- b. Jointly with Srei Foundation, 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/investor/corporate-policies/pdf/corporate-social-responsibility-policy.pdf>

The details of the CSR activities undertaken at Srei Infrastructure Finance Limited can be accessed at:

<https://www.srei.com/csr/what-do-we-do>

## 2. The Composition of the CSR Committee

### Committee Members:

- Mr. Hemant Kanoria, Chairman (Chairman & Managing Director)
- Mr. Sunil Kanoria, Non-Executive Director
- Mr. Shyamalendu Chatterjee, Non-Executive and Independent Director

### Secretary to the CSR Committee:

- Mr. Madhusudan Dutta

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

Rs. 1,16,19,15,353/-

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

Rs. 2,32,38,307/-

## 5. Details of CSR spent during the financial year

**a. Total amount to be spent for the Financial Year:** The Company has spent Rs. 1,52,40,000/- against the mandated requirement of Rs. 2,32,38,307/-

**b. Amount unspent, if any:** Rs. 79,98,307/-

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

(Amount in Rs.)

| Sl. No. | CSR project or activity identified   | Sector in which the Project is covered (clause no. (Cl.) of Schedule VII to the Companies Act, 2013, as amended) | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads | Cumulative expenditure upto the reporting period* | Amount spent: Direct or through implementing agency |
|---------|--|--|---|---|--|---|---|
| 1.      | Promoting Education, Enhancing vocational skills, Promoting health and culture including women empowerment | Cl.(i) Health<br>Cl.(ii) Promoting Education;<br>Cl.(iii) Empowering Women                                       | Local areas in and around West Bengal, Rajasthan and Chennai  | 1,50,00,000                                     | 1,50,00,000  | 4,00,00,000                                       | Implementing Agency – Srei Foundation**             |
| 2.      | Animal Welfare (Running of animal rescue mobile units)   | Cl.(iv) Animal Welfare   | New Town, Rajarhat, West Bengal   | 2,40,000  | 2,40,000   | 5,80,000  | Implementing Agency - Sonata Foundation ***         |
|         | <b>TOTAL</b>   |  |   | <b>1,52,40,000</b>                              | <b>1,52,40,000</b>   | <b>4,05,80,000</b>                                |   |

\*Considering the expenditure during the previous financial years, the cumulative expenditure upto the reporting period is Rs. 6,59,50,962.

\*\*Srei Foundation is a Public Charitable Trust established with the 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.

\*\*\*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. The Company had utilised the entire amount available for CSR during the FY 2016-17, however, during the year under review the Company could not spend the entire available amount of Rs. 2.32 Crores as it is in the process of identifying long term CSR projects to benefit the society on a long term basis. The

Company shall find out ways and means to spend on CSR activities including carrying out CSR activities at Group level coupled with new initiatives that may be considered in future. 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/-

**Hemant Kanoria**

DIN: 00193015

Chairman of Committee

(Chairman & Managing Director)

Sd/-

**Shyamalendu Chatterjee**

DIN: 00048249

Member of Committee

(Independent Director)

Place: Kolkata

Date: April 24, 2018

## FORM NO. MGT-9

# EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

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

### I. REGISTRATION AND OTHER DETAILS:

|  |   |
|--|---|
| i. CIN   | L29219WB1985PLC055352   |
| ii. Registration Date  | 29th March, 1985  |
| iii. Name of the Company   | Srei Infrastructure Finance Limited   |
| iv. Category / Sub-Category of the Company                                     | Public Company limited by Shares  |
| v. Address of the Registered office and contact details                        | "Vishwakarma", 86C, Topsia Road (South), Kolkata-700 046<br>Email: corporate@srei.com<br>Telephone no: 91-33-6160-7734<br>Fax no : 91-33-2285-7542 / 8501   |
| vi. Whether listed company (Yes / No)  | Yes   |
| vii. Name, Address and Contact details of Registrar and Transfer Agent, if any | Karvy Computershare Private Limited<br>Karvy Selenium Tower B, Plot 31-32, Gachibowli<br>Financial District, Nanakramguda<br>Hyderabad – 500 032<br>Email: einward.ris@karvy.com<br>Telephone no: 040-67161500, 1800-345-4001<br>Fax no: 040-23420814 |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No. | Name and Description of main Products / Services                                       | NIC Code of the Product / service* | % to total turnover of the Company** |
|---------|--|------------------------------------|--------------------------------------|
| 1.      | Other financial service activities, except in insurance and pension funding activities | 649                                | 99.70                                |

\*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 / GLN             | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|---------|--|-----------------------|----------------------------------|------------------|--------------------|
| 1.      | Adisri Commercial Private Limited<br>3, Middle Road, Hastings, Kolkata- 700 022  | U67190WB2014PTC199720 | Holding                          | 60.36            | 2(46)              |
| 2.      | Srei Capital Markets Limited<br>'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046   | U67190WB1998PLC087155 | Subsidiary                       | 100              | 2(87)              |
| 3.      | Srei Alternative Investment Managers Limited<br>'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046                           | U65999WB1994PLC065722 | Subsidiary                       | 100              | 2(87)              |
| 4.      | Hyderabad Information Technology Venture Enterprises Limited<br>5-9-58 / B, Parisrama Bhavanam, Basheerbagh, Hyderabad – 500 004 | U72200TG1998PLC029282 | Step-down Subsidiary             | 51               | 2(87)              |
| 5.      | Cyberabad Trustee Company Private Limited<br>5-9-58 / B, Parisrama Bhavanam, Basheerbagh, Hyderabad – 500 004                    | U72200TG1999PTC033128 | Step-down Subsidiary             | 51               | 2(87)              |
| 6.      | Bengal Srei Infrastructure Development Limited<br>'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046                         | U70109WB2004PLC100517 | Subsidiary                       | 51               | 2(87)              |
| 7.      | Controlla Electrotech Private Limited<br>Y10 / EP, Sector – V, Salt Lake Electronics Complex ,Kolkata – 700 091                  | U29303WB1991PTC052455 | Subsidiary                       | 100              | 2(87)              |

| Sl. No. | Name and Address of the Company   | CIN / GLN             | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|---------|---|-----------------------|----------------------------------|------------------|--------------------|
| 8.      | Srei Mutual Fund Asset Management Private Limited<br>'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046                                     | U65990WB2009PTC139801 | Subsidiary                       | 100              | 2(87)              |
| 9.      | Srei Mutual Fund Trust Private Limited<br>'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046  | U65990WB2009PTC139790 | Subsidiary                       | 100              | 2(87)              |
| 10.     | Srei Insurance Broking Private Limited<br>'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046  | U67120WB2002PTC095019 | Subsidiary                       | 100              | 2(87)              |
| 11.     | Quippo Oil and Gas Infrastructure Limited<br>'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046   | U11120WB2005PLC218282 | Subsidiary                       | 100              | 2(87)              |
| 12.     | Quippo Drilling International Private Limited<br>'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046   | U11100WB2015PTC218280 | Step-down Subsidiary             | 100              | 2(87)              |
| 13.     | Quippo Energy Limited<br>'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046   | U70109WB2007PLC218320 | Subsidiary                       | 100              | 2(87)              |
| 14.     | Srei Asset Reconstruction Private Limited<br>'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046   | U65999WB2014PTC202301 | Subsidiary                       | 100              | 2(87)              |
| 15.     | Srei Equipment Finance Limited<br>'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046  | U70101WB2006PLC109898 | Subsidiary                       | 100              | 2(87)              |
| 16.     | Sahaj e-Village Limited<br>Tangra Industrial Estate II,<br>45 Radhanath Choudhury Road, Kolkata – 700 015                                       | U67190WB2002PLC095455 | Associate                        | 49.47            | 2(6)               |
| 17.     | Attivo Economic Zone (Mumbai) Private Limited<br>IPCL Building, Plot No. X-1, 2 & 3, Block – EP, Sector V<br>Saltlake City<br>Kolkata – 700 091 | U45400WB2008PTC224115 | Associate                        | 48.78            | 2(6)               |
| 18.     | IIS International Infrastructure Services GmbH [Germany]<br>Grandweg 142, 22529, Hamburg<br>Germany   | Foreign Company       | Associate                        | 49.13            | 2(6)               |

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### I. Category-wise Share Holding

| Category of Shareholders                                  | No. of Shares held at the beginning of the year<br>(as on 01.04.2017) |          |                  |                   | No. of Shares held at the end of the year<br>(as on 31.03.2018) |          |                  |                   | % Change during the year |
|---|---|----------|------------------|-------------------|---|----------|------------------|-------------------|--------------------------|
|   | Demat   | Physical | Total            | % of Total Shares | Demat   | Physical | Total            | % of Total Shares |                          |
| <b>A. Promoters</b>                                       |   |          |                  |                   |   |          |                  |                   |                          |
| <b>(1) Indian</b>   |   |          |                  |                   |   |          |                  |                   |                          |
| a) Individual / HUF                                       | 2182714   |          | 2182714          | 0.43              | 2182714   |          | 2182714          | 0.43              | 0.00                     |
| b) Central Govt.  | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| c) State Govt(s).   | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| d) Bodies Corp.   | 303685845   |          | 303685845        | 60.36             | 303685845   |          | 303685845        | 60.36             | 0.00                     |
| e) Banks / FI   | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| f) Any other  | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| <b>Sub Total (A)(1)</b>                                   | <b>305868559</b>  |          | <b>305868559</b> | <b>60.80</b>      | <b>305868559</b>  |          | <b>305868559</b> | <b>60.80</b>      | <b>0.00</b>              |
| <b>(2) Foreign</b>  |   |          |                  |                   |   |          |                  |                   |                          |
| a) NRIs - Individuals                                     | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| b) Other – Individuals                                    | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| c) Bodies Corp  | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| d) Banks / FI   | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| e) Any Other  | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| <b>Sub Total (A)(2)</b>                                   |   |          |                  |                   |   |          |                  |                   |                          |
| <b>Total shareholding of Promoter A = (A)(1) + (A)(2)</b> | <b>305868559</b>  |          | <b>305868559</b> | <b>60.80</b>      | <b>305868559</b>  |          | <b>305868559</b> | <b>60.80</b>      | <b>0.00</b>              |

| Category of Shareholders   | No. of Shares held at the beginning of the year<br>(as on 01.04.2017) |                |                  |                   | No. of Shares held at the end of the year<br>(as on 31.03.2018) |                |                  |                   | % Change during the year |
|--|---|----------------|------------------|-------------------|---|----------------|------------------|-------------------|--------------------------|
|  | Demat   | Physical       | Total            | % of Total Shares | Demat   | Physical       | Total            | % of Total Shares |                          |
| <b>B. Public Shareholding</b>  |   |                |                  |                   |   |                |                  |                   |                          |
| <b>1. Institutions</b>   |   |                |                  |                   |   |                |                  |                   |                          |
| a) Mutual Funds  | 6448729   | 16120          | 6464849          | 1.29              | 32262527  | 16120          | 32278647         | 6.42              | 5.13                     |
| b) Banks / FI  | 95056   |                | 95056            | 0.02              | 347223  |                | 347223           | 0.07              | 0.05                     |
| c) Central Govt.   | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| d) State Govt(s).  | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| e) Venture Capital Funds   | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| f) Insurance Companies   | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| g) FIs   | 80143398  | 180000         | 80323398         | 15.97             | 63645559  | 180000         | 63825559         | 12.69             | (3.28)                   |
| h) Foreign Venture Capital Funds   | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| i) Others (specify)  |   |                |                  |                   |   |                |                  |                   |                          |
| Foreign Bodies   | 25154317  | 1735717        | 26890034         | 5.35              | 18773160  | 1735717        | 20508877         | 4.08              | (1.27)                   |
| <b>Sub-total (B)(1)</b>  | <b>111841500</b>  | <b>1931837</b> | <b>113773337</b> | <b>22.62</b>      | <b>115028469</b>  | <b>1931837</b> | <b>116960306</b> | <b>23.25</b>      | <b>0.63</b>              |
| <b>2. Non-Institutions</b>   |   |                |                  |                   |   |                |                  |                   |                          |
| a) Bodies Corp.  |   |                |                  |                   |   |                |                  |                   |                          |
| i) Indian  | 25111133  | 105922         | 25217055         | 5.01              | 21233701  | 85091          | 21318792         | 4.23              | (0.78)                   |
| ii) Overseas   | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| b) Individuals   |   |                |                  |                   |   |                |                  |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lac          | 21090137  | 1099164        | 22189301         | 4.41              | 25602595  | 949696         | 26552291         | 5.28              | 0.87                     |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lac | 26405711  | 10636          | 26416347         | 5.25              | 24723959  | 10636          | 24734595         | 4.92              | (0.33)                   |
| c) Others (specify)  |   |                |                  |                   |   |                |                  |                   |                          |
| Non Resident Indians   | 7045139   | 15994          | 7061133          | 1.40              | 6856476   | 15994          | 6872470          | 1.37              | (0.04)                   |
| Clearing Members   | 2550521   | -              | 2550521          | 0.51              | 618533  | -              | 618533           | 0.12              | (0.39)                   |
| Trusts   | 10080   | -              | 10080            | 0.00              | 9180  | -              | 9180             | 0.00              | 0.00                     |
| IEPF   | -   | -              | -                | -                 | 151607  | -              | 151607           | 0.03              | 0.03                     |
| <b>Sub-total (B)(2)</b>  | <b>82212721</b>   | <b>1231716</b> | <b>83444437</b>  | <b>16.59</b>      | <b>79196051</b>   | <b>1061417</b> | <b>80257468</b>  | <b>15.95</b>      | <b>(0.64)</b>            |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                               | <b>194054221</b>  | <b>3163553</b> | <b>197217774</b> | <b>39.20</b>      | <b>194224520</b>  | <b>2993254</b> | <b>197217774</b> | <b>39.20</b>      | <b>0.00</b>              |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| <b>Grand Total (A+B+C)</b>   | <b>499922780</b>  | <b>3163553</b> | <b>503086333</b> | <b>100.00</b>     | <b>500093079</b>  | <b>2993254</b> | <b>503086333</b> | <b>100.00</b>     | <b>0.00</b>              |

## II. Shareholding of Promoters

| Sl. No. | Shareholder's Name                | Shareholding at the beginning of the year<br>(as on 01.04.2017) |                                  |  | Shareholding at the end of the year<br>(as on 31.03.2018) |                                  |  | % change in share holding during the year |
|---------|-----------------------------------|---|----------------------------------|--|---|----------------------------------|--|---|
|         |                                   | No. of Shares   | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares   | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |   |
| 1       | Hemant Kanoria (Promoter)         | 380000  | 0.08                             | -  | 380000  | 0.08                             | -  | 0   |
| 2       | Sunil Kanoria                     | 1802714   | 0.36                             | -  | 1802714   | 0.36                             | -  | 0   |
| 3       | Adisri Commercial Private Limited | 303675845   | 60.36                            | -  | 303675845   | 60.36                            | -  | 0   |
| 4       | Bhavah Enterprise Private Limited | 10000   | 0.00                             | -  | 10000   | 0.00                             | -  | 0   |

### III. Change in Promoters' Shareholding

| Sl. No. | Name  | Shareholding at the beginning of the year (as on 01.04.2017) |                                  | Cumulative Shareholding during the year (01.04.2017 to 31.03.2018) |                                  |
|---------|---|--|----------------------------------|--|----------------------------------|
|         |   | No. of Shares  | % of total Shares of the company | No. of shares  | % of total shares of the company |
| 1.      | <b>Hemant Kanoria (Promoter)</b>  |  |                                  |  |                                  |
|         | At the beginning of the year  | 380000   | 0.08                             |  |                                  |
|         | Date-wise increase / decrease in promoters' shareholding during the year specifying the reasons for increase / decrease | No Changes during the year                                   |                                  |  |                                  |
|         | At the end of the year  |  |                                  | 380000   | 0.08                             |
| 2.      | <b>Sunil Kanoria</b>  |  |                                  |  |                                  |
|         | At the beginning of the year  | 1802714  | 0.36                             |  |                                  |
|         | Date-wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease | No Changes during the year                                   |                                  |  |                                  |
|         | At the end of the year  |  |                                  | 1802714  | 0.36                             |
| 3.      | <b>Adisri Commercial Private Limited</b>  |  |                                  |  |                                  |
|         | At the beginning of the year  | 303675845  | 60.36                            |  |                                  |
|         | Date-wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease | No Changes during the year                                   |                                  |  |                                  |
|         | At the end of the year  |  |                                  | 303675845  | 60.36                            |
| 4.      | <b>Bhavah Enterprise Private Limited</b>  |  |                                  |  |                                  |
|         | At the beginning of the year  | 10000  | 0.00                             |  |                                  |
|         | Date-wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease | No Changes during the year                                   |                                  |  |                                  |
|         | At the end of the year  |  |                                  | 10000  | 0.00                             |

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

| Sl. No. | For Each of the Top 10 Shareholders*  | Shareholding at the beginning of the year (as on 01.04.2017) |                                  | Cumulative Shareholding during the year (01.04.2017 to 31.03.2018) |                                  |
|---------|---|--|----------------------------------|--|----------------------------------|
|         |   | No. of Shares  | % of total Shares of the company | No. of Shares  | % of total Shares of the company |
| 1.      | Fidelity Investment Trust Fidelity Series Emerging Markets Fund**                                   | 41882982   | 8.33                             | 34355610   | 6.83                             |
| 2.      | Subrata Ghosh#  | 2866095  | 0.57                             | -  | -                                |
| 3.      | AADI Financial Advisors LLP**   | 3278444  | 0.65                             | 3278444  | 0.65                             |
| 4.      | Blue Daimond Properties Private Limited**   | 2940689  | 0.58                             | 2940689  | 0.58                             |
| 5.      | Akash Bhanshali #   | 2735365  | 0.54                             | -  | -                                |
| 6.      | Amal N Parikh**   | 5000000  | 0.99                             | 4720873  | 0.94                             |
| 7.      | Reliance Capital Trustee Co. Ltd-A/C Reliance Small Cap Fund**                                      | 3300000  | 0.66                             | 3300000  | 0.66                             |
| 8.      | BNP Paribas Lease Group**   | 25154317   | 5.00                             | 18773160   | 3.73                             |
| 9.      | Citigroup Global Markets Mauritius Private Limited#   | 2763000  | 0.55                             | -  | -                                |
| 10.     | Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Funds** | 2739949  | 0.54                             | 3494023  | 0.69                             |
| 11.     | SBI Magnum Taxgain Scheme@  | -  | -                                | 5409248  | 1.08                             |
| 12.     | Vanguard Total International Stock Index Fund@  | -  | -                                | 2934826  | 0.58                             |
| 13.     | SBI Contra Fund@  | -  | -                                | 2764155  | 0.55                             |

\*We combine the folio of top ten shareholders to give a fair representation of the total holding.

\*\*Common top 10 shareholders as on 01.04.2017 and 31.03.2018

#Top 10 shareholders only as on 01.04.2017

@Top 10 shareholders only as on 31.03.2018

Note: The date wise increase or decrease in shareholding of top ten shareholders is available on the website of the Company at <https://www.srei.com/investor/financial-reports/financial-statement/pdf/top-10-shareholders-date-wise-movement-31-03-2018.pdf>

## V. Shareholding of Directors and Key Managerial Personnel

| Sl. No. | For each of the Directors and Key Managerial Personnel   | Shareholding at the beginning of the year (as on 01.04.2017) |                                  | Cumulative Shareholding during the year (01.04.2017 to 31.03.2018) |                                  |
|---------|--|--|----------------------------------|--|----------------------------------|
|         |  | No. of Shares  | % of total Shares of the company | No. of shares  | % of total shares of the company |
|         | <b>Directors</b>   |  |                                  |  |                                  |
| 1.      | <b>Mr. Hemant Kanoria</b>  |  |                                  |  |                                  |
|         | At the beginning of the year   | 380000   | 0.08                             |  |                                  |
|         | Date-wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease | No Change during the year                                    |                                  |  |                                  |
|         | At the end of the year   |  |                                  | 380000   | 0.08                             |
| 2.      | <b>Mr. Sunil Kanoria</b>   |  |                                  |  |                                  |
|         | At the beginning of the year   | 1802714  | 0.36                             |  |                                  |
|         | Date-wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease | No Change during the year                                    |                                  |  |                                  |
|         | At the end of the year   |  |                                  | 1802714  | 0.36                             |
| 3.      | <b>Mr. Srinivasachari Rajagopal</b>  |  |                                  |  |                                  |
|         | 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.      | <b>Mr. Shyamalendu Chatterjee</b>  |  |                                  |  |                                  |
|         | At the beginning of the year   | -  | -                                |  |                                  |
|         | Date-wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease | No Change during the year                                    |                                  |  |                                  |
|         | At the end of the year   |  |                                  | -  | -                                |
| 5.      | <b>Dr. Punita Kumar Sinha</b>  |  |                                  |  |                                  |
|         | 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.      | <b>Mr. Ram Krishna Agarwal</b>   |  |                                  |  |                                  |
|         | 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.      | <b>Mr. Malay Mukherjee*</b>  |  |                                  |  |                                  |
|         | 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   |  |                                  | -  | -                                |
|         | <b>Key Managerial Personnel</b>  |  |                                  |  |                                  |
| 1.      | <b>Mr. Hemant Kanoria - Chairman and Managing Director</b>   |  |                                  |  |                                  |
|         | At the beginning of the year   | 380000   | 0.08                             |  |                                  |
|         | Date-wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease | No Change during the year                                    |                                  |  |                                  |
|         | At the end of the year   |  |                                  | 380000   | 0.08                             |
| 2.      | <b>Mr. Sandeep Lakhotia - Company Secretary</b>  |  |                                  |  |                                  |
|         | At the beginning of the year   | 172593   | 0.03                             |  |                                  |
|         | Date-wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease |  |                                  |  |                                  |
|         | Date                    Reason   |  |                                  |  |                                  |
|         | 28.04.2017          Buy  | 13,400   | 0.00                             |  |                                  |
|         | 19.05.2017          Buy  | 1,50,000   | 0.03                             |  |                                  |
|         | At the end of the year   |  |                                  | 3,35,993   | 0.07                             |

|    |  |                           |   |   |   |
|----|--|---------------------------|---|---|---|
| 3. | <b>Mr. Sameer Sawhney - Chief Executive Officer</b>  |                           |   |   |   |
|    | 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 w.e.f. October 26, 2017

## V. INDEBTEDNESS

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

(Amount in lacs)

| Particulars  | Secured Loans excluding deposits | Unsecured Loans | Deposits*  | Total Indebtedness |
|--|----------------------------------|-----------------|------------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |            |                    |
| i) Principal Amount  | 11,32,900                        | 1,85,907        | 3          | 13,18,810          |
| ii) Interest due but not paid                              | 134                              | -               | -          | 134                |
| iii) Interest accrued but not due                          | 17,976                           | 3,546           |            | 21,522             |
| <b>Total (i+ii+iii)</b>                                    | <b>11,51,010</b>                 | <b>1,89,453</b> | <b>3</b>   | <b>13,40,466</b>   |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |            |                    |
| Addition   | 41,603                           | 36,733          |            | 78,334             |
| Reduction  |                                  |                 | (2)        |                    |
| <b>Net Change</b>  | <b>41,603</b>                    | <b>36,733</b>   | <b>(2)</b> | <b>78,334</b>      |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |            |                    |
| i) Principal Amount  | 11,73,960                        | 2,23,058        | 1          | 13,97,019          |
| ii) Interest due but not paid                              | 137                              | -               | -          | 137                |
| iii) Interest accrued but not due                          | 18,516                           | 3,128           | -          | 21,644             |
| <b>Total (i+ii+iii)</b>                                    | <b>11,92,613</b>                 | <b>2,26,186</b> | <b>1</b>   | <b>14,18,800</b>   |

\*Unclaimed Deposits

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director

(Amount in Rs.)

| Sl. No. | Particulars of Remuneration   | Name of MD   | Total Amount                  |
|---------|---|--|-------------------------------|
|         |   | Mr. Hemant Kanoria   |                               |
| 1.      | Gross salary  |  |                               |
|         | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 |  | 2,80,00,000                   |
|         | (b) Value of perquisites under section 17(2) of the Income Tax Act, 1961            |  |                               |
|         | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961       |  |                               |
| 2.      | Stock Option  |  |                               |
| 3.      | Sweat Equity  |  |                               |
| 4.      | Commission<br>- as % of profit<br>- others, specify                                 |  | 60,00,000<br>(inclusive in 1) |
| 5.      | Others, please specify  |  |                               |
|         | <b>Total (A)</b>  |  | <b>2,80,00,000</b>            |
|         | Ceiling as per the Act  | 935 Lacs (being 5% of 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.



B. Remuneration to other Directors

(Amount in Rs.)

| Sl. No. | Particulars of Remuneration                    | Name of Directors   |                  |                            |                        |                       |                             |                      | Total Amount     |
|---------|--|---------------------|------------------|----------------------------|------------------------|-----------------------|-----------------------------|----------------------|------------------|
|         |  | Mr. Salil K. Gupta* | Mr. S. Rajagopal | Mr. Shyamalendu Chatterjee | Dr. Punita Kumar Sinha | Dr. Tamali Sengupta** | Mr. T. C. A. Ranganathan*** | Mr. Malay Mukherjee# |                  |
| 1.      | Independent Directors                          |                     |                  |                            |                        |                       |                             |                      |                  |
|         | Fee for attending Board and Committee Meetings | 3,45,000            | 5,60,000         | 9,90,000                   | 5,50,000               | 2,25,000              | 3,50,000                    | 2,25,000             | 32,45,000        |
|         | Commission                                     | -                   | 12,50,000        | 15,00,000                  | 15,00,000              | -                     | -                           | 5,00,000             | 47,50,000        |
|         | Others, please specify                         | -                   | -                | -                          | -                      | -                     | -                           | -                    | -                |
|         | <b>Total (1)</b>                               | <b>3,45,000</b>     | <b>18,10,000</b> | <b>24,90,000</b>           | <b>20,50,000</b>       | <b>2,25,000</b>       | <b>3,50,000</b>             | <b>7,25,000</b>      | <b>79,95,000</b> |

\*Resigned w.e.f. 22.07.2017

\*\*Resigned w.e.f. 26.10.2017

\*\*\*Resigned w.e.f. 07.12.2017

#Appointed w.e.f. 26.10.2017

(Amount in Rs.)

| SI No. | Particulars of Remuneration                    | Name of Directors  |                         | Total Amount       |
|--------|--|--|-------------------------|--------------------|
|        |  | Mr. Sunil Kanoria  | Mr. Ram Krishna Agarwal |                    |
| 2.     | Other Non-Executive Directors                  |  |                         |                    |
|        | Fee for attending Board and Committee Meetings | 10,60,000  | 3,20,000                | 13,80,000          |
|        | Commission                                     | 12,50,000  | 15,00,000               | 27,50,000          |
|        | Others, please specify                         | -  | -                       | -                  |
|        | <b>Total (2)</b>                               | <b>23,10,000</b>   | <b>18,20,000</b>        | <b>41,30,000</b>   |
|        | <b>Total (B)=(1+2)</b>                         |  |                         | <b>1,21,25,000</b> |
|        | Total Managerial Remuneration*                 |  |                         | 3,55,00,000        |
|        | Overall Ceiling as per the Act                 | Rs. 1,122 Lacs (being 6% of net profits of the Company calculated as per Section 198 of the Companies Act, 2013) |                         |                    |

\*Total Managerial Remuneration to Managing Director and other Directors (exclusive of sitting fees).

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

(Amount in Rs)

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel |                     |                    | Total Amount       |
|---------|---|--------------------------|---------------------|--------------------|--------------------|
|         |   | CEO                      | CS                  | CFO                |                    |
|         |   | Mr. Sameer Sawhney       | Mr. Sandeep Lakhota | Mr. Kishore Lodha* |                    |
| 1.      | Gross salary  |                          |                     |                    |                    |
|         | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 1,40,20,639              | 85,99,246           | 45,74,389          | 2,71,94,274        |
|         | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961                   | -                        | 32,400              | 21,600             | 54,000             |
|         | (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961       | -                        | -                   | -                  | -                  |
| 2.      | Stock Option  | -                        | -                   | -                  | -                  |
| 3.      | Sweat Equity  | -                        | -                   | -                  | -                  |
| 4.      | Commission<br>- as a % of Profit<br>- others, specify                               | -                        | -                   | -                  | -                  |
| 5.      | Others, please specify  | -                        | -                   | -                  | -                  |
|         | <b>Total (C)</b>  | <b>1,40,20,639</b>       | <b>86,31,646</b>    | <b>45,95,989</b>   | <b>2,72,48,274</b> |

\*Resigned w.e.f. close of business hours on 15th January, 2018.

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**

There were no penalties / punishments / compounding of offence under any sections of the Companies Act, 2013 against the Company or its Directors or other officers in default during the year ended 31st March, 2018.

Place: Kolkata

Date: April 28, 2018

Sd/-

**Hemant Kanoria**

Chairman & Managing Director

DIN 00193015

## STATEMENT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

I. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

| Sl. No. | Name of the Directors        | Remuneration (Rs.) | Median Remuneration of employees (Rs.) | Ratio (In times) |
|---------|------------------------------|--------------------|--|------------------|
| 1.      | Mr. Hemant Kanoria           | 3,61,60,000        | 14,86,820                              | 24.32            |
| 2.      | Dr. Punita Kumar Sinha       | 15,00,000          |  | 1.01             |
| 3.      | Mr. Srinivasachari Rajagopal | 12,50,000          |  | 0.84             |
| 4.      | Mr. Shyamalendu Chatterjee   | 15,00,000          |  | 1.01             |
| 5.      | Mr. Sunil Kanoria            | 12,50,000          |  | 0.84             |
| 6.      | Mr. R. K. Agarwal            | 15,00,000          |  | 1.01             |
| 7.      | Mr. Malay Mukherjee*         | 5,00,000           |  | 0.34             |

\*Appointed w.e.f. 26th October, 2017

Notes:

(a) Remuneration excludes sitting fees.

(b) The Non-Executive Directors of the Company are paid commission on an annual basis based on the recommendation of Nomination and Remuneration Committee and approval of the Board in accordance with Nomination and Remuneration Policy and within the approved statutory limit of the 1% of the net profits of the Company pursuant to Section 197 of the Companies Act, 2013 read with Rules thereto.

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

| Sl. No. | Name                         | Designation                            | Remuneration of previous year (Rs.) | Remuneration of Current year (Rs.) | % increase               |        |
|---------|------------------------------|--|-------------------------------------|------------------------------------|--------------------------|--------|
| 1       | Mr. Hemant Kanoria           | Chairman & Managing Director           | 3,06,60,000                         | 3,61,60,000                        | 17.94                    |        |
| 2       | Mr. Sunil Kanoria            | Non-Executive Director (Vice Chairman) | 10,00,000                           | 12,50,000                          | 25.00                    |        |
| 3.      | Mr. Salil Kumar Gupta*       | Independent Director                   | 10,00,000                           | -                                  | Refer Note (c)           |        |
| 4.      | Mr. Srinivasachari Rajagopal |  | 7,50,000                            | 12,50,000                          | 66.67                    |        |
| 5.      | Mr. Shyamalendu Chatterjee   |  | 12,50,000                           | 15,00,000                          | 20.00                    |        |
| 6.      | Dr. Punita Kumar Sinha       |  | 12,50,000                           | 15,00,000                          | 20.00                    |        |
| 7.      | Dr. Tamali Sengupta**        |  | 7,50,000                            | -                                  | Refer Note (c)           |        |
| 8.      | Mr. T. C. A. Ranganathan***  |  | 7,50,000                            | -                                  | Refer Note (c)           |        |
| 9.      | Mr. Malay Mukherjee****      |  | N.A.                                | 5,00,000                           | Refer Note (d)           |        |
| 10.     | Mr. R. K. Agarwal            |  | Non-Executive Director              | 7,50,000                           | 15,00,000                | 100.00 |
| 11.     | Mr. Sandeep Lakhotia         |  | Company Secretary                   | 71,13,917                          | 93,12,366                | 30.90  |
| 12.     | Mr. Kishore Lodha*****       | Chief Financial Officer                | 49,64,696                           | 45,55,172                          | Refer Note (e)           |        |
| 13.     | Mr. Sameer Sawhney           | Chief Executive Officer                | 59,92,384                           | 1,47,83,556                        | (0.64)<br>Refer Note (f) |        |

\* Ceased to be a Director w.e.f. 22nd July, 2017

\*\*Ceased to be a Director w.e.f. 26th October, 2017

\*\*\*Ceased to be a Director w.e.f. 7th December, 2017

\*\*\*\*Appointed w.e.f. 26th October, 2017

\*\*\*\*\*Ceased to be a KMP of the Company w.e.f. close of business hours on 15th January, 2018.

Notes:

(a) Remuneration excludes sitting fees.

(b) The Non-Executive Directors of the Company are paid commission on an annual basis based on the recommendation of Nomination and Remuneration Committee and approval of the Board in accordance with Nomination and Remuneration Policy and within the approved statutory limit of the 1% of the net profits of the Company pursuant to Section 197 of the Companies Act, 2013 read with Rules thereto.

(c) Since these Directors were in office only for part of the current year and are also not paid any remuneration (commission) for the Financial Year 2017-18, the percentage of increase of remuneration in their case is not comparable with that of the previous year.

(d) Since Mr. Mukherjee was appointed in the current Financial Year (w.e.f. 26th October, 2017), the percentage of increase of remuneration in his case is not comparable with that of the previous year.

(e) Since Mr. Lodha was in office only for part of the current year, the percentage of increase of remuneration in his case is not comparable with that of the previous year.

(f) Mr. Sawhney was in office only for part of the previous year (appointed w.e.f. 5th November, 2016). The percentage of decrease of remuneration in his case is based on annualized salary.

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

III. The percentage increase in the median remuneration of employees in the financial year:

| Median remuneration of previous year (Rs.) | Median remuneration of current year (Rs.) | % increase |
|--|---|------------|
| 8,88,802                                   | 14,86,820                                 | 67.28      |

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

There were 99 employees as on 31st March, 2018 as against 189 employees as on 31st March 2017.

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                       | 16                 |
| 2       | Increase in salary of employee (other than Managerial Personnel) | 7                  |

During the year, a large number of employees of the Company with lower remuneration range were transferred to other companies in Srei Group.

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

Yes, it is confirmed.

**For and on behalf of Board of Directors**

Sd/-

**Hemant Kanoria**

Chairman & Managing Director

DIN: 00193015

Place: Kolkata

Date: April 28, 2018

# 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 March 31, 2018

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

| Sl. No. | Name                     | Designation   | Remuneration Received (Rs.) | Qualification             | Experience in years | Age in years | Date of Commencement of Employment | Last employment held by the employee before joining the Company   | Percentage of equity shares held by the employee in the Company |
|---------|--------------------------|---|-----------------------------|---------------------------|---------------------|--------------|------------------------------------|---|---|
| 1       | Hemant Kanoria           | Chairman & Managing Director                              | 3,61,60,000                 | B. Com (Hons.)            | 38                  | 55           | 07.05.1994                         | None  | 0.08  |
| 2       | Chandrasekhar Mukherjee* | Group Chief People Officer                                | 1,70,32,879                 | B.Com, PGPM & IR          | 25                  | 54           | 08.06.2017                         | National Stock Exchange of India Limited. Chief People Officer  | NIL   |
| 3       | Shishir Jain             | Head - Structured Credit                                  | 1,61,37,876                 | BE, MBA                   | 23                  | 45           | 23.02.2017                         | CX Advisors LLP – Managing Director   | NIL   |
| 4       | Sanjeev Sancheti         | Chief Strategy Officer                                    | 1,48,84,701                 | B.Com (Hons.), ACA, AICWA | 27                  | 50           | 14.11.2007                         | Tebma Shipyards Limited - CFO   | 0.05  |
| 5       | Sameer Sawhney           | Chief Executive Officer                                   | 1,47,83,556                 | CA                        | 23                  | 47           | 05.11.2016                         | Regional CEO South and East Asia, ANZ Bank  | NIL   |
| 6       | Murli Manohar Khemka     | Executive President                                       | 98,46,198                   | BSc, MMS (Finance)        | 25                  | 44           | 02.07.2008                         | Self Employed   | NIL   |
| 7       | Ganesh Prasad Bagree     | Infrastructure Project Finance: Senior Vice President     | 95,42,272                   | B. Com (Hons), CA         | 24                  | 48           | 19.06.2008                         | ICICI - West Bengal Infrastructure Development Corporation Limited (ICICI - WINFRA) - Assistant General Manager | 0.00  |
| 8       | Sandeep Lakhota          | Company Secretary   | 93,12,366                   | FCA, FCS                  | 20                  | 43           | 26.06.2000                         | None  | 0.07  |
| 9       | Prabhat Ranjan Acharya   | Chief Executive Officer – Infrastructure Project Advisory | 85,23,600                   | MBA (Internal Business)   | 34                  | 60           | 22.08.2016                         | Bharat Electronics Ltd. - Director (Finance)  | NIL   |
| 10      | Anil Ladha*              | Chief - Corporate Finance                                 | 79,67,348                   | BE, MBA, CFA              | 26                  | 49           | 01.08.2017                         | Reliance Communications Ltd. - Senior VP & Head - Investors Relations   | NIL   |

\*Employed for part of the financial year.

Notes:

- Remuneration includes Basic Salary, HRA, Special Allowance, Super Annuation Allowance, Commission, Ex-gratia, LTA, Medical, Leave Encashment, Employer's contribution to Provident Fund, Employer's contribution to NPS, Incentives and other Perquisites.
- Nature of Employment and duties: Contractual and in accordance with terms and conditions as per Company's rules and policies.
- No employee is a relative of any Director except Mr. Hemant Kanoria (Chairman & Managing Director) who is brother of Mr. Sunil Kanoria (Non-Executive Director & Vice Chairman).

For and on behalf of of Board of Directors  
Sd/-

**Hemant Kanoria**  
Chairman & Managing Director  
DIN: 00193015

Place : Kolkata  
Date : April 28, 2018

# CEO & CFO CERTIFICATION

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

The Board of Directors

April 28, 2018

**Srei Infrastructure Finance Limited**

'Vishwakarma'

86C, Topsia Road (South)

Kolkata – 700 046

We, Hemant Kanoria, Chairman & Managing Director (CMD), Sameer Sawhney, Chief Executive Officer (CEO) and Vishnu Gopal Agarwal, Financial Controller of Srei Infrastructure Finance Limited certify to the Board that we have reviewed the financial statements and the cash flow statement of the Company for the Financial Year ended on 31st March, 2018 and to the best of our knowledge and belief, we certify that –

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

Sd/-

**Hemant Kanoria**  
Chairman & Managing Director (CMD)

Sd/-

**Sameer Sawhney**  
Chief Executive Officer (CEO)

Sd/-

**Vishnu Gopal Agarwal**  
Financial Controller

## **INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To  
The Members,  
**Srei Infrastructure Finance Limited**

1. This Certificate is issued in accordance with the terms of our engagement letter dated 1st September, 2017.
2. We have examined the compliance of conditions of Corporate Governance by Srei Infrastructure Finance Limited ('the Company'), for the year ended on 31st March, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

### **Management's Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

### **Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this Certificate.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" issued by the ICAI.

### **Opinion**

8. Based on our examination, as stated above, and to the best of our information and according to the explanations and written representation provided to us by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the year ended on 31st March, 2018.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### **Restriction on Use**

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Haribhakti & Co. LLP.**

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

sd/-

**Mahesh Agarwal**

Partner

Membership No. 067806

Kolkata, 28th April, 2018

# REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the Organisation. Good Corporate Governance leads to long term shareholder value and enhances interest of other stakeholders.

Srei Infrastructure Finance Limited ('Srei') is committed to the adoption of and adherence to the best Corporate Governance practices at all times and continuously benchmarks itself against each such practice in the industry. Srei understands and respects its fiduciary and trusteeship role and responsibility to its stakeholders and strives hard to meet their expectations. Srei believes that Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. Over the years, the governance processes and systems have therefore been strengthened at Srei. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work place have been institutionalized.

The Company's Equity shares are presently listed on three Stock Exchanges in India namely The Calcutta Stock Exchange Limited, BSE Limited and National Stock Exchange of India Limited. Srei has complied in all material respects with the features of Corporate Governance Code as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations,

2015"). In accordance with SEBI Listing Regulations, 2015, the details of compliances by the Company for the year ended March 31, 2018 are as under:

## A. MANDATORY REQUIREMENTS

### 1. Company's philosophy on Code of Governance

The Company has endeavoured to benchmark itself against global standards in all areas, including Corporate Governance. Good Corporate Governance implies optimum utilisation of the resources and ethical behaviour of the enterprise to enhance the stakeholders' value with strong emphasis on transparency, accountability and integrity, which are the primary objectives of Srei. The Company enhances value for its stakeholders by focusing on growth and profitability, managing risks and contributing to the society.

### 2. Board of Directors

#### • Composition

The Board has a strength of 7 (Seven) Directors as on March 31, 2018. The Board comprises of optimum combination of Executive, Non-Executive and Independent Directors. 2 (Two) Directors are Non-Executive Directors including Vice Chairman, 1 (One) Director is Executive Director (Chairman) and 4 (Four) Directors are Independent Directors including 1 (One) Woman Director.

The Company recognises and embraces the benefits of having a diverse Board that possesses a balance of skills, experience,

expertise and diversity of perspectives appropriate to the requirements of the businesses of the Company. The Company sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. The Company has framed a Policy on Board Diversity which sets out the approach to diversity on the Board of Directors of the Company.

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

In compliance with Regulation 25 of SEBI Listing Regulations, 2015, none of the Directors on the Board serve as an Independent Director of more than 7 (Seven) listed entities across all entities in which he / she is a Director. Further, none of the Director on the Board who is serving as a whole time Director in any listed entity is serving as an Independent Director of more than 3 (Three) listed entities across all entities in which he / she is a Director. Further, in compliance with Regulation 26 of SEBI Listing



Regulations, 2015, none of the Directors on the Board is a member of more than 10 (Ten) committees or Chairman of more than 5 (Five) committees across all public limited companies (whether listed or not) in which he / she is a Director. For assessment of these criteria, the membership / chairmanship of the Audit Committee and the Stakeholders Relationship Committee alone has been considered. Further, in compliance with Section 165 of the Companies Act, 2013, none of the Directors on the Board hold directorship in more than 20 (Twenty) companies at the same time with the directorship in public companies not exceeding 10 (Ten). All the Directors have made necessary disclosures regarding directorship / committee positions occupied by them in other listed entities / public limited companies (whether listed or not) in accordance with Regulations 25 and 26 of SEBI Listing Regulations, 2015 and the Companies Act, 2013.

Pursuant to the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September

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

Further, relevant declarations and undertakings have been obtained from the Directors pursuant to the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company

and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016. The Company has also executed the Deed of Covenant with all the Directors in accordance with the said RBI Directions. The Deed of Covenant lays down acknowledgement by the Director that his / her appointment as Director on the Board of the Company is subject to applicable laws and regulations including Memorandum and Articles of Association of the Company and the provisions of the Deed of Covenant. The Deed of Covenant also inter alia lays down the duties of the Director as well as disclosures to be made by the Company to the Directors etc.

The Company has taken a Directors' and Officers' Liability Insurance Policy for an amount of Rs. 30,00,00,000/- (Rupees Thirty Crores only) in order to safeguard and protect the interests of the Directors from any contingent liabilities.

The Composition of the Board of Directors as on March 31, 2018 is in conformity with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, 2015. The details of the Board of Directors as on March 31, 2018 are as under:

| Sl. No. | Directors   | DIN      | Category             |
|---------|---|----------|----------------------|
| 1.      | Mr. Salil Kumar Gupta (Chief Mentor)*             | 00651223 | Independent          |
| 2.      | Mr. Hemant Kanoria (Chairman & Managing Director) | 00193015 | Executive (Promoter) |
| 3.      | Mr. Sunil Kanoria (Vice Chairman)                 | 00421564 | Non Executive        |
| 4.      | Mr. Srinivasachari Rajagopal                      | 00022609 | Independent          |
| 5.      | Mr. Shyamalendu Chatterjee                        | 00048249 | Independent          |
| 6.      | Dr. Punita Kumar Sinha                            | 05229262 | Independent          |
| 7.      | Dr. Tamali Sengupta**                             | 00358658 | Independent          |
| 8.      | Mr. T. C. A. Ranganathan***                       | 03091352 | Independent          |
| 9.      | Mr. Ram Krishna Agarwal                           | 00416964 | Non Executive        |
| 10.     | Mr. Malay Mukherjee****                           | 02272425 | Independent          |

\*Resigned w.e.f. July 22, 2017

\*\*Resigned w.e.f. October 26, 2017

\*\*\*Resigned w.e.f. December 07, 2017

\*\*\*\*Appointed w.e.f. October 26, 2017

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

#### Shareholding of Directors & Key Managerial Personnel (KMPs)

Mr. Hemant Kanoria (Promoter) and Mr. Sunil Kanoria hold 3,80,000 and 18,02,714 Equity shares in the Company, respectively, as on March 31, 2018. None of the other Directors hold any Equity shares in the Company.

During the year, Mr. Kishore Lodha, Key Managerial Personnel (KMP) of the Company resigned as Chief Financial Officer (CFO) and has since been relieved from the services of the Company as per Company's Policy. As on March 31, 2018, Mr. Hemant Kanoria, Chairman & Managing Director (CMD), Mr. Sameer Sawhney, Chief Executive Officer (CEO) and Mr. Sandeep Lakhota, Company Secretary of the Company are the Whole-time Key Managerial Personnel (KMPs) of the Company in accordance with Section 203 of the Companies Act, 2013. During the year under review, Mr. Sandeep Lakhota acquired 1,63,400 Equity shares of the Company. Mr. Hemant Kanoria and Mr. Sandeep Lakhota hold 3,80,000 and 3,35,993 Equity shares in the Company, respectively, as on March 31, 2018.

#### Appointment of Directors

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

Further, based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board

has approved a policy on Fit and Proper Criteria of Directors in accordance with the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 issued by the Reserve Bank of India which sets a framework to determine whether a Director is fit and proper to hold such position in the Company.

#### Succession Policy

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

The Board constantly evaluates the contribution of its members and recommends to shareholders their re-appointment periodically as per the statute. Executive Directors are appointed by the shareholders for a maximum period of 5 (Five) years at a time, but are eligible for re-appointment upon completion of their term. Non-Independent, Non-Executive Directors do not have any term, but retire by rotation as per the law.

#### Responsibilities

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

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

#### • Independent Directors (IDs)

As on March 31, 2018, the Company has 4 (Four) Independent Directors on its Board out of the total strength of 7 (Seven) Directors.

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

#### Meeting of Independent Directors (IDs)

The Independent Directors (IDs) met on May 09, 2017 and October 26, 2017 without the presence of the Chairman & Managing Director, CEOs, the Non-Executive Non-Independent Directors and the Management Team. The meetings were attended by all the Independent Directors and enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board. The IDs reviewed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The IDs also evaluated the performance of Chairperson, Non-Independent Directors and the Board as a whole.

#### Familiarisation Programme for IDs

In terms of Regulation 25(7) of SEBI Listing Regulations, 2015, the Company is required to conduct Familiarisation Programme for Independent Directors (IDs) to familiarise them about the Company including nature of industry in which the Company operates, business model of the Company, roles, rights and responsibilities of IDs and any other relevant information. Further, pursuant to Regulation 46 of SEBI Listing Regulations, 2015, the Company is required to disseminate on its website, details of familiarisation programme imparted to

IDs including the details of i) number of programmes attended by IDs (during the year and on a cumulative basis till date), ii) number of hours spent by IDs in such programmes (during the year and on a cumulative basis till date), and iii) other relevant details.

3 (Three) such specific familiarisation programmes were conducted on October 26, 2017 and January 17, 2018. As a part of the first programme on Ind-AS, presentation was made to the Independent Directors inter alia covering responsibility and reporting requirements fundamental changes & significant GAAP differences covering new concepts and statements; key implementation challenges; disclosure requirements etc.

As a part of the second programme, presentation was circulated to the Independent Directors highlighting the key amendments to Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI) and effective from October 01, 2017.

As a part of the third programme, presentation was circulated to the Independent Directors highlighting the key amendments proposed under the Companies (Amendment) Act, 2017. Further, actionables arising therefrom was also specifically highlighted to all the Directors including Independent Directors.

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

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

Further, the management of the Company makes various presentations to the Independent Directors on an ongoing

basis which inter-alia includes Company overview, various business verticals, latest key business highlights, financial statements, evolution as well as business model of the various business of the Company, as part of the familiarisation programme for Independent Directors.

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

The Company Secretary also regularly appraises the Board about their roles, rights and responsibilities in the Company from time to time as per the requirements of SEBI Listing Regulations, 2015, Companies Act, 2013 read together with the Rules and Schedules thereunder and the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

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

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

The details of familiarisation programmes imparted to Independent Directors, as required under Regulation 46 of SEBI Listing Regulations, 2015, are available on the Company’s website at <https://www.srei.com/investor/corporate-policies/pdf/familiarisation-programme-for-independent-directors.pdf>.

**Performance Evaluation**

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

- i) For Board Evaluation - degree of fulfillment of key responsibilities; Board culture and dynamics.
- ii) Board Committee Evaluation - effectiveness of meetings; Committee dynamics.
- iii) Individual Director Evaluation (including IDs) - contribution at Board Meetings.

Further, the Chairman and Managing Director (CMD) is evaluated on key aspects of his role which includes inter-alia effective leadership to the Board and adequate guidance to the CEOs.

During the year under review, the Board carried out annual evaluation of its own performance as well as evaluation of the working of various Board Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. This exercise was carried out through a structured questionnaire prepared separately for Individual Board Members (including the Chairman) and Board Committees based on the criteria as formulated by the NRC and

in context of the Guidance note dated January 05, 2017 issued by SEBI. The said questionnaire was circulated to the Directors in physical mode and the same was also made available to the Directors on their i-Pads under the 'Diligent Boards' (Diligent) Application to carry out performance evaluation for the Financial Year 2017-18 on the broad parameters as laid down by the NRC.

Based on these criteria, the performance of the Board, various Board Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, and Individual Directors (including Independent Directors) was evaluated and found to be satisfactory.

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

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

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

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

The information flow between the

Company's Management and the Board is complete, timely with good quality and sufficient quantity.

#### • Meetings

4 (Four) Board meetings were held during the year 2017-18 on May 09, 2017, July 22, 2017, October 26, 2017 and January 17, 2018. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days.

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

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

The Agenda papers along with the explanatory notes for Board meetings are circulated well in advance to the Directors. In some instances, documents are tabled at the meetings and presentations are also made by the respective executives on the matters related to them at the Board meetings. Every Board Member is free to suggest items for inclusion in the Agenda.

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

The Directors have instant access to important information on their respective i-Pads, through 'Diligent Boards' (Diligent)

application an International product for Board i-pads which gives the Directors instant access to important information on their respective i-Pads, allows log in with the thumb impression, enables secured data on the device, enables the Directors to make private notes and comments ahead of the meeting, enables easy browsing and accessing of documents on online and offline mode; amongst many other advanced features.

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

The information as specified in Part A of Schedule II read with Regulation 17(7) of SEBI Listing Regulations, 2015 is

regularly made available to the Board, whenever applicable, for discussion and consideration. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.

The important decisions taken at the Board / Committee(s) meetings are promptly communicated to the concerned departments / executives. The Company Secretary and / or Secretary to Committee

records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to the Board / Committee members within 15 (Fifteen) days from the date of conclusion of the meeting for their comments and the minutes are entered in the Minutes Book within 30 (Thirty) days from the date of conclusion of the meeting in compliance with Secretarial Standard – 1 on 'Meetings

of Board of Directors' (SS-1) issued by The Institute of Company Secretaries of India (ICSI). Action Taken Report on the decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board / Committee(s) for information and review by the Board / Committee(s).

#### ■ Attendance of each Director at Board meetings held during the year 2017-18 and at the last Annual General Meeting (AGM)

| Directors                    | No. of Board meetings during the tenure of the Director |          | Attendance at the last AGM held on July 22, 2017 |
|------------------------------|---|----------|--|
|                              | Held  | Attended |  |
| Mr. Salil Kumar Gupta*       | 2   | 2        | Yes  |
| Mr. Hemant Kanoria           | 4   | 4        | Yes  |
| Mr. Sunil Kanoria            | 4   | 4        | Yes  |
| Mr. Srinivasachari Rajagopal | 4   | 4        | Yes  |
| Mr. Shyamalendu Chatterjee   | 4   | 4        | Yes  |
| Dr. Punita Kumar Sinha       | 4   | 4        | Yes  |
| Dr. Tamali Sengupta**        | 3   | 2        | Yes  |
| Mr. T. C. A. Ranganathan***  | 3   | 3        | Yes  |
| Mr. Ram Krishna Agarwal      | 4   | 3        | Yes  |
| Mr. Malay Mukherjee****      | 2   | 2        | NA   |

\*Resigned w.e.f. July 22, 2017

\*\*Resigned w.e.f. October 26, 2017

\*\*\*Resigned w.e.f. December 07, 2017

\*\*\*\*Appointed w.e.f. October 26, 2017

#### ■ Number of other Companies or Committees in which the Director is a Director or Member / Chairman

The following table gives the number of outside directorships and the Committee positions held by each of the Directors as on March 31, 2018 -

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

\*Appointed w.e.f. October 26, 2017

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

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

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

### ■ Board Committees

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

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

execution of its responsibilities by the Committees and is responsible for their action.

The Board has various Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Committee of Directors, Risk Committee, Credit Committee, Investment Committee, Corporate Social Responsibility Committee, Asset Liability Management Committee, Business Responsibility Committee and IT Strategy Committee as on March 31, 2018. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval, as the case

may be. Further, minutes of proceedings of the Committees are circulated to the Members and are placed before the Board for noting thereat.

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

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

### 3. Remuneration of Directors

- Details of remuneration paid / payable to Directors for the year ended March 31, 2018 are as follows:

(Amount in Rs.)

| Directors  | Sitting Fees <sup>1</sup> | Salary & Perquisites <sup>2</sup> | Commission <sup>3</sup> | Total       |
|--|---------------------------|-----------------------------------|-------------------------|-------------|
| Mr. Salil Kumar Gupta<br>(Chief Mentor)*             | 3,45,000                  | -                                 | -                       | 3,45,000    |
| Mr. Hemant Kanoria<br>(Chairman & Managing Director) | -                         | 2,41,60,000                       | 1,20,00,000             | 3,61,60,000 |
| Mr. Sunil Kanoria<br>(Vice Chairman)                 | 10,60,000                 | -                                 | 12,50,000               | 23,10,000   |
| Mr. Srinivasachari Rajagopal                         | 5,60,000                  | -                                 | 12,50,000               | 18,10,000   |
| Mr. Shyamalendu Chatterjee                           | 9,90,000                  | -                                 | 15,00,000               | 24,90,000   |
| Dr. Punita Kumar Sinha                               | 5,50,000                  | -                                 | 15,00,000               | 20,50,000   |
| Dr. Tamali Sengupta**                                | 2,25,000                  | -                                 | -                       | 2,25,000    |
| Mr. T. C. A. Ranganathan***                          | 3,50,000                  | -                                 | -                       | 3,50,000    |
| Mr. Ram Krishna Agarwal                              | 3,20,000                  | -                                 | 15,00,000               | 18,20,000   |
| Mr. Malay Mukherjee****                              | 2,25,000                  | -                                 | 5,00,000                | 7,25,000    |

\*Resigned w.e.f. July 22, 2017

\*\*Resigned w.e.f. October 26, 2017

\*\*\*Resigned w.e.f. December 07, 2017

\*\*\*\*Appointed w.e.f. October 26, 2017

- 1 includes sitting fees paid to Non-Executive Directors for various Board and Committee meetings
- 2 includes basic salary, incentives, allowances, contribution to provident fund, leave encashment and other perquisites
- 3 The Commission for the year ended March 31, 2018 will be paid, subject to deduction of tax, after adoption of the accounts by the Members at the ensuing Annual General Meeting

■ The appointment of Managing Director is governed by resolution passed by the Nomination and Remuneration Committee, Board of Directors and the Shareholders of the Company, which covers the terms and conditions of such appointment including

remuneration, and approval of Central Government, wherever applicable. Further, payment of remuneration to Managing Director is also governed by the agreement executed between him and the Company, and approval of Central Government, wherever

applicable. The tenure of office of the Managing Director is for 5 (Five) years effective from April 01, 2015 and can be terminated by giving 3 (Three) months notice in writing. There is no separate provision for payment of severance fees. The Managing

Director is presently liable to retirement by rotation.

Further, Mr. Hemant Kanoria, Chairman and Managing Director (CMD) and Mr. Sunil Kanoria, Vice Chairman (Non-Executive Director) of the Company, are also the CMD and Vice Chairman (Executive), respectively, of Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of the Company and are in receipt of remuneration (including commission) during the Financial Year 2017-18 from SEFL as per the details given below:

| Name of Director | Remuneration (Rs. in Lacs) |
|------------------|----------------------------|
| Hemant Kanoria   | 678.46                     |
| Sunil Kanoria    | 684.56                     |

Further, Mr. Shyamalendu Chatterjee, Independent Director of the Company is also an Independent Director of Srei Equipment Finance Limited (SEFL) and a Non – Executive Director of Srei Capital Markets Limited, both wholly owned subsidiaries of the Company and is in receipt of sitting fees from the said subsidiary companies.

Apart from the above, Mr. Hemant Kanoria, Mr. Sunil Kanoria and Mr. Shyamalendu Chatterjee have not received any remuneration or commission from any of the Company's subsidiaries or holding company during the Financial Year 2017-18.

The remuneration of Executive Directors is divided into two components viz. fixed component of salaries, perquisites and retirement benefits and variable component of performance based incentive. The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual's performance vis-à-vis key

result areas, industry benchmark and current compensation trends in the market.

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

Further, the Members of the Company at their meeting held on August 02, 2014 approved payment of commission to Non-Executive Directors of the Company annually for each of the 5 (Five) financial years of the Company commencing from Financial Year 2014-15, an amount not exceeding 1 (One) percent of the net profits of the Company payable in one financial year, to be divided amongst Non-Executive Directors in such amounts or proportions and in such manner as may be determined by the Board from time to time and in default of such determination equally and the above commission shall be in addition to the sitting fees payable to such Directors for attending meetings of the Board and / or Committee(s) thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and / or Committee meetings. The Company has approved payment of remuneration of Rs. 75 (Seventy

Five) Lacs by way of commission on net profits calculated under Section 198 of the Companies Act, 2013 and the Rules framed thereunder to Non-Executive Directors of the Company for the financial year 2017-18.

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

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

#### 4. Code of Conduct for Directors and Senior Management

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

It is hereby declared that the Company has obtained from all the Board Members and Senior Management an affirmation that they have complied with the Code of Conduct for the financial year 2017-18.

sd/-

**Sameer Sawhney**  
Chief Executive  
Officer

sd/-

**Hemant Kanoria**  
Chairman &  
Managing Director  
DIN 00193015

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

#### 5. Audit Committee

##### ■ Terms of Reference, Composition, Name of Members and Chairman

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI Listing Regulations, 2015. The Audit Committee comprises Mr. Shyamalendu Chatterjee, Mr. Srinivasachari Rajagopal, Independent Directors and Mr. Sunil Kanoria, Non-Executive Director. Mr. Shyamalendu Chatterjee, Independent Director of the Company is the Chairman of the Audit Committee. All the Members of the Audit Committee are financially literate and have accounting or related financial management expertise. The Head of Internal Audit Department, the Chief Financial Officer (CFO) and the Chief Executive Officer (CEO) attend the meetings of the Audit Committee and the Company Secretary acts as the Secretary to the Audit Committee. The Statutory Auditors of the Company are invited to attend the Audit Committee meetings. The Committee also invites

senior executives, as it considers appropriate, to be present at the meetings of the Committee. The Terms of Reference of this Committee includes oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommending appointment, remuneration and terms of appointment of auditors, reviewing / examining quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval, evaluate Company's internal financial controls and risk management systems, reviewing performance of statutory and internal auditors and adequacy of internal control systems, reviewing the functioning of the Whistle Blower Mechanism and other matters specified for Audit Committee in Section 177 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI Listing Regulations, 2015.

The Audit Committee has recommended to the Board of Directors the ratification of appointment of Haribhakti & Co. LLP, as Statutory Auditors of the Company (appointed for 5 (Five) years till the conclusion of the Thirty – Fifth Annual General Meeting (AGM) of the Company), and that the necessary resolution for appointing them as auditors be placed before the Members for

approval. Further, in compliance with the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by RBI, the Company is required to rotate the partner of the Chartered Accountant firm conducting the audit, every 3 (Three) years so that same partner does not conduct audit of the Company continuously for more than a period of 3 (Three) years. However, the partner so rotated will be eligible for conducting the audit of the Company after an interval of 3 (Three) years, if the Company, so decides. Appropriate terms, in this regard, are incorporated in the letter of appointment furnished by the Company to the Auditors to ensure its compliance.

##### ■ Meetings and attendance during the year

4 (Four) meetings of the Audit Committee were held during the year 2017-18 on May 09, 2017, July 22, 2017, October 26, 2017 and January 17, 2018. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days. Moreover, the requisite quorum as required by SEBI Listing Regulations, 2015, was present in all the meetings of the Audit Committee held during the year.

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

| Members                      | No. of Meetings during the tenure of Members |          |
|------------------------------|--|----------|
|                              | Held   | Attended |
| Mr. Shyamalendu Chatterjee   | 4  | 4        |
| Mr. Salil Kumar Gupta*       | 2  | 2        |
| Mr. Sunil Kanoria            | 4  | 4        |
| Mr. Srinivasachari Rajagopal | 4  | 4        |

\*Resigned w.e.f. 22.07.2017



■ The Company has an Internal Audit Department and the Head of the Department reports to the Audit Committee from time to time. The Company's system of internal controls covering financial and operational activities, compliances, IT applications, etc. are reviewed by the Internal Audit Department and presentations are made to the Audit Committee on the findings of such reviews. Further, in compliance with Section 177(4)(vii) of the Companies Act, 2013 and Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Audit Committee maintains and evaluates the effectiveness of internal control systems of the Company pertaining to financial reporting, compliance with Accounting Standards, and looks after overall financial activities under applicable laws and regulations governing the Company. Further, an Information System (IS) Audit of the internal systems and processes is conducted at least once in a year to assess operational risks faced by the Company. The Company has also appointed external agencies

to undertake the Internal Financial Controls (IFC) implementation at the Company and for review, control and monitoring Internal Financial Controls as well as for the purpose of Information System (IS) Audit of the internal systems and processes of the Company.

**6. Stakeholders Relationship Committee**

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

The Stakeholders Relationship Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI Listing Regulations, 2015. The Stakeholders Relationship Committee comprises Mr. Hemant Kanoria, Chairman & Managing Director (Category - Executive), Mr. Sunil Kanoria, Vice Chairman (Category - Non-Executive) and Mr. Shyamalendu Chatterjee, Independent Director of the Company. Mr. Shyamalendu Chatterjee is the Chairman of the Stakeholders Relationship Committee. Mr. Sandeep Lakhoria, Company Secretary of the Company acts as the Secretary to the

Stakeholders Relationship Committee and is assigned with the responsibilities of overseeing investor grievances. The Committee oversees and reviews redressal of shareholder and investor grievances, transfer & transmission of shares, issue of duplicate share certificates, exchange of new design share certificates, recording dematerialisation & rematerialisation of shares, deal with matters relating to Srei Code of Conduct for Prohibition of Insider Trading (Srei Insider Code) framed in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and related matters. The Stakeholders Relationship Committee meets at regular intervals to take note of share transfer and other matters.

■ **Meetings and attendance during the year**

During the year 2017-18, the Stakeholders Relationship Committee met 8 (Eight) times on April 22, 2017, May 09, 2017, May 19, 2017, May 31, 2017, July 21, 2017, October 16, 2017, January 17, 2018 and March 29, 2018. The attendance of each member of the Committee is given below:

| Members                      | No. of Meetings during the tenure of Members |          |
|------------------------------|--|----------|
|                              | Held   | Attended |
| Mr. Salil Kumar Gupta*       | 5  | 5        |
| Mr. Hemant Kanoria           | 8  | 8        |
| Mr. Sunil Kanoria            | 8  | 6        |
| Mr. Shyamalendu Chatterjee** | 3  | 3        |

\*Resigned w.e.f. 22.07.2017

\*\*Inducted as a Member and appointed as Chairman w.e.f. 22.07.2017

Total number of shares physically transferred during the year 2017-18 was 2,305 shares compared to 3,953 shares during the year 2016-17.

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

The Company has formulated and put in place a comprehensive Investor

Grievance Redressal Policy prescribing the standards of shareholders' service & grievance redressal procedure and mechanism to be adhered to by the Registrar and Share Transfer Agents as well as the Company. Equity shareholders can write to the Company at 'investor.relations@srei.com' and Bond Holders can write to

the Company at 'connect@sreibonds.com' on a day to day basis.

Details of Investor Complaints received and resolved by the Company during the financial year ended March 31, 2018 is tabulated below:

| Investor Complaints                 | Received (Nos.) | Resolved (Nos.) | Pending at the end of the financial year (Nos.) |
|-------------------------------------|-----------------|-----------------|---|
| From SEBI (SCORES)                  |                 |                 |   |
| ■ Equity                            | -               | -               | -   |
| ■ Debt                              | 16              | 16              | Nil   |
| From Stock Exchanges                |                 |                 |   |
| ■ Equity                            | -               | -               | -   |
| ■ Debt                              | 3               | 3               | Nil   |
| Ministry of Corporate Affairs (MCA) |                 |                 |   |
| ■ Equity                            | -               | -               | -   |
| ■ Debt                              | -               | -               | -   |
| Others (Received by RTA)            |                 |                 |   |
| ■ Equity                            | 104             | 104             | Nil   |
| ■ Debt                              | 1339            | 1335            | 4*  |

\*Since resolved

The Calcutta Stock Exchange Limited (CSE), BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) have furnished separate confirmations that there are no investor complaints pending against the Company as on March 31, 2018.

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

It has been a constant endeavour of the Company to send regular emails to the shareholders keeping them abreast of all the latest events, press releases and corporate announcements that are made by the Company from time to time. Emails to new shareholders on weekly basis intimating corporate profile, annual reports and investor presentation and emails to all shareholders on quarterly basis intimating financial results are being sent to those shareholders who have

registered their email addresses with their respective Depository Participants.

Shareholders have been given reminder to encash their dividends. Further, to constantly render effective and reliable services to Investors and to scale it up on a regular basis, the Company has taken an initiative to conduct a survey to assess the requirement and satisfaction of valuable shareholders of the Company. For the said survey, emails were sent to the shareholders with the link to access the Members' Feedback Form and the same was also made available on the website of the Company [www.srei.com](http://www.srei.com) for electronic submission. In the wake of electronic regime being the order of the day, all shareholders are requested to update their email addresses to enable the Company to serve them better.

#### 7. Nomination and Remuneration Committee

##### ■ Terms of Reference, Composition, Name of Members and Chairman

The Nomination and Remuneration Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations, 2015. The Nomination and Remuneration

Committee comprises Mr. Shyamalendu Chatterjee, Mr. S. Rajagopal, Independent Directors and Mr. Sunil Kanoria, Non-Executive Director. Mr. Shyamalendu Chatterjee acts as the Chairman of the Nomination and Remuneration Committee. Mr. Sandeep Lakhota, Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee. The Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statutes, rules and regulations which the Committee deems relevant, makes recommendations to the Board of Directors in respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company, ensures 'fit and proper' status of the existing / proposed Directors of the Company in accordance with Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, identifies the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommends to the

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

■ **Meetings and attendance during the year**

3 (Three) meetings of the Nomination and Remuneration Committee of the Company were held during the year 2017-18 on May 08, 2017, October 25, 2017 and January 17, 2018. The attendance of each member of the Committee is given below:

| Members                    | No. of Meetings during the tenure of Members |          |
|----------------------------|--|----------|
|                            | Held   | Attended |
| Mr. Salil Kumar Gupta*     | 1  | -        |
| Mr. Shyamalendu Chatterjee | 3  | 3        |
| Mr. Sunil Kanoria          | 3  | 3        |
| Dr. Tamali Sengupta**      | 1  | -        |
| Mr. S. Rajagopal***        | 1  | 1        |

\*Resigned w.e.f. 22.07.2017

\*\*Inducted as a Member w.e.f. 22.07.2017 and resigned w.e.f. 26.10.2017

\*\*\*Inducted as a Member w.e.f. 26.10.2017

The Nomination and Remuneration Committee at its said meetings discussed and approved various matters delineated in its Terms of Reference including formulation of the Nomination and Remuneration Policy, Policy on Board Diversity, setting of Performance Evaluation Criteria, Succession Planning etc. The Nomination and Remuneration Policy is available on the Company's website at <https://www.srei.com/investor/corporate-policies/pdf/srei-nomination-and-remuneration-policy.pdf> and the Policy on Board Diversity is available at <https://www.srei.com/investor/corporate-policies/pdf/policy-on-board-diversity.pdf>.

8. **Subsidiary Companies' Monitoring Framework**

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

- Financial statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Company's Audit Committee.

- Minutes of Board meetings of unlisted subsidiary companies are placed before the Company's Board regularly.

- A statement containing all significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board.

In addition to the above, the Company has formulated a Policy for determining 'Material' Subsidiaries in accordance with SEBI Listing Regulations, 2015. The said Policy was last revised on October 26, 2017 and is available on the Company's website at <https://www.srei.com/investor/corporate-policies/pdf/policy-on-determining-material-subsidiaries.pdf>.

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

As on March 31, 2018, Srei Equipment Finance Limited (SEFL) is a material Subsidiary of the Company.

9. **Corporate Social Responsibility Committee**

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

The Corporate Social Responsibility Committee has been constituted in line with the provisions of Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria, Non-Executive Director and Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director. Mr. Hemant Kanoria, Chairman & Managing Director of the Company acts as the Chairman of the Corporate Social Responsibility Committee. Mr. Madhusudan Dutta, Group Head – Corporate Strategy & Planning (Human Capital) of the Company acts as the Secretary to the Committee. The Committee is responsible for monitoring the Corporate Social Responsibility Policy (CSR Policy) of the Company from time to time, instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company etc. The Company's CSR Policy is available on the Company's website at <https://www.srei.com/investor/corporate-policies/pdf/corporate-social-responsibility-policy.pdf>.

■ **Meetings and attendance during the year**

3 (Three) meetings of the Corporate Social Responsibility Committee of the Company were held during the year 2017-18 on May 08, 2017, October 25, 2017 and January 15, 2018. The attendance of each member of the Committee is given below:

| Members                    | No. of Meetings during the tenure of Members |          |
|----------------------------|--|----------|
|                            | Held   | Attended |
| Mr. Hemant Kanoria         | 3  | 3        |
| Mr. Sunil Kanoria          | 3  | 3        |
| Mr. Shyamalendu Chatterjee | 3  | 3        |

10. Committee of Directors

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

The Committee of Directors comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria, Non-Executive Director and Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director. Mr. Hemant Kanoria, Chairman & Managing Director of the Company acts as the Chairman of the Committee of Directors. Mr. Sandeep Lakhota,

Company Secretary of the Company acts as the Secretary to the Committee. The Terms of Reference of this Committee includes oversight of banking and borrowing related matters, to authorise the Company officials for signing various agreements, deeds and documents etc., to consider, approve and submit various Bid documents etc. for promotion, investment, joint venture and / or expression etc. of business of the Company in the Infrastructure sector, amongst others.

■ **Meetings and attendance during the year**

8 (Eight) meetings of the Committee of Directors of the Company were held during the year 2017-18 on April 22, 2017, July 04, 2017, September 11, 2017, October 26, 2017, December 26, 2017, January 12, 2018, January 22, 2018 and March 16, 2018. The attendance of each member of the Committee is given below:

| Members                      | No. of Meetings during the tenure of Members |          |
|------------------------------|--|----------|
|                              | Held   | Attended |
| Mr. Hemant Kanoria           | 8  | 7        |
| Mr. Sunil Kanoria            | 8  | 8        |
| Mr. Salil Kumar Gupta*       | 2  | 2        |
| Mr. Shyamalendu Chatterjee** | 6  | 6        |

\*Resigned w.e.f. 22.07.2017

\*\*Inducted as a Member w.e.f. 22.07.2017

11. Credit Committee

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

The Credit Committee comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria, Non-Executive Director and Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director. Mr. Hemant Kanoria, Chairman & Managing Director of the Company acts as the Chairman of the Credit Committee. Mr. Shashi Bhushan Tiwari acts as the Secretary to the

Committee. The Terms of Reference of this Committee includes oversight of all Credit related matters, to give guarantees, letter of comforts, undertakings, indemnities, lien, pledge of securities, etc. on behalf of the Company, to consider, approve and adopt various policies or guidelines or code for the Company and make modifications thereto from time to time, to take decision in connection with any matter under Insolvency & Bankruptcy Code, 2016.

■ **Meetings and attendance during the year**

12 (Twelve) meetings of the Credit Committee of the Company were held during the year 2017-18 on April 10, 2017, May 15, 2017, June 10, 2017, June 27, 2017, August 26, 2017, October 26, 2017, November 21, 2017, December 21, 2017, January 09, 2018, February 24, 2018, March 08, 2018, March 19, 2018. The attendance of each member of the Committee is given below:

| Members                    | No. of Meetings during the tenure of Members |          |
|----------------------------|--|----------|
|                            | Held   | Attended |
| Mr. Hemant Kanoria         | 12   | 11       |
| Mr. Sunil Kanoria          | 12   | 11       |
| Mr. Shyamalendu Chatterjee | 12   | 12       |

## 12. Investment Committee

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

The Investment Committee comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria, Non-Executive Director and Dr. Punita Kumar Sinha, Non-Executive & Independent Director. Mr. Hemant Kanoria, Chairman &

Managing Director of the Company acts as the Chairman of the Investment Committee. Mr. Sanjeev Sancheti, Chief Strategy Officer of the Company acts as the Secretary to the Committee. The Terms of Reference of this Committee includes considering, authorising and approving all investment related matters of the Company in accordance with the Investment Policy of the Company.

■ **Meetings and attendance during the year**

4 (Four) meetings of the Investment Committee of the Company were held during the year 2017-18 on May 08, 2017, July 22, 2017, October 25, 2017 and January 17, 2018.

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

| Members                | No. of Meetings during the tenure of Members |          |
|------------------------|--|----------|
|                        | Held   | Attended |
| Mr. Hemant Kanoria     | 4  | 4        |
| Mr. Sunil Kanoria      | 4  | 4        |
| Dr. Punita Kumar Sinha | 4  | 4        |

## 13. Risk Committee

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

The Risk Committee comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria, Non-Executive Director and Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director.

Mr. Shyamalendu Chatterjee acts as the Chairman of the Risk Committee. Mr. Shashi Bhushan Tiwari acts as the Secretary to the Committee. The Terms of Reference of this Committee includes to identify and assess various risks across all entities in the Group and to suggest measures to minimise and / or mitigate the significant risks.

■ **Meetings and attendance during the year**

4 (Four) meetings of the Risk Committee of the Company were held during the year 2017-18 on May 05, 2017, July 21, 2017, October 25, 2017 and January 15, 2018.

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

| Members                    | No. of Meetings during the tenure of Members |          |
|----------------------------|--|----------|
|                            | Held   | Attended |
| Mr. Hemant Kanoria         | 4  | 4        |
| Mr. Sunil Kanoria          | 4  | 4        |
| Mr. Shyamalendu Chatterjee | 4  | 4        |

## 14. Business Responsibility Committee

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

The Business Responsibility Committee has been constituted in line with the provisions of Regulation 34 of SEBI Listing Regulations, 2015. The Business Responsibility Committee comprises Mr. Shyamalendu Chatterjee, Non-Executive and Independent Director, Mr. Ram Krishna Agarwal, Non-Executive Non-Independent Director, Mr. Sanjeev Sancheti, Chief Strategy Officer, Mr. Shashi Bhushan Tiwari

and Mr. Madhusudhan Dutta, Group Head – Corporate Strategy & Planning (Human Capital). Mr. Shyamalendu Chatterjee acts as the Chairman of the Business Responsibility Committee and Mr. Sandeep Lakhotia, Company Secretary of the Company acts as the Secretary to the Business Responsibility Committee. The Terms of Reference of this Committee includes to oversee the matters concerning the Business Responsibility Policy formulation & implementation, principles of responsible business and guidance and report / intimate any deviation to the Board; to review and decide on any matter concerning

applicability, interpretation, operation and implementation of the Business Responsibility Policy; to formulate a system for grievance redressal mechanism related to the Business Responsibility Policy etc.

■ **Meetings and attendance during the year**

2 (Two) meetings of the Business Responsibility Committee of the Company were held during the year 2017-18 on May 03, 2017 and March 21, 2018.

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

| Members                    | No. of Meetings during the tenure of Members |          |
|----------------------------|--|----------|
|                            | Held   | Attended |
| Mr. Shyamalendu Chatterjee | 2  | 2        |
| Mr. Ram Krishna Agarwal    | 2  | 2        |
| Mr. Kishore Lodha*         | 1  | 1        |
| Mr. Sanjeev Sancheti       | 2  | 2        |
| Mr. S. B. Tiwari           | 2  | -        |
| Mr. Madhusudhan Dutta      | 2  | -        |

\* Resigned w.e.f. the close of business hours of 15.01.2018

#### 15. Asset Liability Management (ALM) Committee

##### ■ Terms of Reference, Composition, Name of Members and Chairman

The Asset Liability Management (ALM) Committee comprises Mr. Sunil Kanoria, Non-Executive Director, Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director, Mr. Sanjeev Sancheti, Chief Strategy Officer, Mr. P. C. Patni and Mr. Sandeep

Lakhotia, Company Secretary of the Company. Mr. Sunil Kanoria acts as the Chairman of the ALM Committee. Mr. Shashi Bhushan Tiwari acts as the Secretary to the ALM Committee. The Terms of Reference of this Committee includes review of liquidity position of the Company in various time buckets, review of Interest rate scenario including Srei Benchmark Rate (SBR) etc.

##### ■ Meetings and attendance during the year

4 (Four) meetings of the ALM Committee of the Company was held during the year 2017-18 on May 05, 2017, July 21, 2017, October 25, 2017 and January 15, 2018.

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

| Members                    | No. of Meetings during the tenure of Members |          |
|----------------------------|--|----------|
|                            | Held   | Attended |
| Mr. Sunil Kanoria          | 4  | 4        |
| Mr. Shyamalendu Chatterjee | 4  | 4        |
| Mr. Sanjeev Sancheti       | 4  | 2        |
| Mr. P. C. Patni            | 4  | 4        |
| Mr. Sandeep Lakhotia       | 4  | 4        |

#### 16. IT Strategy Committee

##### ■ Terms of Reference, Composition, Name of Members and Chairman

The IT Strategy Committee has been constituted in line with the requirements of the Reserve Bank of India Master Direction – Information Technology Framework for the NBFC Sector. The IT Strategy Committee comprises Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director, Mr. Sunil Kanoria, Non-Executive Director, Mr. Sameer Sawhney, Chief Executive Officer, Mr. Devendra Kumar Vyas, Mr. Syed Hussain, Mr. Yogesh Kajaria,

Mr. Pavan Trivedi and Mr. Sunder Raj Vijaynagar. Mr. Shyamalendu Chatterjee acts as the Chairman of the IT Strategy Committee. Mr. Sunder Raj Vijaynagar also acts as the Secretary to the IT Strategy Committee.

The Terms of Reference of this Committee includes to provide input to other Board committees and Senior Management regarding IT Strategies and its implementation, to carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements to ensure proper balance of IT investments for

sustaining growth and instituting an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner.

##### ■ Meetings and attendance during the year

1 (One) meeting of the IT Strategy Committee of the Company was held during the year 2017-18 on December 27, 2017.

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

| Members                    | No. of Meetings during the tenure of Members |          |
|----------------------------|--|----------|
|                            | Held   | Attended |
| Mr. Shyamalendu Chatterjee | 1  | 1        |
| Mr. Sunil Kanoria          | 1  | 1        |
| Mr. Sameer Sawhney         | 1  | -        |
| Mr. Devendra Kumar Vyas    | 1  | -        |
| Mr. Syed Hussain           | 1  | 1        |
| Mr. Yogesh Kajaria         | 1  | 1        |
| Mr. Pavan Trivedi          | 1  | 1        |
| Mr. Sunder Raj Vijaynagar  | 1  | 1        |

## 17. General Body Meetings

■ **Details of the location of the last three Annual General Meetings (AGMs) and the details of special resolutions passed**

The date, time and venue of the last three AGMs of the Company and details of special resolutions passed thereat have been provided in the section on Shareholders' Information in the Annual Report. All the resolutions

set out in the respective Notices were passed by the Shareholders.

■ **Details of Resolutions passed through Postal Ballot during the Financial Year 2017-18**

During the year, the Company sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated October 26, 2017 for adoption of new Articles

of Association of the Company in conformity with the Companies Act, 2013, the results of which were announced on December 12, 2017. Mr. Mohan Ram Goenka, Practising Company Secretary, Kolkata (FCS No. 4515, CP No. 2551) was appointed as the Scrutinizer to conduct the Postal Ballot and e-voting process in a fair and transparent manner.

Details of Voting Pattern are as under:

| Resolution: (Ordinary / Special)   |                | Special Resolution - Adoption of new Articles of Association of the Company |                     |   |                          |                        |                                      |                                    |
|--|----------------|---|---------------------|---|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Whether promoter / promoter group are interested in the agenda / resolution? |                | No  |                     |   |                          |                        |                                      |                                    |
| Category   | Mode of Voting | No. of shares held  | No. of votes polled | % of Votes Polled on outstanding shares | No. of Votes – in favour | No. of Votes – against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|  |                | (1)   | (2)                 | (3)=[(2) / (1)]* 100                    | (4)                      | (5)                    | (6) = [(4) / (2)]* 100               | (7) = [(5) / (2)]* 100             |
| Promoter and Promoter Group  | E-Voting       |   | 30,58,68,559        | 100.00                                  | 30,58,68,559             | -                      | 100.00                               | -                                  |
|  | Poll           | 30,58,68,559  | NA                  | NA                                      | NA                       | NA                     | NA                                   | NA                                 |
|  | Postal Ballot  |   | -                   | -                                       | -                        | -                      | -                                    | -                                  |
|  | Total          | 30,58,68,559  | 30,58,68,559        | 100.00                                  | 30,58,68,559             | -                      | 100.00                               | -                                  |
| Public-Institutions  | E-Voting       |   | 8,16,33,888         | 82.96                                   | 1,43,41,701              | 6,72,92,187            | 17.57                                | 82.43                              |
|  | Poll           | 9,84,05,792   | NA                  | NA                                      | NA                       | NA                     | NA                                   | NA                                 |
|  | Postal Ballot  |   | -                   | -                                       | -                        | -                      | -                                    | -                                  |
|  | Total          | 9,84,05,792   | 8,16,33,888         | 82.96                                   | 1,43,41,701              | 6,72,92,187            | 17.57                                | 82.43                              |
| Public-Non Institutions  | E-Voting       |   | 23,22,402           | 2.35                                    | 23,21,701                | 701                    | 99.97                                | 0.03                               |
|  | Poll           | 9,88,11,982   | NA                  | NA                                      | NA                       | NA                     | NA                                   | NA                                 |
|  | Postal Ballot  |   | 49,029              | 0.05                                    | 44,434                   | 4,595                  | 90.63                                | 9.37                               |
|  | Total          | 9,88,11,982   | 23,71,431           | 2.40                                    | 23,66,135                | 5,296                  | 99.78                                | 0.22                               |
| Total  |                | 50,30,86,333  | 38,98,73,878        | 77.50                                   | 32,25,76,395             | 6,72,97,483            | 82.74                                | 17.26                              |

Note: The aforesaid resolution was passed with requisite majority on Sunday, December 10, 2017.

■ **Procedure for Postal ballot**

The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules"). The Company had completed the despatch of the Postal Ballot Notice dated October 26, 2017 along with the Explanatory Statement, postal ballot form and self-addressed postage pre-paid envelope on November 10, 2017 to all Members whose names appeared on the Register of Members / List of Beneficial Owners as on November 03, 2017. The Notice was

sent through electronic mode to those Members, whose e-mail addresses were registered with the Depository Participants and / or the Registrar and Share Transfer Agents and through physical mode alongwith a self-addressed postage pre-paid envelope to those Members whose email ids were not so registered.

The Company also published a notice in the newspaper declaring the details of completion of despatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108

and 110 of the Act and Rules 20 and 22 of the Rules read with Regulation 44 of SEBI Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically. The voting under the postal ballot was kept open from November 11, 2017 (9.00 a.m. IST) to December 10, 2017 (5.00 p.m. IST). Upon completion of scrutiny of the postal ballot forms and votes cast through evoting in a fair and transparent manner, the scrutinizer i.e. Mr. Mohan Ram Goenka submitted his report to the Company and the results of the postal ballot were announced

by the Company on December 12, 2017. The voting results were sent to the Stock Exchanges and also displayed on the Company's website [www.srei.com](http://www.srei.com) and on the website of Karvy Computershare Private Limited (Karvy), <https://evoting.karvy.com>.

No Resolution requiring a postal ballot was placed before the last AGM of the Company held on July 22, 2017.

There is no immediate proposal for passing any resolution through postal ballot. Pursuant to the provisions of the Companies Act, 2013, in view of the e-voting facilities provided by the Company, none of the businesses proposed to be transacted at the ensuing AGM require passing a resolution through postal ballot.

#### 18. Disclosures

##### ■ Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large

Transactions effected with the related parties are disclosed under Note No. 35 in 'Notes to the Financial Statements' in the Annual Report, in accordance with the requirements of Accounting Standard AS 18 as notified by the Companies (Accounting Standards) Rules, 2006.

A Statement in summary form of the transactions with related parties in the ordinary course of business and on arms' length basis is periodically placed before the Audit Committee for review and approval and thereafter recommendation to the Board for their approval, wherever required.

The Company's related party transactions, during the year, are primarily with the subsidiaries and associates of the Company. All these transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis. The related

party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates.

Besides the transactions reported in the Annual Report as aforesaid, no transaction of material nature has been entered into by the Company with its Directors or Key Managerial Personnel (KMPs) and their relatives that may have a potential conflict with the interests of the Company at large. The Company has not entered into any material related party transactions with any of its related parties during the financial year 2017-18 without requisite approval of the shareholders. The Register of Contracts containing transactions, if any, in which Directors are interested, is placed before the Board regularly.

The Company has formulated Related Party Transactions (RPT) Policy which provides a framework to regulate transactions between the Company and its related parties based on the laws and regulations applicable to the Company. The said Policy is available on the Company's website at <https://www.srei.com/investor/corporate-policies/pdf/related-party-transactions-policy.pdf>.

Prior approval of Audit Committee is obtained for all Related Party Transactions (RPTs), wherever applicable, except for the Related Party Transactions (RPTs) for which omnibus approval is granted by the Audit Committee from time to time.

##### ■ Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

During the last 3 (Three) years, there were no strictures or penalties imposed by either Stock Exchanges or Securities and Exchange Board of India (SEBI) or any statutory authority for non-compliance of any matter related to the capital markets.

In regard to the Application under Section 633 of the Companies Act, 1956 filed on November 26, 2008 in the Hon'ble Calcutta High Court by the Directors and Company Secretary of the Company, the Ad-interim order of injunction restraining the Regional Director and the Registrar of Companies, West Bengal from instituting or causing to be instituted any proceedings against the Directors and Company Secretary of the Company is still continuing.

##### ■ Insider Trading Code

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations, 2015), the Board of Directors of the Company adopted the Code of Conduct for Prohibition of Insider Trading (Srei Insider Code) for prohibition of Insider Trading by the Designated Employees and their immediate relatives as well as Promoter and Promoter Group of the Company. The Srei Insider Code was last revised on October 26, 2017. The said Code is available on the Company's website at <https://www.srei.com/investor/corporate-policies/pdf/srei-code-of-conduct-for-prohibition-of-insider-trading.pdf>. Further, awareness emails are circulated to all the Designated Employees of the Company on a monthly basis for increasing awareness, highlighting the compliance requirements arising out of the Srei Insider Code including FAQs and the do's and don'ts on insider trading. Further, "Srei Chanakya", a smartphone knowledge application, which can be freely downloaded on Android, IOS and Blackberry devices also serves as a means to create insider trading awareness through the detailed list of compliances under Srei



Insider Code, FAQ's on Insider Trading and do's and don'ts for insider trading. Further, initiatives have been taken by the Company to spread insider trading awareness by sending bulk SMS to all the Designated Employees of the Company intimating them about the closure of Trading Window and flashing the do's and don'ts as screen savers on the desktops / laptops of the Designated Employees.

Further, with the sole objective of increasing awareness on Srei Insider Code in an easy and simple manner, the Company rolled out the Insider Trading Module, a webinar course on Lead Srei Online, for Designated Employees of the Company.

Mr. Sandeep Lakhota, Company Secretary is the Compliance Officer for monitoring adherence to the Regulations for the preservation of price sensitive information, pre-clearance of trades and implementation of the Srei Insider Code.

#### ■ Fair Disclosure Code

Pursuant to Regulation 8 read with Schedule A of the PIT Regulations, 2015, the Board of Directors of the Company adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) (Srei Fair Disclosure Code) which lays down principles and practices to be followed by the Company pertaining to universal disclosure of UPSI.

Mr. Sanjeev Sancheti, Chief Strategy Officer, also designated as Chief Investor Relations Officer, is authorised to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner. A quarterly certificate, affirming compliance with the Srei Fair Disclosure Code is placed before the Stakeholders Relationship Committee for noting. The said Code is available on the Company's website at <https://www.srei.com/investor/corporate-policies/pdf/code-of-practices-and-procedures-for-fair-disclosure-of-upsi.pdf>.

#### ■ Disclosure of events or information pursuant to SEBI Listing Regulations, 2015

Pursuant to Regulation 30(1) of SEBI Listing Regulations, 2015, the Board of Directors of the Company adopted the Policy for determination of Materiality of any event / information for the purpose of proper, sufficient and timely disclosure of the same to the stock exchange(s). The Policy for determination of Materiality of any event / information was last revised on January 17, 2018 and the said Policy is available on the Company's website at <https://www.srei.com/investor/corporate-policies/pdf/policy-for-determination-of-materiality-of-any-event-or-information.pdf>.

Pursuant to the resignation of Mr. Kishore Lodha, as the Chief Financial Officer (CFO) of the Company, the Committee of Key Executives for the determination of Materiality of events / information was reconstituted by the Board as follows:

| Name                 | Designation                   |
|----------------------|-------------------------------|
| Mr. Hemant Kanoria   | Chairman & Managing Director  |
| Mr. Sameer Sawhney   | Chief Executive Officer (CEO) |
| Mr. Sanjeev Sancheti | Chief Strategy Officer        |

Further, Mr. Sandeep Lakhota, Company Secretary of the Company acts as the coordinator and liaison officer for dissemination of material events / information to the Stock Exchanges(s) in terms of SEBI Listing Regulations, 2015 and Company's Policy.

Further, in compliance with Regulation 30(8) of SEBI Listing Regulations, 2015, all such events or information which has been disclosed to Stock Exchanges under the said regulation has been disclosed on the website of the Company [www.srei.com](http://www.srei.com).

Further, with the sole objective of increasing awareness on disclosure requirements arising under Regulation

30 of SEBI Listing Regulations, 2015, the Company rolled out the SEBI Listing Regulations Module, a webinar course on Lead Srei Online, for Designated Employees of the Company.

#### ■ Whistle Blower Policy (Vigil Mechanism)

The Company has formulated a codified Whistle Blower Policy in order to encourage Directors and employees of the Company to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of the Company and its stakeholders in any way. The Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimisation, for whistle blowing in good faith. The said Policy is available on the Company's website at <https://www.srei.com/investor/corporate-policies/pdf/whistle-blower-policy.pdf>.

The Company affirms that none of the employees have been denied access to the Audit Committee. Quarterly report with number of complaints received, if any, under the Whistle Blower Policy and their outcome is placed before the Audit Committee of the Company at quarterly intervals.

#### ■ Policy against Sexual and Workplace Harassment

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

an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential. Further, the Company has created an online module for the employees which will help the learner to understand the costs of sexual harassment at workplace and the importance of prevention of sexual harassment. Further, the module will familiarise the employees not just about the legal requirements but also the moral and ethical reasons why organisations must promote healthy workplace.

The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,

2013 ('Act'). The Policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at workplace. As per the Policy, any employee may report his / her complaint to the Internal Complaint Committee formed for this purpose. The Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy.

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

#### 19. Means of Communication

The Company regularly interacts with the shareholders through the multiple channels of communication such as

publication of results, Annual Report, Press Release and the Company's website. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information as well as all such other matters which in its opinion are material and relevant for the shareholders. The Company effectively uses NEAPS (NSE Electronic Application Processing System) and BSE Corporate Compliance & Listing Centre, a web based application designed by National Stock Exchange of India Limited and BSE Limited, respectively, for filing of shareholding pattern, corporate governance report, financial statements and significant corporate announcements thereby saving time, cost and ensuring operational efficiency.

|  |   |
|--|---|
| ■ Quarterly results  | The Quarterly results of the Company are published in prominent English Newspaper having nationwide circulation as well as Bengali Newspaper and regularly hosted on Company's website. Further, pursuant to Regulation 47 read with Regulation 33 of SEBI Listing Regulations, 2015, extract of the Consolidated Results were published as per the prescribed format.  |
| ■ Newspapers in which results are normally published                   | Business Standard, HT Mint, Hindu Business Line, Financial Express, Ek Din and Ei Samay.  |
| ■ Any website, where displayed   | Yes, at the Company's website <a href="http://www.srei.com">www.srei.com</a>  |
| ■ Whether it also displays official news releases                      | Yes   |
| ■ The presentations made to institutional investors or to the analysts | Yes<br>Pursuant to Para A of Part A of Schedule III read with Regulation 30 of SEBI Listing Regulations, 2015, schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional Investors, if any, has been duly disclosed by the Company to the Stock Exchanges and the same has also been simultaneously disseminated on the Company's website <a href="http://www.srei.com">www.srei.com</a> pursuant to Regulation 46(2) of the said Regulations. |
| ■ Whether MD & A is a part of Annual Report or not                     | Yes   |

## 20. General Shareholders' Information

A section on Shareholders' Information is separately provided in the Annual Report.

### B. DISCRETIONARY REQUIREMENTS

(Regulation 27 of SEBI Listing Regulations, 2015)

|   |  |
|---|--|
| <p><b>a) Chairman of the Board</b><br/>Whether Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties</p> | <p>Not Applicable as the Company has an Executive Chairman.</p>  |
| <p><b>b) Shareholder rights</b><br/>A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders</p>                        | <p>Since quarterly, half-yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Bengali daily newspaper (having circulation in Kolkata) and regularly hosted on Company's website, these are not sent individually to the shareholders of the Company. There is no declaration / publication of second half yearly results as the audited annual results are taken on record by the Board and then communicated to the shareholders through the Annual Report. However, emails are sent on a quarterly basis to the shareholders of the Company having e-mail ids giving financial highlights of the Company.</p> <p>The Annual Report of the Company for the financial year 2017-18 shall be emailed to the Members whose email addresses are available with the depositories or are obtained directly from the Members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Companies (Accounts) Rules, 2014. For other Members, who have not registered their email addresses, the Annual Report shall be sent at their registered address. If any Member wishes to get a duly printed copy of the Annual Report, the Company shall send the same, free of cost, upon receipt of request from the Member.</p> <p>The Company communicates with shareholders through e-mail, telephone and one on one meetings either in shareholder's conferences, Company visits or on road shows.</p> |
| <p><b>c) Modified opinion(s) in audit report</b><br/>Company may move towards a regime of unmodified financial statements</p>   | <p>It is always the Company's endeavour to present unmodified financial statements. There is no audit modification in the Company's financial statements for the year ended on March 31, 2018.</p>   |
| <p><b>d) Separate posts of Chairman and CEO</b><br/>The Company may appoint separate persons to the post of Chairman and Managing Director / CEO</p>  | <p>The positions of Chairman and Chief Executive Officer (CEO) are separate. The Chairman of the Company is an Executive Director (Chairman &amp; Managing Director) and his position is separate from that of the CEO.</p>  |
| <p><b>e) Reporting of Internal Auditor</b><br/>The Internal Auditor may report directly to the Audit Committee</p>  | <p>The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting audit findings to the Audit Committee.</p>  |

## SHAREHOLDERS' INFORMATION

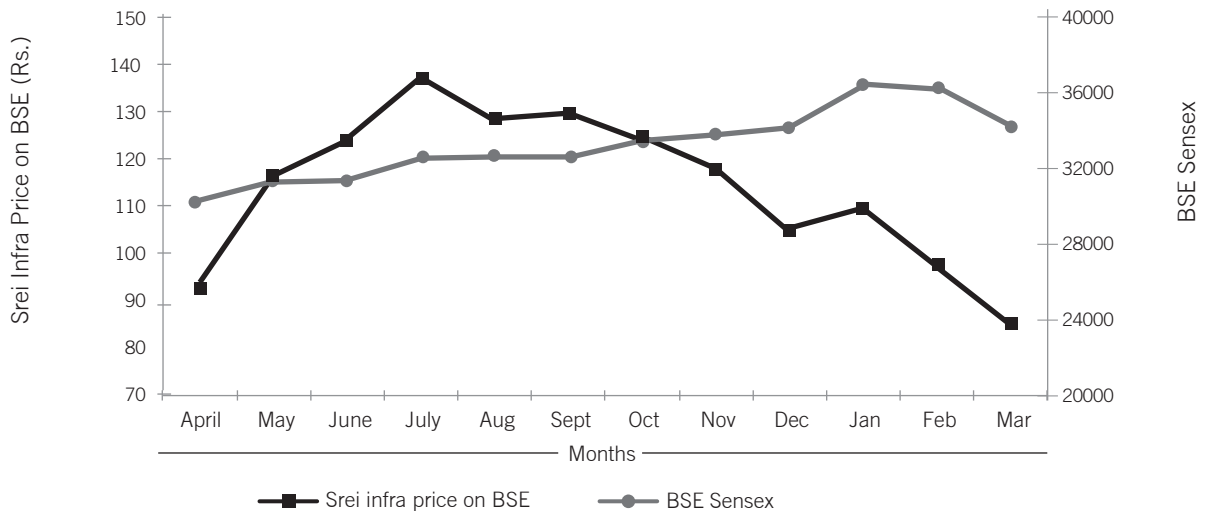
|   |  |
|---|--|
| 1. Annual General Meeting                                       |  |
| a. Date and Time  | Saturday, July 21, 2018 at 10.30 a.m.  |
| b. Venue  | Science City Mini Auditorium, JBS Haldane Avenue, Kolkata - 700 046  |
| 2. Financial Calendar (Tentative)                               |  |
| a. Financial reporting for 2018-19                              |  |
| Quarter ending June 30, 2018                                    | On or before September 14, 2018  |
| Quarter / Half year ending September 30, 2018                   | On or before December 14, 2018   |
| Quarter / Nine months ending December 31, 2018                  | On or before February 14, 2019   |
| Year ending March 31, 2019                                      | On or before May 30, 2019  |
| b. Annual General Meeting for the year ending on March 31, 2019 | July / August, 2019  |
| 3. Book Closure Date  | Friday, July 13, 2018 to Friday, July 20, 2018 (both days inclusive) for payment of Dividend   |
| 4. Dividend Payment Date  | Electronic Credit / dispatch between Tuesday, July 31, 2018 and Wednesday, August 08, 2018   |
| 5. Listing on Stock Exchanges                                   | <p>The Equity shares and other Securities of the Company are presently listed on the following Stock Exchanges:</p> <p><b>a. The Calcutta Stock Exchange Limited</b><br/>7, Lyons Range<br/>Kolkata – 700 001</p> <p><b>b. BSE Limited</b><br/>P. J. Towers, Dalal Street<br/>Mumbai – 400 001</p> <p><b>c. National Stock Exchange of India Limited</b><br/>Exchange Plaza, 5th Floor, Plot no. C / 1, G Block<br/>Bandra - Kurla Complex, Bandra (E)<br/>Mumbai – 400 051</p> <p>The Debt securities of the Company are listed on the Debt Segment of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).</p> <p>The Equity shares of the Company are also available for trading in the Derivatives segment on the Exchanges w.e.f. 30th June, 2017.</p> |
| 6. Listing Fees   | Listing fees are paid to all the Stock Exchanges within timelines.   |
| 7. International Security Identification Number (ISIN)          | Equity Shares - INE872A01014   |
| 8. Stock Codes (Equity Shares)                                  | Equity Shares<br>CSE - 29051, BSE - 523756 and NSE - SREINFRA  |
| 9. Corporate Identification Number (CIN)                        | L29219WB1985PLC055352  |

10. Stock Market Data

| Month           | National Stock Exchange of India Limited |         |             | BSE Limited |         |             |
|-----------------|--|---------|-------------|-------------|---------|-------------|
|                 | High Rs.                                 | Low Rs. | Volume      | High Rs.    | Low Rs. | Volume      |
| April, 2017     | 92.90                                    | 82.00   | 3,54,33,714 | 92.90       | 82.15   | 59,86,642   |
| May, 2017       | 116.40                                   | 90.95   | 6,17,39,103 | 116.40      | 91.00   | 1,06,37,455 |
| June, 2017      | 123.70                                   | 102.80  | 3,10,87,804 | 123.40      | 103.00  | 54,85,361   |
| July, 2017      | 138.00                                   | 105.95  | 6,47,76,786 | 137.70      | 112.00  | 84,75,694   |
| August, 2017    | 128.50                                   | 103.55  | 4,14,01,460 | 128.50      | 103.80  | 51,05,665   |
| September, 2017 | 129.80                                   | 99.50   | 5,36,47,545 | 130.00      | 99.50   | 58,37,251   |
| October, 2017   | 124.65                                   | 103.00  | 4,23,13,586 | 124.60      | 102.50  | 55,33,487   |
| November, 2017  | 118.20                                   | 95.15   | 3,36,25,449 | 118.20      | 95.15   | 50,12,507   |
| December, 2017  | 104.90                                   | 93.00   | 2,84,89,336 | 105.00      | 93.05   | 64,14,180   |
| January, 2018   | 109.60                                   | 94.55   | 5,64,19,388 | 109.50      | 94.60   | 77,16,302   |
| February, 2018  | 97.40                                    | 72.50   | 4,59,47,787 | 97.35       | 72.50   | 52,56,242   |
| March, 2018     | 85.40                                    | 69.50   | 3,14,42,766 | 85.40       | 69.65   | 25,09,064   |

Note: Volume is the total monthly volume of trade in number of shares

Performance in comparison to BSE Sensex (monthly High)



11. Registered Office

|                   |  |
|-------------------|--|
| a. Address        | 'Vishwakarma', 86C, Topsia Road (South)<br>Kolkata – 700 046 |
| b. Telephone No.  | 91-33-6160 7734  |
| c. Facsimile Nos. | 91-33-2285 7542 / 8501                                       |
| d. Website        | www.srei.com   |
| e. Email          | corporate@srei.com   |

12. Registrar and Share Transfer Agent's details

|                   |   |
|-------------------|---|
| a. Name & Address | Karvy Computershare Private Limited<br>Karvy Selenium Tower B, Plot 31-32, Gachibowli,<br>Financial District, Nanakramguda, Hyderabad – 500 032 |
| b. Telephone Nos. | 040-67161500, 1800-345-4001   |
| c. Facsimile No.  | 040-23420814  |
| d. Website        | www.karvy.com   |
| e. Email          | einward.ris@karvy.com   |

|                                   |                   |  |
|-----------------------------------|-------------------|--|
| 13. Details of Debenture Trustees | a. Name & Address | Axis Trustee Services Limited<br>Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025 |
|                                   | b. Telephone Nos. | 91-22-6226-0054  |
|                                   | c. Facsimile Nos. | 91-22-4325-3000  |
|                                   | d. Website        | www.axistrustee.com  |
|                                   | e. Email          | debenturetrustee@axistrustee.com   |

14. Financial Year 1st April to 31st March

| 15. Particulars of Past three AGMs | AGM     | Year    | Venue  | Date                     | Time       | Members present |
|------------------------------------|---------|---------|--|--------------------------|------------|-----------------|
|                                    | 32nd*   | 2016/17 | 'Science City Mini Auditorium',<br>JBS Haldane Avenue,<br>Kolkata - 700046 | 22/07/2017<br>(Saturday) | 10.30 a.m. | 2,401           |
|                                    | 31st**  | 2015/16 | 'Science City Mini Auditorium',<br>JBS Haldane Avenue,<br>Kolkata - 700046 | 06/08/2016<br>(Saturday) | 10.30 a.m. | 2,425           |
|                                    | 30th*** | 2014/15 | 'Science City Main Auditorium',<br>JBS Haldane Avenue,<br>Kolkata - 700046 | 01/08/2015<br>(Saturday) | 10.30 a.m. | 2,486           |

\* One Special Resolution was passed:

- Issue of Non-Convertible Debt Securities on private placement basis in one or more tranches upto a maximum aggregate amount of Rs. 10,000 Crores during the period of 1 (one) year from the date of passing of the Resolution by the Members, in terms of Section 42 and 71 of the Companies Act, 2013 and Rules thereunder.

\*\*One Special Resolution was passed:

- Issue of Non-Convertible Debt Securities on private placement basis in one or more tranches upto a maximum aggregate amount of Rs. 10,000 Crores during the period of 1 (one) year from the date of passing of the Resolution by the Members, in terms of Section 42 and 71 of the Companies Act, 2013 and Rules thereunder.

\*\*\*Two Special resolutions were passed:

- Approval of material Related Party Transactions (RPTs) entered into with Sahaj e-Village Limited (Sahaj), an Associate Company, for the Financial Year 2014-15, and for any prospective RPTs that may be entered into in future within a threshold limit of Rs. 500 Crores for each Financial Year.
- Issue of Non-Convertible Debt Securities on private placement basis in one or more tranches upto a maximum aggregate amount of Rs. 10,000 Crores during the period of 1 (one) year from the date of passing of the Resolution by the Members, in terms of Section 42 and 71 of the Companies Act, 2013 and Rules thereunder.

| 16. Distribution of Shareholding as on March 31, 2018 | Category (Shares) | No. of Shareholders* |               | No. of Shares       |               |
|---|-------------------|----------------------|---------------|---------------------|---------------|
| Total   |                   | Per cent             | Total         | Per cent            |               |
|   | Up to 500         | 54,009               | 80.64         | 77,59,553           | 1.54          |
|   | 501 to 1000       | 6,235                | 9.31          | 49,95,125           | 0.99          |
|   | 1001 to 2000      | 3,483                | 5.20          | 52,84,596           | 1.05          |
|   | 2001 to 3000      | 1,006                | 1.50          | 25,94,393           | 0.52          |
|   | 3001 to 4000      | 535                  | 0.80          | 19,14,321           | 0.38          |
|   | 4001 to 5000      | 414                  | 0.62          | 19,51,046           | 0.39          |
|   | 5001 to 10000     | 614                  | 0.92          | 45,81,707           | 0.91          |
|   | 10001 - 20000     | 276                  | 0.41          | 40,16,317           | 0.80          |
|   | 20001 and above   | 407                  | 0.61          | 46,99,89,275        | 93.42         |
|   | <b>Total</b>      | <b>66,979</b>        | <b>100.00</b> | <b>50,30,86,333</b> | <b>100.00</b> |

\*based on no. of folios

## 17. Dividend History (Last 5 Years)

| Financial Year | Dividend Per Share*<br>(Rs.) | Dividend Declaration |
|----------------|------------------------------|----------------------|
| 2016 - 17      | 0.50                         | July 22, 2017        |
| 2015 - 16      | 0.50                         | August 06, 2016      |
| 2014 - 15      | 0.50                         | August 01, 2015      |
| 2013 - 14      | 0.50                         | August 02, 2014      |
| 2012 - 13      | 0.50                         | August 14, 2013      |

\*share of paid-up value of Rs. 10/- per share

## 18. Categories of Shareholders as on March 31, 2018

| Category Code | Category of Shareholder                                   | Total Number of Shares | As a Percentage of (A+B+C) |
|---------------|---|------------------------|----------------------------|
| <b>A</b>      | Shareholding of Promoter and Promoter Group               |                        |                            |
| 1             | Indian  | 305868559              | 60.80                      |
| 2             | Foreign   | N.A                    | N.A                        |
|               | <b>Total Shareholding of Promoter and Promoter Group*</b> | <b>305868559</b>       | <b>60.80</b>               |
| <b>B</b>      | Public Shareholding                                       |                        |                            |
| 1             | Institutions  | 116960306              | 23.25                      |
| 2             | Non-institutions**  | 80257468               | 15.95                      |
|               | <b>Total Public Shareholding</b>                          | <b>197217774</b>       | <b>39.20</b>               |
| <b>C</b>      | Non Promoter-Non Public                                   |                        |                            |
| 1             | Shares underlying DRs                                     | -                      | -                          |
|               | <b>Total Non Promoter-Non Public Shareholding</b>         | <b>-</b>               | <b>-</b>                   |
|               | <b>GRAND TOTAL (A+B+C)</b>                                | <b>503086333</b>       | <b>100.00</b>              |

\*None of the shares held by the Promoter / Promoters' Group is under pledge

\*\*Includes 1,51,607 equity shares transferred to the Investor Education and Protection Fund (IEPF)

## 19. Equity Share Capital history

The Paid up Capital of the Company consists of 50,30,86,333 Equity shares of Rs. 10/- each fully paid up and allotted as under:

| Date of Allotment                           | No. of Shares       | Issue Price<br>(Rs. per Share) |
|---|---------------------|--------------------------------|
| 30.03.1985                                  | 2,742               | 10                             |
| 27.06.1986                                  | 31,600              | 10                             |
| 24.05.1987                                  | 16,000              | 10                             |
| 13.12.1988                                  | 5,000               | 10                             |
| 30.05.1990                                  | 6,08,558            | 10                             |
| 20.04.1991                                  | 2,56,100            | 10                             |
| 31.08.1992                                  | 32,20,000           | 10                             |
| 13.01.1994                                  | 41,40,000           | 20                             |
| 21.11.1997                                  | 4,54,54,545         | 22                             |
| 05.09.1998                                  | 27,688              | 15                             |
| 01.06.1999                                  | 5,500               | 10                             |
| 18.04.2005                                  | 3,45,94,000         | 44.38                          |
| 22.11.2005                                  | 2,10,50,056         | 33                             |
| 20.02.2006                                  | 3,556               | 37                             |
| 13.05.2006                                  | 880                 | 39                             |
| 19.02.2007                                  | 200                 | 28                             |
| 11.05.2007                                  | 400                 | 29                             |
| 08.11.2007                                  | 800                 | 41                             |
| 31.03.2008                                  | 72,00,000           | 100                            |
| 05.03.2011                                  | 38,69,41,535*       | -                              |
| <b>Total</b>                                | <b>50,35,59,160</b> |                                |
| <b>Less: Shares forfeited on 14.03.2000</b> | <b>4,72,827</b>     |                                |
| <b>Total Shares as on date</b>              | <b>50,30,86,333</b> |                                |

\*Equity Shares issued and allotted without consideration being received in cash pursuant to amalgamation of Quippo Infrastructure Equipment Limited (Quippo) into and with the Company sanctioned by the Hon'ble High Court at Calcutta vide its Order made on 18.01.2011 and effective w.e.f. 04.03.2011.

20 Credit Ratings:

| Agency  | CARE   | ICRA | Brickwork |
|---|--|------|-----------|
| NCDs / Bonds                                      | CARE A+  | -    | BWR AA+   |
| Short term Debt Instruments                       | CARE A1+   | -    | BWR A1+   |
| Unsecured Subordinated Tier-II Debentures / Bonds | CARE A   | -    | BWR AA+   |
| Banking Facilities                                | CARE A+ (For Long Term Banking Facilities)<br>CARE A1+ (For Short Term Banking Facilities) | -    | -         |

21. Measures adopted to protect the interests of the Shareholders

a. Share Transfer Processing

Requests for share transfers are registered and share certificates or receipts or advices, as applicable, of transfers are issued or any valid objection or intimation to the transferee or transferor, as the case may be, are issued within a time period of 15 (Fifteen) days from the date of receipt subject to the documents being valid and complete in all respects in accordance with the requirements of Regulation 40(3) of SEBI Listing Regulations, 2015. The Stakeholders Relationship Committee meets at regular intervals. During the year 2017-18, the Stakeholders Relationship Committee met 8 (Eight) times. Total number of shares physically transferred during the year 2017-18 was 2,305 Equity shares. There are no legal cases relating to transfer of shares.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance pertaining to share transfer formalities as required under Regulation 40(9) of SEBI Listing Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

b. Redressal of Grievances

Investor servicing is one of the key ingredient of good Corporate Governance practices to enhance stakeholders' confidence. Necessary system has been put in place in order to attend with promptness any grievances or queries by the Shareholders. Personal calls and proactive follow-ups have only enhanced stakeholders' confidence which has enabled retaining NIL investor grievances status month on month.

Various initiatives undertaken to closely monitor the grievances / correspondences of Equity shareholders are as follows:

- A designated e-mail ID 'investor.relations@srei.com' is available to address the Investor Grievances on a day to day basis;
- Weekly e-mails are sent to those shareholders whose e-mail IDs are registered with the Company / RTA, intimating brief highlights of the latest publicly available financial results;
- Shareholders' Referencer, a handbook for shareholders is available on the Company's website at <https://www.srei.com/sites/default/files/shareholders-referencer.pdf>. It serves as an easy guide for the investor's share and dividend related queries and inter-alia covers the shareholders' grievance redressal mechanism and their duties & responsibilities.

Further, with the issue of Non-Convertible Debentures (NCDs), serving Debenture holders / Bond holders has also become equally important. Daily tracker on NCD grievances mechanism is available to closely monitor the movements and ensure faster deliverables. Various initiatives undertaken by the Company to closely monitor the grievances / correspondences of the Bond Holders are as follows:

- A login based and password protected online portal i.e., Srei First Account has been developed for the bond holders to help them keep track on their investments in NCDs / bonds online;
- A designated e-mail ID 'connect@sreibonds.com' is available to address the grievances of bond holders on a day to day basis;



b. Redressal of Grievances

- A toll free number +180 04197734 is readily available for the bond holders to address their grievances.

In addition to the above, a comprehensive Investor Grievance Redressal Policy has been formulated and put in place by the Company.

The investor complaints are processed in a centralised web-based complaints redress system called SEBI Complaints Redress System (SCORES). The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned Companies and online viewing by investors of actions taken on the complaint and its current status. The Company had obtained SCORES authentication in June, 2011, when the said concept was introduced by SEBI and the Company has maintained a track record of resolving the grievances of investors received on SCORES within the stipulated time period specified by SEBI.

The Securities and Exchange Board of India (SEBI) issued Circular No. CIR/OIAE/1/2014 dated December 18, 2014 on SCORES consolidating all the earlier Circulars issued relating to SCORES. The said Circular provides that failure by listed companies and SEBI registered intermediaries to file Action Taken Report under SCORES within 30 (Thirty) days of date of receipt of the grievance shall not only be treated as failure to furnish information to SEBI but shall also be deemed to constitute non-redressal of investor grievance.

There are no pending investor grievances lying unresolved as per the data available on SCORES as on March 31, 2018.

c. Prevention of Fraudulent Transfers

A locking provision is in existence whereby, whenever any intimation is received from the shareholders regarding loss of shares or of any legal dispute, the shares are immediately kept locked so that fraudulent transfer is stalled.

d. Dematerialisation of Shares and Liquidity

Based on a SEBI directive, the Equity shares of the Company are permitted to be traded only in dematerialised form and are available for demat under both the Depositories in India - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2018, a total of 50,00,93,079 Equity shares of the Company representing 99.41% of the total Equity Share Capital were held in dematerialised form. The entire Promoters' Group shareholding of the Company is in dematerialised form.

The bifurcation of shares held in Physical and Demat form as on March 31, 2018 is given below –

| Physical / Electronic | No. of Holders* | No. of Shares    | %             |
|-----------------------|-----------------|------------------|---------------|
| Physical              | 4592            | 2993254          | 0.59          |
| NSDL                  | 37405           | 172330220        | 34.25         |
| CDSL                  | 24982           | 327762859        | 65.15         |
| <b>Total</b>          | <b>66979</b>    | <b>503086333</b> | <b>100.00</b> |

\*based on no. of folios

For any assistance in converting physical shares in electronic form, investors may approach Karvy Computershare Private Limited or the Company Secretary of the Company.

The Equity shares of the Company are actively traded on the Stock Exchanges.

|  |   |   |
|--|---|---|
| e. Depositories                              | <p><b>National Securities Depository Limited</b></p> <p>Trade World, A Wing, 4th &amp; 5th Floor<br/>Kamala Mills Compound<br/>Senapati Bapat Marg<br/>Lower Parel<br/>Mumbai - 400 013<br/>Telephone No : 91-22-2499 4200<br/>Facsimile Nos. : 91-22-2497/ 2993 / 6351<br/>E-mail : info@nsdl.co.in<br/>Website : www.nsdl.co.in</p>   | <p><b>Central Depository Services (India) Limited</b></p> <p>25th Floor, Marathon Futurex,<br/>N M Joshi Marg, Lower Parel (East),<br/>Mumbai - 400013.<br/>Telephone No : 91-22-2302 3333<br/>Facsimile Nos. : 91-22-2272 3199 / 2072<br/>E-mail : investors@cdslindia.com<br/>Website : www.cdslindia.com</p> |
| f. Registrar and Share Transfer Agents (RTA) | <p>The share transfer and shareholder related activities of the Company are attended and processed by the Registrar and Share Transfer Agents (RTA) of the Company. It is the responsibility of the RTA, inter alia, to register share transfers, coordinate with the depositories and to look after the redressal of shareholders' and Investors' complaints. The complaints / queries received from Investors relating to transfer of shares, non-receipt of annual reports, dividends, share certificates etc. and also the complaints / queries received through SEBI, MCA and the Stock Exchanges are being attended to by the RTA on priority basis.</p> <p>Karvy Computershare Private Limited (Karvy), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, India, is the Registrar and Share Transfer Agents (RTA) of the Company for Equity Shares.</p> <p>During the year, the Company made a Public issuance of Secured redeemable Non-Convertible Debentures of face value of Rs. 1,000 each aggregating upto Rs. 15,000 Million and Unsecured redeemable Non-Convertible Debentures of face value of Rs. 1,000 each aggregating upto Rs. 5,000 Million, totalling upto Rs. 20,000 Million ("Shelf Limit"), the Tranche Issue being with a Base Issue Size of Rs. 2,000 Million with an option to retain oversubscription upto Rs. 20,000 Million offered vide Tranche 1 Prospectus dated February 05, 2018 read together with Shelf Prospectus dated February 05, 2018. The Unsecured redeemable Non-Convertible Debentures is in the nature of subordinated debt and eligible for inclusion as Tier II Capital.</p> <p>Karvy Computershare Private Limited (Karvy) is also the Registrar to the aforesaid Public issuance.</p> |   |

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g. Investor Relations

Global macro and business environment has been very dynamic in the past year with implications on Company's business and financial performance. In this context, the Company recognises the imperatives to maintain continuous dialogue with the investor community. This is done with the objective to abreast the Investors of all the significant developments that may likely impact the Company's performance. This translates into feeding timely, accurate and relevant information that helps investors in taking informed investment decisions.

The Company focuses to build Investor Relations on pillars of trust and transparency. The Company's proactive approach has enabled global investor community to better understand the management objectives, corporate strategies and overall performance of the Company over a period of time.

To deliver an effective communication, the Investor Relations Department of the Company effectively deploys tools like Annual Report, Quarterly Earnings, Investor Release, Conference Calls, one on one Investor Meets, General Meetings and Internet (Company website) to serve as a link to stay connected with the Investors. In order to enable the Company to serve better, the Members are requested to update their database with the Company by filling in and returning to the Company the Shareholders Information Form available on the Company's website at [https://www.srei.com/sites/default/files/Shareholder\\_Information\\_Form.pdf](https://www.srei.com/sites/default/files/Shareholder_Information_Form.pdf) or by e-mailing the information at [investor.relations@srei.com](mailto:investor.relations@srei.com).

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h. Investor Feedbacks

It is the constant endeavour of the Company to improve the standard of its Investor services. The Company has stipulated internal timeframes for responding to Investors' correspondence and adherence thereof is monitored by the Stakeholders' Relationship Committee.

In pursuit of excellence in Corporate Governance and to constantly improve standards of service, communication and disclosures, the Company conducted a preliminary survey during the year to assess the requirement and satisfaction of valuable Investors on following broad parameters:

1. Timely receipt of Annual Reports, Dividend and other documents / correspondence.
2. Quality and contents of Annual Report.
3. Dissemination of information about the Company through shareholder communication, Annual Reports, Newspapers / Press, Company's website, e-mails, earnings conference call transcripts.
4. Response time and satisfaction level experienced in transfer / transmission of shares, sub-division of shares, issue of duplicate share certificates, change of address, revalidation of dividend warrants, exchange with new share certificates, registration of nomination etc.
5. Interaction with Company officials.
6. Interaction with Registrar and Share Transfer Agents.
7. Investor services section of the Company's website.
8. Annual General Meeting w.r.t. overall arrangements, attendance facilities, voting on i-pads, Chairman's communication.
9. Overall rating of Company's Investor services.

The Investors have expressed their satisfaction on the quality of services rendered by the Company. The Company is constantly in the process of enhancing the service levels based on feedbacks received from the Investors.

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|                                |               |   |
|--------------------------------|---------------|---|
| 22. Address for correspondence | Shareholders' | The Company Secretary<br>Srei Infrastructure Finance Limited<br>'Vishwakarma', 86C, Topsia Road (South)<br>Kolkata – 700 046<br>Email : secretarial@srei.com, investor.relations@srei.com |
|--------------------------------|---------------|---|

23. Transfers to the Investor Education and Protection Fund (IEPF) **a. Unpaid Dividend on Equity shares**

Pursuant to Section 124(5) of the Companies Act, 2013, dividends that are unpaid / unclaimed for a period of 7 (Seven) years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

During the year under review, the Company has credited a sum of Rs. 5,24,949 to the Investor Education and Protection Fund pursuant to Section 124(5) of the Companies Act, 2013, being the dividend amount pertaining to the financial year ended on March 31, 2010, which was due & payable and remained unclaimed and unpaid for a period of 7 (Seven) years. Cumulatively, the aggregate dividend amount transferred to the said Fund upto March 31, 2018 stands at Rs. 57,95,693.69.

The dates of declaration of dividend and corresponding dates when unpaid / unclaimed dividends are due for transfer to IEPF are as follows:

| Financial Year | Date of Declaration of Dividend | Due Date of Transfer to IEPF |
|----------------|---------------------------------|------------------------------|
| 2010 - 11      | July 30, 2011                   | September 05, 2018           |
| 2011 - 12      | August 10, 2012                 | September 15, 2019           |
| 2012 - 13      | August 14, 2013                 | September 19, 2020           |
| 2013 - 14      | August 02, 2014                 | September 07, 2021           |
| 2014 - 15      | August 01, 2015                 | September 06, 2022           |
| 2015 - 16      | August 06, 2016                 | September 11, 2023           |
| 2016 - 17      | July 22, 2017                   | August 27, 2024              |

The shareholders are regularly advised to claim the un-encashed dividends lying in the unpaid dividend accounts of the Company before the due dates for crediting the same to the Investor Education and Protection Fund. Further, the details of dividend unclaimed by the Members for the past years which have not yet been transferred to the Central Government are readily available for view by the Members on the website of the Company [www.srei.com](http://www.srei.com). Further, the Members are advised to glance through the database and lodge their claim with the Company's Registrar and Share Transfer Agents for dividend which have remained unclaimed.

**b. Unpaid sale proceeds arising out of issue of Bonus shares**

During the year under review, the Company transferred a sum of Rs. 42,773 (Rupees Forty Two Thousand Seven Hundred and Seventy Three only) to IEPF, being the unpaid amount of sale proceeds of fractional shares arising out of issuance of bonus shares made by the Company to the Equity shareholders, pursuant to the Scheme of Amalgamation of Quippo Infrastructure Equipment Limited (Quippo) into and with the Company sanctioned by the Hon'ble High Court at Calcutta vide Order dated March 03, 2011, which was due & payable and remained unclaimed and unpaid for a period of 7 (seven) years, 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, after sending letters to those shareholders whose sale proceeds were lying unpaid / unclaimed for 7 (seven) years and also making an advertisement in the newspapers in this regard.

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**c. Unpaid Deposits and Interests thereon**

During the year under review, the Company transferred a sum of Rs. 99,277 (Rupees Ninety Nine Thousand Two Hundred and Seventy Seven only) to IEPF, being the unpaid amount of unpaid deposits and interests thereon, as provided in Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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**d. Transfer of Equity shares which have remained unpaid and unclaimed for 7 (seven) consecutive years**

During the year under review, the Company transferred 1,51,607 Equity shares to IEPF in accordance with the provisions of Section 124(6) and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 after sending letters to those shareholders and also making an advertisement in the newspapers in this regard. Details of the shares transferred to IEPF are available on the Company's website under the link <https://www.srei.com/sites/default/files/details-of-shares-transferred-to-iepf.pdf>.

The Company will issue letters to those shareholders whose shares are eligible to be transferred to IEPF during the financial year 2018-19 by giving them at least 3 (three) months' notice and also informing them through an appropriate advertisement in the newspapers.

Further, pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the voting rights on shares transferred to the IEPF shall remain frozen until the rightful owner claims the shares. However, for the purpose of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the shares which have been transferred to the Authority shall not be excluded while calculating the total voting rights.

The shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed back by the Shareholders from the IEPF Authority after following the procedure prescribed under the Rules.

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**24. Nomination**

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination forms can be obtained from the Company's Registrar and Share Transfer Agents or can be downloaded from the Company's website at <https://www.srei.com/investor/srei-shareholders / shareholders-information / feedback-forms>. Nomination facility in respect of shares held in electronic form is available with the Depository Participants as per bye-laws and business rules applicable to NSDL and CDSL.

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| 25. Payment of Dividend etc. in electronic mode  | <p>Pursuant to Regulation 12 of SEBI Listing Regulations, 2015, listed entity shall use any of the electronic mode of payment facility approved by the Reserve Bank of India (RBI) in the manner specified in Schedule I of SEBI Listing Regulations, 2015, for making payments of dividend, interest, redemption or repayment amounts etc. However, where it is not possible to use electronic mode of payment, 'payable at-par' warrants or cheques may be issued. Further, where the amounts payable as dividend exceeds Rs. 1,500 (Rupees One Thousand and Five Hundred only), the 'payable at-par' warrants or cheques shall be sent by speed post.</p> <p>The Company is using various RBI approved electronic mode of payment for making payments such as dividend, etc. to the investors, failing which the bank details available with the depository participants and the Company's Registrar and Share Transfer Agents (RTA) are printed on the physical payment instruments.</p> <p>Payment of dividend and other benefits through electronic mode is beneficial to the Members since the risks associated with receiving payment through dividend warrants and other instruments such as loss in transit / misplacement / revalidation etc. can be easily mitigated.</p> <p>Members who wish to avail of the electronic facility of remittance, may update their bank details with the depository participants for shares held in demat form and Members holding securities of the Company in physical form are requested to update their bank details with the Company or its RTA by sending a duly filled and signed National Automated Clearing House (NACH) Mandate Form available on the website of the Company <a href="http://www.srei.com">www.srei.com</a>.</p> <p>The Company is using NACH mandate for remittance of dividend either through NACH or other electronic modes failing which the bank details available with the depository participants and the Company's RTA are printed on the dividend warrant. All the arrangements are subject to RBI guidelines, issued from time to time.</p> <p>Members who wish to receive dividend in a bank account other than the one registered with the depository participants for shares held in demat form and with the Company's RTA for shares held in physical form, may notify their depository participants and the Company or its RTA, respectively, about any change in the bank account details.</p> <p>Further, pursuant to Regulation 43A of SEBI Listing Regulations, 2015, a Dividend Distribution Policy was adopted by the Company covering, inter alia, the parameters for declaration of dividend, utilization of retained earnings, procedure for dividend declaration etc. The Company's Dividend Distribution Policy is available on the Company's website at <a href="https://www.srei.com/investor/corporate-policies/pdf/dividend-distribution-policy.pdf">https://www.srei.com/investor/corporate-policies/pdf/dividend-distribution-policy.pdf</a>.</p> |
| 26. Reconciliation of Share Capital Audit  | <p>As stipulated by SEBI, a qualified practising Company Secretary carries out an audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the Report thereon is submitted to the concerned Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.</p>   |
| 27. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) | <p>The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on Board Meetings and General Meetings. Further, pursuant to Section 118(10) of the Companies Act, 2013, every company shall observe secretarial standards specified by ICSI with respect to Board and General Meetings. The Company confirms that it has duly adhered to the said Secretarial Standards.</p>   |

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| 28. Secretarial Audit                                       | <p>The Secretarial Auditor appointed by the Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996 and the Regulations and By-laws framed thereunder, Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India), Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and the Reserve Bank of India Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC – ND – SI). The Secretarial Audit Report for the financial year ended March 31, 2018 is provided in the Annual Report.</p> |
| 29. Compliance Officer                                      | <p>Mr. Sandeep Lakhotia<br/>Company Secretary<br/>FCS 7671<br/>'Vishwakarma', 86C, Topsia Road (South)<br/>Kolkata – 700 046<br/>Tel : 91-33-6160 7734<br/>Fax : 91-33-2285 7542 / 8501<br/>Email : <a href="mailto:secretarial@srei.com">secretarial@srei.com</a>, <a href="mailto:investor.relations@srei.com">investor.relations@srei.com</a></p>  |
| 30. Role of Company Secretary in overall governance process | <p>The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. He assists and advises the Board in ensuring good corporate governance as well as in complying with the corporate governance requirements. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and in accordance under Section 205 of the Companies Act, 2013 reports to the Board regarding compliance with the provisions of the Companies Act, 2013, the rules made thereunder and other laws applicable to the Company. He is also the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.</p>  |

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| 31. Web links to Company policies and programmes | <p>Policy on determining Material Subsidiaries -<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/policy-on-determining-material-subsidiaries.pdf">https://www.srei.com/investor/corporate-policies/pdf/policy-on-determining-material-subsidiaries.pdf</a></p> <p>Related Party Transactions (RPT) Policy -<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/related-party-transactions-policy.pdf">https://www.srei.com/investor/corporate-policies/pdf/related-party-transactions-policy.pdf</a></p> <p>Familiarisation Programme for Independent Directors -<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/familiarisation-programme-for-independent-directors.pdf">https://www.srei.com/investor/corporate-policies/pdf/familiarisation-programme-for-independent-directors.pdf</a></p> <p>Whistle Blower Policy -<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/whistle-blower-policy.pdf">https://www.srei.com/investor/corporate-policies/pdf/whistle-blower-policy.pdf</a></p> <p>ESMS Policy -<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/esms-policy-manual-srei.pdf">https://www.srei.com/investor/corporate-policies/pdf/esms-policy-manual-srei.pdf</a></p> <p>Policy on Prevention of Sexual Harassment -<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/policy-on-prevention-of-sexual-harassment.pdf">https://www.srei.com/investor/corporate-policies/pdf/policy-on-prevention-of-sexual-harassment.pdf</a></p> <p>Corporate Social Responsibility (CSR) Policy -<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/corporate-social-responsibility-policy.pdf">https://www.srei.com/investor/corporate-policies/pdf/corporate-social-responsibility-policy.pdf</a></p> <p>Nomination and Remuneration Policy -<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/srei-nomination-and-remuneration-policy.pdf">https://www.srei.com/investor/corporate-policies/pdf/srei-nomination-and-remuneration-policy.pdf</a></p> <p>Policy on Board Diversity -<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/policy-on-board-diversity.pdf">https://www.srei.com/investor/corporate-policies/pdf/policy-on-board-diversity.pdf</a></p> <p>Srei Fair Practices Code -<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/fair-practices-code.pdf">https://www.srei.com/investor/corporate-policies/pdf/fair-practices-code.pdf</a></p> <p>Srei Code of Conduct for Board of Directors and Senior Executives -<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/srei-code-of-conduct-for-board-of-directors-and-senior-executives.pdf">https://www.srei.com/investor/corporate-policies/pdf/srei-code-of-conduct-for-board-of-directors-and-senior-executives.pdf</a></p> <p>Srei Code of Conduct For Prohibition of Insider Trading (Srei Insider Code) -<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/srei-code-of-conduct-for-prohibition-of-insider-trading.pdf">https://www.srei.com/investor/corporate-policies/pdf/srei-code-of-conduct-for-prohibition-of-insider-trading.pdf</a></p> <p>Code of Practices and Procedures for Fair Disclosure (Srei Fair Disclosure Code) of Unpublished Price Sensitive Information (UPSI) -<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/code-of-practices-and-procedures-for-fair-disclosure-of-upsi.pdf">https://www.srei.com/investor/corporate-policies/pdf/code-of-practices-and-procedures-for-fair-disclosure-of-upsi.pdf</a></p> <p>Srei Investor Grievance Redressal Policy -<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/srei-investor-grievance-redressal-policy.pdf">https://www.srei.com/investor/corporate-policies/pdf/srei-investor-grievance-redressal-policy.pdf</a></p> <p>Srei Corporate Governance Framework -<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/corporate-governance-framework.pdf">https://www.srei.com/investor/corporate-policies/pdf/corporate-governance-framework.pdf</a></p> <p>Policy for determination of Materiality of any Event/Information -<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/policy-for-determination-of-materiality-of-any-event-or-information.pdf">https://www.srei.com/investor/corporate-policies/pdf/policy-for-determination-of-materiality-of-any-event-or-information.pdf</a></p> <p>Archival Policy -<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/archival-policy.pdf">https://www.srei.com/investor/corporate-policies/pdf/archival-policy.pdf</a></p> <p>Dividend Distribution Policy –<br/><a href="https://www.srei.com/investor/corporate-policies/pdf/dividend-distribution-policy.pdf">https://www.srei.com/investor/corporate-policies/pdf/dividend-distribution-policy.pdf</a></p> |
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32. Disclosure of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI Listing Regulations, 2015
- Pursuant to Schedule V of SEBI Listing Regulations, 2015, the Company hereby confirms that it has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) inter-alia covering the following subject matter / heads:
- i) Board of Directors
  - ii) Audit Committee
  - iii) Nomination and Remuneration Committee
  - iv) Stakeholders' Relationship Committee
  - v) Risk Management Committee – Not Applicable
  - vi) Vigil Mechanism
  - vii) Related Party Transactions
  - viii) Corporate governance requirements with respect to subsidiary of Company
  - ix) Obligations with respect to Independent Directors
  - x) Obligations with respect to employees including senior management, key managerial persons, directors and promoters
  - xi) Other Corporate governance requirements as stipulated under the Regulations
  - xii) Dissemination of various information on the website of the Company w.r.t clauses (b) to (i) of Regulation 46(2).
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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Srei Infrastructure Finance Limited**

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Srei Infrastructure Finance Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence

about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in “Annexure 2”.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of

pending litigations on its financial position in its standalone financial statements – Refer Note No. 27 to the standalone financial statements;

- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

**Mahesh Agarwal**

Partner

Membership No. 067806

Kolkata

28th April, 2018

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March, 2018]

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. Pursuant to the programme, certain fixed assets were physically verified by the Company's Management ("management") during the year. As informed and explained to us by the management, 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 as detailed herein below :-

| Land / Buildings | Total number of cases | Leasehold / Freehold | Gross Block as at 31st March, 2018 (Rs. In Lacs) | Net Block as at 31st March, 2018 (Rs. In Lacs) | Remarks               |
|------------------|-----------------------|----------------------|--|--|-----------------------|
| Buildings        | 2                     | Freehold             | 9,967.98   | 8,609.33                                       | Conveyance is pending |

- (ii) According to the information and explanations given to us in respect of equity shares held as stock for trade, the same has been physically verified / verified from depository records by the management during the year. In our opinion, the frequency of verification is reasonable. As explained to us, no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, 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.
- (iv) According to the information and explanations given to us in respect of loans, investments, guarantees and security, the Company has complied with the provisions of Sections 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder with regard to the acceptance of deposits. Further, as informed, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- (vi) Being a Non-Banking Financial Company, the provisions of clause 3(vi) of the Order with regard to the maintenance of cost records are not applicable to the Company.
- (vii) (a) According to the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and any other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the dues as at 31<sup>st</sup> March, 2018 of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and services tax, which have not been deposited on account of any dispute, are as follows :

| Name of the Statute         | Nature of dues                | Amount (Rs. in Lacs) | Period to which the amount relates (Financial Year) | Forum where dispute is pending                                       |
|-----------------------------|-------------------------------|----------------------|---|--|
| Income Tax Act, 1961        | Income Tax                    | 471                  | 2005-06 and 2006-07                                 | Supreme Court of India   |
| Income Tax Act, 1961        | Income Tax                    | 125                  | 2006-07 and 2007-08                                 | CIT (Appeals), Kolkata   |
| Income Tax Act, 1961        | Income Tax                    | 492                  | 2007-08   | Income Tax Appellate Tribunal, Kolkata                               |
| Income Tax Act, 1961        | Income Tax                    | 1,809                | 2008-09   | Supreme Court of India   |
| Income Tax Act, 1961        | Income Tax                    | 211                  | 2010-11   | Income Tax Appellate Tribunal, Kolkata                               |
| Income Tax Act, 1961        | Income Tax                    | 1,938                | 2011-12   | CIT (Appeals), Kolkata   |
| Income Tax Act, 1961        | Income Tax                    | 487                  | 2012-13   | CIT (Appeals), Kolkata   |
| Income Tax Act, 1961        | Income Tax                    | 1,283                | 2013-14   | CIT (Appeals), Kolkata   |
| Income Tax Act, 1961        | Income Tax on Fringe benefits | 226                  | 2005-06 to 2008-09                                  | Calcutta High Court  |
| Finance Act, 1994           | Service Tax                   | 302                  | 2006-07 to 2010-11                                  | Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Kolkata |
| Finance Act, 1994           | Service Tax                   | 893                  | 2011-12 to 2014-15                                  | Calcutta High Court  |
| Finance Act, 1994           | Service Tax                   | 80                   | 2011-12 to 2014-15                                  | CGST & C.Ex. Commissioner Appeal-1, Commissionerate of Kolkata       |
| Central Sales Tax Act, 1956 | Central Sales Tax             | 211                  | 2010-11   | West Bengal Sales Tax Appellate and Revisional Board                 |
| Central Sales Tax Act, 1956 | Central Sales Tax             | 195                  | 2011-12   | West Bengal Sales Tax Appellate and Revisional Board                 |
| Central Sales Tax Act, 1956 | Central Sales Tax             | 56                   | 2012-13   | West Bengal Sales Tax Appellate and Revisional Board                 |
| Central Sales Tax Act, 1956 | Central Sales Tax             | 47                   | 2013-14   | West Bengal Sales Tax Appellate and Revisional Board                 |
| Central Sales Tax Act, 1956 | Central Sales Tax             | 144                  | 2014-15   | 1st Appellate Authority, West Bengal Commercial Taxes                |

- (viii) Based on our audit procedures and as per the information and explanations given to us by the management, we are of the opinion that during the year the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were prima facie applied during the year for the purposes for which those were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company.
- (xiii) According to the information and explanations given to us, 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 Financial Statements etc., 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 under review.

- (xv) As per the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with directors or persons connected with them.
- (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.

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

**Mahesh Agarwal**  
Partner  
Membership No. 067806

28th April, 2018  
Kolkata

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (2)f under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March, 2018]

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

We have audited the internal financial controls over financial reporting of the Company as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing 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 over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a

material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For Haribhakti & Co. LLP**

Chartered Accountants  
ICAI Firm Registration No. 103523W/W100048

**Mahesh Agarwal**

Partner  
Membership No.067806

28th April, 2018  
Kolkata



**BALANCE SHEET** as at 31st March, 2018

(Rs. in Lacs)

|   | Note No. | As at 31st March, 2018 | As at 31st March, 2017 |
|---|----------|------------------------|------------------------|
| <b>EQUITY AND LIABILITIES</b>                                     |          |                        |                        |
| <b>Shareholders' Funds</b>  |          |                        |                        |
| Share Capital   | 2        | 50,324                 | 50,324                 |
| Reserves and Surplus  | 3        | 2,45,877               | 2,36,174               |
|   |          | <b>2,96,201</b>        | <b>2,86,498</b>        |
| <b>Non-Current Liabilities</b>                                    |          |                        |                        |
| Long-Term Borrowings  | 4        | 4,34,591               | 4,64,564               |
| Deferred Tax Liabilities (Net)                                    | 5        | 8,742                  | 10,102                 |
| Other Long-Term Liabilities                                       | 6        | 6,696                  | 7,912                  |
| Long-Term Provisions  | 7        | 3,508                  | 3,104                  |
|   |          | <b>4,53,537</b>        | <b>4,85,682</b>        |
| <b>Current Liabilities</b>  |          |                        |                        |
| Short-Term Borrowings   | 8        | 8,35,704               | 7,03,612               |
| Trade Payables  |          |                        |                        |
| - Due to Micro and Small Enterprises                              | 9.1      | -                      | -                      |
| - Due to Others   | 9.2      | 440                    | 543                    |
| Other Current Liabilities   |          |                        |                        |
| - Current Maturities of Long-Term Borrowings                      | 4        | 1,26,723               | 1,50,231               |
| - Others  | 10       | 23,079                 | 24,179                 |
| Short-Term Provisions   | 11       | 1,957                  | 1,390                  |
|   |          | <b>9,87,903</b>        | <b>8,79,955</b>        |
| <b>TOTAL</b>  |          | <b>17,37,641</b>       | <b>16,52,135</b>       |
| <b>ASSETS</b>   |          |                        |                        |
| <b>Non-Current Assets</b>   |          |                        |                        |
| Fixed Assets  | 12       |                        |                        |
| - Tangible Assets   |          | 60,674                 | 63,415                 |
| - Intangible Assets   |          | 101                    | 166                    |
| - Capital Work-in-Progress  |          | 537                    | 1,052                  |
| Non-Current Investments   | 13.1     | 1,67,692               | 2,02,646               |
| Long-Term Loans and Advances                                      |          |                        |                        |
| - Loan Assets   | 14       | 8,32,417               | 7,94,346               |
| - Other Long-Term Advances  | 15       | 47,917                 | 56,574                 |
| Other Non-Current Assets  | 16       | 41,962                 | 45,251                 |
|   |          | <b>11,51,300</b>       | <b>11,63,450</b>       |
| <b>Current Assets</b>   |          |                        |                        |
| Current Investments   | 13.2     | 731                    | 1,020                  |
| Trade Receivables   | 17       | 3,364                  | 2,556                  |
| Cash and Cash Equivalents   | 18       | 65,450                 | 56,280                 |
| Short-Term Loans and Advances                                     |          |                        |                        |
| - Loan Assets   | 14       | 1,19,942               | 43,828                 |
| - Other Advances  | 19       | 5,386                  | 1,763                  |
| Other Current Assets  |          |                        |                        |
| - Current Maturities of Long-Term Loan Assets                     | 14       | 3,55,883               | 3,39,313               |
| - Other Current Assets  | 20       | 35,585                 | 43,925                 |
|   |          | <b>5,86,341</b>        | <b>4,88,685</b>        |
| <b>TOTAL</b>  |          | <b>17,37,641</b>       | <b>16,52,135</b>       |
| Significant Accounting Policies and Notes to Financial Statements | 1 to 39  |                        |                        |

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

**Mahesh Agarwal**  
Partner  
Membership No. 067806

Place : Kolkata  
Date : 28th April, 2018

For and on behalf of the Board of Directors

**Hemant Kanoria**  
Chairman & Managing Director

**Shyamalendu Chatterjee**  
Director

**Sameer Sawhney**  
Chief Executive Officer

**Sandeep Lakhotia**  
Company Secretary

**Vishnu G Agarwal**  
Financial Controller

## STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2018

(Rs. in Lacs)

|  | Note No. | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|--|----------|--------------------------------|--------------------------------|
| <b>INCOME</b>  |          |                                |                                |
| Revenue from Operations  | 21       | 1,76,831                       | 2,29,197                       |
| Other Income   | 22       | 531                            | 765                            |
| <b>Total Income</b>  |          | <b>1,77,362</b>                | <b>2,29,962</b>                |
| <b>EXPENSES</b>  |          |                                |                                |
| Finance Costs  | 23       | 1,33,349                       | 1,43,671                       |
| Employee Benefits Expense  | 24       | 3,208                          | 3,931                          |
| Depreciation / Amortisation and Impairment Expense   | 12       | 5,328                          | 5,157                          |
| Administrative and Other Expenses  | 25       | 7,769                          | 7,611                          |
| <b>Total Expenses</b>  |          | <b>1,49,654</b>                | <b>1,60,370</b>                |
| <b>Profit Before Bad Debts and Advances written off (net) / Provisions, Contingencies, Diminutions &amp; Tax</b> |          | <b>27,708</b>                  | <b>69,592</b>                  |
| Bad Debts and Advances written off (net) / Provisions, Contingencies & Diminutions                               | 7.1      | 9,495                          | 54,756                         |
|  |          | <b>9,495</b>                   | <b>54,756</b>                  |
| <b>Profit Before Tax</b>   |          | <b>18,213</b>                  | <b>14,836</b>                  |
| Tax Expense:   |          |                                |                                |
| - Current Tax  | 7.4      | 7,226                          | 6,582                          |
| - Deferred Tax   |          | (1,360)                        | (241)                          |
| - Mat Credit Entitlement in respect of earlier years   |          | -                              | (1,112)                        |
| <b>Total Tax Expense</b>   |          | <b>5,866</b>                   | <b>5,229</b>                   |
| <b>Profit After Tax</b>  |          | <b>12,347</b>                  | <b>9,607</b>                   |
| <b>Earnings per Equity Share (Basic and Diluted) (in Rs.)</b><br>(Par Value Rs.10/- per Equity Share)            | 26       | 2.45                           | 1.91                           |
| Significant Accounting Policies and Notes to Financial Statements  | 1 to 39  |                                |                                |

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

For and on behalf of the Board of Directors

**Mahesh Agarwal**  
Partner  
Membership No. 067806

**Hemant Kanoria**  
Chairman & Managing Director

**Shyamalendu Chatterjee**  
Director

Place : Kolkata  
Date : 28th April, 2018

**Sameer Sawhney**  
Chief Executive Officer

**Sandeep Lakhotia**  
Company Secretary

**Vishnu G Agarwal**  
Financial Controller

**CASH FLOW STATEMENT** for the year ended 31st March, 2018

(Rs. in Lacs)

|  | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|--|--------------------------------|--------------------------------|
| <b>A. Cash Flow from Operating Activities</b>  |                                |                                |
| <b>Profit Before Tax</b>   | <b>18,213</b>                  | <b>14,836</b>                  |
| Adjustments for:   |                                |                                |
| Depreciation / Amortisation and Impairment Expense   | 5,328                          | 5,157                          |
| Bad Debts and Advances written off (net)   | 13,385                         | 50,979                         |
| Provision for Bad Debts and Advances   | (5,893)                        | 3,448                          |
| Contingent Provisions against Standard Assets  | 1,095                          | 376                            |
| Loss / (Profit) on Sale of Fixed Assets  | (34)                           | (11)                           |
| Loss / (Profit) on Sale of Long-term Trade Investments (net)   | (1,328)                        | (31,835)                       |
| Loss / (Profit) on Sale of Current Investments (net)   | (33)                           | (11)                           |
| Loss / (Profit) on Sale of Stock for Trade (net)   | (331)                          | (48)                           |
| Income from Investments  | (5)                            | (419)                          |
| Interest Income from Investments   | (2,248)                        | -                              |
| Liabilities No Longer Required written back  | (43)                           | (3)                            |
| Dividend Income  | (92)                           | -                              |
| Provision for Diminution in value of Stock for Trade and Investment                                      | 908                            | (47)                           |
| <b>Operating Profit before Working Capital Changes</b>   | <b>28,922</b>                  | <b>42,422</b>                  |
| <b>Changes in Working Capital</b>  |                                |                                |
| Adjustments for:   |                                |                                |
| (Increase) / Decrease in Receivables / Others  | 16,103                         | (38,114)                       |
| (Increase) / Decrease in Loan Assets   | (1,37,781)                     | 53,028                         |
| (Increase) / Decrease in Current Investments / Stock for Trade   | (1,321)                        | (9,830)                        |
| (Increase) / Decrease in Fixed Deposit (Deposit with original maturity period of more than three months) | (5,728)                        | 14,561                         |
| (Decrease) / Increase in Trade Payables / Others   | (2,117)                        | 1,124                          |
| <b>Cash Generated from Operations</b>  | <b>(1,01,922)</b>              | <b>63,191</b>                  |
| Direct Taxes Paid  | (4,231)                        | (5,896)                        |
| <b>Net Cash (Used in) / Generated from Operating Activities</b>  | <b>(1,06,153)</b>              | <b>57,295</b>                  |
| <b>B. Cash Flow from Investing Activities</b>  |                                |                                |
| Purchase of Fixed Assets   | (2,418)                        | (2,414)                        |
| Proceeds from Sale of Fixed Assets   | 50                             | 157                            |
| (Increase) / Decrease in Investments (Other than Subsidiaries)   | 36,240                         | 1,05,168                       |
| (Increase) / Decrease of Investments in Subsidiaries   | 42                             | (200)                          |
| Income Received from Investments   | 5                              | 419                            |
| Dividend Received  | 92                             | -                              |
| <b>Net Cash (Used in) / Generated from Investing Activities</b>  | <b>34,011</b>                  | <b>1,03,130</b>                |
| <b>C. Cash Flow from Financing Activities</b>  |                                |                                |
| Increase / (Decrease) in Debentures (net)  | (16,841)                       | 10,156                         |
| Increase / (Decrease) in Working Capital facilities (net)  | 90,279                         | (1,15,846)                     |
| Increase / (Decrease) in Other Loans (net)   | 5,173                          | (35,820)                       |
| Dividend Paid  | (2,515)                        | (2,517)                        |
| Corporate Dividend Tax Paid  | (512)                          | (512)                          |
| <b>Net Cash (Used in) / Generated from Financing Activities</b>  | <b>75,584</b>                  | <b>(1,44,539)</b>              |
| <b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>  | <b>3,442</b>                   | <b>15,886</b>                  |
| <b>Cash &amp; Cash Equivalents at the beginning of the year</b>  | <b>27,747</b>                  | <b>11,861</b>                  |
| <b>Cash &amp; Cash Equivalents at the end of the year (refer Note No.18)</b>                             | <b>31,189</b>                  | <b>27,747</b>                  |

**Explanations:**

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 'Cash Flow Statements'.
- Previous year figures have been rearranged / regrouped wherever necessary to conform to the current year's classification. This is the Cash Flow Statement referred to in our report of even date.

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

**Mahesh Agarwal**  
Partner  
Membership No. 067806

Place : Kolkata  
Date : 28th April, 2018

For and on behalf of the Board of Directors

**Hemant Kanoria**  
Chairman & Managing Director

**Shyamalendu Chatterjee**  
Director

**Sameer Sawhney**  
Chief Executive Officer

**Sandeep Lakhotia**  
Company Secretary

**Vishnu G Agarwal**  
Financial Controller

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS**

### **1(a) Corporate Information**

Srei Infrastructure Finance Limited (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is also a Public Financial Institution (PFI) notified under section 4A of the Companies Act, 1956. The Company received a Certificate of Registration from the Reserve Bank of India ('RBI') on 1st August, 1998 to commence / carry on the business of Non-Banking Financial Institution ('NBFI') and was subsequently classified as Infrastructure Finance Company vide Certificate of Registration dated 11<sup>th</sup> May, 2010.

### **1(b) Significant Accounting Policies**

#### **1.1 Basis of Preparation**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India, under the historical cost convention, on accrual basis. As per Rule 7 of The Companies (Accounts) Rules, 2014, the standards of accounting as specified under the Companies Act, 1956 shall be deemed to be the accounting standards until accounting standards are specified by the Central Government under Section 133 of the Companies Act, 2013. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211 (3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006], the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to an 'Infrastructure Finance Company - Non Deposit Taking' Non-Banking Finance Company ('NBFC'). The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.

#### **Operating Cycle**

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III of the Companies Act, 2013.

For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating cycle for the Company is assumed to have a duration of 12 months.

#### **1.2 Use of estimates**

The preparation of financial statements requires the management to make estimates and assumptions which are considered to arrive at the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and the estimates are recognized in the periods in which the results are known / materialized. Any revision to the accounting estimates is recognized prospectively in the current and future accounting years.

#### **1.3 Fixed Assets, Depreciation / Amortisation and Impairment**

##### **i) Fixed Assets**

Tangible fixed assets are carried at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, which take substantial period of time to get ready for their intended use, are also capitalised to the extent they relate to the period till such assets are ready to put to use.

Intangible Assets comprising of computer software and licenses expected to provide future enduring economic benefits are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises of purchase price and directly attributable expenditure on making the asset ready for its intended use. Any technology support cost or annual maintenance cost for such software is charged to the Statement of Profit and Loss.

## SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### ii) Depreciation / Amortisation

Depreciation on tangible assets other than Leasehold Improvements, is provided over the estimated useful life of assets, in accordance with Schedule II to the Companies Act, 2013. The residual value of assets is considered as Nil.

The Company has adopted the useful life as specified in Schedule II to the Companies Act, 2013, except for aircraft for which the useful life has been estimated based on Independent technical advice.

The assets for which useful life are adopted as specified in Schedule II to the Companies Act, 2013 are as follows:

|           | Asset Description (as per Note No. 12) | Estimated useful Life as per Schedule II |
|-----------|--|--|
| <b>I</b>  | <b>Assets for Own Use</b>              |  |
| i)        | Buildings                              | 60 years                                 |
| ii)       | Furniture and Fixtures                 | 10 years                                 |
| iii)      | Motor Vehicles                         | 8 years                                  |
| iv)       | Computers                              | 3, 6 years                               |
| v)        | Office Equipment                       | 5 years                                  |
| vi)       | Plant & Machinery                      | 15 years                                 |
| <b>II</b> | <b>Assets given on Operating Lease</b> |  |
| i)        | Plant & Machinery                      | 15, 22, 30 years                         |

The useful life of Aircraft which is different from the useful life as specified by Schedule II is as given below:

|          | Asset Description (as per Note No. 12) | Estimated useful Life duly supported by technical advice | Estimated useful Life as per Schedule II |
|----------|--|--|--|
| <b>I</b> | <b>Assets given on Operating Lease</b> |  |  |
| i)       | Aircraft                               | 18 years   | 20 years                                 |

Depreciation / Amortisation on assets purchased / sold during the reporting year is recognised on pro-rata basis.

Lease-hold assets including improvements are amortised over the period of the lease or the estimated useful life of the asset, whichever is lower.

Amortisation of intangible assets is provided on straight line basis which reflect the managements estimate of useful life of such assets:

|          | Asset Description (as per Note No. 12) | Useful Life as followed by the management |
|----------|--|---|
| <b>I</b> | <b>Assets for Own Use</b>              |   |
| i)       | Intangible Assets                      | 2 - 6 years                               |

### iii) Impairment

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment, based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

### 1.4 Capital Work in Progress

Capital work in progress is stated at cost and includes development and other expenses, including interest during construction period.

## **SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

### **1.5 Borrowing Costs**

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Borrowing costs consist of interest and other ancillary cost that an entity incurs in connection with borrowing of funds and includes exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the borrowing cost. The ancillary costs incurred in connection with the arrangement of borrowings are amortised over the life of underlying borrowings. Premium payable on redemption of bonds is amortised over the tenure of the bonds. These form part of the borrowing costs.

All other costs related to borrowings are recognised as expense in the period in which they are incurred.

### **1.6 Operating Leases**

#### **Where the Company is lessee**

Leases under which all the risks and benefit of ownership are effectively retained by the lessor are classified as operating leases. Amount due under the operating leases are charged to the Statement of Profit and Loss, on a straight-line method over the lease term in accordance with Accounting Standard 19 on 'Leases'.

#### **Where the Company is lessor**

Leases under which the Company does not transfer substantially all the risks and benefit of ownership of the asset to the Lessee are classified as operating leases. Assets given on operating leases are included in fixed assets. Initial direct costs incurred before the asset is ready to be put to use, are included in the cost of the asset and those incurred afterwards, are recognised in the Statement of Profit and Loss as they are incurred. Lease income in respect of operating leases is recognized in the Statement of Profit and Loss on a straight-line method over the lease term in accordance with Accounting Standard 19 on 'Leases'. Maintenance cost including depreciation is recognised as an expense in the Statement of Profit and Loss.

### **1.7 Investments**

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 on 'Accounting for Investments'. Current investments also include current maturities of long-term investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and market price determined category-wise. All non-current investments, including investments in Subsidiaries, are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognise a decline, on an individual basis. The cost of Investments acquired on amalgamations is determined as per the terms of the scheme of amalgamation.

Cost is arrived at on weighted average method for the purpose of valuation of investment.

### **1.8 Stock for Trade**

Stock for Trade is carried at lower of cost and market price, determined category-wise.

### **1.9 Loan Assets**

Loan Assets include loans advanced by the Company, secured by collateral offered by the customers, if applicable.

Loan assets are carried at net investment amount including installments fallen due, amounts received, assets not paid for, etc. and include assets acquired in satisfaction of debt.

### **1.10 Provisioning / Write-off of assets**

The Company makes provision for Standard, Restructured and Non-Performing Assets as per 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 Company also makes additional provision, to the extent considered necessary, based on the management's best estimate. Provision for other receivables is also made on a similar basis.

Loans & Advances which, as per the management are not likely to be recovered, are considered as bad debts and written off.

## SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### 1.11 Foreign Currency Transactions and Translations

The reporting currency of the Company is the Indian Rupee (Rs.).

#### i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the prevailing exchange rate between the reporting currency and the foreign currency, as on the date of the transaction.

#### ii) Conversion

Year end foreign currency monetary items are reported using the year end rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates prevailing at the date when the values were determined.

#### iii) Exchange Differences

Exchange differences arising on the settlement or reporting of monetary items, at rates different from those at which they were initially recorded during the year or reported in previous financial statements and / or on conversion of monetary items, are recognised as income or expense in the year in which they arise. Exchange differences arising out of foreign currency borrowings are considered as an adjustment to interest cost and recognised in accordance to para 1.5 above.

#### iv) Forward Exchange Contracts (not intended for trading or speculation purpose)

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense in the year in which it is cancelled or renewed.

### 1.12 Derivatives and Hedges

The Company, in order to hedge itself against the adverse impact of fluctuations in foreign currency rates / variable interest benchmark on underlying liability, enters into derivative contracts. The Company does not enter into derivative contracts for speculation or trading purposes. Derivative contracts which are covered under AS 11, are accounted for as per the aforesaid policy on Foreign Currency Transactions and Translations.

In accordance with the Guidance Note on Accounting for Derivatives Contracts ('Guidance Note') issued by the Institute of Chartered Accountants of India, the Company has classified derivative contracts (not covered under AS 11) as hedging instruments and adopted cash flow hedge accounting model for such contracts.

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 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.

## SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### 1.13 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company, it can be reliably measured and it is reasonable to expect ultimate collection.

- a) Income from Loans and Leases is recognised on accrual basis, except in the case of non-performing assets where it is recognised, upon realisation, as per the Prudential Norms / Directions of RBI, applicable to NBFCs.
- b) Interest income from loan assets is recognised based on the internal rate of return, to provide a constant periodic rate of return on the net investment outstanding over the period of the contract, or as per the terms of the contract.
- c) Income from operating lease is recognised on straight line basis over the lease term or other systematic basis which is more representative of the time pattern of the users benefit.
- d) Fees on processing of loans are recognised when a binding obligation for granting loan has been entered into.
- e) Income from Funds is recognised as and when it is distributed by the Fund.
- f) Delayed-payment interest / incremental interest pursuant to upward revision in benchmark interest rate is accrued, only to the extent of probable recovery, as per the best estimate of the management.
- g) Gains arising on securitisation / assignment of assets, if any, are recognised over the tenure of agreements as per guideline on securitisation of standard assets issued by RBI, while loss, if any is recognised upfront. These are considered as income from loans.
- h) Fees for advisory services is accounted based on the stage of completion of assignments, when there is reasonable certainty of its ultimate realisation / collection. Other fee based income is accounted for on accrual basis.
- i) Income from Dividend of shares of corporate bodies is accounted when the Company's right to receive the dividend is established.
- j) Interest income on fixed deposits / margin money is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- k) Profit or Loss on sale of non-current and current investments are recognised when a binding obligation has been entered into.
- l) All other income is accounted for on accrual basis.

### 1.14 Retirement and Other Employee Benefits

- a) Retirement and employee benefits in the form of Provident Fund and Employee State Insurance are defined contribution plans and the Company's contributions, paid or payable during the reporting period, are charged to the Statement of Profit and Loss.
- b) Gratuity liability is a defined benefit plan and is provided for on the basis of actuarial valuation on projected unit credit method at the Balance Sheet date.
- c) Long-Term compensated absences are provided for based on actuarial valuation as per projected unit credit method at the Balance Sheet date.
- d) Actuarial gains / losses are charged to the Statement of Profit and Loss and are not deferred.

### 1.15 Taxes on Income

Tax expense comprises of current tax [(net of Minimum Alternate Tax (MAT) credit entitlement)] and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.



## **SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

Deferred tax reflects the impact of timing differences between taxable income and accounting income for the current reporting year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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 in accordance with the recommendations contained in guidance note issued by The Institute of Chartered Accountants of India, 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.

### **1.16 Segment Reporting**

Based on the risks and returns associated with business operations and in terms of Accounting Standard-17 (Segment Reporting), the Company is predominantly engaged in a single reportable segment of 'Financial Services'.

### **1.17 Provision, Contingent Liabilities and Contingent Assets**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

### **1.18 Earnings Per Share (EPS)**

Basic EPS is 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.

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **1.19 Assets under Management**

Contracts securitised, assigned or co-branded are derecognised from the books of accounts. Contingent liabilities thereof, if any, are disclosed separately in the notes to financial statements.

### **1.20 Prior Period and Extra Ordinary Items**

Prior Period and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed separately.

## NOTES TO FINANCIAL STATEMENTS

### 2. SHARE CAPITAL

| Particulars                                      | As at 31st March, 2018 |                 | As at 31st March, 2017 |                 |
|--|------------------------|-----------------|------------------------|-----------------|
|  | No. of Shares          | Rs. in Lacs     | No. of Shares          | Rs. in Lacs     |
| <b>Authorised</b>                                |                        |                 |                        |                 |
| Equity Shares, Rs. 10/- par value per share      | 1000000000             | 1,00,000        | 1000000000             | 1,00,000        |
| Preference Shares, Rs. 100/- par value per share | 50000000               | 50,000          | 50000000               | 50,000          |
|  |                        | <b>1,50,000</b> |                        | <b>1,50,000</b> |
| <b>Issued and subscribed</b>                     |                        |                 |                        |                 |
| Equity Shares, Rs. 10/- par value per share      | 503559160              | 50,356          | 503559160              | 50,356          |
| <b>Fully Paid-up</b>                             |                        |                 |                        |                 |
| Equity Shares, Rs. 10/- par value per share      | 503086333              | 50,309          | 503086333              | 50,309          |
| <b>Forfeited Shares</b>                          | 472827                 | 15              | 472827                 | 15              |
|  |                        | <b>50,324</b>   |                        | <b>50,324</b>   |

#### 2.1 Reconciliation of the Number of Equity Shares outstanding

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

| Equity Shares                | As at 31st March, 2018 |             | As at 31st March, 2017 |             |
|------------------------------|------------------------|-------------|------------------------|-------------|
|                              | No. of Shares          | Rs. in Lacs | No. of Shares          | Rs. in Lacs |
| At the beginning of the year | 503086333              | 50,309      | 503086333              | 50,309      |
| Add: Issued during the year  | -                      | -           | -                      | -           |
| At the end of the year       | 503086333              | 50,309      | 503086333              | 50,309      |

#### 2.2 Rights, preferences and restrictions in respect of each class of shares

The Company's authorised capital consists of two classes of shares, referred to as Equity Shares and Preference Shares having par value of Rs. 10/- and Rs. 100/- each respectively. Each holder of equity shares is entitled to one vote per share. Preference Shareholder has a preferential right over equity share holders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Company during the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017.

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.

#### 2.3 Shares allotted as fully paid-up without payment being received in cash / by way of bonus shares (during 5 years preceding 31<sup>st</sup> March, 2018)

The Company has not issued any shares without payment being received in cash / by way of bonus shares since 2012-13.

#### 2.4 Details of Shareholders holding more than 5% of the equity shares each, are set out below:

| Name of the shareholders  | As at 31st March, 2018 |                   | As at 31st March, 2017 |                   |
|---|------------------------|-------------------|------------------------|-------------------|
|   | No. of Shares          | % of Shareholding | No. of Shares          | % of Shareholding |
| Adisri Commercial Private Limited (Holding Company)             | 303675845              | 60.36             | 303675845              | 60.36             |
| Fidelity Investment Trust Fidelity Series Emerging Markets Fund | 34355610               | 6.83              | 41882982               | 8.33              |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 3. RESERVES AND SURPLUS

(Rs. in Lacs)

| Particulars   | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|---|---------------------------|---------------------------|
| <b>Capital Reserve</b>  |                           |                           |
| Opening balance   | 1,945                     | 1,945                     |
| Closing balance   | <b>1,945</b>              | <b>1,945</b>              |
| <b>Securities Premium Reserve</b>   |                           |                           |
| Opening balance   | 19,754                    | 19,754                    |
| Closing balance   | <b>19,754</b>             | <b>19,754</b>             |
| <b>Bond / Debenture Redemption Reserve (refer Note No. 3.1)</b>   |                           |                           |
| Opening balance   | 17,339                    | 16,242                    |
| Add: Transfer from Surplus in the Statement of Profit and Loss  | 9,537                     | 1,097                     |
| Less: Transfer to Surplus in the Statement of Profit and Loss, on repayment of Bond/<br>Debenture       | 4,768                     | -                         |
| Closing balance   | <b>22,108</b>             | <b>17,339</b>             |
| <b>Special Reserve (Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934)</b>       |                           |                           |
| Opening balance   | 22,562                    | 20,639                    |
| Add: Transfer from Surplus in the Statement of Profit and Loss  | 2,470                     | 1,923                     |
| Closing balance   | <b>25,032</b>             | <b>22,562</b>             |
| <b>Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)</b> |                           |                           |
| Opening balance   | 13,084                    | 886                       |
| Add: Transfer from Surplus in the Statement of Profit and Loss  | 1,522                     | 12,198                    |
| Closing balance   | <b>14,606</b>             | <b>13,084</b>             |
| <b>General Reserve</b>  |                           |                           |
| Opening balance   | 1,39,604                  | 1,39,604                  |
| Closing balance   | <b>1,39,604</b>           | <b>1,39,604</b>           |
| <b>Cash Flow Hedge Reserve</b>  |                           |                           |
| Opening balance   | 1,207                     | -                         |
| Add: Addition during the year   | -                         | (190)                     |
| Less: Recycled to Statement of Profit and Loss  | (383)                     | (1,397)                   |
| Closing balance   | <b>1,590</b>              | <b>1,207</b>              |
| <b>Surplus in the Statement of Profit and Loss</b>  |                           |                           |
| Opening balance   | 20,679                    | 27,120                    |
| Add: Net profit for the year  | 12,347                    | 9,607                     |
| Amount available for appropriation  | <b>33,026</b>             | <b>36,727</b>             |
| <b>Appropriations:</b>  |                           |                           |
| Equity dividend (Rs. 0.50) per Equity Share   | 2,515                     | -                         |
| Corporate dividend tax  | 512                       | -                         |
| Adjustment of IRS & CCIRS MTM as on 31 <sup>st</sup> March, 2016 with Opening Reserves                  | -                         | 830                       |
| Transferred to Bond / Debenture Redemption Reserve (net)  | 4,769                     | 1,097                     |
| Transferred to Special Reserve  | 2,470                     | 1,923                     |
| Transferred to Income Tax Special Reserve   | 1,522                     | 12,198                    |
| Closing balance   | <b>21,238</b>             | <b>20,679</b>             |
| <b>Total Reserves and Surplus</b>   | <b>2,45,877</b>           | <b>2,36,174</b>           |

The Board has recommended a dividend of Rs. 0.50 per share on Equity Shares of the Company, subject to approval of the Members at the forthcoming Annual General Meeting.

#### 3.1 Bond / Debenture Redemption Reserve

As per terms of Issue, Company creates Bond / Debenture Redemption Reserve ("DRR") towards redemption of Long-Term Infrastructure Bonds and Secured and Unsecured Non-Convertible Debentures issued through Public Issue, as statutorily required.

During FY 2017-18, Company has created DRR (net) to the extent of Rs. 4,769 Lacs (Previous year Rs. 1,097 Lacs) towards redemption of Long-Term Infrastructure Bonds and Secured and Unsecured Non-Convertible Debentures issued through Public Issue, as statutorily required.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 4. LONG-TERM BORROWINGS

(Rs. in Lacs)

| Particulars  | As at 31st March, 2018 |                    |                 | As at 31st March, 2017 |                    |                 |                 |
|--|------------------------|--------------------|-----------------|------------------------|--------------------|-----------------|-----------------|
|  | Non-Current Maturities | Current Maturities | Total           | Non-Current Maturities | Current Maturities | Total           |                 |
| <b>A. Secured</b>  |                        |                    |                 |                        |                    |                 |                 |
| <b>Bonds / Debentures</b>  |                        |                    |                 |                        |                    |                 |                 |
| Long-Term Infrastructure Bonds (refer Note No. 4.1)                    | 2,022                  | -                  | 2,022           | 2,040                  | -                  | 2,040           |                 |
| Non-Convertible Debentures (refer Note No. 4.2)                        | 1,49,550               | 41,797             | 1,91,347        | 1,59,142               | 43,327             | 2,02,469        |                 |
| <b>Term Loans (refer Note No. 4.3)</b>                                 |                        |                    |                 |                        |                    |                 |                 |
| From Banks   |                        |                    |                 |                        |                    |                 |                 |
| - Rupee Loans  | 1,13,321               | 66,793             | 1,80,114        | 1,44,619               | 72,691             | 2,17,310        |                 |
| - Foreign Currency Loans   | 14,437                 | 4,035              | 18,472          | 16,122                 | 14,716             | 30,838          |                 |
| From Financial Institutions  |                        |                    |                 |                        |                    |                 |                 |
| - Rupee Loans  | 21,375                 | 1,125              | 22,500          | -                      | -                  | -               |                 |
| - Foreign Currency Loans   | -                      | 4,345              | 4,345           | 4,323                  | 10,639             | 14,962          |                 |
|  | <b>(A)</b>             | <b>3,00,705</b>    | <b>1,18,095</b> | <b>4,18,800</b>        | <b>3,26,246</b>    | <b>1,41,373</b> | <b>4,67,619</b> |
| <b>B. Unsecured</b>  |                        |                    |                 |                        |                    |                 |                 |
| <b>Bonds / Debentures</b>  |                        |                    |                 |                        |                    |                 |                 |
| Subordinated bonds / debentures (Tier II Capital) (refer Note No. 4.4) | 95,343                 | 7,570              | 1,02,913        | 1,00,211               | 8,403              | 1,08,614        |                 |
| <b>Term Loans (refer Note No. 4.3)</b>                                 |                        |                    |                 |                        |                    |                 |                 |
| From Banks   |                        |                    |                 |                        |                    |                 |                 |
| - Rupee Loans  |                        |                    |                 |                        |                    |                 |                 |
| Subordinated loans from banks (Tier II Capital)                        | 10,000                 | -                  | 10,000          | 10,000                 | -                  | 10,000          |                 |
| - Foreign Currency Loans   |                        |                    |                 |                        |                    |                 |                 |
| Other term loans from banks  | 19,551                 | -                  | 19,551          | 19,454                 | -                  | 19,454          |                 |
| From Financial Institutions  |                        |                    |                 |                        |                    |                 |                 |
| - Foreign Currency Loans   |                        |                    |                 |                        |                    |                 |                 |
| Other term loans from financial institution                            | 8,992                  | 1,058              | 10,050          | 8,653                  | 455                | 9,108           |                 |
|  | <b>(B)</b>             | <b>1,33,886</b>    | <b>8,628</b>    | <b>1,42,514</b>        | <b>8,858</b>       | <b>1,47,176</b> |                 |
| <b>Total (A+B)</b>   | <b>4,34,591</b>        | <b>1,26,723</b>    | <b>5,61,314</b> | <b>4,64,564</b>        | <b>1,50,231</b>    | <b>6,14,795</b> |                 |

#### 4.1 Long-Term Infrastructure Bonds – Secured, Redeemable, Non-convertible Debentures

During the financial year 2011-12, the Company had raised fund through Public issue of Long-Term Infrastructure Bonds in the nature of Secured, Redeemable Non-Convertible Debentures, eligible for deduction under section 80 CCF of the Income-Tax Act, 1961. Fund raised has been utilised for the purposes of infrastructure lending as per terms in the year of the issue.

Maturity profile and rate of interest of these Bonds are as set out below:

(Rs. in Lacs)

| Rate of Interest | Maturity Profile as at 31st March, 2018 |              |              | Maturity Profile as at 31st March, 2017 |              |              |
|------------------|---|--------------|--------------|---|--------------|--------------|
|                  | 2026-27                                 | 2021-22      | Total        | 2026-27                                 | 2021-22      | Total        |
| 8.90%            | -                                       | 1,055        | 1,055        | -                                       | 1,067        | 1,067        |
| 9.15%            | 967                                     | -            | 967          | 973                                     | -            | 973          |
| <b>Total</b>     | <b>967</b>                              | <b>1,055</b> | <b>2,022</b> | <b>973</b>                              | <b>1,067</b> | <b>2,040</b> |

Bonds with interest rate of 8.90% have an overall tenure of 10 years and those with 9.15%, 15 years. Buyback option was available for all bonds at the end of 5 years i.e. on 22.03.2017 which had lapsed in the previous year. Bonds are secured by exclusive charge on specific receivables of the Company & pari-passu mortgage / charge on immovable property.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 4.2 Non-Convertible Debentures

As at 31st March, 2018

(Rs. in Lacs)

| Rate of Interest          | Maturity Profile* |         |         |         |         |         |         | Total  |
|---------------------------|-------------------|---------|---------|---------|---------|---------|---------|--------|
|                           | 2024-25           | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 |        |
| 8.43 <sup>11</sup>        | -                 | -       | -       | -       | 2,235   | -       | -       | 2,235  |
| 8.50 <sup>1</sup>         | -                 | -       | -       | -       | -       | 1,009   | 660     | 1,669  |
| 8.54 <sup>4</sup>         | -                 | -       | -       | -       | -       | 2,857   | 895     | 3,752  |
| 8.65 <sup>11</sup>        | -                 | -       | 3,686   | -       | -       | -       | -       | 3,686  |
| 8.75 <sup>11</sup>        | -                 | -       | -       | -       | 5,966   | -       | -       | 5,966  |
| 8.77 <sup>4&amp;11</sup>  | -                 | -       | -       | -       | 3,080   | -       | -       | 3,080  |
| 8.88 <sup>11</sup>        | -                 | -       | -       | -       | -       | 1,916   | -       | 1,916  |
| 9.00 <sup>11</sup>        | -                 | -       | 9,015   | -       | -       | -       | -       | 9,015  |
| 9.01 <sup>4&amp;11</sup>  | -                 | -       | 3,128   | -       | -       | -       | -       | 3,128  |
| 9.12 <sup>11</sup>        | -                 | -       | -       | 4,032   | -       | -       | -       | 4,032  |
| 9.25 <sup>11</sup>        | -                 | -       | -       | -       | -       | 10,682  | -       | 10,682 |
| 9.25 <sup>4&amp;11</sup>  | -                 | -       | -       | -       | -       | 1,818   | -       | 1,818  |
| 9.35 <sup>1</sup>         | -                 | -       | -       | -       | -       | 1,497   | -       | 1,497  |
| 9.50 <sup>11</sup>        | -                 | -       | -       | 11,435  | -       | -       | -       | 11,435 |
| 9.50 <sup>4&amp;11</sup>  | -                 | -       | -       | 2,079   | -       | -       | -       | 2,079  |
| 9.60 <sup>1</sup>         | -                 | -       | -       | 4,469   | -       | -       | -       | 4,469  |
| 9.75 <sup>1</sup>         | -                 | -       | -       | -       | -       | 6,165   | -       | 6,165  |
| 9.75 <sup>4</sup>         | -                 | -       | -       | -       | -       | 1,288   | -       | 1,288  |
| 9.84 <sup>3</sup>         | -                 | -       | -       | -       | -       | 46      | -       | 46     |
| 9.92 <sup>3</sup>         | -                 | -       | -       | -       | -       | 10      | -       | 10     |
| 10.00 <sup>1</sup>        | -                 | -       | -       | 8,648   | -       | -       | 6       | 8,654  |
| 10.00 <sup>9</sup>        | -                 | -       | -       | -       | -       | -       | 1,863   | 1,863  |
| 10.00 <sup>4</sup>        | -                 | -       | -       | 2,468   | -       | -       | -       | 2,468  |
| 10.05 <sup>1</sup>        | 1,900             | -       | -       | -       | -       | -       | -       | 1,900  |
| 10.25 <sup>1</sup>        | -                 | -       | -       | -       | -       | 6,300   | -       | 6,300  |
| 10.25 <sup>9</sup>        | -                 | -       | -       | -       | 2,905   | -       | -       | 2,905  |
| 10.25 <sup>4</sup>        | -                 | -       | -       | -       | -       | 150     | -       | 150    |
| 10.30 <sup>3</sup>        | -                 | -       | -       | -       | -       | 1,121   | -       | 1,121  |
| 10.41 <sup>5</sup>        | -                 | -       | -       | -       | -       | 52      | -       | 52     |
| 10.50 <sup>1</sup>        | -                 | -       | -       | -       | -       | -       | 472     | 472    |
| 10.50 <sup>9</sup>        | -                 | -       | -       | -       | -       | -       | 3,794   | 3,794  |
| 10.72 <sup>1</sup>        | -                 | -       | -       | -       | -       | 1       | -       | 1      |
| 10.75 <sup>1</sup>        | -                 | -       | -       | -       | 177     | -       | -       | 177    |
| 10.75 <sup>9</sup>        | -                 | -       | -       | -       | 4,679   | -       | -       | 4,679  |
| 10.77 <sup>4&amp;10</sup> | -                 | -       | -       | -       | -       | -       | 1,385   | 1,385  |
| 10.85 <sup>1</sup>        | -                 | -       | -       | -       | -       | -       | 332     | 332    |
| 10.94 <sup>1</sup>        | -                 | -       | -       | -       | -       | -       | 30      | 30     |
| 10.95 <sup>1</sup>        | -                 | -       | -       | -       | -       | 56      | -       | 56     |
| 11.00 <sup>1</sup>        | -                 | -       | -       | -       | -       | -       | 21,426  | 21,426 |
| 11.00 <sup>4</sup>        | -                 | -       | -       | -       | -       | -       | 155     | 155    |
| 11.00 <sup>4&amp;10</sup> | -                 | -       | -       | -       | 1,073   | -       | -       | 1,073  |
| 11.10 <sup>1</sup>        | -                 | 450     | -       | -       | -       | -       | -       | 450    |
| 11.16 <sup>1</sup>        | -                 | -       | -       | -       | -       | -       | 1,497   | 1,497  |
| 11.16 <sup>7</sup>        | -                 | -       | -       | -       | -       | -       | 1,732   | 1,732  |
| 11.17 <sup>8</sup>        | -                 | -       | -       | -       | -       | 2,862   | -       | 2,862  |
| 11.24 <sup>4</sup>        | -                 | -       | -       | -       | -       | 809     | -       | 809    |
| 11.25 <sup>1</sup>        | -                 | -       | -       | -       | -       | 4,211   | -       | 4,211  |
| 11.35 <sup>1</sup>        | -                 | -       | 2,000   | -       | -       | 1,500   | -       | 3,500  |
| 11.40 <sup>1</sup>        | 1,000             | -       | 130     | -       | -       | -       | -       | 1,130  |
| 11.40 <sup>2</sup>        | -                 | -       | 70      | -       | -       | -       | -       | 70     |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

As at 31st March, 2018

(Rs. in Lacs)

| Rate of Interest         | Maturity Profile* |            |               |               |               |               |               | Total           |
|--------------------------|-------------------|------------|---------------|---------------|---------------|---------------|---------------|-----------------|
|                          | 2024-25           | 2023-24    | 2022-23       | 2021-22       | 2020-21       | 2019-20       | 2018-19       |                 |
| 11.40 <sup>7</sup>       | -                 | -          | -             | -             | -             | 757           | -             | 757             |
| 11.45 <sup>1</sup>       | -                 | -          | -             | -             | -             | 200           | -             | 200             |
| 11.50 <sup>1</sup>       | -                 | -          | 110           | -             | -             | 4,015         | 4,633         | 8,758           |
| 11.55 <sup>1</sup>       | -                 | -          | -             | -             | -             | 140           | -             | 140             |
| 11.72 <sup>4</sup>       | -                 | -          | -             | -             | -             | 881           | -             | 881             |
| 11.75 <sup>1</sup>       | -                 | -          | -             | -             | -             | -             | 1,515         | 1,515           |
| 11.75 <sup>8</sup>       | -                 | -          | -             | -             | -             | 13,149        | -             | 13,149          |
| 11.75 <sup>4&amp;8</sup> | -                 | -          | -             | -             | -             | 1,165         | -             | 1,165           |
| 11.75 <sup>7</sup>       | -                 | -          | -             | -             | -             | -             | 1,115         | 1,115           |
| 11.90 <sup>1</sup>       | -                 | -          | -             | 4,000         | -             | -             | -             | 4,000           |
| 12.00 <sup>4&amp;7</sup> | -                 | -          | -             | -             | -             | 532           | -             | 532             |
| 12.00 <sup>7</sup>       | -                 | -          | -             | -             | -             | 5,626         | -             | 5,626           |
| 12.50 <sup>6</sup>       | -                 | -          | -             | -             | -             | -             | 287           | 287             |
| <b>Total</b>             | <b>2,900</b>      | <b>450</b> | <b>18,139</b> | <b>37,131</b> | <b>20,115</b> | <b>70,815</b> | <b>41,797</b> | <b>1,91,347</b> |

\* Includes current maturities

- <sup>1</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property.
- <sup>2</sup> Secured against Mortgage of immovable property.
- <sup>3</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. NCD's have an overall tenure of 7 years and having put / call option at the end of 5 years i.e. on 05-11-2017
- <sup>4</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest.
- <sup>5</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest. NCD's have an overall tenure of 7 years and having put / call option at the end of 5 years i.e. on 05-11-2017.
- <sup>6</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. As interest rate during the tenor of bond is different i.e. Year 1:12.50% Year 2:12% Year 3:11.50% Year 4:11.25% Year 5:11.25%, interest rate for 1st year considered for disclosure.
- <sup>7</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. In case investor fall under individual category and who are holder of NCD(s) / Bond(s) previously issued by the Company in past public issues and / or are equity shareholder(s) of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s) / Bond(s) are held by investors on the relevant record date of interest payment.
- <sup>8</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. In case investor fall under individual category and who are holder of NCD(s) / Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company and / or senior citizens on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s) / Bond(s) are held by the investors on the relevant record date of interest payment.
- <sup>9</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. In case investor fall under individual category shall be eligible for additional coupon rate of 0.25% p.a. Further, investor who are individual and who are holder of NCD(s) / Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company and / or senior citizens and/or employees of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s) / Bond(s) are held by the investors on the relevant record date of interest payment.
- <sup>10</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. Investor who are individual and who are holder of NCD(s) / Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

Company and/ or senior citizens and / or employees of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s) / Bond(s) are held by the investors on the relevant record date of interest payment.

<sup>11</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. Investor who are individual and who are holder of NCD(s) / Bond(s) previously issued by the Company and Srei Equipment Finance Limited, in past public issues and/ or are equity shareholder(s) of the Company and / or are Senior Citizens and/or are Employees of Srei Group (the Company and all its subsidiaries, sub-subsidiaries, associates and group companies), on date of allotment, shall be eligible for additional coupon of 0.25% p.a. provided the proposed NCDs are held by the Investors on the relevant record date of interest payment.

Funds raised Rs. 30,976 Lacs through public issue of Secured, Redeemable Non-Convertible Debentures have been utilised for the purposes as per the terms of the issue.

All the above debentures are redeemable at par.

As at 31st March, 2017

(Rs. in Lacs)

| Rate of Interest            | Maturity Profile* |         |         |         |         |         |         |         | Total  |
|-----------------------------|-------------------|---------|---------|---------|---------|---------|---------|---------|--------|
|                             | 2024-25           | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |        |
| 8.50 <sup>1</sup>           | -                 | -       | -       | -       | -       | -       | 660     | -       | 660    |
| 8.54 <sup>4</sup>           | -                 | -       | -       | -       | -       | -       | 895     | -       | 895    |
| 8.88 <sup>13</sup>          | -                 | -       | -       | -       | -       | 1,916   | -       | -       | 1,916  |
| 9.08 <sup>4</sup>           | -                 | -       | -       | -       | -       | -       | -       | 4,802   | 4,802  |
| 9.12 <sup>13</sup>          | -                 | -       | -       | 4,032   | -       | -       | -       | -       | 4,032  |
| 9.25 <sup>13</sup>          | -                 | -       | -       | -       | -       | 10,682  | -       | -       | 10,682 |
| 9.25 <sup>4 &amp; 13</sup>  | -                 | -       | -       | -       | -       | 1,818   | -       | -       | 1,818  |
| 9.35 <sup>1</sup>           | -                 | -       | -       | -       | -       | 1,497   | -       | -       | 1,497  |
| 9.50 <sup>13</sup>          | -                 | -       | -       | 11,435  | -       | -       | -       | -       | 11,435 |
| 9.50 <sup>4 &amp; 13</sup>  | -                 | -       | -       | 2,079   | -       | -       | -       | -       | 2,079  |
| 9.60 <sup>1</sup>           | -                 | -       | -       | 4,469   | -       | -       | -       | -       | 4,469  |
| 9.75 <sup>1</sup>           | -                 | -       | -       | -       | -       | 6,165   | -       | -       | 6,165  |
| 9.75 <sup>4</sup>           | -                 | -       | -       | -       | -       | 1,288   | -       | -       | 1,288  |
| 9.84 <sup>3</sup>           | -                 | -       | -       | -       | -       | -       | -       | 46      | 46     |
| 9.92 <sup>3</sup>           | -                 | -       | -       | -       | -       | -       | -       | 10      | 10     |
| 10.00 <sup>11</sup>         | -                 | -       | -       | -       | -       | -       | 1,863   | -       | 1,863  |
| 10.00 <sup>1</sup>          | -                 | -       | -       | 8,648   | -       | -       | 6       | -       | 8,654  |
| 10.00 <sup>4</sup>          | -                 | -       | -       | 2,468   | -       | -       | -       | -       | 2,468  |
| 10.05 <sup>1</sup>          | 1,900             | -       | -       | -       | -       | -       | -       | -       | 1,900  |
| 10.25 <sup>1</sup>          | -                 | -       | -       | -       | -       | 6,300   | -       | -       | 6,300  |
| 10.25 <sup>11</sup>         | -                 | -       | -       | -       | 2,905   | -       | -       | -       | 2,905  |
| 10.25 <sup>4</sup>          | -                 | -       | -       | -       | -       | 150     | -       | -       | 150    |
| 10.30 <sup>3</sup>          | -                 | -       | -       | -       | -       | -       | -       | 1,121   | 1,121  |
| 10.41 <sup>5</sup>          | -                 | -       | -       | -       | -       | -       | -       | 52      | 52     |
| 10.50 <sup>1</sup>          | -                 | -       | -       | -       | -       | -       | 472     | 26      | 498    |
| 10.50 <sup>11</sup>         | -                 | -       | -       | -       | -       | -       | 3,794   | -       | 3,794  |
| 10.70 <sup>1</sup>          | -                 | -       | -       | -       | -       | -       | -       | 209     | 209    |
| 10.72 <sup>1</sup>          | -                 | -       | -       | -       | -       | 1       | -       | -       | 1      |
| 10.75 <sup>1</sup>          | -                 | -       | -       | -       | 177     | -       | -       | -       | 177    |
| 10.75 <sup>11</sup>         | -                 | -       | -       | -       | 4,679   | -       | -       | -       | 4,679  |
| 10.77 <sup>4 &amp; 12</sup> | -                 | -       | -       | -       | -       | -       | 1,385   | -       | 1,385  |
| 10.85 <sup>1</sup>          | -                 | -       | -       | -       | -       | -       | 332     | -       | 332    |
| 10.90 <sup>8</sup>          | -                 | -       | -       | -       | -       | -       | -       | 100     | 100    |
| 10.94 <sup>1</sup>          | -                 | -       | -       | -       | -       | -       | 30      | -       | 30     |
| 10.95 <sup>1</sup>          | -                 | -       | -       | -       | -       | 56      | -       | -       | 56     |
| 10.95 <sup>10</sup>         | -                 | -       | -       | -       | -       | -       | -       | 2,303   | 2,303  |
| 11.00 <sup>1</sup>          | -                 | -       | -       | -       | -       | -       | 21,426  | 1,432   | 22,858 |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

As at 31st March, 2017

(Rs. in Lacs)

| Rate of Interest            | Maturity Profile* |            |              |               |              |               |               |               | Total           |
|-----------------------------|-------------------|------------|--------------|---------------|--------------|---------------|---------------|---------------|-----------------|
|                             | 2024-25           | 2023-24    | 2022-23      | 2021-22       | 2020-21      | 2019-20       | 2018-19       | 2017-18       |                 |
| 11.00 <sup>4</sup>          | -                 | -          | -            | -             | -            | -             | 155           | 10            | 165             |
| 11.00 <sup>4 &amp; 12</sup> | -                 | -          | -            | -             | 1,073        | -             | -             | -             | 1,073           |
| 11.10 <sup>1</sup>          | -                 | 450        | -            | -             | -            | -             | -             | -             | 450             |
| 11.16 <sup>1</sup>          | -                 | -          | -            | -             | -            | -             | 1,497         | -             | 1,497           |
| 11.16 <sup>9</sup>          | -                 | -          | -            | -             | -            | -             | 1,732         | -             | 1,732           |
| 11.17 <sup>10</sup>         | -                 | -          | -            | -             | -            | 2,862         | -             | -             | 2,862           |
| 11.24 <sup>4</sup>          | -                 | -          | -            | -             | -            | 809           | -             | -             | 809             |
| 11.25 <sup>1</sup>          | -                 | -          | -            | -             | -            | 4,211         | -             | 317           | 4,528           |
| 11.25 <sup>6</sup>          | -                 | -          | -            | -             | -            | -             | -             | 1,500         | 1,500           |
| 11.30 <sup>1</sup>          | -                 | -          | -            | -             | -            | -             | -             | 12,770        | 12,770          |
| 11.30 <sup>2</sup>          | -                 | -          | -            | -             | -            | -             | -             | 2,000         | 2,000           |
| 11.35 <sup>1</sup>          | -                 | -          | 2,000        | -             | -            | 1,500         | -             | 1,500         | 5,000           |
| 11.40 <sup>1</sup>          | 1,000             | -          | 130          | -             | -            | -             | -             | 610           | 1,740           |
| 11.40 <sup>2</sup>          | -                 | -          | 70           | -             | -            | -             | -             | -             | 70              |
| 11.40 <sup>9</sup>          | -                 | -          | -            | -             | -            | 757           | -             | 1,620         | 2,377           |
| 11.45 <sup>1</sup>          | -                 | -          | -            | -             | -            | 200           | -             | -             | 200             |
| 11.48 <sup>1</sup>          | -                 | -          | -            | -             | -            | -             | -             | 170           | 170             |
| 11.50 <sup>1</sup>          | -                 | -          | 110          | -             | -            | 4,015         | 4,633         | -             | 8,758           |
| 11.50 <sup>10</sup>         | -                 | -          | -            | -             | -            | -             | -             | 3,470         | 3,470           |
| 11.50 <sup>2</sup>          | -                 | -          | -            | -             | -            | -             | -             | 2,500         | 2,500           |
| 11.51 <sup>4 &amp; 10</sup> | -                 | -          | -            | -             | -            | -             | -             | 890           | 890             |
| 11.55 <sup>1</sup>          | -                 | -          | -            | -             | -            | 140           | -             | 2,000         | 2,140           |
| 11.72 <sup>4</sup>          | -                 | -          | -            | -             | -            | 881           | -             | -             | 881             |
| 11.75 <sup>1</sup>          | -                 | -          | -            | -             | -            | -             | 1,515         | -             | 1,515           |
| 11.75 <sup>10</sup>         | -                 | -          | -            | -             | -            | 13,149        | -             | -             | 13,149          |
| 11.75 <sup>4 &amp; 10</sup> | -                 | -          | -            | -             | -            | 1,165         | -             | -             | 1,165           |
| 11.75 <sup>9</sup>          | -                 | -          | -            | -             | -            | -             | 1,115         | -             | 1,115           |
| 11.90 <sup>1</sup>          | -                 | -          | -            | 4,000         | -            | -             | -             | -             | 4,000           |
| 12.00 <sup>4&amp;9</sup>    | -                 | -          | -            | -             | -            | 532           | -             | 1,073         | 1,605           |
| 12.00 <sup>9</sup>          | -                 | -          | -            | -             | -            | 5,626         | -             | 2,796         | 8,422           |
| 12.50 <sup>7</sup>          | -                 | -          | -            | -             | -            | -             | 287           | -             | 287             |
| <b>Total</b>                | <b>2,900</b>      | <b>450</b> | <b>2,310</b> | <b>37,131</b> | <b>8,834</b> | <b>65,720</b> | <b>41,797</b> | <b>43,327</b> | <b>2,02,469</b> |

\* Includes current maturities

<sup>1</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property.

<sup>2</sup> Secured against Mortgage of immovable property.

<sup>3</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. NCD's have an overall tenure of 7 years and having put / call option at the end of 5 years i.e. on 05-11-2017

<sup>4</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest.

<sup>5</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest. NCD's have an overall tenure of 7 years and having put/ call option at the end of 5 years i.e. on 05-11-2017.

<sup>6</sup> Secured against Mortgage of immovable property. NCD's have an overall tenure of 5 years and having put / call option at the end of 3 years i.e. on 08-06-2015.



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

- <sup>7</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. As interest rate during the tenor of bond is different i.e. Year 1:12.50% Year 2:12% Year 3:11.50% Year 4:11.25% Year 5:11.25%, interest rate for 1st year considered for disclosure.
- <sup>8</sup> Secured against Receivables / Assets of the Company.
- <sup>9</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. In case investor fall under individual category and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by investors on the relevant record date of interest payment.
- <sup>10</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. In case investor fall under individual category and who are holder of NCD(s) / Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company and/ or senior citizens on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s) / Bond(s) are held by the investors on the relevant record date of interest payment.
- <sup>11</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. In case investor fall under individual category shall be eligible for additional coupon rate of 0.25% p.a. Further, investor who are individual and who are holder of NCD(s) / Bond(s) previously issued by the Company in past public issues and / or are equity shareholder(s) of Company and/ or senior citizens and/or employees of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s) / Bond(s) are held by the investors on the relevant record date of interest payment.
- <sup>12</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. Investor who are individual and who are holder of NCD(s) / Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company and / or senior citizens and/or employees of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s) / Bond(s) are held by the investors on the relevant record date of interest payment.
- <sup>13</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. Investor who are individual and who are holder of NCD(s) / Bond(s) previously issued by the Company and Srei Equipment Finance Limited, in past public issues and/ or are equity shareholder(s) of the Company and/or are Senior Citizens and/or are Employees of Srei Group (the Company and all its subsidiaries, sub-subsidiaries, associates and group companies), on date of allotment, shall be eligible for additional coupon of 0.25% p.a. provided the proposed NCDs are held by the Investors on the relevant record date of interest payment.

Funds raised Rs. 62,854 Lacs through public issue of Secured, Redeemable Non-Convertible Debentures have been utilised for the purposes as per the terms of the issue.

All the above debentures are redeemable at par.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 4.3 Term Loans

#### SECURED

As at 31st March, 2018

(Rs. in Lacs)

| Particular  | Maturity Profile* |               |                 |               | Total           | Interest Rate                    |
|---|-------------------|---------------|-----------------|---------------|-----------------|----------------------------------|
|   | Beyond 5 years    | 3-5 years     | 1-3 years       | 0-1 years     |                 |                                  |
| From Banks - Rupee Loans  | -                 | 26,853        | 86,468          | 66,793        | 1,80,114        | MCLR/Base Rate + 00bps to 210bps |
| From Banks - Foreign Currency Loans                               | 4,010             | 4,011         | 6,416           | 4,035         | 18,472          | Libor/Euribor + 295bps to 350bps |
| From Financial Institutions - Rupee Loans                         | 3,375             | 9,000         | 9,000           | 1,125         | 22,500          | Base Rate + 5bps                 |
| From Financial Institutions - Foreign Currency Loans <sup>1</sup> | -                 | -             | -               | 4,345         | 4,345           | Libor+ 410bps                    |
| <b>Total</b>  | <b>7,385</b>      | <b>39,864</b> | <b>1,01,884</b> | <b>76,298</b> | <b>2,25,431</b> |                                  |

As at 31st March, 2017

(Rs. in Lacs)

| Particular  | Maturity Profile* |               |                 |               | Total           | Interest Rate                    |
|---|-------------------|---------------|-----------------|---------------|-----------------|----------------------------------|
|   | Beyond 5 years    | 3-5 years     | 1-3 years       | 0-1 years     |                 |                                  |
| From Banks - Rupee Loans  | 3,437             | 33,625        | 1,07,557        | 72,691        | 2,17,310        | MCLR/Base Rate + 00bps to 200bps |
| From Banks - Foreign Currency Loans                               | 5,179             | 3,452         | 7,491           | 14,716        | 30,838          | Libor/Euribor + 295bps to 350bps |
| From Financial Institutions - Foreign Currency Loans <sup>1</sup> | -                 | -             | 4,323           | 10,639        | 14,962          | Libor+ 115bps to 410bps          |
| <b>Total</b>  | <b>8,616</b>      | <b>37,077</b> | <b>1,19,371</b> | <b>98,046</b> | <b>2,63,110</b> |                                  |

\* Includes current maturities

The above Term Loans are secured by charge on specific assets covered by loan / lease agreements with customers and / or receivables arising therefrom.

<sup>1</sup> Includes loans of Rs. Nil (Previous year: Rs. 2,425 Lacs) guaranteed by Export Import Bank of the United States.

#### UNSECURED

As at 31st March, 2018

(Rs. in Lacs)

| Particulars  | Maturity Profile* |               |              |              | Total         | Interest Rate      |
|--|-------------------|---------------|--------------|--------------|---------------|--------------------|
|  | Beyond 5 years    | 3-5 years     | 1-3 years    | 0-1 years    |               |                    |
| From Banks - Foreign Currency Loans                  | 17,791            | 1,760         | -            | -            | 19,551        | Libor + 350bps     |
| From Financial Institutions - Foreign Currency Loans | 4,760             | 2,116         | 2,116        | 1,058        | 10,050        | Euribor + 33bps    |
| From Banks - Subordinated Rupee Loans                | -                 | 10,000        | -            | -            | 10,000        | Base Rate + 200bps |
| <b>Total</b>   | <b>22,551</b>     | <b>13,876</b> | <b>2,116</b> | <b>1,058</b> | <b>39,601</b> |                    |

As at 31st March, 2017

(Rs. in Lacs)

| Particulars  | Maturity Profile* |              |              |            | Total         | Interest Rate   |
|--|-------------------|--------------|--------------|------------|---------------|-----------------|
|  | Beyond 5 years    | 3-5 years    | 1-3 years    | 0-1 years  |               |                 |
| From Banks - Foreign Currency Loans                  | 19,454            | -            | -            | -          | 19,454        | Libor + 350bps  |
| From Financial Institutions - Foreign Currency Loans | 5,009             | 1,822        | 1,822        | 455        | 9,108         | Euribor + 33bps |
| From Banks - Subordinated Rupee Loans                | 10,000            | -            | -            | -          | 10,000        | MCLR + 200bps   |
| <b>Total</b>   | <b>34,463</b>     | <b>1,822</b> | <b>1,822</b> | <b>455</b> | <b>38,562</b> |                 |

\* Includes current maturities

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 4.4 Unsecured Subordinated bonds / debentures (Tier II Capital)

During the year, the Company raised subordinated debt qualifying for Tier II capital amounting to Rs. 2,702 Lacs (Previous year: Rs. Nil) and the same have been utilised for the purposes as per the terms of the issue. The following table sets forth the details of the outstanding:

As at 31st March, 2018

(Rs. in Lacs)

| Rate of Interest  | Maturity Profile |              |               |               |              |               |              | Total           |
|-------------------|------------------|--------------|---------------|---------------|--------------|---------------|--------------|-----------------|
|                   | 2027-28          | 2023-24      | 2022-23       | 2021-22       | 2020-21      | 2019-20       | 2018-19      |                 |
| 9.12              | 1,226            | -            | -             | -             | -            | -             | -            | 1,226           |
| 9.50 <sup>1</sup> | 316              | -            | -             | -             | -            | -             | -            | 316             |
| 9.50              | 1,160            | -            | -             | -             | -            | -             | -            | 1,160           |
| 10.20             | -                | -            | -             | -             | -            | 20,000        | -            | 20,000          |
| 10.50             | -                | -            | -             | -             | 5,000        | -             | -            | 5,000           |
| 10.60             | -                | -            | -             | -             | -            | 4,030         | -            | 4,030           |
| 10.75             | -                | 5,840        | -             | -             | 1,660        | -             | -            | 7,500           |
| 11.10             | -                | -            | -             | -             | -            | -             | 1,440        | 1,440           |
| 11.25             | -                | -            | 3,400         | -             | -            | -             | -            | 3,400           |
| 11.40             | -                | -            | -             | 10,000        | -            | -             | -            | 10,000          |
| 11.50             | -                | -            | 2,336         | -             | -            | -             | 6,130        | 8,466           |
| 11.70             | -                | -            | 4,690         | -             | -            | -             | -            | 4,690           |
| 11.80             | -                | -            | 6,770         | -             | -            | -             | -            | 6,770           |
| 11.85             | -                | -            | 7,000         | -             | -            | -             | -            | 7,000           |
| 11.90             | -                | -            | -             | 21,915        | -            | -             | -            | 21,915          |
| <b>Total</b>      | <b>2,702</b>     | <b>5,840</b> | <b>24,196</b> | <b>31,915</b> | <b>6,660</b> | <b>24,030</b> | <b>7,570</b> | <b>1,02,913</b> |

<sup>1</sup> Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest.

All the above bonds are redeemable at par.

As at 31st March, 2017

(Rs. in Lacs)

| Rate of Interest | Maturity Profile |               |               |              |               |              |              | Total           |
|------------------|------------------|---------------|---------------|--------------|---------------|--------------|--------------|-----------------|
|                  | 2023-24          | 2022-23       | 2021-22       | 2020-21      | 2019-20       | 2018-19      | 2017-18      |                 |
| 10.20%           | -                | -             | -             | -            | 20,000        | -            | -            | 20,000          |
| 10.50%           | -                | -             | -             | 5,000        | -             | -            | -            | 5,000           |
| 10.60%           | -                | -             | -             | -            | 4,030         | -            | -            | 4,030           |
| 10.75%           | 5,840            | -             | -             | 1,660        | -             | -            | -            | 7,500           |
| 11.10%           | -                | -             | -             | -            | -             | 1,440        | -            | 1,440           |
| 11.25%           | -                | 3,400         | -             | -            | -             | -            | -            | 3,400           |
| 11.40%           | -                | -             | 10,000        | -            | -             | -            | -            | 10,000          |
| 11.50%           | -                | 2,336         | -             | -            | -             | 6,130        | 7,403        | 15,869          |
| 11.70%           | -                | 4,690         | -             | -            | -             | -            | -            | 4,690           |
| 11.75%           | -                | -             | -             | -            | -             | -            | 1,000        | 1,000           |
| 11.80%           | -                | 6,770         | -             | -            | -             | -            | -            | 6,770           |
| 11.85%           | -                | 7,000         | -             | -            | -             | -            | -            | 7,000           |
| 11.90%           | -                | -             | 21,915        | -            | -             | -            | -            | 21,915          |
| <b>Total</b>     | <b>5,840</b>     | <b>24,196</b> | <b>31,915</b> | <b>6,660</b> | <b>24,030</b> | <b>7,570</b> | <b>8,403</b> | <b>1,08,614</b> |

All the above bonds are redeemable at par.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 5. DEFERRED TAX LIABILITIES (Net)

In terms of Accounting Standard 22, the net Deferred Tax Liability (DTL) reversed during the year is Rs. 1,360 Lacs (Previous year: Rs. 241 Lacs). Consequently, the net DTL as at year-end stands at Rs. 8,742 Lacs (Previous Year Rs. 10,102 Lacs). The break-up of major components of net DTL is as follows:

(Rs. in Lacs)

| Particulars                  | Liability / (Asset) |                  |
|------------------------------|---------------------|------------------|
|                              | As at               | As at            |
|                              | 31st March, 2018    | 31st March, 2017 |
| Depreciation on Fixed Assets | 10,901              | 11,324           |
| Deferred Revenue Expenditure | 1,354               | 1,845            |
| Others                       | (3,513)             | (3,067)          |
| <b>Total</b>                 | <b>8,742</b>        | <b>10,102</b>    |

### 6. OTHER LONG-TERM LIABILITIES

(Rs. in Lacs)

| Particulars  | As at                                      | As at            |
|--|--|------------------|
|  | 31st March, 2018                           | 31st March, 2017 |
|  | Interest Accrued but not due on Borrowings | 4,560            |
| Sundry liabilities (Interest Capitalisation) Account (As per RBI guidelines) | 2,136                                      | 4,695            |
| Security Deposits & Retentions   | -  | 117              |
| <b>Total</b>   | <b>6,696</b>                               | <b>7,912</b>     |

### 7. LONG-TERM PROVISIONS

(Rs. in Lacs)

| Particulars  | As at   | As at            |
|--|---|------------------|
|  | 31st March, 2018  | 31st March, 2017 |
|  | Provision for Employee Benefits (Non-Current Portion) (refer Note No. 34) |                  |
| Gratuity   | 180   | 233              |
| Unavailed Leave  | 212   | 281              |
|  | <b>(A) 392</b>  | <b>514</b>       |
| Other Provisions   |   |                  |
| Contingent Provisions against Standard Assets (refer Note No. 7.2) | 3,116   | 2,590            |
|  | <b>(B) 3,116</b>  | <b>2,590</b>     |
| <b>Total (A+B)</b>   | <b>3,508</b>  | <b>3,104</b>     |

#### 7.1 Bad Debts and Advances written-off (net) / Provisions, Contingencies & Diminutions

(Rs. in Lacs)

| Particulars  | 2017-18      | 2016-17       |
|--|--------------|---------------|
| Bad Debts and Advances written-off (net)   | 13,385       | 50,979        |
| Provision for Bad Debts and Advances (refer Note No. 7.2)                                | (5,893)      | 3,448         |
| Contingent Provisions against Standard Assets (refer Note No. 7.2)                       | 1,095        | 376           |
| Provision for Diminution in Value of Stock for Trade and Investment (refer Note No. 7.3) | 908          | (47)          |
| <b>Total</b>   | <b>9,495</b> | <b>54,756</b> |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 7.2 Nature of certain provisions and their movement

Provision for Bad Debts and Advances is made in the financial statements according to the Prudential Norms prescribed by RBI for NBFCs. The Company also makes additional provision based on the management's best estimate, to the extent considered necessary.

The Company creates a general provision at 0.40% of the standard assets outstanding on the balance sheet date, as per the RBI Prudential Norms.

The following table sets forth the movement of aforesaid Provisions:

(Rs. in Lacs)

| Particulars   | Provision for Bad Debts and Advances |                  | Contingent Provisions against Standard Assets |                  |
|---|--------------------------------------|------------------|---|------------------|
|   | As at                                | As at            | As at   | As at            |
|   | 31st March, 2018                     | 31st March, 2017 | 31st March, 2018                              | 31st March, 2017 |
| Opening balance   | 22,572                               | 19,124           | 3,924   | 3,548            |
| Provision made during the year                              | 6,267                                | 6,508            | 1,095   | 376              |
| Provision reversed during the year on Bad Debts written off | (12,160)                             | (3,060)          | -   | -                |
| <b>(A)</b>  | <b>16,679</b>                        | <b>22,572</b>    | <b>5,019</b>                                  | <b>3,924</b>     |
| Provision adjusted with advances                            | (2,102)                              | -                | -   | -                |
| <b>(B)</b>  | <b>(2,102)</b>                       | <b>-</b>         | <b>-</b>                                      | <b>-</b>         |
| <b>Closing balance (A+B)</b>                                | <b>14,577</b>                        | <b>22,572</b>    | <b>5,019</b>                                  | <b>3,924</b>     |

### 7.3 Provision for Diminution in Value of Stock for Trade and Investment

(Rs. in Lacs)

| Particulars   | 2017-18    | 2016-17     |
|---|------------|-------------|
| Provision for Diminution in Value of Long-Term Trade Investment | -          | (50)        |
| Provision for Diminution in Value of Stock for Trade            | 908        | 3           |
| <b>Total</b>  | <b>908</b> | <b>(47)</b> |

### 7.4 Current Tax

(Rs. in Lacs)

| Particulars                            | 2017-18      | 2016-17      |
|--|--------------|--------------|
| Provision for taxation for the year    | 7,226        | 8,305        |
| Income Tax in respect of earlier years | -            | (1,723)      |
| <b>Total</b>                           | <b>7,226</b> | <b>6,582</b> |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 8. SHORT-TERM BORROWINGS

(Rs. in Lacs)

| Particulars   | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2018 | 31st March, 2017 |
| <b>A. Secured</b>   |                  |                  |
| <b>Loans repayable on demand</b>  |                  |                  |
| Working Capital Facilities from Banks (Rupee Loan) (refer Note No. 8.1)                 | 5,81,500         | 5,73,800         |
| <b>Other Loans</b>  |                  |                  |
| Working Capital Facilities from Banks (Rupee Loan) (refer Note No. 8.1)                 | 1,73,660         | 90,591           |
| Buyer's credit from Banks - Foreign Currency Loans (refer Note No. 8.3)                 | -                | 490              |
| <b>(A)</b>  | <b>7,55,160</b>  | <b>6,64,881</b>  |
| <b>B. Unsecured</b>   |                  |                  |
| <b>Deposits</b>   |                  |                  |
| Inter Corporate Deposits  |                  |                  |
| - From Related Parties  | 1,058            | 1,060            |
| - From Others   | -                | 212              |
| <b>Other Loans</b>  |                  |                  |
| Commercial Papers (refer Note No. 8.2)  |                  |                  |
| - From Others [net of prepaid discount for Rs. 2,424 lacs (Previous year Rs. 951 lacs)] | 79,486           | 37,459           |
| <b>(B)</b>  | <b>80,544</b>    | <b>38,731</b>    |
| <b>Total (A+B)</b>  | <b>8,35,704</b>  | <b>7,03,612</b>  |

- 8.1** Working capital facilities from banks, including working capital demand loans earmarked against such facilities, are secured by hypothecation of underlying assets (short-term as well as long-term loan assets) covered by hypothecation loan and operating lease agreements with customers and receivables arising therefrom, ranking pari passu (excluding assets specifically charged to others). As per the prevalent practice, these facilities are renewed on a year-to-year basis and therefore, are revolving in nature.
- 8.2** Face value of Commercial Paper outstanding as at 31<sup>st</sup> March, 2018 is Rs. 81,910 Lacs (Previous year Rs. 38,410 Lacs). Face value of maximum outstanding at any time during the year was Rs. 1,39,830 Lacs (Previous year Rs. 1,22,940 Lacs). Face value of Commercial Paper repayable within one year is Rs. 81,910 Lacs (Previous year Rs. 38,410 Lacs).
- 8.3** The above foreign currency buyer's credit from banks are repayable by bullet payment and have tenure of upto 1 year. These loans are secured by import documents covering title to capital goods and extension of pari passu charge towards working capital facilities.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### TRADE PAYABLES

#### 9.1 Due to Micro and Small Enterprises

(Rs. in Lacs)

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

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

#### 9.2 Due to Others

(Rs. in Lacs)

| Particulars     | As at            | As at            |
|-----------------|------------------|------------------|
|                 | 31st March, 2018 | 31st March, 2017 |
| For Services    | 263              | 232              |
| Operating Lease | 177              | 311              |
| <b>Total</b>    | <b>440</b>       | <b>543</b>       |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 10. OTHER CURRENT LIABILITIES - OTHERS

(Rs. in Lacs)

| Particulars   | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2018 | 31st March, 2017 |
| Interest Accrued but not due on Borrowings  | 17,084           | 18,422           |
| Interest Accrued and due on Borrowings  | 137              | 92               |
| Interest Accrued but not due on Others  | 66               | 194              |
| Unclaimed Dividend (refer Note No. 10.1)  | 35               | 35               |
| Unclaimed Matured Public Deposits and Interest Accrued thereon (refer Note No. 10.1 & 10.2) | 1                | 3                |
| Unpaid Matured Debentures and Interest Accrued thereon                                      | -                | 442              |
| Advance from Customers  | 19               | 23               |
| Statutory Liabilities   | 814              | 206              |
| Security Deposits & Retentions  | 2,714            | 2,979            |
| Payable to Employees  | 193              | 253              |
| Commission Payable to Directors   | 195              | 135              |
| Liability for Operating Expenses  | 1,620            | 1,275            |
| Premium payable on Forward contracts  | -                | 46               |
| Derivative Liability  | 11               | 74               |
| Other Liabilities   | 190              | -                |
| <b>Total</b>  | <b>23,079</b>    | <b>24,179</b>    |

**10.1** To be credited to Investor Education and Protection Fund as and when due.

**10.2** In order to qualify for registration as an 'Infrastructure Finance Company', the Company decided not to accept or renew public deposits w.e.f. 20<sup>th</sup> April, 2010. The amount of public deposits outstanding as on 19<sup>th</sup> April, 2010 (including matured and unclaimed deposits) along with accrued and future interest thereof is kept in the form of a Fixed Deposit, under lien, with Axis Bank Limited, a scheduled commercial bank, for the purpose of making payment to the depositors. The outstanding balance of the Fixed Deposit as at 31<sup>st</sup> March, 2018 is Rs.1 Lac (Previous year: Rs. 25 Lacs).

### 11. SHORT-TERM PROVISIONS

(Rs. in Lacs)

| Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2017 |
| <b>Provision for Employee Benefits (Current Portion) (refer Note No. 34)</b> |                  |                  |
| Unavailed leave  | 54               | 56               |
| <b>(A)</b>   | <b>54</b>        | <b>56</b>        |
| <b>Other Provisions</b>  |                  |                  |
| Contingent Provisions against Standard Assets (refer Note No. 7.2)           | 1,903            | 1,334            |
| <b>(B)</b>   | <b>1,903</b>     | <b>1,334</b>     |
| <b>Total (A+B)</b>   | <b>1,957</b>     | <b>1,390</b>     |



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 12. FIXED ASSETS

(Rs. in Lacs)

| Particulars                            | Gross Block / Original Cost |                           |                             |                           | Depreciation / Amortisation and Impairment |               |                           |                        | Net Carrying Value     |
|--|-----------------------------|---------------------------|-----------------------------|---------------------------|--|---------------|---------------------------|------------------------|------------------------|
|  | As at 1st April, 2017       | Additions during the year | Adjustments during the year | Disposals during the year | As at 1st April, 2017                      | For the year  | Disposals during the year | As at 31st March, 2018 | As at 31st March, 2018 |
|  | (a)                         | (b)                       | (c)                         | (d)                       | (e=a+b+c-d)                                | (f)           | (g)                       | (h)                    | (e-i)                  |
| <b>I. Tangible Assets:</b>             |                             |                           |                             |                           |  |               |                           |                        |                        |
| <b>Assets for Own use</b>              |                             |                           |                             |                           |  |               |                           |                        |                        |
| Buildings <sup>1</sup>                 | 16,282                      | -                         | -                           | -                         | 16,282                                     | 1,608         | 305                       | -                      | 1,913                  |
| Leasehold Improvements                 | 6,602                       | 389                       | -                           | 8                         | 6,983                                      | 2,730         | 859                       | 5                      | 3,584                  |
| Furniture and Fixtures                 | 4,528                       | 437                       | -                           | 18                        | 4,947                                      | 1,364         | 501                       | 4                      | 1,861                  |
| Computers                              | 223                         | 12                        | -                           | 12                        | 223  | 174           | 24                        | 12                     | 186                    |
| Office Equipment                       | 1,498                       | 41                        | -                           | 11                        | 1,528                                      | 997           | 213                       | 11                     | 1,199                  |
| Plant & Machinery                      | 139                         | -                         | -                           | -                         | 139  | 40            | 10                        | -                      | 50                     |
| Motor Vehicles                         | 129                         | -                         | -                           | 11                        | 118  | 59            | 17                        | 4                      | 72                     |
| <b>Total (A)</b>                       | <b>29,401</b>               | <b>879</b>                | <b>-</b>                    | <b>60</b>                 | <b>30,220</b>                              | <b>6,972</b>  | <b>1,929</b>              | <b>36</b>              | <b>8,865</b>           |
| <b>Assets given on Operating Lease</b> |                             |                           |                             |                           |  |               |                           |                        |                        |
| Plant & Machinery <sup>2</sup>         | 54,315                      | 2,048                     | -                           | 698                       | 55,665                                     | 13,329        | 3,328                     | 311                    | 16,346                 |
| Aircrafts                              | 1,987                       | -                         | -                           | -                         | 1,987                                      | 1,987         | -                         | -                      | 1,987                  |
| <b>Total (B)</b>                       | <b>56,302</b>               | <b>2,048</b>              | <b>-</b>                    | <b>698</b>                | <b>57,652</b>                              | <b>15,316</b> | <b>3,328</b>              | <b>311</b>             | <b>18,333</b>          |
| <b>Total (I)= (A+B)</b>                | <b>85,703</b>               | <b>2,927</b>              | <b>-</b>                    | <b>758</b>                | <b>87,872</b>                              | <b>22,288</b> | <b>5,257</b>              | <b>347</b>             | <b>27,198</b>          |
| <b>II. Intangible Assets:</b>          |                             |                           |                             |                           |  |               |                           |                        |                        |
| Computer Software                      | 511                         | 6                         | -                           | -                         | 517  | 345           | 71                        | -                      | 416                    |
| <b>Total (II)</b>                      | <b>511</b>                  | <b>6</b>                  | <b>-</b>                    | <b>-</b>                  | <b>517</b>                                 | <b>345</b>    | <b>71</b>                 | <b>-</b>               | <b>416</b>             |
| <b>Total Fixed Assets= (I+II)</b>      | <b>86,214</b>               | <b>2,933</b>              | <b>-</b>                    | <b>758</b>                | <b>88,389</b>                              | <b>22,633</b> | <b>5,328</b>              | <b>347</b>             | <b>27,614</b>          |
| <b>III. Capital work in Progress</b>   |                             |                           |                             |                           |  |               |                           |                        |                        |
|  |                             |                           |                             |                           |  |               |                           |                        | <b>537</b>             |

<sup>1</sup> Building includes Rs. 9,967.98 Lacs in respect of which conveyance is pending.

<sup>2</sup> Plant & Machinery includes assets worth Rs. Nil which have been taken over by the Company from its existing customers, for which existing charge in favour of the lenders is yet to be released.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 12. FIXED ASSETS (CONTD...)

| Particulars                            | Gross Block / Original Cost |                           |                             |                           |                        |                       | Depreciation / Amortisation and Impairment |                           |                        | Net Carrying Value     |
|--|-----------------------------|---------------------------|-----------------------------|---------------------------|------------------------|-----------------------|--|---------------------------|------------------------|------------------------|
|  | As at 1st April, 2016       | Additions during the year | Adjustments during the year | Disposals during the year | As at 31st March, 2017 | As at 1st April, 2016 | For the year                               | Disposals during the year | As at 31st March, 2017 | As at 31st March, 2017 |
|  | (a)                         | (b)                       | (c)                         | (d)                       | (e=a+b+c-d)            | (f)                   | (g)  | (h)                       | (i=f+g-h)              | (e-i)                  |
| <b>I. Tangible Assets:</b>             |                             |                           |                             |                           |                        |                       |  |                           |                        |                        |
| <b>Assets for Own use</b>              |                             |                           |                             |                           |                        |                       |  |                           |                        |                        |
| Buildings <sup>1</sup>                 | 16,289                      | -                         | -                           | 7                         | 16,282                 | 1,305                 | 305  | 2                         | 1,608                  | 14,674                 |
| Leasehold Improvements                 | 5,458                       | 1,146                     | -                           | 2                         | 6,602                  | 2,042                 | 689  | 1                         | 2,730                  | 3,872                  |
| Furniture and Fixtures                 | 3,553                       | 976                       | -                           | 1                         | 4,528                  | 929                   | 435  | -                         | 1,364                  | 3,164                  |
| Computers                              | 235                         | 22                        | -                           | 34                        | 223                    | 184                   | 24   | 34                        | 174                    | 49                     |
| Office Equipment                       | 1,194                       | 312                       | -                           | 8                         | 1,498                  | 764                   | 241  | 8                         | 997                    | 501                    |
| Plant & Machinery                      | 110                         | 29                        | -                           | -                         | 139                    | 31                    | 9  | -                         | 40                     | 99                     |
| Motor Vehicles                         | 129                         | -                         | -                           | -                         | 129                    | 42                    | 17   | -                         | 59                     | 70                     |
| <b>Total (A)</b>                       | <b>26,968</b>               | <b>2,485</b>              | <b>-</b>                    | <b>52</b>                 | <b>29,401</b>          | <b>5,297</b>          | <b>1,720</b>                               | <b>45</b>                 | <b>6,972</b>           | <b>22,429</b>          |
| <b>Assets given on Operating Lease</b> |                             |                           |                             |                           |                        |                       |  |                           |                        |                        |
| Plant & Machinery <sup>2</sup>         | 52,710                      | 2,790                     | -                           | 1,185                     | 54,315                 | 10,751                | 3,166                                      | 588                       | 13,329                 | 40,986                 |
| Aircrafts                              | 1,987                       | -                         | -                           | -                         | 1,987                  | 1,790                 | 197  | -                         | 1,987                  | -                      |
| <b>Total (B)</b>                       | <b>54,697</b>               | <b>2,790</b>              | <b>-</b>                    | <b>1,185</b>              | <b>56,302</b>          | <b>12,541</b>         | <b>3,363</b>                               | <b>588</b>                | <b>15,316</b>          | <b>40,986</b>          |
| <b>Total (I)= (A+B)</b>                | <b>81,665</b>               | <b>5,275</b>              | <b>-</b>                    | <b>1,237</b>              | <b>85,703</b>          | <b>17,838</b>         | <b>5,083</b>                               | <b>633</b>                | <b>22,288</b>          | <b>63,415</b>          |
| <b>II. Intangible Assets:</b>          |                             |                           |                             |                           |                        |                       |  |                           |                        |                        |
| Computer Software                      | 540                         | 12                        | -                           | 41                        | 511                    | 312                   | 74   | 41                        | 345                    | 166                    |
| <b>Total (II)</b>                      | <b>540</b>                  | <b>12</b>                 | <b>-</b>                    | <b>41</b>                 | <b>511</b>             | <b>312</b>            | <b>74</b>                                  | <b>41</b>                 | <b>345</b>             | <b>166</b>             |
| <b>Total Fixed Assets= (I+II)</b>      | <b>82,205</b>               | <b>5,287</b>              | <b>-</b>                    | <b>1,278</b>              | <b>86,214</b>          | <b>18,150</b>         | <b>5,157</b>                               | <b>674</b>                | <b>22,633</b>          | <b>63,581</b>          |
| <b>III. Capital work in Progress</b>   |                             |                           |                             |                           |                        |                       |  |                           |                        |                        |
|  |                             |                           |                             |                           |                        |                       |  |                           |                        | <b>1,052</b>           |

<sup>1</sup> Building includes Rs. 9,967.98 Lacs in respect of which conveyance is pending.

<sup>2</sup> Plant & Machinery includes assets worth Rs. 2,085 Lacs which have been taken over by the Company from its existing customers, for which existing charge in favour of the lenders is yet to be released.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 13.1 NON-CURRENT INVESTMENTS

| Particulars   | Face value (Rs.) | Quantity               |                        | Rs. in Lacs            |                        |
|---|------------------|------------------------|------------------------|------------------------|------------------------|
|   |                  | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 |
| <b>A. Trade Investments - at cost unless otherwise stated</b>   |                  |                        |                        |                        |                        |
| <b>I. In Equity Instruments (Unquoted)</b>  |                  |                        |                        |                        |                        |
| <b>(a) In Subsidiaries</b>  |                  |                        |                        |                        |                        |
| Srei Capital Markets Limited  | 10               | 5050000                | 5050000                | 505.00                 | 505.00                 |
| Srei Insurance Broking Private Limited  | 10               | 4900000                | 4900000                | 506.17                 | 506.17                 |
| Srei Alternative Investment Managers Limited  | 10               | 250000                 | 250000                 | 25.00                  | 25.00                  |
| Srei Infrastructure Advisors Limited  | 10               | 0                      | 500000                 | -                      | 50.00                  |
| Controlla Electrotech Private Limited   | 10               | 35305                  | 35305                  | 707.87                 | 707.87                 |
| Srei Mutual Fund Asset Management Private Limited   | 10               | 16000000               | 16000000               | 1,600.00               | 1,600.00               |
| Srei Mutual Fund Trust Private Limited  | 10               | 150000                 | 150000                 | 15.00                  | 15.00                  |
| Quippo Oil & Gas Infrastructure Limited   | 10               | 30000000               | 30000000               | 10,770.28              | 10,770.28              |
| Quippo Energy Limited   | 10               | 1000000                | 1000000                | 20,189.70              | 20,189.70              |
| Srei Asset Reconstruction Private Limited   | 10               | 100000                 | 100000                 | 10.00                  | 10.00                  |
| Srei Equipment Finance Limited  | 10               | 59660000               | 59660000               | 32,495.16              | 32,495.16              |
| Bengal Srei Infrastructure Development Limited  | 10               | 25500                  | 0                      | 2.55                   | -                      |
| <b>Subtotal - (a)</b>   |                  |                        |                        | <b>66,826.73</b>       | <b>66,874.18</b>       |
| <b>(b) In Associates</b>  |                  |                        |                        |                        |                        |
| Sahaj e-Village Limited \$  | 10               | 10760000               | 10760000               | 1,076.06               | 1,076.06               |
| Attivo Economic Zone (Mumbai) Private Limited   | 10               | 10000                  | 10000                  | 8,046.60               | 8,046.60               |
| IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)                                     | **               | **                     | **                     | 3,389.96               | 3,389.96               |
| <b>Subtotal - (b)</b>   |                  |                        |                        | <b>12,512.62</b>       | <b>12,512.62</b>       |
| <b>(c) Others</b>   |                  |                        |                        |                        |                        |
| TN (DK) Expressways Limited (Pledged with Bank)   | 10               | 13000                  | 13000                  | 1.30                   | 1.30                   |
| Madurai Tuticorin Expressways Limited (Pledged with Bank)   | 10               | 19500                  | 19500                  | 1.95                   | 1.95                   |
| Nagpur Seoni Expressway Limited (Pledged with Bank), Net of provision for other than temporary diminution aggregating Rs. 0.01 lac (Previous year Rs. 0.01 lac) | 10               | 100                    | 100                    | -                      | -                      |
| India Power Corporation Limited   | 1                | 959310000              | 959310000              | 0.85                   | 0.85                   |
| Maharashtra Border Check Post Network Limited (Net of provision for other than temporary diminution aggregating Rs. 0.25 lac (Previous year Rs. 0.25 lac)       | 10               | 2500                   | 2500                   | -                      | -                      |
| Potin Pangin Highway Private Limited  | 10               | 5000                   | 5000                   | 0.50                   | 0.50                   |
| Suratgarh Bikaner Toll Road Company Private Limited   | 10               | 17750                  | 17750                  | 1.78                   | 1.78                   |
| Royal Infracore Private Limited   | 10               | 100000                 | 100000                 | 10.00                  | 10.00                  |
| Bharat Road Network Limited   | 10               | 0                      | 16630000               | -                      | 34,091.50              |
| <b>Subtotal - (c)</b>   |                  |                        |                        | <b>16.38</b>           | <b>34,107.88</b>       |
| <b>Total I (Subtotal a+b+c)</b>   |                  |                        |                        | <b>79,355.73</b>       | <b>1,13,494.68</b>     |
| <b>II. In Convertible Warrants (Unquoted)</b>   |                  |                        |                        |                        |                        |
| Srei Mutual Fund Trust Private Limited  | 10               | 160000                 | 110000                 | 16.00                  | 11.00                  |
| Solapur Tollways Private Limited  | 10               | 0                      | 165920000              | -                      | 16,592.00              |
| Swach Environment Private Limited   | 10               | 15000000               | 15000000               | 1,500.00               | 1,500.00               |
| Ghaziabad Aligarh Expressway Private Limited  | 10               | 88081160               | 88081160               | 8,808.12               | 8,808.12               |
| <b>Total II</b>   |                  |                        |                        | <b>10,324.12</b>       | <b>26,911.12</b>       |
| <b>III. In Preference Shares (Unquoted)</b>   |                  |                        |                        |                        |                        |
| <b>(a) In Subsidiary</b>  |                  |                        |                        |                        |                        |
| Quippo Energy Limited (Formerly Quippo Energy Private Limited) 0.1% Non-convertible Cumulative Redeemable Preference Shares, 2019                               | 100              | 2354                   | 2354                   | -                      | -                      |
| Quippo Oil & Gas Infrastructure Limited 0.1% Redeemable Cumulative Optionally Convertible Preference Shares, 2025   | 10               | 14300000               | 14300000               | 5,005.00               | 5,005.00               |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

| Particulars   | Face value (Rs.) | Quantity               |                        | Rs. in Lacs            |                        |
|---|------------------|------------------------|------------------------|------------------------|------------------------|
|   |                  | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 |
| Quippo Oil & Gas Infrastructure Limited 0.1% Redeemable Cumulative Optionally Convertible Preference Shares, 2026                                 | 10               | 6500000                | 6500000                | 2,470.00               | 2,470.00               |
| <b>Subtotal- (a)</b>  |                  |                        |                        | <b>7,475.00</b>        | <b>7,475.00</b>        |
| <b>(b) In Others</b>  |                  |                        |                        |                        |                        |
| Quippo Infrastructure Limited (Formerly Quippo Construction Equipment Limited) 0.1% Non-convertible Cumulative Redeemable Preference Shares, 2019 | 100              | 9962                   | 9962                   | -                      | -                      |
| <b>Subtotal- (b)</b>  |                  |                        |                        | <b>-</b>               | <b>-</b>               |
| <b>Total III (Subtotal a+b)</b>   |                  |                        |                        | <b>7,475.00</b>        | <b>7,475.00</b>        |
| <b>IV. In Units of Trusts and Schemes of Venture Funds</b>  |                  |                        |                        |                        |                        |
| Infrastructure Project Development Capital  | 100              | 1102754                | 1102754                | 1,102.75               | 1,102.75               |
| Infra Construction Fund   | 100              | 1880333                | 1880333                | 1,880.33               | 1,880.33               |
| India Growth Opportunities Fund   | 100              | 3526949                | 3526949                | 3,786.18               | 3,786.18               |
| Infra Advantage Fund  | 100              | 218000                 | 218000                 | 218.00                 | 218.00                 |
| Make In India Fund  | 100              | 1000000                | 1000000                | 1,000.00               | 1,000.00               |
| Vision India Fund   | 100              | 5000000                | -                      | 5,000.00               | -                      |
| <b>Total IV</b>   |                  |                        |                        | <b>12,987.26</b>       | <b>7,987.26</b>        |
| <b>V. In Optionally Convertible Participating Interest Debentures</b>   |                  |                        |                        |                        |                        |
| Swach Environment Private Limited 12% Optionally Convertible Participating Interest Debentures, 2025  | 10               | -                      | 84000000               | -                      | 8,400.00               |
| Guruvayoor Infrastructure Private Limited 12% Optionally Convertible Participating Interest Debentures, 2023                                      | 10               | 73102100               | 73102100               | 8,858.91               | 8,858.91               |
| Mahakaleshwar Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2023   | 10               | -                      | 24198500               | -                      | 2,922.34               |
| Mahakaleshwar Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2024   | 10               | -                      | 2460000                | -                      | 285.88                 |
| Mahakaleshwar Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2031   | 10               | -                      | 2718100                | -                      | 271.81                 |
| Solapur Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2023   | 10               | -                      | 34000000               | -                      | 4,245.50               |
| Solapur Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2024   | 10               | -                      | 31820000               | -                      | 3,487.16               |
| Swach Environment Private Limited 10% Optionally Convertible Participating Interest Debentures, 2028  | 10               | 40000000               | -                      | 4,000.00               | -                      |
| <b>Total V</b>  |                  |                        |                        | <b>12,858.91</b>       | <b>28,471.60</b>       |
| <b>VI. In Non Principal Protected Non Convertible Debentures</b>  |                  |                        |                        |                        |                        |
| Assets Care & Reconstruction Enterprise Limited, 2023   | 100000           | 6000                   | 6000                   | 6,000.00               | 6,000.00               |
| <b>Total VI</b>   |                  |                        |                        | <b>6,000.00</b>        | <b>6,000.00</b>        |
| <b>VII. In Optionally Convertible Debentures</b>  |                  |                        |                        |                        |                        |
| RW Media Private Limited, 2036  | 100000           | 2500                   | 2500                   | 2,500.00               | 2,500.00               |
| Kurukshetra Expressway Private Limited, 2036  | 10               | -                      | 87959400               | -                      | 9,031.50               |
| <b>Total VII</b>  |                  |                        |                        | <b>2,500.00</b>        | <b>11,531.50</b>       |
| <b>VIII. In Non Convertible Debentures</b>  |                  |                        |                        |                        |                        |
| Kitply Industries Limited   | 10000            | 5440                   | 5440                   | 56.97                  | 56.97                  |
| Kitply Industries Limited, Series A   | 10000            | 100000                 | 100000                 | 83.33                  | 83.33                  |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

| Particulars   | Face value (Rs.) | Quantity               |                        | Rs. in Lacs            |                        |
|---|------------------|------------------------|------------------------|------------------------|------------------------|
|   |                  | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 |
| Kitply Industries Limited, Series B   | 10000            | 14500                  | 14500                  | 12.08                  | 12.08                  |
| Kitply Industries Limited, Series C   | 10000            | 5500                   | 5500                   | 4.58                   | 4.58                   |
| Kitply Industries Limited, Series E   | 10000            | 1452                   | 1452                   | 15.21                  | 15.21                  |
| Kitply Industries Limited, Zero Coupon Debentures, Series I   | 10000            | 7720                   | 7720                   | 80.85                  | 80.85                  |
| Kitply Industries Limited, Zero Coupon Debentures, Series II  | 10000            | 42680                  | 42680                  | 446.98                 | 446.98                 |
| <b>Total VIII</b>   |                  |                        |                        | <b>700.00</b>          | <b>700.00</b>          |
| <b>Total A (Trade Investments) (I+II+III+IV+V+VI+VII+VIII)</b>  |                  |                        |                        | <b>1,32,201.02</b>     | <b>2,02,571.16</b>     |
| <b>B. Other Investments - at cost unless otherwise stated</b>   |                  |                        |                        |                        |                        |
| <b>IX. In Equity Instruments (Quoted)</b>   |                  |                        |                        |                        |                        |
| New Era Urban Amenities Limited<br>(Net of provision for other than temporary diminution aggregating Rs. 0.01 lac (Previous year Rs. 0.01 lac)) | 10               | 100                    | 100                    | -                      | -                      |
| Alpic Finance Limited<br>(Net of provision for other than temporary diminution aggregating Rs. 0.01 lac (Previous year Rs. 0.01 lac))           | 10               | 100                    | 100                    | -                      | -                      |
| Apple Finance Limited<br>(Net of provision for other than temporary diminution aggregating Rs. 0.02 lac (Previous year Rs. 0.02 lac))           | 10               | 100                    | 100                    | -                      | -                      |
| CRISIL Limited  | 1                | 2000                   | 2000                   | 0.10                   | 0.10                   |
| Hotline Glass Limited<br>(Net of provision for other than temporary diminution aggregating Rs. 218.35 lac (Previous year Rs. 218.35 lac))       | 10               | 8006030                | 8006030                | -                      | -                      |
| Indian Metal & Ferro Alloys Limited   | 10               | -                      | 35580                  | -                      | 49.80                  |
| Kotak Mahindra Bank Limited   | 5                | 1000                   | 1000                   | 0.02                   | 0.02                   |
| Tata Steel Limited  | 10               | 4060                   | 3500                   | 27.69                  | 24.83                  |
| Bharat Road Network Limited   | 10               | 16630000               | -                      | 34,091.50              |                        |
| Orient Green Power Company Limited  | 10               | 10924302               | -                      | 1,371.00               | -                      |
| <b>Total IX</b>   |                  |                        |                        | <b>35,490.31</b>       | <b>74.75</b>           |
| <b>X. In Equity Instruments (Unquoted)</b>  |                  |                        |                        |                        |                        |
| New India Co-operative Bank Limited   | 10               | 573                    | 573                    | 0.06                   | 0.06                   |
| Starlift Services Private Limited (formerly ABG Kolkata Container Terminal Private Limited)   | 10               | 1200                   | 1200                   | 0.10                   | 0.10                   |
| <b>Total X</b>  |                  |                        |                        | <b>0.16</b>            | <b>0.16</b>            |
| <b>XI. In Government or Trust securities (Unquoted)</b>   |                  |                        |                        |                        |                        |
| National Savings Certificate (Lodged with Sales Tax authorities)  | 15000            |                        |                        | 0.15                   | 0.15                   |
| <b>Total XI</b>   |                  |                        |                        | <b>0.15</b>            | <b>0.15</b>            |
| <b>XII. In Mutual Funds (Quoted)</b>  |                  |                        |                        |                        |                        |
| Morgan Stanley Mutual Fund  | 10               | 2000                   | 2000                   | 0.20                   | 0.20                   |
| Unit Trust of India   | 10               | 400                    | 400                    | 0.04                   | 0.04                   |
| <b>Total XII</b>  |                  |                        |                        | <b>0.24</b>            | <b>0.24</b>            |
| <b>Total B (Other Investments) (IX+X+XI+XII)</b>  |                  |                        |                        | <b>35,490.86</b>       | <b>75.30</b>           |
| <b>Total Non-current Investments (A+B)</b>  |                  |                        |                        | <b>1,67,691.88</b>     | <b>2,02,646.46</b>     |
| <b>Aggregate amount of quoted non-current investments</b>   |                  |                        |                        | <b>35,490.55</b>       | <b>74.99</b>           |
| <b>Aggregate market value of quoted non-current investments</b>   |                  |                        |                        | 33,183.70              | 337.17                 |
| <b>Aggregate amount of unquoted non-current investments</b>   |                  |                        |                        | <b>1,32,201.33</b>     | <b>2,02,571.47</b>     |
| <b>Aggregate provision for diminution in value of non-current investments</b>   |                  |                        |                        | <b>218.65</b>          | <b>218.65</b>          |

\*\* There is no system of issuance of distinctive shares in the country of registration.

All the Investments mentioned above are fully paid-up

\$ The Company has an investment of Rs. 1,076.06 Lacs (Previous year Rs. 1,076.06 Lacs) in the shares of Sahaj e-village Limited ("Sahaj"), an Associate of the Company in terms of Accounting Standard 23, "Accounting for Investments in Associates in Consolidated Financial Statements". Further, the Company has advanced loans amounting to Rs. 12,091 Lacs (Previous year Rs. 2,338 Lacs) to Sahaj.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

Sahaj is a long-gestation rural distribution & e-governance initiative and due to the accumulated losses, its net worth has eroded as at 31<sup>st</sup> March, 2018. However, Sahaj has informed the Company that it has taken a number of steps as part of a revamped business plan viz. substantial cost rationalisation, business expansion in new geographies and introduction of newer services etc., and its performance is expected to improve significantly over the coming years and that it shall continue to be a going concern in the foreseeable future.

Considering the long-term strategic nature of the investment and also in view of the revamped business plan of Sahaj as enumerated above, no provision is considered necessary by the Company at present, for any diminution in the value of investment and against loans advanced to Sahaj.

### 13.2 CURRENT INVESTMENTS

| Particulars  | Face value (Rs.) | Quantity               |                        | Rs. in Lacs            |                        |
|--|------------------|------------------------|------------------------|------------------------|------------------------|
|  |                  | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 |
| <b>Other Investments (fully paid-up)</b>                 |                  |                        |                        |                        |                        |
| <b>I. In Units of Trusts and Schemes of Venture Fund</b> |                  |                        |                        |                        |                        |
| India Advantage Fund III                                 | 100              | 811067                 | 1132060                | 730.53                 | 1,019.65               |
|  |                  |                        |                        | <b>730.53</b>          | <b>1,019.65</b>        |
| <b>Aggregate amount of unquoted current investments</b>  |                  |                        |                        | <b>730.53</b>          | <b>1,019.65</b>        |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 14. LOAN ASSETS

(Rs. in Lacs)

| Particulars  | As at 31st March, 2018 |                    |                 | As at 31st March, 2017 |                    |               |
|--|------------------------|--------------------|-----------------|------------------------|--------------------|---------------|
|  | Long-Term              |                    | Short-Term      | Long-Term              |                    | Short-Term    |
|  | Non-Current Maturities | Current Maturities |                 | Non-Current Maturities | Current Maturities |               |
| <b>Considered Good, unless otherwise stated</b>                  |                        |                    |                 |                        |                    |               |
| <b>Secured:<sup>1</sup></b>                                      |                        |                    |                 |                        |                    |               |
| Loans to Related parties   | 16,579                 | 1,426              | -               | 36,608                 | 3,972              | -             |
| Loans to Others <sup>2</sup>                                     | 8,20,980               | 3,44,689           | 1,11,417        | 7,65,870               | 3,28,776           | 3,057         |
| <b>(A)</b>   | <b>8,37,559</b>        | <b>3,46,115</b>    | <b>1,11,417</b> | <b>8,02,478</b>        | <b>3,32,748</b>    | <b>3,057</b>  |
| <b>Unsecured:</b>  |                        |                    |                 |                        |                    |               |
| Loans to Related parties   | -                      | -                  | -               | 242                    | -                  | -             |
| Loans to Others  | 9,009                  | 9,768              | 8,525           | 11,736                 | 6,565              | 40,771        |
| <b>(B)</b>   | <b>9,009</b>           | <b>9,768</b>       | <b>8,525</b>    | <b>11,978</b>          | <b>6,565</b>       | <b>40,771</b> |
| <b>C=(A+B)<sup>3</sup></b>                                       | <b>8,46,568</b>        | <b>3,55,883</b>    | <b>1,19,942</b> | <b>8,14,456</b>        | <b>3,39,313</b>    | <b>43,828</b> |
| Less: Provision for Bad Debts / Advances<br>(refer Note No. 7.2) | 14,151                 | -                  | -               | 20,110                 | -                  | -             |
| <b>(D)</b>   | <b>14,151</b>          | <b>-</b>           | <b>-</b>        | <b>20,110</b>          | <b>-</b>           | <b>-</b>      |
| <b>E=(C-D)</b>   | <b>8,32,417</b>        | <b>3,55,883</b>    | <b>1,19,942</b> | <b>7,94,346</b>        | <b>3,39,313</b>    | <b>43,828</b> |

<sup>1</sup> Secured by underlying assets and in certain cases are additionally secured by immovable properties and / or pledge of equity shares of the borrowers by way of collateral security.

<sup>2</sup>

<sup>a</sup> Loans to Others includes assets aggregating Rs. 1,72,541 Lacs (Previous year Rs. 71,176 Lacs) acquired in satisfaction of debt and held for sale.

<sup>b</sup> In terms of an Order from DRT-I, Kolkata dated 24 December, 2014, Deccan Chronicle Holding Limited (DCHL), one of the borrowers of the Company, had in the financial year 2014-15 allotted to the Company 6,60,37,735 equity shares in DCHL pursuant to conversion of a portion of loan into equity shares by virtue of the Company's rights under the financial documents. However, during the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 of DCHL, the Company has come to know that the said allotment of 6,60,37,735 equity shares by DCHL was contrary to law and therefore, void and ineffective. Since DCHL failed to give effect to such conversion, the Company has irrevocably and unconditionally withdrawn its right of conversion of loan into equity shares of DCHL vide its letter dated 23 April, 2018 to Resolution Professional of DCHL.

<sup>3</sup> Includes Non-Performing Assets of Rs. 55,582 Lacs (Previous year Rs. 55,880 Lacs).

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 14.1 DISCLOSURE OF RESTRUCTURED ASSETS

(Rs. in Lacs)

| Sl. No. | Type of Restructuring Asset Classification Details  | Under CDR Mechanism |                |          |      |       | Others   |                |          |         |           |          |
|---------|---|---------------------|----------------|----------|------|-------|----------|----------------|----------|---------|-----------|----------|
|         |   | Standard            | Sub – Standard | Doubtful | Loss | Total | Standard | Sub – Standard | Doubtful | Loss    | Total     |          |
| 1       | Restructured Accounts as on April 1, 2017   | No. of borrowers    | 2              | -        | -    | -     | 2        | 1              | 2        | -       | 5         |          |
|         |   |                     | (2)            | (-)      | (-)  | (-)   | (2)      | (1)            | (2)      | (-)     | (6)       |          |
|         |   | Amount Outstanding  | 5,059          | -        | -    | -     | 5,059    | 16,018         | 242      | 1,173   | -         | 17,433   |
|         |   | Provision thereon   | (4,915)        | (-)      | (-)  | (-)   | (4,915)  | (52,271)       | (264)    | (1,173) | (-)       | (53,708) |
| 2       | Fresh restructuring during the year   |                     | 244            | -        | -    | 244   | 786      | 26             | 352      | -       | 1,164     |          |
|         |   |                     | (241)          | (-)      | (-)  | (-)   | (1,741)  | (26)           | (252)    | (-)     | (2,019)   |          |
|         |   | No. of borrowers    | -              | -        | -    | -     | -        | -              | -        | -       | -         |          |
|         |   | Amount Outstanding  | (-)            | (-)      | (-)  | (-)   | (-)      | (-)            | (-)      | (-)     | (-)       |          |
| 3       | Upgradations to restructured standard category during the year  |                     | -              | -        | -    | -     | 1,135    | -              | -        | -       | 1,135     |          |
|         |   |                     | (144)          | (-)      | (-)  | (-)   | (144)    | (1,284)        | (-)      | (-)     | (-16,840) |          |
|         |   | Provision thereon   | -              | -        | -    | -     | -        | 56             | 326      | 338     | -         | 720      |
|         |   |                     | (3)            | (-)      | (-)  | (-)   | (3)      | (45)           | (-1,800) | (100)   | (-)       | (-1,655) |
| 4       | Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured advance at the beginning of the next FY. | No. of borrowers    | -              | -        | -    | -     | -        | -              | -        | -       | -         |          |
|         |   | Amount Outstanding  | (-)            | (-)      | (-)  | (-)   | (-)      | (-)            | (-)      | (-)     | (-)       |          |
|         |   | Provision thereon   | -              | -        | -    | -     | -        | -              | -        | -       | -         |          |
|         |   |                     | (-)            | (-)      | (-)  | (-)   | (-)      | (-)            | (-)      | (-)     | (-)       |          |
| 5       | Downgradations of restructured accounts during the FY   | No. of borrowers    | (-)            | (-)      | (-)  | (-)   | (-)      | (-)            | (-)      | (-)     | (-)       |          |
|         |   | Amount Outstanding  | -494           | -        | -    | -     | -494     | -10,542        | -        | -       | -10,542   |          |
|         |   | Provision thereon   | -22            | -        | -    | -     | -22      | -507           | -        | -       | -507      |          |
|         |   |                     | (-)            | (-)      | (-)  | (-)   | (-)      | (-)            | (-)      | (-)     | (-)       |          |
| 5       | Downgradations of restructured accounts during the FY   | No. of borrowers    | -              | -        | -    | -     | -1       | -              | 1        | -       | -         |          |
|         |   | Amount Outstanding  | (-)            | (-)      | (-)  | (-)   | (-)      | (1)            | (-)      | (-)     | (-)       |          |
|         |   | Provision thereon   | -              | -        | -    | -     | -        | -6,611         | 6,369    | 242     | -         |          |
|         |   |                     | (-)            | (-)      | (-)  | (-)   | (-)      | (-37,412)      | (37,412) | (-)     | (-)       |          |
| 5       | Downgradations of restructured accounts during the FY   | No. of borrowers    | -              | -        | -    | -     | -335     | 309            | 26       | -       | -         |          |
|         |   | Amount Outstanding  | (-)            | (-)      | (-)  | (-)   | (-)      | (-1,000)       | (-)      | (-)     | (-1,000)  |          |
|         |   | Provision thereon   | -              | -        | -    | -     | -        | (-)            | (-)      | (-)     | (-)       |          |
|         |   |                     | (-)            | (-)      | (-)  | (-)   | (-)      | (-1,000)       | (2,000)  | (-)     | (-)       |          |





## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 15. OTHER LONG-TERM ADVANCES

(Rs. in Lacs)

| Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2018 |
| <b>Unsecured, Considered Good</b>  |                  |                  |
| Advances   |                  |                  |
| Capital Advances   | 58               | 549              |
| Advance to Vendors for Operating Expenses  | 83               | 136              |
| Employee Advances  | 69               | 28               |
| Security Deposits  |                  |                  |
| To Related parties   | -                | 2,400            |
| To Others  | 33,453           | 36,197           |
| Prepaid Expenses   | 34               | 70               |
| MAT Credit Entitlement   | 1,106            | 1,106            |
| Balance with Revenue Authorities   | 80               | 59               |
| Advance Tax [(net of provision for tax Rs. 29,497 Lacs) (Previous Year Rs. 22,271 Lacs)] | 13,034           | 16,029           |
| <b>Total</b>   | <b>47,917</b>    | <b>56,574</b>    |

### 16. OTHER NON-CURRENT ASSETS

(Rs. in Lacs)

| Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2017 |
| <b>Unsecured, Considered Good</b>  |                  |                  |
| Non-Current portion of other Bank Balances   |                  |                  |
| Fixed Deposit with bank having balance maturity of more than twelve months (Under Lien)* | 446              | 446              |
| Unamortised Ancillary Borrowing Costs  | 2,412            | 3,316            |
| Interest Accrued but not due   | -                | 742              |
| Income Accrued but not due   | -                | 285              |
| Derivative Assets  | 769              | 427              |
| Security Receipts (refer Annexure II Note No. 27)  | 38,335           | 38,250           |
| Other Receivables  | -                | 1,785            |
| <b>Total</b>   | <b>41,962</b>    | <b>45,251</b>    |

\*Includes

|                   |     |     |
|-------------------|-----|-----|
| - Bank Guarantees | 446 | 446 |
|-------------------|-----|-----|

### 17. TRADE RECEIVABLES

(Rs. in Lacs)

| Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2017 |
| <b>Unsecured</b>                                   |                  |                  |
| <b>Considered Good</b>                             |                  |                  |
| Outstanding for more than Six Months               | 1,325            | 1,353            |
| Other Debts  | 2,174            | 1,341            |
|  | <b>3,499</b>     | <b>2,694</b>     |
| Less: Provision for Bad Debts (refer Note No. 7.2) | (135)            | (138)            |
|  | <b>(A) 3,364</b> | <b>2,556</b>     |
| <b>Considered Doubtful</b>                         |                  |                  |
| Outstanding for more than Six Months               | 291              | 223              |
| Other Debts  | -                | -                |
| Less: Provision for Bad Debts (refer Note No. 7.2) | (291)            | (223)            |
|  | <b>(B) -</b>     | <b>-</b>         |
| <b>Total (A+B)</b>                                 | <b>3,364</b>     | <b>2,556</b>     |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 18. CASH AND CASH EQUIVALENTS

(Rs. in Lacs)

| Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2017 |
| Cash on Hand   | 3                | 2                |
| Balances with Banks - in Current Account   | 9,025            | 7,908            |
| "Balances in Automated Teller Machines (ATMs)<br>(In connection with White Label ATM Business)"  | -                | 20               |
| Cheques on Hand <sup>1</sup>   | 22,126           | 14,959           |
| Fixed Deposits with banks having original maturity of 3 months or less [Including lien<br>for Bank Guarantee Rs. Nil (Previous year Rs. 332 lacs)] | -                | 4,823            |
| Unclaimed Dividend Account   | 35               | 35               |
| <b>(A)</b>   | <b>31,189</b>    | <b>27,747</b>    |
| Other Bank Balances:   |                  |                  |
| Fixed Deposit with bank having balance maturity of twelve months or less*  | 34,261           | 28,533           |
| Fixed Deposit with bank having balance maturity of more than twelve months<br>(Under Lien)   | 446              | 446              |
| Less: Non-current portion of other bank balances disclosed separately under 'Other<br>Non-Current Assets' (refer Note No.16)                       | (446)            | (446)            |
| <b>(B)</b>   | <b>34,261</b>    | <b>28,533</b>    |
| <b>Total (A+B)</b>   | <b>65,450</b>    | <b>56,280</b>    |

<sup>1</sup> Cheques on Hand have been since realised.

\* Includes

Under Lien:

|                                       |        |        |
|---------------------------------------|--------|--------|
| – Letter of credit                    | 34,260 | 27,869 |
| – Bank Guarantees                     | –      | 639    |
| – Unclaimed Public Deposit & Interest | 1      | 25     |

|                |   |   |
|----------------|---|---|
| Not under Lien | – | – |
|----------------|---|---|

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 19. OTHER SHORT-TERM ADVANCES

(Rs. in Lacs)

| Particulars                               | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2018 | 31st March, 2017 |
| <b>Unsecured, Considered Good</b>         |                  |                  |
| Advances                                  |                  |                  |
| Advance to Vendors for Operating Expenses | 2,085            | 1,060            |
| Employee Advances                         | 58               | 82               |
| Advance to Related parties                | 253              | -                |
| Security Deposits                         |                  |                  |
| To Related parties                        | 2,400            | -                |
| To Others                                 | 476              | 425              |
| Balance with Revenue Authorities          | -                | 20               |
| Prepaid Expenses                          | 114              | 156              |
| Cenvat Input Credit                       | -                | 20               |
| <b>Total</b>                              | <b>5,386</b>     | <b>1,763</b>     |

### 20. OTHER CURRENT ASSETS

(Rs. in Lacs)

| Particulars   | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2018 | 31st March, 2017 |
| Unamortised Ancillary Borrowing Costs                               | 1,381            | 1,878            |
| Interest Accrued but not due  | 17,864           | 20,025           |
| Income Accrued but not due  | 768              | 183              |
| Stock for Trade (refer Annexure I to Notes to Financial Statements) | 11,134           | 10,068           |
| Receivable on Forward Exchange Contracts                            | 4,436            | 1,929            |
| Derivative Assets   | 2                | 1,791            |
| Other Receivables   | -                | 8,051            |
| <b>Total</b>  | <b>35,585</b>    | <b>43,925</b>    |

### 21. REVENUE FROM OPERATIONS

(Rs. in Lacs)

| Particulars   | 2017-18         | 2016-17         |
|---|-----------------|-----------------|
| Income from Loan Assets   | 1,61,506        | 1,65,886        |
| Income from Leases  | 4,722           | 5,254           |
| Fee Based Income  | 3,454           | 1,389           |
| Income from Non Compete Fees  | -               | 20,555          |
| Gain/ Loss on Disposal of Assets Acquired in Satisfaction of Debt (refer Note No. 21.1) | -               | -               |
| Income from Stock for Trade   | 325             | -               |
| Income from Current Investments   | -               | 419             |
| Income from Long-Term Trade Investments   | 5               | -               |
| Interest from Stock for Trade   | 318             | -               |
| Interest from Long Term Trade Investments   | 2,248           | -               |
| Profit on Sale of Stock for Trade (net)   | 331             | 48              |
| Profit on Sale of Current Investments (net)   | 33              | 11              |
| Profit on Sale of Long term Trade Investments (net)                                     | 1,328           | 31,835          |
| Interest on Fixed Deposits and Other Receivables  | 2,561           | 3,800           |
| <b>Total</b>  | <b>1,76,831</b> | <b>2,29,197</b> |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 21.1 GAIN / LOSS ON DISPOSAL OF ASSETS ACQUIRED IN SATISFACTION OF DEBT

(Rs. in Lacs)

| Particulars   | 2017-18  | 2016-17  |
|---|----------|----------|
| Book Value of Assets acquired in Satisfaction of Debt, disposed off during the year | 753      | 1,17,824 |
| Less: Received on Disposal  |          |          |
| Sale Consideration  | 673      | 1,04,719 |
| Non Compete Fees  | -        | 13,105   |
| Loss on disposal ( <i>refer Note No. 25</i> )                                       | 80       | -        |
| <b>Total</b>  | <b>-</b> | <b>-</b> |

### 22. OTHER INCOME

(Rs. in Lacs)

| Particulars                                 | 2017-18    | 2016-17    |
|---|------------|------------|
| Dividend Income                             | 92         | -          |
| Liabilities No Longer Required Written Back | 43         | 3          |
| Profit on Sale of Fixed Assets              | 34         | 11         |
| Other Non-Operating Income                  | 362        | 751        |
| <b>Total</b>                                | <b>531</b> | <b>765</b> |

### 23. FINANCE COSTS

(Rs. in Lacs)

| Particulars  | 2017-18        | 2016-17        |
|--|----------------|----------------|
| Interest Expense   | 121,541        | 133,924        |
| Other Borrowing Costs  | 12,113         | 9,931          |
| Applicable net (gain) / loss on foreign currency transactions and translations | (305)          | (184)          |
| <b>Total</b>   | <b>133,349</b> | <b>143,671</b> |

### 24. EMPLOYEE BENEFITS EXPENSE

(Rs. in Lacs)

| Particulars                               | 2017-18      | 2016-17      |
|---|--------------|--------------|
| Salaries, Allowances, Commission & Bonus  | 2,977        | 3,550        |
| Contribution to Provident and Other Funds | 97           | 206          |
| Staff Welfare Expenses                    | 134          | 175          |
| <b>Total</b>                              | <b>3,208</b> | <b>3,931</b> |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 25. ADMINISTRATIVE AND OTHER EXPENSES

(Rs. in Lacs)

| Particulars   | 2017-18      | 2016-17      |
|---|--------------|--------------|
| Communication Expenses  | 174          | 85           |
| Legal & Professional Fees   | 2,637        | 2,317        |
| Electricity Charges   | 279          | 255          |
| Rent  | 870          | 847          |
| Rates and Taxes   | 78           | 70           |
| Commission, Brokerage and Service Charges   | 115          | 100          |
| Payments to the Auditor (refer Note No. 25.1)                                     | 83           | 95           |
| Repairs - Machinery   | 510          | 646          |
| - Others  | 997          | 892          |
| Travelling and Conveyance   | 923          | 1,149        |
| Directors' Fees   | 50           | 55           |
| Insurance   | 51           | 49           |
| Printing and Stationery   | 90           | 105          |
| Advertisement, Subscription and Donation  | 458          | 525          |
| Corporate Social Responsibility Expenses  | 152          | 234          |
| Loss on Disposal of Assets Acquired in Satisfaction of Debt (refer Note No. 21.1) | 80           | -            |
| Miscellaneous Expenses  | 222          | 187          |
| <b>Total</b>  | <b>7,769</b> | <b>7,611</b> |

#### 25.1 Payments to the Auditor (including Service Tax / GST):

(Rs. in Lacs)

| Particulars                                    | 2017-18   | 2016-17   |
|--|-----------|-----------|
| As Auditor - Statutory Audit & Limited Reviews | 74        | 69        |
| For Other Services (Certification etc.)        | 8         | 25        |
| For Reimbursement of Expenses                  | 1         | 1         |
| <b>Total</b>                                   | <b>83</b> | <b>95</b> |

### 26. EARNINGS PER EQUITY SHARE

| Particulars  | 2017-18     | 2016-17     |
|--|-------------|-------------|
| (a) Profit after tax attributable to Equity Shareholders (Rs. in Lacs) | 12,347      | 9,607       |
| (b) Weighted average number of Equity Shares (Basic)                   | 503086333   | 503086333   |
| (c) Weighted average number of Potential Equity Shares                 | -           | -           |
| (d) Weighted average number of Equity Shares (Diluted)                 | 503086333   | 503086333   |
| (e) Nominal Value of Equity per share (Rs.)                            | 10          | 10          |
| (f) Basic Earnings per share [(a) / (b)] (Rs.)                         | <b>2.45</b> | <b>1.91</b> |
| (g) Diluted Earnings per share [(a) / (d)] (Rs.)                       | <b>2.45</b> | <b>1.91</b> |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

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

(Rs. in Lacs)

| Particulars   | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2018 | 31st March, 2017 |
| <b>A. Contingent Liabilities</b>  |                  |                  |
| (a) Claims against the Company not acknowledged as debts:   |                  |                  |
| Income Tax  | 7,042            | 6,251            |
| Service Tax   | 1,275            | 1,275            |
| Central Sales Tax   | 653              | 801              |
| Entry Tax   | 5                | 5                |
| (b) Guarantees:   |                  |                  |
| Bank Guarantees <sup>1</sup>  | 7,931            | 5,083            |
| Guarantees to Banks and Others against credit facilities extended by them to third parties            | 43,813           | 20,198           |
| Guarantees for work contract performance  | 14,201           | 11,379           |
| Guarantees to Banks and Others, in the form of Put Option against loan facilities                     | 4,957            | 7,526            |
| <b>Total</b>  | <b>79,877</b>    | <b>52,518</b>    |
| <b>B. Commitments</b>   |                  |                  |
| Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances) | 118              | 1,045            |
| On account of Letter of Credit  | 71,036           | 99,734           |
| On account of Derivative Instruments ( <i>refer Note No. 32</i> )                                     |                  |                  |

<sup>1</sup> Includes Rs. 56 Lacs (Previous year Rs. 56 Lacs) issued on Company's behalf by the Banker of a Subsidiary Company.

### 28. C.I.F. VALUE OF IMPORTS

(Rs. in Lacs)

| Particulars            | 2017-18    | 2016-17    |
|------------------------|------------|------------|
| Operating Lease Assets | 860        | 773        |
| <b>Total</b>           | <b>860</b> | <b>773</b> |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 29. EXPENDITURE IN FOREIGN CURRENCY

(Rs. in Lacs)

| Particulars                      | 2017-18      | 2016-17      |
|----------------------------------|--------------|--------------|
| Finance Charges                  | 5,561        | 7,049        |
| Professional / Consultation Fees | 10           | 18           |
| On Other Matters                 | 812          | 854          |
| <b>Total</b>                     | <b>6,383</b> | <b>7,921</b> |

### 30. EARNINGS IN FOREIGN CURRENCY

Earnings in foreign currency for the year ended 31<sup>st</sup> March, 2018 is Rs. Nil (Previous year Rs. Nil )

### 31. DIVIDEND REMITTED IN FOREIGN CURRENCIES

The company remits the equivalent of the dividend payable to equity shareholders and holders of GDRs. For GDR holders, the dividend is remitted in Indian rupees to the custodian bank.

| Particulars  | 2017-18  | 2016-17  |
|--|----------|----------|
| Number of Non-Resident Shareholders                                    | 9        | 9        |
| Number of shares held (Equity shares of Rs. 10/- par value, per share) | 27082756 | 27082756 |
| Dividend Remitted (Rs. in Lacs)  | 135      | 135      |
| Related Financial Year   | 2016-17  | 2015-16  |

32. The Company has entered into Options / Swaps / Forward contracts (being derivative instruments) which are not intended for trading or speculation, for the purpose of hedging currency and interest rate related risks. Options, Swaps and Forward contracts outstanding as at year end are as follows:

(Amount in Lacs)

| Category            | Currency  | As at 31st March, 2018 |                            | As at 31st March, 2017 |                            |
|---------------------|-----------|------------------------|----------------------------|------------------------|----------------------------|
|                     |           | Number of Contracts    | Amount in Foreign Currency | Number of Contracts    | Amount in Foreign Currency |
| Options / Swaps     | USD / INR | 4                      | USD 341.70                 | 8                      | USD 590.74                 |
| Options / Swaps     | EUR / INR | 3                      | EUR 335.30                 | 3                      | EUR 371.90                 |
| Forwards            | USD / INR | -                      | -                          | 11                     | USD 62.00                  |
| Forwards            | EUR / INR | -                      | -                          | 2                      | EUR 3.50                   |
| Forwards            | EUR / USD | -                      | -                          | 3                      | EUR 7.50                   |
| Interest Rate Swaps | USD / INR | 6                      | USD 331.67                 | 9                      | USD 540.74                 |

Foreign currency borrowing exposures, which are not hedged by derivative instruments, amount to Rs. 3,259 Lacs (Previous year Rs. 7,299 Lacs).



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

**32.1** The Company with effect from 1<sup>st</sup> April 2016 (referred to as “Transition date”) has applied the Guidance Note on Accounting for Derivative Contracts issued by the 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.

### 32.2 Overall financial risk management objective and policies

Asset Liability Committee (ALCO) manages the Foreign Currency and Interest Rate Risks, besides other market risks / core functions. The company has put in place the policies for hedging / mitigating risks / strategies and processes for continuous monitoring of risks, which will enable the company to quantify risk, both on account of Foreign Currency and Interest Rate Risks. Apart from ALCO there is a Risk Committee of the Board which guides the company in these risks. Risk is measured on the basis of Fair Value as on reporting date. The Board has delegated authority to company officials in the FX 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 purposes.

### 32.3 Methodology used to arrive at the fair value of the derivative contracts

In estimating the fair value of derivative, the Company obtains the marked-to-market values from the banks with whom the hedge deals are done. The fair value gains / losses recognized in the statement of profit and loss and in hedge reserve (equity) are disclosed as follows:

(Rs. in Lacs)

| Particulars   | 2017-18                    |                           | 2016-17                    |                           |
|---|----------------------------|---------------------------|----------------------------|---------------------------|
|   | Cross Currency Derivatives | Interest Rate Derivatives | Cross Currency Derivatives | Interest Rate Derivatives |
| The amount recognised in hedge reserve (equity) during the year   | -                          | -                         | (1,416)                    | 1,226                     |
| The amount recycled from the hedge reserve (equity) and reported in Statement of Profit and Loss (net). | (19)                       | (364)                     | (1,397)                    | -                         |
| Realised gain / loss recognized in hedge reserve (equity).  | -                          | -                         | -                          | -                         |
| Unrealised gain / loss recognized in hedge reserve (equity).  | -                          | 1,590                     | (19)                       | 1,226                     |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 32.4 Hedge accounting relationship

The Company designates derivatives instruments in respect of foreign currency risk and interest rate risk as cash flow hedges. At the inception of the hedge relationship, the Company 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.

### 32.5 Details of foreign exchange assets and liabilities (including contingent liabilities) with hedging detail is as below:

(Amount in Lacs)

| I. Assets                          | As on 31st March, 2018 |               |                            |          | As on 31st March, 2017 |                            |            |
|------------------------------------|------------------------|---------------|----------------------------|----------|------------------------|----------------------------|------------|
|                                    | Foreign Currency       | Exchange Rate | Amount in Foreign Currency | Amount   | Exchange Rate          | Amount in Foreign Currency | Amount     |
| Other Monetary assets              | USD                    | 65.17         | 0.06                       | 4        | 64.85                  | 0.06                       | 4          |
|                                    | EURO                   | 80.21         | 0.00                       | -        | 69.05                  | 3.50                       | 242        |
| <b>Total Receivables (A)</b>       | <b>USD</b>             |               | <b>0.06</b>                | <b>4</b> |                        | <b>0.06</b>                | <b>4</b>   |
|                                    | <b>EURO</b>            |               | <b>0.00</b>                | <b>0</b> |                        | <b>3.50</b>                | <b>242</b> |
| Hedges by derivative contracts (B) | USD                    |               | -                          |          |                        | -                          |            |
|                                    | EURO                   |               | -                          |          |                        | -                          |            |
| Unhedged receivables (C=A-B)       | EURO                   | 80.21         | 0.00                       | 0        | 69.05                  | 3.50                       | 242        |
|                                    | USD                    | 65.17         | 0.06                       | 4        | 64.85                  | 0.06                       | 4          |

| II. Liabilities                    | As on 31st March, 2018 |               |                            |               | As on 31st March, 2017 |                            |               |
|------------------------------------|------------------------|---------------|----------------------------|---------------|------------------------|----------------------------|---------------|
|                                    | Foreign Currency       | Exchange Rate | Amount in Foreign Currency | Amount        | Exchange Rate          | Amount in Foreign Currency | Amount        |
| Borrowings (ECB and Others)        | USD                    | 65.17         | 391.67                     | 25,525        | 64.85                  | 758.29                     | 49,171        |
|                                    | EURO                   | 80.21         | 335.31                     | 26,893        | 69.05                  | 371.90                     | 25,681        |
| <b>Total Payables (D)</b>          |                        |               | <b>726.98</b>              | <b>52,418</b> |                        | <b>1,130.19</b>            | <b>74,852</b> |
| Hedges by derivative contracts (E) | USD                    |               | 341.67                     |               |                        | 645.73                     |               |
|                                    | EURO                   |               | 335.31                     |               |                        | 371.90                     |               |
| Unhedged Payables (F=D-E)          | USD                    | 65.17         | 50.00                      | 3,259         | 64.85                  | 112.56                     | 7,299         |
|                                    | EURO                   |               | -                          |               |                        | -                          |               |

| III. Contingent Liabilities and Commitments  | As on 31st March, 2018 |               |                            |              | As on 31st March, 2017 |                            |              |
|--|------------------------|---------------|----------------------------|--------------|------------------------|----------------------------|--------------|
|  | Foreign Currency       | Exchange Rate | Amount in Foreign Currency | Amount       | Exchange Rate          | Amount in Foreign Currency | Amount       |
| Contingent Liabilities                       |                        |               | -                          | -            |                        | -                          | -            |
| Commitments                                  |                        |               | -                          | -            |                        | -                          | -            |
| <b>Total (G)</b>                             |                        |               | <b>-</b>                   | <b>-</b>     |                        | <b>-</b>                   | <b>-</b>     |
| Hedges by derivative contracts (H)           |                        |               | -                          | -            |                        | -                          | -            |
| Unhedged Payable (I=G-H)                     |                        |               | -                          | -            |                        | -                          | -            |
| <b>Total unhedged FC Exposures (J=C+F+I)</b> | <b>USD</b>             | <b>65.17</b>  | <b>50.06</b>               | <b>3,263</b> | <b>64.85</b>           | <b>112.62</b>              | <b>7,303</b> |
|  | <b>EURO</b>            | <b>80.21</b>  | <b>-</b>                   | <b>-</b>     | <b>69.05</b>           | <b>3.50</b>                | <b>242</b>   |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 33. LEASES

#### a. In the capacity of Lessee

- (i) The Company has certain cancellable operating lease arrangements for office premises and equipments, which range between 11 months to 15 years and are usually renewable by mutual consent, on mutually agreeable terms. Some of these lease agreements have rent escalation upto 5% p.a. or 10% p.a. on renewals. Lease payments charged to the Statement of Profit and Loss with respect to such leasing arrangements aggregate to Rs. 866 Lacs (Previous year Rs. 828 Lacs).

Contingent rent recognised for agreements which stipulate rent payment based on usage is Rs. Nil (Previous year Rs. 11 Lacs).

- (ii) Further, the Company had certain non-cancellable operating lease arrangements for office premises, which was of 21 years and was renewable by mutual consent on mutually agreeable terms. Based on mutual understanding between parties, the agreement was terminated during the year. In respect of such arrangements, lease payments for the year aggregating to Rs.4 Lakhs (Previous year Rs.8 Lakhs) have been recognised in the Statement of Profit and Loss.

The future lease payments in respect of the above non-cancellable operating leases are as follows:

(Rs. in Lacs)

| Particulars                                  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2017 |
| Not later than 1 year                        | -                | 8                |
| Later than 1 year but not later than 5 years | -                | 34               |
| Later than 5 years                           | -                | 61               |
| <b>Total</b>                                 | <b>-</b>         | <b>103</b>       |

- (iii) Sub lease payments received (or receivable) recognised in the Statement of Profit and Loss for the year is Rs. 1,333 Lacs (Previous year Rs. 2,981 Lacs). Future minimum sublease payments expected to be received under non-cancellable subleases is Rs. 875 Lacs (Previous year Rs. 587 Lacs).

#### b. In the capacity of Lessor

- (i) The Company has given assets on Operating lease (refer Note No. 12) for periods ranging between 5 to 15 years. Some of these lease agreements stipulate rental computation on the basis of earnings of the Lessee. Such contingent rent recognised during the year is Rs. 3,173 Lacs (Previous year Rs. 501 Lacs).

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

(Rs. in Lacs)

| Particulars                                  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2017 |
| Not later than 1 year                        | 213              | 213              |
| Later than 1 year but not later than 5 years | 61               | 274              |
| Later than 5 years                           | -                | -                |
| <b>Total</b>                                 | <b>274</b>       | <b>487</b>       |

- (ii) The Company also has cancellable operating lease arrangements for office premises, which range between 1 to 3 years and are usually renewable by mutual consent on mutually agreeable terms. Further, the Company has non-cancellable arrangement which is of 3 years and is renewable by mutual consent on mutually agreeable terms. In respect of non-cancellable arrangements, lease earning for the year aggregating to Rs. 2 Lacs (Previous year Rs. 1 Lac) have been recognised in the Statement of Profit and Loss.

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

(Rs. in Lacs)

| Particulars                                  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2017 |
| Not later than 1 year                        | 1                | 1                |
| Later than 1 year but not later than 5 years | -                | 1                |
| Later than 5 years                           | -                | -                |
| <b>Total</b>                                 | <b>1</b>         | <b>2</b>         |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 34. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD (AS) 15 – EMPLOYEE BENEFITS

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).

(a) Expenses recognised in the Statement of Profit and Loss are as follows:

(Rs. in Lacs)

| Particulars                    | Gratuity            |                     | Leave               |                     |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                | Year ended          |                     | Year ended          |                     |
|                                | 31st March,<br>2018 | 31st March,<br>2017 | 31st March,<br>2018 | 31st March,<br>2017 |
| Current service cost           | 72                  | 47                  | 55                  | 41                  |
| Interest cost                  | 29                  | 32                  | 14                  | 15                  |
| Expected return on plan assets | (14)                | (15)                | -                   | -                   |
| Past Service Cost              | -                   | -                   | -                   | -                   |
| Net actuarial losses / (gains) | (140)               | (51)                | (66)                | 20                  |
| <b>Net benefit expense</b>     | <b>(53)</b>         | <b>13</b>           | <b>3</b>            | <b>76</b>           |
| Actual return on plan assets   | 7.15%               | 7.80%               | N.A.                | N.A.                |

(b) Net Liability recognised in the Balance Sheet is as follows:

(Rs. in Lacs)

| Particulars                | Gratuity            |                     | Leave               |                     |
|----------------------------|---------------------|---------------------|---------------------|---------------------|
|                            | As at               | As at               | As at               | As at               |
|                            | 31st March,<br>2018 | 31st March,<br>2017 | 31st March,<br>2018 | 31st March,<br>2017 |
| Defined benefit obligation | 260                 | 412                 | 266                 | 337                 |
| Fair value of plan assets  | (80)                | (179)               | -                   | -                   |
| <b>Net liability</b>       | <b>180</b>          | <b>233</b>          | <b>266</b>          | <b>337</b>          |
| – Non-Current              | 180                 | 233                 | 212                 | 281                 |
| – Current                  | -                   | -                   | 54                  | 56                  |

(c) Changes in the present value of the defined benefit obligations are as follows:

(Rs. in Lacs)

| Particulars                               | Gratuity            |                     | Leave               |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | Year ended          |                     | Year ended          |                     |
|   | 31st March,<br>2018 | 31st March,<br>2017 | 31st March,<br>2018 | 31st March,<br>2017 |
| Opening defined benefit obligation        | 412                 | 428                 | 337                 | 365                 |
| Interest cost                             | 29                  | 32                  | 14                  | 15                  |
| Current service cost                      | 72                  | 47                  | 55                  | 41                  |
| Benefit paid                              | (19)                | (44)                | (74)                | (104)               |
| Acquisitions Cost / credit                | (94)                | -                   | -                   | -                   |
| Actuarial losses / (gains)                | (140)               | (51)                | (66)                | 20                  |
| <b>Closing defined benefit obligation</b> | <b>260</b>          | <b>412</b>          | <b>266</b>          | <b>337</b>          |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(d) The details of fair value of plan assets at the Balance Sheet date are as follows:

(Rs. in Lacs)

| Particulars                              | Gratuity         |                  |
|--|------------------|------------------|
|  | As at            | As at            |
|  | 31st March, 2018 | 31st March, 2017 |
| Opening fair value of plan assets        | 179              | 183              |
| Acquisitions Cost / credit               | (94)             | -                |
| Expected return on plan assets*          | 14               | 15               |
| Contribution by the Company              | -                | 25               |
| Benefits paid                            | (19)             | (44)             |
| Actuarial (losses) / gains               | -                | -                |
| <b>Closing fair value of plan assets</b> | <b>80</b>        | <b>179</b>       |

\* Determined based on government bond rate

(e) The principal assumptions used in determining the gratuity and leave liability are as shown below:

(Rs. in Lacs)

| Particulars                             | As at  | As at  |
|---|--|--|
|   | 31st March, 2018   | 31st March, 2017   |
| Discount rate (%)                       | 7.60%  | 7.15%  |
| Return on Plan Assets (Gratuity Scheme) | 8.50%  | 8.50%  |
| Mortality Rate                          | India Assured Lives<br>Mortality (2006–08)<br>(modified) Ult | India Assured Lives<br>Mortality (2006–08)<br>(modified) Ult |

(f) The amounts for the current and previous years are as follows:

(Rs. in Lacs)

| Particulars  | Gratuity       |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
|  | As at 31st     | As at 31st     | As at 31st     | As at 31st     | As at 31st     |
|  | March,<br>2018 | March,<br>2017 | March,<br>2016 | March,<br>2015 | March,<br>2014 |
| Defined benefit obligation                                 | 260            | 412            | 428            | 385            | 273            |
| Fair value of plan assets                                  | 80             | 179            | 183            | 183            | 162            |
| Deficit  | 180            | 233            | 245            | 202            | 111            |
| Experience adjustments on plan liabilities – gain / (loss) | 125            | 85             | 52             | 22             | 56             |
| Experience adjustments on plan assets – gain / (loss)      | -              | -              | -              | -              | (1)            |
| Actuarial gain / (loss) due to change on assumptions       | 15             | (33)           | -              | (64)           | 39             |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lacs)

| Particulars  | Leave                        |                              |                              |                              |                              |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|  | As at 31st<br>March,<br>2018 | As at 31st<br>March,<br>2017 | As at 31st<br>March,<br>2016 | As at 31st<br>March,<br>2015 | As at 31st<br>March,<br>2014 |
| Defined benefit obligation                                 | 266                          | 337                          | 365                          | 344                          | 276                          |
| Fair value of plan assets                                  | -                            | -                            | -                            | -                            | -                            |
| Deficit  | 266                          | 337                          | 365                          | 344                          | 276                          |
| Experience adjustments on plan liabilities – gain / (loss) | 59                           | (6)                          | (31)                         | (55)                         | 21                           |
| Experience adjustments on plan assets – gain / (loss)      | -                            | -                            | -                            | -                            | -                            |
| Actuarial gain / (loss) due to change on assumptions       | 7                            | (14)                         | -                            | (30)                         | 20                           |

(g) The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

(h) The amount provided for defined contribution plan is as follows:

(Rs. in Lacs)

| Particulars              | Year ended       |                  |
|--------------------------|------------------|------------------|
|                          | 31st March, 2018 | 31st March, 2017 |
| Provident fund           | 173              | 193              |
| Employee state insurance | 0                | 1                |
| <b>Total</b>             | <b>173</b>       | <b>194</b>       |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 35. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 18 – RELATED PARTY DISCLOSURES

#### Related Parties:

| <b>Holding Company:</b>  | <b>Country of Origin</b> |
|--|--------------------------|
| Adisri Commercial Private Limited  | India                    |
| <b>Subsidiaries &amp; Step-down Subsidiaries:</b>  |                          |
| Srei Capital Markets Limited   | India                    |
| Srei Alternative Investment Managers Limited   | India                    |
| Srei Infrastructure Advisors Limited (ceased to be Subsidiary w.e.f 12.03.2018)  | India                    |
| Controlla Electrotech Private Limited  | India                    |
| Srei Mutual Fund Asset Management Private Limited  | India                    |
| Srei Mutual Fund Trust Private Limited   | India                    |
| IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany) (ceased to be Subsidiary and has become Associate w.e.f. 21.06.2016) | Germany                  |
| Srei Forex Limited (ceased to be Subsidiary w.e.f 17.05.2016)  | India                    |
| Srei Insurance Broking Private Limited   | India                    |
| Bengal Srei Infrastructure Development Limited (Step-down Subsidiary upto 11.03.2018 and became Subsidiary w.e.f. 12.03.2018)  | India                    |
| Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)  | India                    |
| Cyberabad Trustee Company Private Limited (Subsidiary of Srei Alternative Investment Managers Limited)   | India                    |
| AO Srei Leasing, Russia (Formerly ZAO Srei Leasing, Russia) (ceased to be Step-down Subsidiary w.e.f. 21.06.2016)  | Russia                   |
| Srei Advisors Pte Limited, Singapore (ceased to be Step-down Subsidiary w.e.f. 21.06.2016)   | Singapore                |
| Quippo Oil & Gas Infrastructure Limited  | India                    |
| Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd ) (Subsidiary of Quippo Oil & Gas Infrastructure Limited )                                    | India                    |
| Quippo Energy Limited (Formerly Quippo Energy Private Limited )  | India                    |
| Srei Asset Reconstruction Private Limited  | India                    |
| Srei Equipment Finance Limited (ceased to be Joint Venture and has become Subsidiary w.e.f. 17.06.2016)  | India                    |
| <b>Joint Venture:</b>  |                          |
| Srei Equipment Finance Limited (ceased to be Joint Venture and has become Subsidiary w.e.f. 17.06.2016)  | India                    |
| <b>Associates:</b>   |                          |
| Sahaj e-Village Limited  | India                    |
| Attivo Economic Zone (Mumbai) Private Limited  | India                    |
| IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany) (ceased to be Subsidiary and has become Associate w.e.f. 21.06.2016) | Germany                  |
| <b>Trusts:</b>   |                          |
| Srei Mutual Fund Trust   | India                    |
| Srei Growth Trust (The Trust having completed its Objective & dissolved w.e.f. 31.03.2017)   | India                    |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

| <b>Key Management Personnel (KMP):</b>   |   |
|--|---|
| <b>Name</b>  | <b>Designation</b>  |
| Mr. Hemant Kanoria   | Chairman & Managing Director                                |
| Mr. Bijoy Kumar Daga (Upto 11.06.2016)   | Chief Executive Officer, Infrastructure Project Finance     |
| Mr. Bajrang Kumar Choudhary (Upto 31.10.2016)  | Chief Executive Officer, Infrastructure Project Development |
| Mr. Kishore Kumar Lodha (Upto 15.01.2018)  | Chief Financial Officer                                     |
| Mr. Sameer Sawhney (From 05.11.2016)   | Chief Executive Officer                                     |
| Mr. Sandeep Lakhotia   | Company Secretary   |
| <b>Enterprise over which relative of a KMP has significant influence</b>   |   |
| India Power Corporation Limited (significant influence w.e.f. 01.06.2017)  |   |
| ATC Telecom Infrastructure Private Limited (Formerly Viom Networks Limited) (significant influence ceased w.e.f. 21.04.2016) |   |



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### Details of Related Party Transactions:

(Rs. in Lacs)

| Name of related party<br>&<br>Nature of relationship | Nature of Transactions  | Year ended<br>31st March, 2018 |                                      | Year ended<br>31st March, 2017 |                                      |
|--|---|--------------------------------|--------------------------------------|--------------------------------|--------------------------------------|
|  |   | For the<br>Year                | Balance as at<br>31st March,<br>2018 | For the<br>Year                | Balance as at<br>31st March,<br>2017 |
| <b>(A) Holding Company:</b>                          |   |                                |                                      |                                |                                      |
| Adisri Commercial Private Limited                    | Dividend Paid   | 1,518                          | -                                    | 1,518                          | -                                    |
| <b>(B) Subsidiaries:</b>                             |   |                                |                                      |                                |                                      |
| Srei Alternative Investment Managers Limited         | Advance Given   | 250                            | 250                                  | -                              | -                                    |
| Srei Infrastructure Advisors Limited                 | Purchase of Equity Shares   | 3                              | -                                    | -                              | -                                    |
| Srei Capital Market Limited                          | Subscription to Commercial Paper Received [Face Value Rs. 65 lakhs (Previous year - Rs. 205 lakhs)]                                       | 64                             | -                                    | 198                            | 198                                  |
|  | Commercial Paper Redeemed [Face Value Rs. 270 lakhs (Previous year - Rs. Nil)]  | 270                            | -                                    | -                              | -                                    |
|  | Finance Charges on Commercial Paper   | 8                              | -                                    | 0.29                           | -                                    |
| Bengal Srei Infrastructure Development Limited       | Loan advanced   | 15                             | 135                                  | -                              | 130                                  |
|  | Refund of Loan Advanced   | 10                             | -                                    | 5                              | -                                    |
|  | Interest Received on Loan   | 17                             | -                                    | 17                             | -                                    |
|  | Balance Receivable-Interest accrued but not due (Net of TDS)  | -                              | 0.05                                 | -                              | 0.05                                 |
| Srei Mutual Fund Asset Management Private Limited    | Deposits Received   | 1,085                          | 1,058                                | 1,087                          | 1,060                                |
|  | Deposits Refunded   | 1,087                          | -                                    | 1,084                          | -                                    |
|  | Interest Paid on Deposits   | 100                            | -                                    | 105                            | -                                    |
|  | Balance Payable-Interest accrued but not due (Net of TDS)   | -                              | 1                                    | -                              | 1                                    |
| Srei Mutual Fund Trust Private Limited               | Subscription to Share Warrant   | 10                             | -                                    | 6                              | -                                    |
|  | Share Warrant Redeemed  | 5                              | -                                    | -                              | -                                    |
|  | Advance Given   | 3                              | 3                                    | -                              | -                                    |
| Controlla Electrotech Private Limited                | Rental Paid   | 4                              | -                                    | 8                              | -                                    |
|  | Property mortgaged as a collateral security against the allotment of Secured Redeemable Non-Convertible debentures of its Holding Company | -                              | 70                                   | -                              | 6,070                                |
|  | Balance Receivable-Deposit  | -                              | 2,400                                | -                              | 2,400                                |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lacs)

| Name of related party<br>&<br>Nature of relationship   | Nature of Transactions   | Year ended<br>31st March, 2018 |                                      | Year ended<br>31st March, 2017 |                                      |
|--|--|--------------------------------|--------------------------------------|--------------------------------|--------------------------------------|
|  |  | For the<br>Year                | Balance as at<br>31st March,<br>2018 | For the<br>Year                | Balance as at<br>31st March,<br>2017 |
| Srei Insurance Broking<br>Private Limited  | Rental Received  | 5                              | -                                    | 6                              | -                                    |
|  | Loan advanced  | 8                              | 100                                  | 250                            | 250                                  |
|  | Refund of Loan Advanced  | 158                            | -                                    | -                              | -                                    |
|  | Interest Received on Loan  | 31                             | -                                    | 20                             | -                                    |
|  | Advance Given  | -                              | -                                    | 90                             | -                                    |
|  | Refund of Advance Given  | -                              | -                                    | 140                            | -                                    |
|  | Balance Receivable-Interest accrued but not due (Net of TDS)   | -                              | 2                                    | -                              | 2                                    |
| Quippo Energy Limited  | Loan advanced  | 1,033                          | 4,023                                | 2,009                          | 3,577                                |
|  | Refund of Loan Advanced  | 588                            | -                                    | 332                            | -                                    |
|  | Sale of Assets   | 395                            | 445                                  | 603                            | 458                                  |
|  | Purchase of Assets   | 358                            | -                                    | 452                            | 62                                   |
|  | Rental Received  | 155                            | 5                                    | 125                            | 25                                   |
|  | Interest Received on Loan  | 445                            | 116                                  | 298                            | -                                    |
|  | Balance Receivable-Interest accrued but not due (Net of TDS)   | -                              | 1                                    | -                              | 1                                    |
|  | Balance Receivable-Rental accrued but not due (Net of TDS)   | -                              | 68                                   | -                              | 57                                   |
|  | Guarantee in the form of Put Option to Bank against Loan facility opened   | -                              | -                                    | 100                            | -                                    |
|  | Commitment given against credit facility from Bank [Commitment Amount - Rs. 4,881 lacs (Previous year - Rs. 4,881 lacs), liability to the extent of outstanding facility and accrued interest - Rs. 167 lacs (Previous year - Rs. 242 lacs)] | -                              | 167                                  | -                              | 242                                  |
| Outstanding Guarantee in the form of Put Option to Bank against loan facility [ Guarantee Amount - Rs. 3,350 lacs (Previous year - Rs. 3,350 lacs) liability to the extent of facility utilised Rs. 435 lacs (Previous year - Rs. 1,458 lacs)] | -  | 435                            | -                                    | 1,458                          |                                      |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lacs)

| Name of related party<br>&<br>Nature of relationship  | Nature of Transactions  | Year ended<br>31st March, 2018 |                                      | Year ended<br>31st March, 2017 |                                      |
|---|---|--------------------------------|--------------------------------------|--------------------------------|--------------------------------------|
|   |   | For the<br>Year                | Balance as at<br>31st March,<br>2018 | For the<br>Year                | Balance as at<br>31st March,<br>2017 |
| Quippo Oil & Gas<br>Infrastructure Limited  | Loan advanced   | 1,550                          | 1,550                                | 2,453                          | -                                    |
|   | Advance Received  | 10                             | 10                                   | -                              | -                                    |
|   | Refund of Loan Advanced   | -                              | -                                    | 10,209                         | -                                    |
|   | Rental Received   | 2,528                          | -                                    | 419                            | -                                    |
|   | Interest Received on Loan   | 105                            | -                                    | 905                            | -                                    |
|   | Subscription to Preference Shares   | -                              | -                                    | 2,470                          | -                                    |
|   | Corporate Guarantee Issued  | 26,963                         | -                                    | 13,447                         | -                                    |
|   | Corporate Guarantee Closed  | 17,869                         | -                                    | -                              | -                                    |
|   | Balance Receivable-Interest accrued but not due (Net of TDS)  | -                              | 16                                   | -                              | 33                                   |
|   | Balance Receivable-Rental accrued but not due (Net of TDS)  | -                              | 370                                  | -                              | 95                                   |
|   | Corporate Guarantee [Guarantee Amount - Rs. 31,541 lacs (Previous year - Rs. 22,447 lacs), liability to the extent of outstanding loan, Bank Guarantee and Contract Performance - Rs. 24,271 lacs (Previous year - Rs. 16,617 lacs)]                        | -                              | 24,271                               | -                              | 16,617                               |
|   | Guarantee in the form of Put option to bank against Loan facility [Put Option Amount - Rs. 7,000 lacs (Previous year - Rs. 7,000 lacs), liability to the extent of outstanding loan and accrued interest - Rs. 3,188 lacs (Previous year - Rs. 4,813 lacs)] | -                              | 3,188                                | -                              | 4,813                                |
| IIS International<br>Infrastructure Services<br>GmbH (ceased to be<br>Subsidiary and has become<br>Associate w.e.f. 21.06.2016) | Interest Received on Loan   | -                              | -                                    | 3                              | -                                    |
| Srei Equipment Finance<br>Limited (ceased to be<br>Joint Venture and has<br>become Subsidiary w.e.f.<br>17.06.2016)             | Rental Received   | -                              | -                                    | 1,400                          | -                                    |
|   | Security Deposit Received   | -                              | 1,576                                | 26                             | 1,576                                |
| <b>(C) Joint Venture:</b>   |   |                                |                                      |                                |                                      |
| Srei Equipment Finance<br>Limited (ceased to be<br>Joint Venture and has<br>become Subsidiary w.e.f.<br>17.06.2016)             | Rental Received   | -                              | -                                    | 444                            | -                                    |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lacs)

| Name of related party<br>&<br>Nature of relationship  | Nature of Transactions   | Year ended<br>31st March, 2018 |                                      | Year ended<br>31st March, 2017 |                                      |
|---|--|--------------------------------|--------------------------------------|--------------------------------|--------------------------------------|
|   |  | For the<br>Year                | Balance as at<br>31st March,<br>2018 | For the<br>Year                | Balance as at<br>31st March,<br>2017 |
| <b>(D) Associates:</b>  |  |                                |                                      |                                |                                      |
| Sahaj e-Village Limited   | Loan Advanced  | 23,595                         | 12,091                               | 5,582                          | 2,338                                |
|   | Refund of Loan Advanced  | 13,842                         | -                                    | 29,229                         | -                                    |
|   | Fees Income  | 0.50                           | -                                    | -                              | -                                    |
|   | Rental Received  | 88                             | 63                                   | 194                            | 12                                   |
|   | Purchase of Services (Excluding Service Tax)   | 10                             | 161                                  | -                              | 154                                  |
|   | Sale of Receivables  | 11,926                         | -                                    | -                              | -                                    |
|   | Interest Received on Loan  | 1,506                          | -                                    | 2,584                          | 1,210                                |
|   | Guarantee in the form of Put Option to Bank against Loan facility closed   | -                              | -                                    | 6,000                          | -                                    |
|   | Security Deposit Received  | -                              | -                                    | -                              | 2                                    |
|   | Security Deposit Refunded  | 2                              | -                                    | -                              | -                                    |
|   | Sale of Investments  | -                              | -                                    | 50                             | -                                    |
|   | Balance Receivable-Interest accrued but not due (Net of TDS)   | -                              | 3                                    | -                              | 39                                   |
|   | Commitment given against credit facility from Bank [Commitment Amount - Rs. 380 lacs (Previous year - Rs. 380 lacs), liability to the extent of outstanding facility and accrued interest - Rs. 26 lacs (Previous year - Rs. 27 lacs)] | -                              | 26                                   | -                              | 27                                   |
| Corporate Guarantee - Outstanding [Guarantee Amount - Rs. 9,544 lacs (Previous year - Rs. 9,544 lacs), liability under CG to the extent of outstanding loan and accrued interest - Rs. 1,115 lacs (Previous year - Rs. 1,172 lacs)]                                     | -  | 1,115                          | -                                    | 1,172                          |                                      |
| Outstanding Guarantee in the form of Put option to bank against Loan facility [Put Option Amount - Rs. 2,500 lacs (Previous year - Rs. 2,500 lacs), liability to the extent of outstanding loan and accrued interest - Rs. 1,335 lacs (Previous year - Rs. 1,256 lacs)] | -  | 1,335                          | -                                    | 1,256                          |                                      |
| Attivo Economic Zone<br>(Mumbai) Private Limited  | Loan advanced  | 3,688                          | -                                    | 6,033                          | 30,385                               |
|   | Refund of Loan Advanced  | 34,073                         | -                                    | 16,493                         | -                                    |
|   | Interest Received on Loan  | 2,767                          | -                                    | 5,253                          | -                                    |
|   | Balance Receivable-Interest accrued but not due (Net of TDS)   | -                              | -                                    | -                              | 248                                  |
| IIS International<br>Infrastructure Services<br>GmbH (ceased to be<br>Subsidiary and has become<br>Associate w.e.f. 21.06.2016)   | Interest Received on Loan  | -                              | -                                    | 11                             | 30                                   |
|   | Loan advanced  | -                              | -                                    | -                              | 242                                  |
|   | Bad Debts written-off  | 296                            | -                                    | -                              | -                                    |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lacs)

| Name of related party<br>&<br>Nature of relationship   | Nature of Transactions                        | Year ended<br>31st March, 2018 |                                      | Year ended<br>31st March, 2017 |                                      |
|--|---|--------------------------------|--------------------------------------|--------------------------------|--------------------------------------|
|  |   | For the<br>Year                | Balance as at<br>31st March,<br>2018 | For the<br>Year                | Balance as at<br>31st March,<br>2017 |
| <b>(E) Trusts:</b>   |   |                                |                                      |                                |                                      |
| Srei Growth Trust (The Trust having completed its Objective is dissolved w.e.f. 31 <sup>st</sup> March, 2017)                | Income Received                               | -                              | -                                    | 117                            | -                                    |
|  | Dividend Paid                                 | -                              | -                                    | 117                            | -                                    |
|  | Income Received on disposal of Treasury stock | -                              | -                                    | 32,758                         | -                                    |
| <b>(F) Key Management Personnel (KMP):</b>   |   |                                |                                      |                                |                                      |
| Mr. Hemant Kanoria   | Remuneration                                  | 242                            | -                                    | 247                            | -                                    |
|  | Commission                                    | 120                            | 120                                  | 60                             | 60                                   |
|  | Dividend paid                                 | 2                              | -                                    | 2                              | -                                    |
| Mr. Sandeep Lakhotia   | Remuneration                                  | 93                             | -                                    | 71                             | -                                    |
|  | Dividend Paid                                 | 2                              | -                                    | 0.49                           | -                                    |
| Mr. Bajrang Kumar Choudhary (Upto 31.10.2016)  | Remuneration                                  | -                              | -                                    | 86                             | -                                    |
|  | Dividend paid                                 | -                              | -                                    | 0.39                           | -                                    |
| Mr. Kishore Kumar Lodha (Upto 15.01.2018)  | Remuneration                                  | 46                             | -                                    | 50                             | -                                    |
|  | Dividend Paid                                 | 0.08                           | -                                    | -                              | -                                    |
| Mr. Bijoy Kumar Daga (Upto 11.06.2016)   | Remuneration                                  | -                              | -                                    | 109                            | -                                    |
| Mr. Sameer Sawhney (w.e.f. 05.11.2016)   | Remuneration                                  | 148                            | -                                    | 60                             | -                                    |
| <b>(G) Transaction with Relative of KMP:</b>   |   |                                |                                      |                                |                                      |
| Mr. Sunil Kanoria (Brother of Mr. Hemant Kanoria)  | Commission                                    | 13                             | 13                                   | 10                             | 10                                   |
|  | Dividend paid                                 | 9                              | -                                    | 9                              | -                                    |
|  | Sitting Fees                                  | 11                             | -                                    | 11                             | -                                    |
| Sandeep Lakhotia (HUF), (HUF of Mr. Sandeep Lakhotia)  | Sale of Motor Vehicle                         | 1                              | -                                    | -                              | -                                    |
| <b>(H) Enterprise over which relative of a KMP has significant influence:</b>  |   |                                |                                      |                                |                                      |
| ATC Telecom Infrastructure Private Limited (Formerly Viom Networks Limited) (significant influence ceased w.e.f. 21.04.2016) | Rental Received                               | -                              | -                                    | 3                              | -                                    |
| India Power Corporation Limited (significant influence w.e.f. 01.06.2017))   | Rental Received                               | 882                            | 72                                   | -                              | -                                    |

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 36. DETAILS OF LOANS / ADVANCES TO SUBSIDIARY COMPANIES AND ASSOCIATES:

(Rs. in Lacs)

| Name of the Company                                     | Maximum Amount Outstanding during |         | Amount Outstanding as at 31st March, * |        |
|---|-----------------------------------|---------|--|--------|
|   | 2017-18                           | 2016-17 | 2018                                   | 2017   |
| Sahaj e-Village Limited                                 | 19,786                            | 31,262  | 12,091                                 | 3,548  |
| Bengal Srei Infrastructure Development Limited          | 135                               | 135     | 135                                    | 130    |
| Controlla Electrotech Private Limited                   | 2,400                             | 2,400   | 2,400                                  | 2,400  |
| Srei Alternative Investment Managers Limited            | 250                               | -       | 250                                    | -      |
| Quippo Energy Limited                                   | 4,488                             | 3,577   | 4,139                                  | 3,577  |
| Quippo Oil & Gas Infrastructure Limited                 | 1,619                             | 8,156   | 1,540                                  | -      |
| Attivo Economic Zone (Mumbai) Private Limited           | 32,262                            | 46,878  | -                                      | 30,385 |
| Srei Insurance Broking Private Limited                  | 272                               | 250     | 100                                    | 250    |
| IIS International Infrastructure Services GmbH, Germany | 296                               | 294     | -                                      | 272    |
| Srei Mutual Fund Trust Private Limited                  | 3                                 | -       | 3                                      | -      |

\*Refer Note No. 35

### 37. Disclosure in respect of Company's Joint Venture in India pursuant to Accounting Standard 27 'Financial Reporting of Interest in Joint Ventures' :

| Name of the Venture            | Country of Incorporation | Proportion of Ownership Interest |
|--------------------------------|--------------------------|----------------------------------|
| Srei Equipment Finance Limited | India                    | *                                |

\* ceased to be 50:50 Joint Venture and has become Subsidiary w.e.f. 17.06.2016

The aggregate of the Company's share in the above venture is:

(Rs. in Lacs)

| Particulars                           | As at            | As at            |
|---------------------------------------|------------------|------------------|
|                                       | 31st March, 2018 | 31st March, 2017 |
| Current & Non-Current Liabilities     | -                | -                |
| Current & Non-Current Assets          | -                | -                |
| Contingent Liabilities                | -                | -                |
| Capital Commitments (Net of Advances) | -                | -                |

| Particulars                                  | 2017-18 | 2016-17* |
|--|---------|----------|
| Income                                       | -       | 27,497   |
| Expenses (Including Depreciation & Taxation) | -       | 26,524   |

\* figures for the period 01.04.16 to 16.06.16

**NOTES TO FINANCIAL STATEMENTS (CONTD.)**

38. Information as required by Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is furnished vide Annexure – II attached herewith.
39. Figures pertaining to the previous year have been rearranged / regrouped, wherever necessary, to make them comparable with those of current year.

For **Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 103523WW100048

**Mahesh Agarwal**  
Partner  
Membership No. 067806

Place : Kolkata  
Date : 28th April, 2018

**For and on behalf of the Board of Directors**

**Hemant Kanoria**  
Chairman & Managing Director

**Shyamalendu Chatterjee**  
Director

**Sameer Sawhney**  
Chief Executive Officer

**Sandeep Lakhotia**  
Company Secretary

**Vishnu G Agarwal**  
Financial Controller

## ANNEXURE I TO NOTES TO FINANCIAL STATEMENTS

Stock for Trade as at 31st March, 2018

| Equity Shares: Trade                            | Face Value | Quantity      | Cost                 | Value         |
|---|------------|---------------|----------------------|---------------|
|   | (Rs.)      | (Nos.)        | (Rs. in Lacs)        |               |
| Bala Techno Industries Ltd                      | 10         | 5000          | 1                    | -             |
| Hotline Glass Ltd.                              | 10         | 110609        | 12                   | -             |
| Kamala Tea Co. Ltd.                             | 10         | 25000         | 11                   | 11            |
| Sanghi Polyster Ltd.                            | 10         | 2000          | 0@                   | 0#            |
| IDBI Bank Ltd.                                  | 10         | 60000         | 105                  | 43            |
| Lakshmi Vilas Bank Ltd.                         | 10         | 1510294       | 2384                 | 1488          |
| Ortel Communications Limited                    | 10         | 10000         | 16                   | 2             |
| L.D.Textile Industries Ltd.                     | 10         | 42000         | 0*                   | 0#            |
| Shentracon Chemicals Ltd.                       | 10         | 99400         | 0*                   | 0#            |
| India Lead Ltd.                                 | 10         | 418668        | 0*                   | 0#            |
| Mega Marketshare Resources Ltd.                 | 10         | 6000          | 0*                   | 0#            |
| PAAM Pharmaceuticals (Delhi) Ltd.               | 10         | 1210          | 0*                   | 0#            |
| Standard Chrome Limited                         | 10         | 300           | 0*                   | 0#            |
| Kanel Industries Limited                        | 10         | 3100          | 0*                   | 0#            |
| Kesoram Textile Mills Limited                   | 10         | 20            | 0*                   | 0#            |
| NEPC Agro Foods Ltd.                            | 10         | 1333          | 0*                   | 0#            |
| <b>Total I (Equity Shares: Trade)</b>           |            |               | <b>2,529</b>         | <b>1,544</b>  |
| <b>Bond &amp; Debentures: Trade</b>             |            | <b>Units</b>  | <b>Cost</b>          | <b>Value</b>  |
|   |            | <b>(Nos.)</b> | <b>(Rs. in Lacs)</b> |               |
| 7% Fortis Healthcare Holdings Private Ltd, 2018 |            | 950           | 9,590                | 9,590         |
| <b>Total II (Bonds &amp; Debentures: Trade)</b> |            |               | <b>9,590</b>         | <b>9,590</b>  |
| <b>Total I+II (Trade Investments)</b>           |            |               | <b>12,119</b>        | <b>11,134</b> |
| Less: Provision for diminution                  |            |               | 985                  |               |
| <b>Grand total</b>                              |            |               | <b>11,134</b>        |               |

@ Book value Rs. 19,800;

\* Book value Rs. 1;

# Valued at Rs. 1



## ANNEXURE I TO NOTES TO FINANCIAL STATEMENTS (CONTD...)

Stock for Trade as at 31st March, 2017

| Equity Shares: Trade                  | Face Value<br>(Rs.) | Quantity<br>(Nos.) | Cost<br>(Rs. in Lacs) | Value     |
|---------------------------------------|---------------------|--------------------|-----------------------|-----------|
| Bala Techno Industries Ltd            | 10                  | 5000               | 1                     | -         |
| Hotline Glass Ltd.                    | 10                  | 110609             | 12                    | -         |
| Kamala Tea Co. Ltd.                   | 10                  | 25000              | 11                    | 11        |
| Sanghi Polyesters Ltd.                | 10                  | 2000               | 0@                    | 0#        |
| IDBI Bank Ltd.                        | 10                  | 60000              | 105                   | 46        |
| Ortel Communications Limited          | 10                  | 10000              | 16                    | 11        |
| L. D. Textile Industries Ltd.         | 10                  | 42000              | 0*                    | 0#        |
| Shentracon Chemicals Ltd.             | 10                  | 99400              | 0*                    | 0#        |
| India Lead Ltd.                       | 10                  | 418668             | 0*                    | 0#        |
| Mega Marketshare Resources Ltd.       | 10                  | 6000               | 0*                    | 0#        |
| PAAM Pharmaceuticals (Delhi) Ltd.     | 10                  | 1210               | 0*                    | 0#        |
| Standard Chrome Limited               | 10                  | 300                | 0*                    | 0#        |
| Kanel Industries Limited              | 10                  | 3100               | 0*                    | 0#        |
| Kesoram Textile Mills Limited         | 10                  | 20                 | 0*                    | 0#        |
| NEPC Agro Foods Ltd.                  | 10                  | 1333               | 0*                    | 0#        |
| <b>Total I (Equity Shares: Trade)</b> |                     |                    | <b>145</b>            | <b>68</b> |

| Mutual Funds: Trade                   | Units<br>(Nos.) | Cost<br>(Rs. in Lacs) | Value         |
|---------------------------------------|-----------------|-----------------------|---------------|
| Indiabulls Short-term Fund            | 707747          | 10,000                | 10,000        |
| <b>Total II (Mutual Funds: Trade)</b> |                 | <b>10,000</b>         | <b>10,000</b> |

|                                       |  |               |               |
|---------------------------------------|--|---------------|---------------|
| <b>Total I+II (Trade Investments)</b> |  | <b>10,145</b> | <b>10,068</b> |
| Less: Provision for diminution        |  | 77            |               |
| <b>Grand total</b>                    |  | <b>10,068</b> |               |

@ Book value Rs. 19,800;

\* Book value Rs. 1;

# Valued at Rs. 1

## ANNEXURE II TO NOTES TO FINANCIAL STATEMENTS (REFER NOTE 38)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

### 1. Capital to Risk Assets Ratio (CRAR)

(Rs. in Lacs)

| Sl. Particulars   | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|---|---------------------------|---------------------------|
| i) CRAR (%)   | 17.60                     | 18.94                     |
| ii) CRAR – Tier I Capital (%)                               | 13.71                     | 13.81                     |
| iii) CRAR – Tier II Capital (%)                             | 3.89                      | 5.13                      |
| iv) Amount of subordinated debt raised as Tier-II capital * | 2,702                     | 10,000                    |
| v) Amount raised by issue of Perpetual Debt Instruments *   | -                         | -                         |

\* During the year figure

### 2. Exposure to Real Estate Sector

(Rs. in Lacs)

| Category   | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|--|---------------------------|---------------------------|
| <b>a) Direct exposure</b>  |                           |                           |
| i) Residential Mortgages   | -                         | -                         |
| ii) Commercial Real Estate   | -                         | -                         |
| iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures | -                         | -                         |
| iv) Infrastructure Real Estate (SEZ's, Industrial Parks, IT Parks, Hotels)           | 1,54,311                  | 2,46,580                  |
| <b>b) Indirect exposure</b>  | -                         | -                         |

### 3. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31<sup>st</sup> March, 2018 are as follows:

(Rs. in Lacs)

| Particulars   | Upto 30 /<br>31 days<br>(one month) | Over 1<br>month upto<br>2 months | Over 2<br>months<br>upto 3<br>months | Over 3<br>months<br>upto 6<br>months | Over 6<br>months<br>upto 1 year | Over 1 year<br>upto 3<br>years | Over 3<br>years upto<br>5 years | Over 5<br>years | Total     |
|---|-------------------------------------|----------------------------------|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------|---------------------------------|-----------------|-----------|
| Deposits (Unclaimed)  | 1                                   | -                                | -                                    | -                                    | -                               | -                              | -                               | -               | 1         |
| Advances (refer Note-1 below)   | 52,712                              | 30,879                           | 49,037                               | 1,36,168                             | 2,10,077                        | 2,95,988                       | 3,12,780                        | 2,74,071        | 13,61,712 |
| Investments (including Current Investments & Stock for trade)[refer Note-2 below] | -                                   | 11,134                           | 731                                  | -                                    | -                               | -                              | -                               | 1,64,302        | 1,76,167  |
| Borrowings  | 49,087                              | 33,417                           | 45,917                               | 1,45,043                             | 1,89,932                        | 3,81,232                       | 3,31,748                        | 1,68,225        | 13,44,601 |
| Foreign Currency Assets   | -                                   | -                                | -                                    | -                                    | -                               | -                              | -                               | 3,390           | 3,390     |
| Foreign Currency Liabilities  | 2,172                               | -                                | 2,832                                | 529                                  | 3,904                           | 8,532                          | 7,886                           | 26,562          | 52,417    |

Notes:

- Advances represent the maturity pattern of loan assets and rentals on operating lease assets.
- The maturity pattern of Investments has been considered on the basis of Managements best estimates.
- The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in ratio of the maturity pattern of Advances.

## ANNEXURE II TO NOTES TO FINANCIAL STATEMENTS (REFER NOTE 38) CONTD...

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Maturity pattern of certain items of assets and liabilities as at 31<sup>st</sup> March, 2017 are as follows:

(Rs. in Lacs)

| Particulars   | Upto 30 /<br>31 days<br>(one month) | Over 1<br>month upto<br>2 months | Over 2<br>months<br>upto 3<br>months | Over 3<br>months<br>upto 6<br>months | Over 6<br>months<br>upto 1 year | Over 1 year<br>upto 3<br>years | Over 3<br>years upto<br>5 years | Over 5<br>years | Total     |
|---|-------------------------------------|----------------------------------|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------|---------------------------------|-----------------|-----------|
| Deposits (Unclaimed)  | 3                                   | -                                | -                                    | -                                    | -                               | -                              | -                               | -               | 3         |
| Advances (refer Note-1<br>below)  | 71,296                              | 46,100                           | 50,056                               | 86,249                               | 1,13,912                        | 3,23,164                       | 2,89,828                        | 2,57,735        | 12,38,340 |
| Investments (including<br>Current Investments & Stock<br>for trade)[refer Note-2 below] | -                                   | 10,068                           | 1,020                                | -                                    | -                               | -                              | -                               | 1,99,256        | 2,10,344  |
| Borrowings  | 53,611                              | 48,508                           | 46,635                               | 90,401                               | 1,21,206                        | 4,20,024                       | 2,74,818                        | 1,88,352        | 12,43,555 |
| Foreign Currency Assets   | -                                   | -                                | -                                    | -                                    | -                               | -                              | 242                             | 3,390           | 3,632     |
| Foreign Currency Liabilities  | 4,107                               | -                                | 7,196                                | 2,425                                | 12,572                          | 13,636                         | 5,274                           | 29,642          | 74,852    |

Notes:

- Advances represent the maturity pattern of loan assets and rentals on operating lease assets.
- The maturity pattern of Investments has been considered on the basis of Managements best estimates.
- The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in ratio of the maturity pattern of Advances.

(Rs. in Lacs)

| Particulars   | As at 31st March, 2018 |                   | As at 31st March, 2017 |                   |
|---|------------------------|-------------------|------------------------|-------------------|
|   | Amount<br>Outstanding  | Amount<br>Overdue | Amount<br>Outstanding  | Amount<br>Overdue |
| <b>Liabilities Side:</b>  |                        |                   |                        |                   |
| <b>4. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b> |                        |                   |                        |                   |
| (a) Debentures / Bonds:   |                        |                   |                        |                   |
| Secured   | 2,09,043               | -                 | 2,19,606               | 442*              |
| Unsecured (Other than falling within the meaning of public deposit)   | 1,05,660               | -                 | 1,11,802               | -                 |
| (b) Deferred Credits  | -                      | -                 | -                      | -                 |
| (c) Term Loans  | 2,66,138               | -                 | 3,02,908               | -                 |
| (d) Inter-corporate loans and borrowing   | 1,059                  | -                 | 1,276                  | -                 |
| (e) Commercial Papers   | 79,486                 | -                 | 37,459                 | -                 |
| (f) Public Deposit (refer Note No. 10.2)  | 1                      | 1                 | 3                      | 3                 |
| (g) Other Loans:  |                        |                   |                        |                   |
| Working capital facility  | 7,57,413               | 137               | 6,67,413               | 92                |
| <b>Break-up of (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)</b>                 |                        |                   |                        |                   |
| (a) In the form of Unsecured debentures   | -                      | -                 | -                      | -                 |
| (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security              | -                      | -                 | -                      | -                 |
| (c) Other public deposits   | 1                      | 1                 | 3                      | 3                 |

\* Income Tax authority has directed the Company not to transfer the maturity proceeds to the recipient.

## ANNEXURE II TO NOTES TO FINANCIAL STATEMENTS (REFER NOTE 38) CONTD...

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

| Assets Side: |   | As at 31st  | As at 31st  |
|--------------|---|-------------|-------------|
|              |   | March, 2018 | March, 2017 |
|              |   | Amount      | Amount      |
|              |   | Outstanding | Outstanding |
| <b>5</b>     | <b>Break-up of Loans and Advances including bills receivables [other than those included in (6) below]:</b> |             |             |
| (a)          | Secured   | 12,95,091   | 11,38,283   |
| (b)          | Unsecured   | 1,58,152    | 2,06,827    |
| <b>6</b>     | <b>Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities</b>         |             |             |
| (i)          | Lease assets including lease rentals under sundry debtors:  |             |             |
| (a)          | Financial lease   | -           | -           |
| (b)          | Operating lease   | -           | -           |
| (ii)         | Stock on hire including hire charges under sundry debtors:  |             |             |
| (a)          | Assets on hire  | -           | -           |
| (b)          | Repossessed Assets  | -           | -           |
| (iii)        | Other loans counting towards AFC activities   |             |             |
| (a)          | Loans where assets have been repossessed  | -           | -           |
| (b)          | Loans other than (a) above  | -           | -           |
| <b>7</b>     | <b>Break-up of Investments</b>  |             |             |
|              | Current Investments*  |             |             |
| 1            | Quoted:   |             |             |
| (i)          | Shares: (a) Equity  | 1,533       | 57          |
|              | (b) Preference  | -           | -           |
| (ii)         | Debentures and bonds  | -           | -           |
| (iii)        | Units of mutual funds   | -           | -           |
| (iv)         | Government Securities   | -           | -           |
| (v)          | Others  | -           | -           |
| 2            | Unquoted:   |             |             |
| (i)          | Shares: (a) Equity  | 11          | 11          |
|              | (b) Preference  | -           | -           |
| (ii)         | Debentures and bonds  | 9,590       | -           |
| (iii)        | Units of mutual funds   | -           | 10,000      |
| (iv)         | Government Securities   | -           | -           |
| (v)          | Others (Investment in Funds & Trust)  | 731         | 1,020       |
|              | Long-Term investments   |             |             |
| 1            | Quoted:   |             |             |
| (i)          | Shares: (a) Equity  | 35,490      | 75          |
|              | (b) Preference  | -           | -           |
| (ii)         | Debentures and bonds  | -           | -           |
| (iii)        | Units of mutual funds   | 0.24        | 0.24        |
| (iv)         | Government Securities   | -           | -           |
| (v)          | Others  | -           | -           |

\* Including Stock for Trade

## ANNEXURE II TO NOTES TO FINANCIAL STATEMENTS (REFER NOTE 38) CONTD...

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(Rs. in Lacs)

| Assets Side: |   | As at 31st<br>March, 2018 | As at 31st<br>March, 2017 |
|--------------|---|---------------------------|---------------------------|
|              |   | Amount<br>Outstanding     | Amount<br>Outstanding     |
| 2            | Unquoted:   |                           |                           |
|              | (i) Shares: (a) Equity                                  | 79,356                    | 1,13,495                  |
|              | (b) Preference  | 7,475                     | 7,475                     |
|              | (ii) Debentures, bonds / units                          | 22,059                    | 46,703                    |
|              | (iii) Units of mutual funds                             | -                         | -                         |
|              | (iv) Government Securities                              | 0.15                      | 0.15                      |
|              | (v) Others (Investment in Funds, Trust & Share Warrant) | 23,311                    | 34,898                    |

### 8. Borrower group-wise classification of assets financed as in (5) and (6) above:

(Rs. in Lacs)

| Category | As at 31st March, 2018          |                  |                 | As at 31st March, 2017   |                  |                 |                  |
|----------|---------------------------------|------------------|-----------------|--------------------------|------------------|-----------------|------------------|
|          | Amount net of provisions        |                  |                 | Amount net of provisions |                  |                 |                  |
|          | Secured                         | Unsecured        | Total           | Secured                  | Unsecured        | Total           |                  |
| 1        | Related Parties                 |                  |                 |                          |                  |                 |                  |
|          | (a) Subsidiaries                | 5,914            | 2,653           | 8,567                    | 3,957            | 2,615           | 6,572            |
|          | (b) Companies in the same group | -                | -               | -                        | -                | -               | -                |
|          | (c) Other related parties       | 12,091           | -               | 12,091                   | 36,623           | -               | 36,623           |
| 2        | Other than related parties      | 12,62,935        | 1,55,499        | 14,18,434                | 10,77,620        | 04,185          | 12,81,805        |
|          | <b>Total</b>                    | <b>12,80,940</b> | <b>1,58,152</b> | <b>14,39,092</b>         | <b>11,18,200</b> | <b>2,06,800</b> | <b>13,25,000</b> |

### 9. Investor group wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted):

(Rs. in Lacs)

| Category | As at 31st March, 2018                                 |                                      | As at 31st March, 2017                                 |                                      |                 |
|----------|--|--------------------------------------|--|--------------------------------------|-----------------|
|          | Market Value<br>/ Break up or<br>fair value or<br>NAV* | Book Value<br>(net of<br>provisions) | Market Value<br>/ Break up or<br>fair value or<br>NAV* | Book Value<br>(net of<br>provisions) |                 |
|          | 1  | Related Parties                      |  |                                      |                 |
|          | (a) Subsidiaries                                       | 2,88,006                             | 74,318   | 2,60,504                             | 74,360          |
|          | (b) Companies in the same group                        | -                                    | -  | -                                    | -               |
|          | (c) Other related parties                              | 6,392                                | 12,513   | 7,536                                | 12,513          |
| 2        | Other than related parties                             | 90,419                               | 92,726   | 1,27,123                             | 1,26,861        |
|          | <b>Total</b>   | <b>3,84,817</b>                      | <b>1,79,557</b>  | <b>3,95,163</b>                      | <b>2,13,734</b> |

\* Break up value have been considered for unquoted equity investment in 'Subsidiaries' and in 'Other related parties'.

## ANNEXURE II TO NOTES TO FINANCIAL STATEMENTS (REFER NOTE 38) CONTD...

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

### 10. Other Information:

(Rs. in Lacs)

| Particulars                                  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2017 |
|  | Amount           | Amount           |
| i. Gross Non-Performing Assets               |                  |                  |
| (a) Related Parties                          | -                | 242              |
| (b) Other than related Parties               | 55,582           | 55,638           |
| ii. Net Non-Performing Assets                |                  |                  |
| (a) Related Parties                          | -                | 215              |
| (b) Other than related Parties               | 41,983           | 36,585           |
| iii. Assets acquired in satisfaction of debt | 1,72,541         | 71,176           |

### 11. Investments

(Rs. in Lacs)

| Sl. Particulars   | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2018 | 31st March, 2017 |
| 1) Value of Investments   |                  |                  |
| i) Gross Value of Investments   |                  |                  |
| a) In India   | 1,65,252         | 2,00,495         |
| b) Outside India,   | 3,390            | 3,390            |
| ii) Provisions for Depreciation   |                  |                  |
| a) In India   | 219              | 219              |
| b) Outside India,   | -                | -                |
| iii) Net Value of Investments   |                  |                  |
| a) In India   | 1,65,033         | 2,00,276         |
| b) Outside India,   | 3,390            | 3,390            |
| 2) Movement of provisions held towards depreciation on investments      |                  |                  |
| i) Opening Balance  | 219              | 269              |
| ii) Add : Provisions made during the year                               | -                | -                |
| iii) Less : Write-off / write-back of excess provisions during the year | -                | 50               |
| iv) Closing Balance   | 219              | 219              |

### 12. Forward Rate Agreement / Interest Rate Swap

(Rs. in Lacs)

| Sl. Particulars   | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2018 | 31st March, 2017 |
| i) The notional principle of swap agreements  | 21,615           | 35,064           |
| ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements | Nil              | Nil              |
| iii) Collateral required by the NBFC upon entering into swaps   | Nil              | Nil              |
| iv) Concentration of credit risk arising from the swaps   | Nil              | Nil              |
| v) The fair value of the swap book @  | 752              | 297              |

@ The fair value is the estimated amount that the Company will receive or pay to terminate the swap agreements as on the balance sheet date.

## ANNEXURE II TO NOTES TO FINANCIAL STATEMENTS (REFER NOTE 38) CONTD...

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

### 13. Exchange Traded Interest Rate (IR) Derivatives

(Rs. in Lacs)

| Sl.  | Particulars  | As at            | As at            |
|------|--|------------------|------------------|
|      |  | 31st March, 2018 | 31st March, 2017 |
| i)   | Notional Principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)                     | Nil              | Nil              |
| ii)  | Notional Principal amount of exchange traded IR derivatives outstanding as on 31 <sup>st</sup> March, 2018 (instrument-wise) | Nil              | Nil              |
| iii) | Notional Principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)         | Nil              | Nil              |
| iv)  | Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)              | Nil              | Nil              |

### 14. Disclosures on Risk Exposure in Derivatives

#### (i) Qualitative Disclosure

The structure and organization for management of risk in derivatives trading, is not applicable since the Company is not engaged in derivative trading.

Besides other market risks / core functions, Asset Liability Committee (ALCO) manages the Foreign Currency and Interest Rate Risks also. The company has put in place the policies for hedging / mitigating risks / strategies and processes for continuous monitoring of risks, which will enable the company to quantify risk, both on account of Foreign Currency and Interest Rate Risks. Apart from ALCO there is a Risk Committee of the Board which guides the company in these risks.

The Board has delegated authority to company officials in the Forex Treasury department for entering into Generic derivative products besides Forward Contracts, on behalf of the company, to hedge the Foreign Currency and Interest Rate Risk exposures.

The company has a Market Risk Policy which paves the way for risk reporting and risk monitoring systems. The marked-to-market values are obtained from the banks with whom the hedge deals are done.

The Company, in order to hedge itself against the adverse impact of fluctuations in foreign currency rates / variable interest benchmark on underlying liability, enters into derivative contracts. Derivate contracts which are covered under AS 11, are accounted for as per the aforesaid policy for Foreign Currency Transactions and Translations.

The Company does not enter into derivative contracts for speculation or trading purposes. In accordance with the Guidance Note on Accounting for Derivatives ('Guidance Note') issued by the Institute of Chartered Accountants of India, the Company has classified derivative contracts (not covered under AS 11) as a hedging instrument and adopted cash flow hedge accounting model. The hedging instrument is measured at fair value, but any gain or loss that is determined to be an effective hedge is recognised in cash flow hedge reserve and recycled to the statement of profit & loss to offset the gains and losses of the hedged items.

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense in the year in which it is cancelled or renewed.

## ANNEXURE II TO NOTES TO FINANCIAL STATEMENTS (REFER NOTE 38) CONTD...

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(ii) Quantitative Disclosures

(Rs. in Lacs)

| Sl. Particulars                            | As at<br>31st March, 2018 |                              | As at<br>31st March, 2017 |                              |
|--|---------------------------|------------------------------|---------------------------|------------------------------|
|  | Currency<br>Derivatives   | Interest Rate<br>Derivatives | Currency<br>Derivatives   | Interest Rate<br>Derivatives |
| i) Derivatives (Notional Principal Amount) |                           |                              |                           |                              |
| For hedging                                | 49,161                    | 21,615                       | 67,554                    | 35,064                       |
| ii) Marked to Market Positions [1]         |                           |                              |                           |                              |
| a) Asset (+)                               | 3,297                     | 772                          | 3,978                     | 413                          |
| b) Liability (-)                           | (795)                     | (20)                         | (1,677)                   | (115)                        |
| iii) Credit Exposure [2]                   | Nil                       | Nil                          | Nil                       | Nil                          |
| iv) Unhedged Exposures                     | 3,259                     | 30,803                       | 7,299                     | 29,572                       |

### 15. Exposure to Capital Market

(Rs. in Lacs)

| Sl. Particulars   | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2018 | 31st March, 2017 |
| 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;   | 1,30,205         | 1,53,573         |
| ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;  | -                | -                |
| iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;  | -                | -                |
| iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances; | 51,135           | 53,474           |
| 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)   | 13,718           | 9,007            |
| <b>Total Exposure to Capital Market</b>   | <b>1,95,058</b>  | <b>2,16,054</b>  |

### 16. Provisions and Contingencies

(Rs. in Lacs)

| Sl. Break-up of 'Provisions and Contingencies' shown under the head<br>Expenditure in Profit and Loss Account | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2018 | 31st March, 2017 |
| i) Provisions for depreciation on Investment *  | 908              | (47)             |
| ii) Provision for Bad Debts / Advances  | (5,893)          | 3,448            |
| iii) Provision made towards Income tax  | 5,866            | 5,229            |
| iv) Other Provision and Contingencies (with details)  | -                | -                |
| v) Provision for Standard Assets  | 1,095            | 376              |

\* Including Stock for Trade



## ANNEXURE II TO NOTES TO FINANCIAL STATEMENTS (REFER NOTE 38) CONTD...

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

### 17. Concentration of Advances

(Rs. in Lacs)

| Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2017 |
| Total Advances to twenty largest borrowers                                       | 6,56,467         | 6,14,315         |
| Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC | 48.72%           | 49.60%           |

### 18. Concentration of Exposures

(Rs. in Lacs)

| Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2017 |
| Total Exposure to twenty largest borrowers / customers   | 7,02,578         | 6,70,513         |
| Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers | 46.34%           | 46.49%           |

### 19. Concentration of NPAs

(Rs. in Lacs)

| Particulars                             | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2018 | 31st March, 2017 |
| Total Exposure to top four NPA accounts | 37,346           | 39,574           |

### 20. Sector – wise NPAs

(Rs. in Lacs)

| Sl. Sector                        | As at   | As at   |
|-----------------------------------|---|---|
|                                   | 31st March, 2018                                    | 31st March, 2017                                    |
|                                   | Percentage of NPAs to Total Advances in that sector | Percentage of NPAs to Total Advances in that sector |
| 1 Agriculture & allied activities | -   | -   |
| 2 MSME                            | -   | -   |
| 3 Corporate borrowers             | 4.35  | 4.89  |
| 4 Services                        | -   | -   |
| 5 Unsecured personal loans        | -   | -   |
| 6 Auto loans                      | -   | -   |
| 7 Other personal loans            | -   | -   |

## ANNEXURE II TO NOTES TO FINANCIAL STATEMENTS (REFER NOTE 38) CONTD...

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

### 21. Movement of NPAs

(Rs. in Lacs)

| Sl. Particulars   | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2018 | 31st March, 2017 |
| i) Net NPAs to Net Advances (%)   | 3.12%            | 3.02%            |
| ii) Movement of NPAs (Gross)  |                  |                  |
| a) Opening Balance  | 55,880           | 80,426           |
| b) Additions during the year  | 30,920           | 43,988           |
| c) Reductions during the year   | 31,218           | 68,534           |
| d) Closing Balance  | 55,582           | 55,880           |
| iii) Movement of Net NPAs   |                  |                  |
| a) Opening Balance  | 36,800           | 63,890           |
| b) Additions during the year  | 22,573           | 34,394           |
| c) Reductions during the year   | 17,390           | 61,484           |
| d) Closing Balance  | 41,983           | 36,800           |
| iv) Movement of provisions for NPAs (excluding provisions on standard assets) |                  |                  |
| a) Opening Balance  | 19,080           | 16,536           |
| b) Provisions made during the year  | 8,347            | 9,594            |
| c) Write-off / write-back of excess provisions                                | 13,827           | 7,050            |
| d) Closing Balance  | 13,600           | 19,080           |

### 22. Details of Non-performing Loan Assets purchased from other NBFCs

(Rs. in Lacs)

| Sl. Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2017 |
| (i) (a) No. of accounts purchased during the year                  | –                | –                |
| (b) Aggregate outstanding  | –                | –                |
| (ii) (a) Of these, number of accounts restructured during the year | –                | –                |
| (b) Aggregate outstanding  | –                | –                |

### 23. Details of Non-performing Loan Assets sold to other NBFCs

(Rs. in Lacs)

| Sl. Particulars                       | As at            | As at            |
|---------------------------------------|------------------|------------------|
|                                       | 31st March, 2018 | 31st March, 2017 |
| i) No. of accounts sold               | –                | –                |
| ii) Aggregate outstanding             | –                | –                |
| iii) Aggregate consideration received | –                | –                |

## ANNEXURE II TO NOTES TO FINANCIAL STATEMENTS (REFER NOTE 38) CONTD...

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

### 24. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

(Rs. in Lacs)

| Name of the Joint Venture / Subsidiary  | Other Partner in the JV   | Country | Total Assets as on 31st March, 2018 | Total Assets as on 31st March, 2017 |
|---|---|---------|-------------------------------------|-------------------------------------|
| IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany) | i) Infrastructure Opportunities Singapore Pte. Ltd. (Holding 46.92%)<br>ii) Various other Parties (Holding 3.95%) | Germany | 10,386                              | 12,127                              |

### 25. Ratings

| Sl. Particulars  | As at 31st March, 2018          |           | As at 31st March, 2017 |           |
|--|---------------------------------|-----------|------------------------|-----------|
|  | CARE                            | Brickwork | CARE                   | Brickwork |
|  | i) Long Term Banking facilities | CARE A+   |                        | CARE A+   |
| ii) Short Term Banking Facilities                      | CARE A1+                        |           | CARE A1+               |           |
| iii) Short Term Debt Instruments                       | CARE A1+                        | BWR A1+   | CARE A1+               | BWR A1+   |
| iv) NCDs / Bonds                                       | CARE A+                         | BWR AA+   | CARE A+                | BWR AA+   |
| v) Unsecured Subordinated / Tier-II Debentures / Bonds | CARE A                          | BWR AA+   | CARE A                 | BWR AA+   |

#### Detail of migration of ratings:

| Sl. Particulars   | 2017-18 | 2016-17                |
|---|---------|------------------------|
| i) NCDs / Bonds   | Nil     | from BWR AA to BWR AA+ |
| ii) Unsecured Subordinated / Tier-II Debentures / Bonds | Nil     | from BWR AA to BWR AA+ |

### 26. Details of financial assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for Asset Reconstruction

(Rs. in Lacs)

| Sl. Particulars   | 2017-18 | 2016-17 |
|---|---------|---------|
| i) No. of accounts  | 1       | 3       |
| ii) Aggregate value (net of provisions) of accounts sold to SC / RC                       | -       | 45,000  |
| iii) Aggregate consideration  | 100     | 45,000  |
| iv) Additional consideration realized in respect of accounts transferred in earlier years | -       | -       |
| v) Aggregate (gain) / loss over net book value  | (100)   | -       |

## ANNEXURE II TO NOTES TO FINANCIAL STATEMENTS (REFER NOTE 38) CONTD...

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

### 27. Details of Security receipts held by Company is as below:

(Rs. in Lacs)

| Particulars | Backed by NPAs sold by the Banks / FIs / NBFC's as underlying |         | Backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying |         | Total   |         |
|-------------|---|---------|---|---------|---------|---------|
|             | 2017-18   | 2016-17 | 2017-18   | 2016-17 | 2017-18 | 2016-17 |
|             | Book value of investments in security receipts                | 38,335  | 38,250  | -       | -       | 38,335  |

### 28. Disclosure on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

As at 31st March, 2018

(Rs. in Lacs)

| No. of accounts where SDR has been invoked | Amount outstanding as on the reporting date |                   | Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending |                   | Amount outstanding as on the reporting date 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 |
|  | 0   | -                 | -  | -                 | -   | -                 |
| (1)  | (12,933)                                    | -                 | (12,933)   | -                 | -   | -                 |

### 29. Disclosure on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period)

(Rs. in Lacs)

| No. of accounts where change in ownership is decided | Amount outstanding as on the reporting date |                   | Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending / invocation of pledge of equity shares is pending |                   | Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity |                   |
|--|---|-------------------|---|-------------------|---|-------------------|
|  | Classified as Standard                      | Classified as NPA | Classified as Standard  | Classified as NPA | Classified as Standard  | Classified as NPA |
|  | 1   | 8,775             | -   | -                 | -   | 8,775             |
| (-)  | (-)   | (-)               | (-)   | (-)               | (-)   | (-)               |

Figures in the bracket indicates previous year

### 30. Details of Assignment transactions undertaken

(Rs. in Lacs)

| Sl.  | Particulars   | 2017-18 | 2016-17 |
|------|---|---------|---------|
| i)   | No. of accounts   | -       | -       |
| ii)  | Aggregate value (net of provisions) of accounts sold                                  | -       | -       |
| iii) | Aggregate consideration   | -       | -       |
| iv)  | Additional consideration realized in respect of accounts transferred in earlier years | -       | -       |
| v)   | Aggregate (gain) / loss over net book value   | -       | -       |

## ANNEXURE II TO NOTES TO FINANCIAL STATEMENTS (REFER NOTE 38) CONTD...

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

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

The Company has not exceeded the Prudential exposure limits during the current year and previous year in respect of exposure towards single borrower and group of borrowers.

### 32. Unsecured Advances

Unsecured advance as at 31<sup>st</sup> March, 2018 is Rs. 27,302 lacs (Previous year Rs. 59,314 lacs) and it includes advances amounting to Rs. Nil (Previous year Rs. Nil) for which intangible securities such as charge over rights, licences, authority, etc., has been taken as collateral.

### 33. Registration obtained from other financial sector regulators

The Company received a Certificate of Registration from the Reserve Bank of India ('RBI') on 1<sup>st</sup> August, 1998 to commence / carry on the business of Non-Banking Financial Institution ('NBF') and was subsequently classified as Infrastructure Finance Company vide Certificate of Registration dated 11<sup>th</sup> May, 2010. The Company is also a Public Financial Institution (PFI) notified under section 4A of the Companies Act, 1956.

### 34. Disclosure of Penalties imposed by RBI and other regulators

No penalties has been imposed by RBI and other regulators during the financial year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017

### 35. Draw Down from Reserves

Details of draw down from Reserves is disclosed in Note No. 3 of Notes to Financial Statements.

### 36. Off-balance Sheet SPVs sponsored

| Particulars           | As at 31st March, 2018 |          | As at 31st March, 2017 |          |
|-----------------------|------------------------|----------|------------------------|----------|
|                       | Domestic               | Overseas | Domestic               | Overseas |
| Name of SPV sponsored | Nil                    | Nil      | Nil                    | Nil      |

### 37. Details of Financing of Parent Company Products

Financing of Parent Company Products during the financial year ended 31<sup>st</sup> March, 2018 is Nil (Previous year Nil).

38. The Company has not done any Securitisation during the financial year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017.

### 39. Customer Complaints

| Sl. | Particulars  | 2017-18 | 2016-17 |
|-----|--|---------|---------|
| a)  | No. of complaints pending at the beginning of the year | Nil     | Nil     |
| b)  | No. of complaints received during the year             | Nil     | Nil     |
| c)  | No. of complaints redressed during the year            | Nil     | Nil     |
| d)  | No. of complaints pending at the end of the year       | Nil     | Nil     |

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Srei Infrastructure Finance Limited**  
**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Srei Infrastructure Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and trust comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2018, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and trust in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its associates and the trustees of the trust are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act / other relevant regulations applicable, for safeguarding the assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and trust as at 31<sup>st</sup> March, 2018, their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other Matters**

- (a) We did not audit the financial statements of fourteen subsidiaries, whose financial statements reflect total assets of Rs. 24,80,557 Lacs as at 31<sup>st</sup> March, 2018, total revenues of Rs. 3,58,007 Lacs and net cash outflows amounting to Rs. 4,544 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 5 Lacs for the year ended 31<sup>st</sup> March, 2018, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial

statements have been audited by other auditors whose reports have been furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

- (b) We did not audit the financial statements of the trust, whose financial statements reflect total assets of Rs. 1 Lac as at 31<sup>st</sup> March, 2018, total revenues of Rs. Nil and net cash inflows / outflows amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 1,552 Lacs for the year ended 31<sup>st</sup> March, 2018, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited, have been certified by the trustees of the trust / management of the associate and furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the trust and the associate and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid trust and the associate is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management of the Holding Company, these unaudited financial statements are not material to the consolidated financial statements.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the unaudited financial statements certified by the trustees of the respective entities.

#### Report on Other Legal and Regulatory Requirements

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors of the Holding Company, the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and its associates and the operating effectiveness of such controls, we give our separate Report in the "Annexure".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and trust – Refer Note No.31 to the consolidated financial statements;
- (ii) There were no long-term contracts including derivative contracts, having any material foreseeable losses.
- (iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and its associate companies incorporated in India.

**For Haribhakti & Co. LLP**

Chartered Accountants  
ICAI Firm Registration No.103523W/W100048

**Mahesh Agarwal**

Partner  
Membership No. 067806

Kolkata  
28th April, 2018

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Holding Company on the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018]

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

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended 31<sup>st</sup> March, 2018, we have audited the internal financial controls over financial reporting of the Group and its associates, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the entities of the Group and its associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to the respective company's policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing 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 over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over

financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



**Opinion**

In our opinion, the Group and its associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, in so far as it relates to fourteen subsidiaries and two associates of the Holding Company,

which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

**Mahesh Agarwal**

Partner

Membership No. 067806

Kolkata

28th April, 2018

## CONSOLIDATED BALANCE SHEET as at 31st March, 2018

(Rs. in Lacs)

|  | Note No. | As at 31st March, 2018 | As at 31st March, 2017 |
|--|----------|------------------------|------------------------|
| <b>EQUITY AND LIABILITIES</b>  |          |                        |                        |
| <b>Shareholders' Funds</b>   |          |                        |                        |
| Share Capital  | 2        | 50,324                 | 50,324                 |
| Reserves and Surplus   | 3        | 4,76,509               | 4,41,550               |
|  |          | <b>5,26,833</b>        | <b>4,91,874</b>        |
| <b>Minority Interest</b>   |          |                        |                        |
|  |          | <b>31</b>              | <b>59</b>              |
| <b>Non-Current Liabilities</b>   |          |                        |                        |
| Long-Term Borrowings   | 4        | 10,32,998              | 8,91,257               |
| Deferred Tax Liabilities   | 5        | 40,272                 | 33,876                 |
| Other Long-Term Liabilities  | 6        | 54,774                 | 25,705                 |
| Long-Term Provisions   | 7        | 10,858                 | 8,199                  |
|  |          | <b>11,38,902</b>       | <b>9,59,037</b>        |
| <b>Current Liabilities</b>   |          |                        |                        |
| Short-Term Borrowings  | 8        | 19,63,765              | 14,59,793              |
| Trade Payables   |          |                        |                        |
| – Due to Micro and Small Enterprises   | 9.1      | –                      | –                      |
| – Due to Others  | 9.2      | 1,71,152               | 1,03,194               |
| Other Current Liabilities  |          |                        |                        |
| – Current Maturities of Long-Term Borrowings   | 4        | 2,90,560               | 2,69,366               |
| – Others   | 10       | 53,977                 | 52,411                 |
| Short-Term Provisions  | 11       | 5,577                  | 3,453                  |
|  |          | <b>24,85,031</b>       | <b>18,88,217</b>       |
| <b>TOTAL</b>   |          | <b>41,50,797</b>       | <b>33,39,187</b>       |
| <b>ASSETS</b>  |          |                        |                        |
| <b>Non-Current Assets</b>  |          |                        |                        |
| Fixed Assets   | 12       |                        |                        |
| – Tangible Assets  |          | 5,07,149               | 2,97,467               |
| – Intangible Assets  |          | 1,221                  | 2,551                  |
| – Capital Work in Progress   |          | 390                    | 859                    |
| Goodwill   |          | 28,396                 | 28,396                 |
| Non-Current Investments  | 13.1     | 90,606                 | 1,26,962               |
| Deferred Tax Assets  | 5        | 1,636                  | 1,855                  |
| Long-Term Loans and Advances   |          |                        |                        |
| – Financial Assets   | 14       | 11,75,101              | 8,56,821               |
| – Loan Assets  | 15       | 8,27,929               | 7,91,042               |
| – Other Long-Term Advances   | 16       | 82,314                 | 75,434                 |
| Other Non-Current Assets   | 17       | 65,265                 | 50,907                 |
|  |          | <b>27,80,007</b>       | <b>22,32,294</b>       |
| <b>Current Assets</b>  |          |                        |                        |
| Current Investments  | 13.2     | 731                    | 1,228                  |
| Inventories  |          | 2,634                  | 2,203                  |
| Trade Receivables  | 18       | 17,729                 | 11,960                 |
| Cash and Cash Equivalents  | 19       | 1,30,458               | 93,200                 |
| Short-Term Loans and Advances  |          |                        |                        |
| – Financial Assets   | 14       | 2,38,743               | 1,85,069               |
| – Loan Assets  | 15       | 1,20,592               | 43,827                 |
| – Other Advances   | 20       | 39,892                 | 8,578                  |
| Other Current Assets   |          |                        |                        |
| – Current Maturities of Long-Term Financial Assets                                     | 14       | 4,20,530               | 3,71,692               |
| – Current Maturities of Long-Term Loan Assets  | 15       | 3,54,457               | 3,38,884               |
| – Other Current Assets   | 21       | 45,024                 | 50,252                 |
|  |          | <b>13,70,790</b>       | <b>11,06,893</b>       |
| <b>TOTAL</b>   |          | <b>41,50,797</b>       | <b>33,39,187</b>       |
| Significant Accounting Policies and Notes to Consolidated Financial Statements 1 to 38 |          |                        |                        |

The Notes referred to above form an integral part of the Consolidated Balance Sheet.  
This is the Consolidated Balance Sheet referred to in our report of even date.

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

For and on behalf of the Board of Directors

**Mahesh Agarwal**  
Partner  
Membership No. 067806

**Hemant Kanoria**  
Chairman & Managing Director

**Shyamalendu Chatterjee**  
Director

Place : Kolkata  
Date : 28th April, 2018

**Sameer Sawhney**  
Chief Executive Officer

**Sandeep Lakhota**  
Company Secretary

**Vishnu G Agarwal**  
Financial Controller

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS** for the year ended 31st March, 2018

(Rs. in Lacs)

|  | Note No. | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|--|----------|--------------------------------|--------------------------------|
| <b>INCOME</b>  |          |                                |                                |
| Revenue from Operations  | 22       | 5,23,999                       | 4,64,933                       |
| Other Income   | 23       | 2,188                          | 1,643                          |
| <b>Total Income</b>  |          | <b>5,26,187</b>                | <b>4,66,576</b>                |
| <b>EXPENSES</b>  |          |                                |                                |
| Finance Costs  | 24       | 2,93,758                       | 2,62,797                       |
| Employee Benefits Expense  | 25       | 23,967                         | 20,156                         |
| Depreciation / Amortisation and Impairment Expense   | 12       | 63,676                         | 38,013                         |
| Administrative and Other Expenses  | 26       | 41,419                         | 33,955                         |
| <b>Total Expenses</b>  |          | <b>4,22,820</b>                | <b>3,54,921</b>                |
| <b>Profit Before Bad Debts and Advances written-off (net) / Provisions, Contingencies, Diminutions &amp; Tax</b> |          | <b>1,03,367</b>                | <b>1,11,655</b>                |
| Bad Debts and Advances written-off (net) / Provisions, Contingencies & Diminutions                               | 7.1      | 44,190                         | 77,207                         |
| Loss on Sale of Stock for Trade and Investment (net)   | 7.3      | 21                             | -                              |
| <b>Profit Before Exceptional Items &amp; Tax</b>   |          | <b>59,156</b>                  | <b>34,448</b>                  |
| Adjustment on disposal / cessation of Subsidiaries and Step-down Subsidiaries                                    | 36       | 33                             | 1,561                          |
| <b>Profit Before Tax</b>   |          | <b>59,189</b>                  | <b>36,009</b>                  |
| Tax Expense  |          |                                |                                |
| - Current Tax  | 7.4      | 15,496                         | 10,768                         |
| - Deferred Tax   |          | 6,615                          | 6,680                          |
| - Mat Credit Entitlement (including in respect of earlier years)   | 7.5      | (2,895)                        | (5,715)                        |
| <b>Total Tax Expense</b>   |          | <b>19,216</b>                  | <b>11,733</b>                  |
| <b>Profit After Tax but before Share of Loss of Associate and Minority Interest</b>                              |          | <b>39,973</b>                  | <b>24,276</b>                  |
| Share of Loss / (Profit) of Associate  |          | 1,547                          | (5)                            |
| Minority Interest  |          | (29)                           | (55)                           |
| <b>Profit After Tax after adjustment for Minority Interest</b>   |          | <b>38,455</b>                  | <b>24,336</b>                  |
| <b>Earnings per Equity Share (Basic and Diluted) (in Rs.)</b><br>(Par Value Rs. 10/- per Equity Share)           | 27       | 7.64                           | 4.84                           |
| Significant Accounting Policies and Notes to Consolidated Financial Statements                                   | 1 to 38  |                                |                                |

The Notes referred to above form an integral part of the Consolidated Statement of Profit and Loss.  
This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

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

**Mahesh Agarwal**  
Partner  
Membership No. 067806

Place : Kolkata  
Date : 28th April, 2018

For and on behalf of the Board of Directors

**Hemant Kanoria**  
Chairman & Managing Director

**Shyamalendu Chatterjee**  
Director

**Sameer Sawhney**  
Chief Executive Officer

**Sandeep Lakhota**  
Company Secretary

**Vishnu G Agarwal**  
Financial Controller

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2018

(Rs. in Lacs)

|   | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|---|--------------------------------|--------------------------------|
| <b>A. Cash Flow from Operating Activities</b>   |                                |                                |
| <b>Profit Before Tax</b>  | <b>59,189</b>                  | <b>36,009</b>                  |
| Adjustment for:   |                                |                                |
| Depreciation / Amortisation and Impairment Expense  | 63,676                         | 38,013                         |
| Bad Debts and Advances written-off (net)  | 42,371                         | 72,913                         |
| Provision for Bad Debts and Advances  | (4,758)                        | 3,515                          |
| Contingent Provision against Standard Assets  | 5,668                          | 826                            |
| Adjustment on disposal / cessation of Subsidiaries and Step-down Subsidiaries                     | (33)                           | (1,561)                        |
| Loss on Sale of Fixed Assets  | 903                            | 20                             |
| Profit on Sale of Fixed Assets  | (112)                          | (370)                          |
| Profit on Sale of Long-Term Trade Investments (net)   | (1,328)                        | (31,835)                       |
| Loss / (Profit) on Sale of Current Investments (net)  | (33)                           | (11)                           |
| Loss / (Profit) on Sale of Stock for Trade (net)  | (331)                          | (48)                           |
| Income from Current Investments   | (13)                           | (419)                          |
| Interest from Long term Trade Investments   | (2,249)                        | -                              |
| Loss on Sale of Stock for Trade and Investment (net)  | 21                             | -                              |
| Liabilities No Longer Required written back   | (110)                          | (130)                          |
| Dividend Income   | (1,212)                        | (96)                           |
| Provision for Diminution in value of Stock for Trade and Investment                               | 909                            | (47)                           |
| <b>Operating Profit before Working Capital Changes</b>  | <b>1,62,558</b>                | <b>1,16,779</b>                |
| <b>Changes in Working Capital</b>   |                                |                                |
| Adjustments for:  |                                |                                |
| (Increase) / Decrease in Receivables / Others   | 4,520                          | (23,336)                       |
| (Increase) / Decrease in Financial & Loan Assets  | (5,86,672)                     | (22,794)                       |
| (Increase) / Decrease in Current Investments / Stock for Trade                                    | (1,565)                        | (9,918)                        |
| (Increase) / Decrease in Fixed Deposit (Deposit with original maturity of more than three months) | (59,932)                       | 4,449                          |
| (Decrease) / Increase in Trade Payables / Others  | 97,451                         | 24,501                         |
| <b>Cash Generated from Operations</b>   | <b>(3,83,640)</b>              | <b>89,681</b>                  |
| Direct Taxes paid   | (52,502)                       | (12,893)                       |
| <b>Net Cash (Used in) / Generated from Operating Activities</b>                                   | <b>(4,36,142)</b>              | <b>76,788</b>                  |
| <b>B. Cash Flow from Investing Activities</b>   |                                |                                |
| Purchase of Fixed Assets  | (2,76,100)                     | (1,30,057)                     |
| Proceeds from Sale of Fixed Assets  | 3,355                          | 2,532                          |
| (Increase) / Decrease in Non Current Investments (net)  | 36,072                         | 123,576                        |
| Income from Current Investments   | 13                             | 419                            |
| Dividend Received   | 1,212                          | 96                             |
| <b>Net Cash (Used in) / Generated from Investing Activities</b>                                   | <b>(2,35,448)</b>              | <b>(3,434)</b>                 |
| <b>C. Cash Flow from Financing Activities</b>   |                                |                                |
| Increase / (Decrease) in Debentures (net)   | 49,975                         | 67,732                         |
| Increase / (Decrease) in Working Capital facilities (net)   | 2,86,422                       | (1,81,816)                     |
| Increase / (Decrease) in Other Loans (net)  | 3,30,511                       | 68,911                         |
| Dividend Paid   | (2,520)                        | (2,517)                        |
| Corporate Dividend Tax Paid   | (513)                          | (512)                          |
| <b>Net Cash (Used in) / Generated from Financing Activities</b>                                   | <b>6,63,875</b>                | <b>(48,202)</b>                |
| <b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>                                   | <b>(7,715)</b>                 | <b>25,152</b>                  |
| <b>Cash &amp; Cash Equivalents at the beginning of the year</b>                                   | <b>41,916</b>                  | <b>16,764</b>                  |
| <b>Cash &amp; Cash Equivalents at the end of the year (refer Note No. 19)</b>                     | <b>34,201</b>                  | <b>41,916</b>                  |

### Explanations:

- The above Consolidated Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 'Cash Flow Statements'.
  - Previous year's figures have been rearranged / regrouped wherever necessary to conform to the current year's classification.
- This is the Consolidated Cash Flow Statement referred to in our report of even date.

For **Haribhakti & Co. LLP**

Chartered Accountants  
ICAI Firm Registration No. 103523W/W100048

**Mahesh Agarwal**  
Partner  
Membership No. 067806

Place : Kolkata  
Date : 28th April, 2018

For and on behalf of the Board of Directors

**Hemant Kanoria**  
Chairman & Managing Director

**Shyamalendu Chatterjee**  
Director

**Sameer Sawhney**  
Chief Executive Officer

**Sandeep Lakhoria**  
Company Secretary

**Vishnu G Agarwal**  
Financial Controller

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **1 Significant Accounting Policies**

#### **1.1 Basis of Preparation**

The consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India, under the historical cost convention, on accrual basis. As per Rule 7 of The Companies (Accounts) Rules, 2014, the standards of accounting as specified under the Companies Act, 1956 shall be deemed to be the accounting standards until accounting standards are specified by the Central Government under Section 133 of the Companies Act, 2013. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211 (3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006], the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to an 'Infrastructure Finance Company - Non Deposit Taking' Non-Banking Finance Company ('NBFC'). The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.

#### **Operating Cycle**

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III of the Companies Act, 2013.

For the Company, there is generally no clearly identifiable normal operating cycle and hence the normal operating cycle for the Company is assumed to have a duration of 12 months.

#### **1.2 Use of estimates**

The preparation of consolidated financial statements requires the management to make estimates and assumptions which are considered to arrive at the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and the estimates are recognized in the periods in which the results are known / materialized. Any revision to the accounting estimates is recognized prospectively in the current and future accounting years.

#### **1.3 Principles of Consolidation**

Srei Infrastructure Finance Limited (the Holding Company) and its Subsidiaries (including their subsidiaries), Associates, Trusts and Joint Venture are collectively referred to as 'the Group'. The consolidated financial statements of the Group have been prepared in accordance with Accounting Standard 21 (AS-21) "Consolidated Financial Statements", Accounting Standard 23 (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS-27) "Financial Reporting of Interests in Joint Ventures". The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Holding Company and its subsidiary companies have been combined on line by line basis by adding together the book value of like items of Assets, Liabilities, Income and Expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- b) In case of investments in subsidiaries, where the shareholding is less than 100%, minority interest in the net assets of consolidated subsidiaries consist of:
  - i) The amount of equity attributable to minorities at the date on which Investment in the subsidiary is made.
  - ii) The minorities' share of movements in equity since the date the holding subsidiary relationship came into existence.
- c) Foreign subsidiaries representing non integral foreign operations are translated for the purpose of consolidation, as follows (in accordance with AS – 11):

## SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

- i) The assets and liabilities, both monetary and non-monetary, are translated at closing rate.
- ii) Income and expense items are translated at average rate for the period.
- iii) All resulting exchange differences are accumulated in foreign currency translation reserve until disposal of the net investment.
- d) Uniform accounting policies for like transactions and other events in similar circumstances have been adopted and presented, to the extent possible, in the same manner as the Holding Company's separate financial statements.
- e) The excess of cost of the Holding Company of its investment in the subsidiary over the Holding Company's portion of equity of the subsidiary as at the date of investment is recognised in the consolidated financial statements as Goodwill. It is tested for impairment on a periodic basis and written-off if found impaired.
- f) The excess of Holding Company's portion of equity of the Subsidiary, over cost as at the date of investment, is treated as Capital Reserve.
- g) Investment in associate is accounted using the equity method and disclosed separately in the Consolidated Balance Sheet.
- h) Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures".

### 1.4 Fixed Assets, Depreciation / Amortisation and Impairment

#### i) Fixed Assets

Tangible fixed assets are carried at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, which take substantial period of time to get ready for their intended use, are also capitalised to the extent they relate to the period till such assets are ready to put to use.

Intangible Assets comprising of computer software and licenses expected to provide future enduring economic benefits are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises of purchase price and directly attributable expenditure on making the asset ready for its intended use. Any technology support cost or annual maintenance cost for such software is charged to the Statement of Profit and Loss.

#### ii) Depreciation / Amortisation

Depreciation on tangible assets other than Leasehold Improvements, is provided over the estimated useful life of assets, in accordance with Schedule II to the Companies Act, 2013.

The Company has adopted the useful life as specified in Schedule II to the Companies Act, 2013, except for certain assets for which the useful life has been estimated based on Independent technical advice.

The assets for which useful life are adopted as specified in Schedule II to the Companies Act, 2013 are as follows :

|           | Asset Description (as per Note No. 12) | Estimated useful Life as per Schedule II |
|-----------|--|--|
| <b>I</b>  | <b>Assets for Own Use</b>              |  |
| i)        | Buildings                              | 60 years                                 |
| ii)       | Furniture and Fixtures                 | 10 years                                 |
| iii)      | Motor Vehicles                         | 8 years                                  |
| iv)       | Computers                              | 3, 6 years                               |
| v)        | Office Equipment                       | 5 years                                  |
| vi)       | Plant & Machinery                      | 15 years                                 |
| <b>II</b> | <b>Assets given on Operating Lease</b> |  |
| i)        | Plant & Machinery                      | 15, 30 years                             |
| ii)       | Windmill                               | 22 years                                 |

## SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

The useful life of tangible asset which is different from the useful life as specified by Schedule II is as given below :

| Asset Description (as per Note No. 12) |  | Estimated useful Life<br>duly supported by<br>technical advice | Estimated useful Life<br>as per Schedule II |
|--|--|--|---|
| <b>I</b>                               | <b>Assets for Own Use</b>              |  |   |
| i)                                     | Computer Equipment                     | 5 years  | 3, 6 years                                  |
| ii)                                    | Motor Vehicles                         | 7 years  | 8 years                                     |
| iii)                                   | Plant and Machinery                    |  |   |
|  | (a)                                    | 8, 10 years  | 15 years                                    |
|  | (b)                                    | 25 years   | 30 years                                    |
| <b>II</b>                              | <b>Assets given on Operating Lease</b> |  |   |
| i)                                     | Computer Equipment                     | 5 years  | 3, 6 years                                  |
| ii)                                    | Earth Moving Equipment                 | 7 years  | 9 years                                     |
| iii)                                   | Motor Vehicles                         | 7 years  | 8 years                                     |
| iv)                                    | Plant and Machinery                    | 8, 15 years  | 15, 30 years                                |
| v)                                     | Windmill                               | 20 years   | 22 years                                    |
| vi)                                    | Aircrafts                              | 18 years   | 20 years                                    |

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

In case of capital spare parts which are purchased specifically for assets deployed at customer's site for contract performance are amortised over the period of service contract or the estimated useful life of capital spare parts, whichever is lower.

Lease-hold assets including improvements are amortised over the period of the lease or the estimated useful life of the asset, whichever is lower.

Amortisation of intangible assets is provided on straight line basis which reflect the management's estimate of useful life of such assets:

| Asset Description | Useful Life as followed by the management |
|-------------------|---|
| <b>I</b>          | <b>Assets for Own Use</b>                 |
| i)                | Intangible Assets                         |
|                   | 2 – 6 years                               |

### iii) Impairment

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment, based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

### 1.5 Capital Work in Progress / Advance for Operating Lease

Capital work in progress / advance for operating lease is stated at cost and includes development and other expenses, including interest during construction period.

### 1.6 Borrowing Costs

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Borrowing costs consist of interest and other ancillary cost that an entity incurs in connection with borrowing of funds and includes exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the borrowing cost. The ancillary costs incurred in connection with the arrangement of borrowings are amortised over the life of

## SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

underlying borrowings. Premium payable on redemption of bonds is amortised over the tenure of the bonds. These form part of the borrowing costs.

All other costs related to borrowings are recognised as expense in the period in which they are incurred.

### 1.7 Operating Leases

#### Where the company is lessee

Leases under which all the risks and benefit of ownership are effectively retained by the lessor are classified as operating leases. Amount due under the operating leases are charged to the Statement of Profit and Loss, on a straight – line method over the lease term in accordance with Accounting Standard 19 on ‘Leases’.

#### Where the company is lessor

Leases under which the company does not transfer substantially all the risks and benefit of ownership of the asset are classified as operating leases. Assets given on operating leases are included in fixed assets. Initial direct costs incurred before the asset is ready to be put to use, are included in the cost of the asset and those incurred afterwards, are recognised in the Statement of Profit and Loss as they are incurred. Lease income in respect of operating leases is recognised in the statement of Profit and Loss on a straight-line method over the lease term in accordance with Accounting Standard 19 on ‘Leases’. Maintenance cost including depreciation are recognised as an expense in the Statement of Profit and Loss.

### 1.8 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 on ‘Accounting for Investments’. Current investments also include current maturities of long-term investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and market price determined category-wise. All non-current investments including investments in Subsidiary Companies, are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognise a decline, on an individual basis. The cost of Investments acquired on amalgamations is determined as per the terms of the scheme of amalgamation.

Cost is arrived at on weighted average method for the purpose of valuation of investment.

### 1.9 Stock for Trade

Stock for trade is carried at lower of cost and market price, determined category-wise.

### 1.10 Financial Assets

Financial Assets include loans granted under hypothecation facilities, repossessed, assets / receivables acquired in satisfaction of debt, and instruments (equity shares, preference shares, loans and debentures) received in consideration under Corporate Debt Restructuring (CDR), or Strategic Debt Restructuring (SDR) or Scheme for Sustainable Structuring of Stressed Assets (S4A).

Loans are carried at the amount advanced, interest accrued, as reduced by the amounts received and loans securitised or assigned.

Repossessed assets and assets / receivables acquired in satisfaction of debt are carried at lower of cost and estimated net realizable value, calculated based on the valuation of the underlying assets, where applicable, carried out by an external valuer.

### 1.11 Loan Assets

Loan Assets include loans advanced by the Company, secured by collateral offered by the customers, if applicable.

Loan assets are carried at net investment amount including installments fallen due, amounts received, assets not paid for, etc. and include assets acquired in satisfaction of debt.



## SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### 1.12 Provisioning / Write-off of assets

The Company makes provision for Standard, Restructured and Non-Performing Assets as per 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 Company also makes additional provision, to the extent considered necessary, based on the management's best estimate. Provision for other receivables is also made on similar basis.

Loan & Advances which, as per the management are not likely to be recovered, are considered as bad debts and written off.

### 1.13 Foreign Currency Transactions, Translations and Derivative Contracts

The reporting currency of the Company is the Indian Rupee (Rs.).

#### i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the prevailing exchange rate between the reporting currency and the foreign currency, as on the date of the transaction.

#### ii) Conversion

Year end foreign currency monetary items are reported using the year end rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates prevailing at the date when the values were determined.

#### iii) Exchange Differences

Exchange differences arising on the settlement or reporting of monetary items, at rates different from those at which they were initially recorded during the year or reported in previous financial statements and / or on conversion of monetary items, are recognised as income or expense in the year in which they arise. Exchange differences arising out of foreign currency borrowings are considered as an adjustment to interest cost and recognised in accordance to para 1.6 above.

#### iv) Forward Exchange Contracts (not intended for trading or speculation purpose)

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense in the year in which it is cancelled or renewed.

#### v) Derivatives and Hedges

The Company, in order to hedge itself against the adverse impact of fluctuations in foreign currency rates / variable interest benchmark on underlying liability, enters into derivative contracts. The Company does not enter into derivative contracts for speculation or trading purposes. Derivative contracts which are covered under AS 11, are accounted for as per the aforesaid policy on Foreign Currency Transactions and Translations.

In accordance with the Guidance Note on Accounting for Derivatives Contracts ('Guidance Note') issued by the Institute of Chartered Accountants of India, the Company has classified derivative contracts (not covered under AS 11) as hedging instruments and adopted cash flow hedge accounting model for such contracts.

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 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

## SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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.

### 1.14 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company, it can be reliably measured and it is reasonable to expect ultimate collection.

- a) Income from Financial assets, Loans and Leases are recognised in the Statement of Profit and Loss on accrual basis, except in the case of non-performing assets where it is recognised, upon realisation, as per the Prudential Norms / Directions of RBI, applicable to NBFCs.
- b) Interest income from financial and loan assets is recognised based on the internal rate of return, to provide a constant periodic rate of return on the net investment outstanding over the period of the contract, or as per the terms of the contract.
- c) Income from operating lease is recognised on straight line basis over the lease term or other systematic basis which is more representative of the time pattern of the users benefit.
- d) Processing fees are recognised when a binding obligation for granting loan has been entered into.
- e) Income from Funds is recognised as and when it is distributed by the Fund.
- f) Delayed payment interest / incremental in interest pursuant to upward revision in benchmark interest rate is accrued, due to uncertainty of realisation, only to the extent of probable recovery, as per the best estimate of the management.
- g) Gains arising on securitisation / assignment of assets, if any, are recognised over the tenure of agreements as per guideline on securitisation of standard assets issued by RBI, while loss, if any is recognised upfront. These are considered as income from financial / loan assets.
- h) Income from Equipment Rental is recognised on the basis of rendering of services to customers on a proportionate time basis, in accordance with the respective Contracts / Agreements.
- i) Revenue from sale of power is recognised to the extent of the Company's share of income of the jointly controlled operations arising out of sale of units generated as per the terms of the respective power purchase agreements with the State Electricity Boards.
- j) Fees for advisory services is accounted based on the stage of completion of assignments, when there is reasonable certainty of its ultimate realisation / collection. Other fee based income is accounted for on accrual basis.
- k) Income from Dividend of shares of corporate bodies is accounted when the Company's right to receive the dividend is established.
- l) Interest income on fixed deposits / margin money / pass through certificates is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- m) Profit or Loss on sale of non-current and current investments are recognised when a binding obligation has been entered into.
- n) Claims lodged with the insurance companies are accounted for on accrual basis, to the extent these are measurable and ultimate collection is reasonably certain.
- o) All other income is accounted for on accrual basis.

## **SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

### **1.15 Retirement and Other Employee Benefits**

- a) Retirement and employee benefits in the form of Provident Fund and Employee State Insurance are defined contribution plans and the Company's contributions, paid or payable during the reporting period, are charged to the Statement of Profit and Loss.
- b) Gratuity liability is a defined benefit plan and is provided for on the basis of actuarial valuation on projected unit credit method at the Balance Sheet date.
- c) Long-Term compensated absences are provided for based on actuarial valuation as per projected unit credit method at the Balance Sheet date.
- d) Actuarial gains / losses are charged to the Statement of Profit and Loss and are not deferred.

### **1.16 Taxes on Income**

Tax expense comprises of current tax [(net of Minimum Alternate Tax (MAT) credit entitlement)] and deferred tax.

Current tax is the amount of tax payable on the taxable income for the period determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax reflects the impact of timing differences between taxable income and accounting income for the current period and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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 period in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by The Institute of Chartered Accountants of India, 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.

### **1.17 Segment Reporting**

Based on the risks and returns associated with business operations and in terms of Accounting Standard-17 (Segment Reporting), the Group is predominantly engaged in 'Financial Services' and 'Infrastructure Equipment Services' as primary reportable segments.

### **1.18 Provision, Contingent Liabilities and Contingent Assets**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the consolidated financial statements.

## **SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

### **1.19 Earnings Per Share (EPS)**

Basic EPS is 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.

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### **1.20 Assets under Management**

Contracts securitised, assigned or co-branded are derecognised from the books of accounts. Contingent liabilities thereof, if any, are disclosed separately in the notes to consolidated financial statements.

### **1.21 Prior Period and Extra Ordinary Items**

Prior Period and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed separately.

### **1.22 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Cost of inventory is determined using the 'weighted average' basis and includes all costs incurred in bringing the goods to their present location and condition.

The Company provides for obsolete, slow-moving and damaged inventory based on management estimates of the usability of such inventory.

### **1.23 Miscellaneous Expenditure**

The expenses incurred on issue of Equity Shares, Long-Term Bonds and Debentures are amortised as follows:-

- i) Expenses on issue of Equity Shares are amortised over a period of ten years.
- ii) Expenses on issue of Bonds and Debentures are amortised over the tenure of the respective Bonds and Debentures.

Preliminary expenses are written-off in the year of incurrence.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 2. SHARE CAPITAL

| Particulars                                      | As at 31st March, 2018 |                 | As at 31st March, 2017 |                 |
|--|------------------------|-----------------|------------------------|-----------------|
|  | No. of Shares          | Rs. in Lacs     | No. of Shares          | Rs. in Lacs     |
| <b>Authorised</b>                                |                        |                 |                        |                 |
| Equity Shares, Rs. 10/- par value per share      | 1000000000             | 1,00,000        | 1000000000             | 1,00,000        |
| Preference Shares, Rs. 100/- par value per share | 500000000              | 50,000          | 500000000              | 50,000          |
|  |                        | <b>1,50,000</b> |                        | <b>1,50,000</b> |
| <b>Issued and Subscribed</b>                     |                        |                 |                        |                 |
| Equity Shares, Rs. 10/- par value per share      | 503559160              | 50,356          | 503559160              | 50,356          |
| <b>Fully Paid-up</b>                             |                        |                 |                        |                 |
| Equity Shares, Rs. 10/- par value per share      | 503086333              | 50,309          | 503086333              | 50,309          |
| <b>Forfeited Shares</b>                          | 472827                 | 15              | 472827                 | 15              |
|  |                        | <b>50,324</b>   |                        | <b>50,324</b>   |

#### 2.1 Reconciliation of the Number of Equity Shares outstanding

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

| Equity Shares                | As at 31st March, 2018 |             | As at 31st March, 2017 |             |
|------------------------------|------------------------|-------------|------------------------|-------------|
|                              | No. of Shares          | Rs. in Lacs | No. of Shares          | Rs. in Lacs |
| At the beginning of the year | 503086333              | 50,309      | 503086333              | 50,309      |
| Add: Issued during the year  | –                      | –           | –                      | –           |
| At the end of the year       | 503086333              | 50,309      | 503086333              | 50,309      |

#### 2.2 Rights, preferences and restrictions in respect of each class of shares

The Company's authorised capital consists of two classes of shares, referred to as Equity Shares and Preference Shares having par value of Rs. 10/- and Rs. 100/- each respectively. Each holder of equity shares is entitled to one vote per share. Preference Shareholder has a preferential right over equity share holders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Company during the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017.

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.

#### 2.3 Shares allotted as fully paid-up without payment being received in cash / by way of bonus shares (during 5 years preceding 31<sup>st</sup> March, 2018)

Company has not issued any shares without payment being received in cash / by way of bonus shares since 2012-13.

#### 2.4 Details of Shareholders holding more than 5% of the equity shares each, are set out below:

| Name of the shareholders  | As at 31st March, 2018 |                   | As at 31st March, 2017 |                   |
|---|------------------------|-------------------|------------------------|-------------------|
|   | Number of Shares       | % of Shareholding | Number of Shares       | % of Shareholding |
| Adisri Commercial Private Limited (Holding Company)             | 303675845              | 60.36             | 303675845              | 60.36             |
| Fidelity Investment Trust Fidelity Series Emerging Markets Fund | 34355610               | 6.83              | 41882982               | 8.33              |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 3. RESERVES AND SURPLUS

(Rs. in Lacs)

| Particulars   | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|---|---------------------------|---------------------------|
| <b>Capital Reserve</b>  |                           |                           |
| Opening balance   | 1,04,729                  | 1,979                     |
| Add: Capital Reserve on Consolidation   | –                         | 1,02,750                  |
| Add: Addition / (deduction) during the year   | –                         | –                         |
| Closing balance   | <b>1,04,729</b>           | <b>1,04,729</b>           |
| <b>Securities Premium Reserve</b>   |                           |                           |
| Opening balance   | 62,441                    | 62,578                    |
| Add: Addition / (deduction) during the year   | –                         | (137)                     |
| Closing balance   | <b>62,441</b>             | <b>62,441</b>             |
| <b>Bond / Debt Redemption Reserve</b>   |                           |                           |
| Opening balance   | 46,338                    | 45,542                    |
| Add: Transfer from Surplus in the Consolidated Statement of Profit and Loss                             | 17,221                    | 4,998                     |
| Less: Adjustment with Capital Reserve on account of Consolidation                                       | –                         | 302                       |
| Less: Transfer to Surplus in the Consolidated Statement of Profit and Loss, on repayment of Bond / Debt | 12,452                    | 3,900                     |
| Closing balance   | <b>51,107</b>             | <b>46,338</b>             |
| <b>Special Reserve (Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934)</b>       |                           |                           |
| Opening balance   | 38,008                    | 33,305                    |
| Add: Transfer from Surplus in the Consolidated Statement of Profit and Loss                             | 7,740                     | 4,900                     |
| Less: Adjustment with Capital Reserve on account of Consolidation                                       | –                         | 197                       |
| Closing balance   | <b>45,748</b>             | <b>38,008</b>             |
| <b>Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)</b> |                           |                           |
| Opening balance   | 19,100                    | 5,084                     |
| Add: Transfer from Surplus in the Consolidated Statement of Profit and Loss                             | 4,521                     | 14,360                    |
| Less: Adjustment with Capital Reserve on account of Consolidation                                       | –                         | 344                       |
| Closing balance   | <b>23,621</b>             | <b>19,100</b>             |
| <b>General Reserve</b>  |                           |                           |
| Opening balance   | 1,36,801                  | 1,36,804                  |
| Add: Addition / (deduction) during the year   | –                         | (3)                       |
| Closing balance   | <b>1,36,801</b>           | <b>1,36,801</b>           |
| <b>Cash Flow Hedge Reserve</b>  |                           |                           |
| Opening balance   | 2,755                     | –                         |
| Add: Addition during the year   | 1,236                     | 1,358                     |
| Less: Recycled to Statement of Profit and Loss  | 1,603                     | (1,397)                   |
| Closing balance   | <b>2,388</b>              | <b>2,755</b>              |
| <b>Foreign Currency Translation Reserve</b>   |                           |                           |
| Opening balance   | (135)                     | (1,764)                   |
| Add: Addition / (deduction) during the year   | (96)                      | 1,629                     |
| Closing balance   | <b>(231)</b>              | <b>(135)</b>              |
| <b>Surplus in the Consolidated Statement of Profit and Loss</b>   |                           |                           |
| Opening balance   | 31,513                    | 28,649                    |
| Add: Net profit for the year  | 38,455                    | 24,336                    |
| Amount available for appropriation  | <b>69,968</b>             | <b>52,985</b>             |
| <b>Appropriations:</b>  |                           |                           |
| Equity dividend   | 2,520                     | –                         |
| Corporate dividend tax  | 513                       | –                         |
| Transferred to Bond / Debt Redemption Reserve (net)   | 4,769                     | 1,098                     |
| Transferred to Special Reserve  | 7,740                     | 4,900                     |
| Transferred to Income Tax Special Reserve   | 4,521                     | 14,360                    |
| Adjustment of IRS & CCIRS MTM as on 31 <sup>st</sup> March, 2016 with Opening Reserves                  | –                         | 1,114                     |
| Closing balance   | <b>49,905</b>             | <b>31,513</b>             |
| <b>Total Reserves and Surplus</b>   | <b>4,76,509</b>           | <b>4,41,550</b>           |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 4. LONG-TERM BORROWINGS

(Rs. in Lacs)

| Particulars  | As at 31st March, 2018 |                    |                  | As at 31st March, 2017 |                    |                  |
|--|------------------------|--------------------|------------------|------------------------|--------------------|------------------|
|  | Non-Current Maturities | Current Maturities | Total            | Non-Current Maturities | Current Maturities | Total            |
| <b>A. Secured</b>  |                        |                    |                  |                        |                    |                  |
| <b>Bonds / Debentures</b>                                    |                        |                    |                  |                        |                    |                  |
| Long-Term Infrastructure Bonds                               | 2,022                  | –                  | 2,022            | 2,040                  | –                  | 2,040            |
| Non-Convertible Debentures                                   | 2,35,737               | 76,380             | 3,12,117         | 2,53,317               | 46,123             | 2,99,440         |
| <b>Term Loans</b>  |                        |                    |                  |                        |                    |                  |
| From Banks   |                        |                    |                  |                        |                    |                  |
| – Rupee Loans  | 1,91,073               | 1,05,509           | 2,96,582         | 2,12,180               | 1,03,276           | 3,15,456         |
| – Foreign Currency Loans                                     | 76,348                 | 18,589             | 94,937           | 30,604                 | 37,128             | 67,732           |
| From Other Financial Institutions                            |                        |                    |                  |                        |                    |                  |
| – Rupee Loans  | 1,17,375               | 53,475             | 1,70,850         | 73,100                 | 24,330             | 97,430           |
| – Foreign Currency Loans                                     | 92,769                 | 7,102              | 99,871           | 39,683                 | 10,639             | 50,322           |
| <b>(A)</b>   | <b>7,15,324</b>        | <b>2,61,055</b>    | <b>9,76,379</b>  | <b>6,10,924</b>        | <b>2,21,496</b>    | <b>8,32,420</b>  |
| <b>B. Unsecured</b>  |                        |                    |                  |                        |                    |                  |
| <b>Bonds / Debentures</b>                                    |                        |                    |                  |                        |                    |                  |
| Non-Convertible Debentures                                   | 200                    | –                  | 200              | 200                    | –                  | 200              |
| Subordinated Perpetual debentures (Tier I Capital)           | 3,750                  | –                  | 3,750            | 3,750                  | –                  | 3,750            |
| Subordinated bonds / debentures (Tier II Capital)            | 2,55,070               | 23,350             | 2,78,420         | 2,15,201               | 25,903             | 2,41,104         |
| 0.1% Non-Convertible Cumulative Redeemable Preference Shares | 14                     | –                  | 14               | 14                     | –                  | 14               |
| <b>Term Loans</b>  |                        |                    |                  |                        |                    |                  |
| From Banks   |                        |                    |                  |                        |                    |                  |
| – Rupee Loans  |                        |                    |                  |                        |                    |                  |
| Subordinated loans from banks (Tier II Capital)              | 15,000                 | 1,667              | 16,667           | 16,667                 | 18,333             | 35,000           |
| Other term loans from banks                                  | 1,562                  | 1,625              | 3,187            | 3,188                  | 1,625              | 4,813            |
| – Foreign Currency Loans                                     |                        |                    |                  |                        |                    |                  |
| Other term loans from banks                                  | 33,086                 | 1,805              | 34,891           | 32,660                 | 1,554              | 34,214           |
| From Other Parties   |                        |                    |                  |                        |                    |                  |
| – Foreign Currency Loans                                     |                        |                    |                  |                        |                    |                  |
| Other term loans from financial institution                  | 8,992                  | 1,058              | 10,050           | 8,653                  | 455                | 9,108            |
| <b>(B)</b>   | <b>3,17,674</b>        | <b>29,505</b>      | <b>3,47,179</b>  | <b>2,80,333</b>        | <b>47,870</b>      | <b>3,28,203</b>  |
| <b>Total (A+B)</b>   | <b>10,32,998</b>       | <b>2,90,560</b>    | <b>13,23,558</b> | <b>8,91,257</b>        | <b>2,69,366</b>    | <b>11,60,623</b> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 5. DEFERRED TAX

In terms of Accounting Standard 22, the net Deferred Tax Liability (DTL) created during the year is Rs. 6,615 Lacs (Previous year: Rs. 6,680 Lacs). The break-up of major components is as follows:

#### DEFERRED TAX LIABILITIES

(Rs. in Lacs)

| Particulars                  | Liability / (Asset) |                  |
|------------------------------|---------------------|------------------|
|                              | As at               | As at            |
|                              | 31st March, 2018    | 31st March, 2017 |
| Depreciation on Fixed Assets | 45,830              | 40,352           |
| Deferred Revenue Expenditure | 4,879               | 3,613            |
| Others                       | (10,437)            | (10,089)         |
| <b>Total</b>                 | <b>40,272</b>       | <b>33,876</b>    |

#### DEFERRED TAX ASSETS

(Rs. in Lacs)

| Particulars             | (Liability) / Asset |                  |
|-------------------------|---------------------|------------------|
|                         | As at               | As at            |
|                         | 31st March, 2018    | 31st March, 2017 |
| Unabsorbed Depreciation | 1,696               | 1,703            |
| Carry forward losses    | 426                 | 711              |
| Others                  | (486)               | (559)            |
| <b>Total</b>            | <b>1,636</b>        | <b>1,855</b>     |

### 6. OTHER LONG-TERM LIABILITIES

(Rs. in Lacs)

| Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2017 |
| Acceptances  | 6,984            | 2,659            |
| Interest Accrued but not due on Borrowings                                   | 5,315            | 4,102            |
| Forward contract payable   | 254              | -                |
| Sundry liabilities (Interest Capitalisation) Account (As per RBI guidelines) | 2,136            | 4,695            |
| Security Deposits & Retentions   | 40,017           | 14,234           |
| Other Liabilities  | 68               | 15               |
| <b>Total</b>   | <b>54,774</b>    | <b>25,705</b>    |

### 7. LONG-TERM PROVISIONS

(Rs. in Lacs)

| Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2017 |
| <b>Provision for Employee Benefits (Non-Current Portion)</b> |                  |                  |
| Gratuity   | 501              | 1,207            |
| Unavailed leave  | 1,133            | 1,397            |
| <b>(A)</b>   | <b>1,634</b>     | <b>2,604</b>     |
| <b>Other Provisions</b>                                      |                  |                  |
| Contingent Provisions against Standard Assets                | 9,224            | 5,595            |
| <b>(B)</b>   | <b>9,224</b>     | <b>5,595</b>     |
| <b>Total (A+B)</b>   | <b>10,858</b>    | <b>8,199</b>     |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 7.1 Bad Debts and Advances written-off (net) / Provisions, Contingencies & Diminutions

(Rs. in Lacs)

| Particulars  | 2017-18       | 2016-17       |
|--|---------------|---------------|
| Bad Debts and Advances written-off (net)   | 42,371        | 72,913        |
| Provision for Bad Debts and Advances (net of reversal)                               | (4,758)       | 3,515         |
| Contingent Provisions against Standard Assets  | 5,668         | 826           |
| Provision for Diminution in Value of Stock for Trade and Investment (refer Note 7.2) | 909           | (47)          |
| <b>Total</b>   | <b>44,190</b> | <b>77,207</b> |

### 7.2 Provision for Diminution in Value of Stock for Trade and Investment

(Rs. in Lacs)

| Particulars   | 2017-18    | 2016-17     |
|---|------------|-------------|
| Provision for Diminution in Value of Long-Term Trade Investment | 1          | (50)        |
| Provision for Diminution in Value of Stock for Trade            | 908        | 3           |
| <b>Total</b>  | <b>909</b> | <b>(47)</b> |

### 7.3 Loss on Sale of Stock for Trade and Investment (net)

(Rs. in Lacs)

| Particulars  | 2017-18   | 2016-17  |
|--|-----------|----------|
| Loss on Sale of Long-term Trade Investments (net)    | 21        | -        |
| Less:  |           |          |
| Provision for Diminution in Value of Stock for Trade | -         | -        |
| <b>Total</b>   | <b>21</b> | <b>-</b> |

### 7.4 Current Tax

(Rs. in Lacs)

| Particulars                            | 2017-18       | 2016-17       |
|--|---------------|---------------|
| Provision for taxation for the year    | 15,494        | 12,493        |
| Income Tax in respect of earlier years | 2             | (1,725)       |
| <b>Total</b>                           | <b>15,496</b> | <b>10,768</b> |

### 7.5 MAT Credit Entitlement (including in respect of earlier years)

MAT Credit Entitlement includes Rs. Nil (Previous year Rs. 1,112 Lacs) in respect of earlier years.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 8. SHORT-TERM BORROWINGS

(Rs. in Lacs)

| Particulars   | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2018 | 31st March, 2017 |
| <b>A. Secured</b>                                       |                  |                  |
| <b>Bonds / Debentures</b>                               |                  |                  |
| Non-Convertible Debentures                              | 1,000            | 1,000            |
| <b>Loans Repayable on Demand</b>                        |                  |                  |
| Working Capital Facilities from banks                   |                  |                  |
| – Rupee Loans   | 11,70,500        | 9,58,300         |
| – Foreign Currency Loans                                | -                | 10,663           |
| Cash Credit   |                  |                  |
| – Rupee Loans   | 5,983            | 4,023            |
| <b>Other Loans</b>                                      |                  |                  |
| Working Capital Facilities from banks                   | 4,42,034         | 3,83,541         |
| Buyer's Credit from Banks - Foreign Currency Loans      | 40,638           | 16,206           |
|   | <b>(A)</b>       | <b>13,73,733</b> |
| <b>B. Unsecured</b>                                     |                  |                  |
| <b>Term Loans</b>                                       |                  |                  |
| From Other parties                                      |                  |                  |
| – Rupee Loans   | 40,000           | -                |
| <b>Deposits</b>   |                  |                  |
| Inter Corporate Deposits from Others                    | -                | 212              |
| <b>Other Loans</b>                                      |                  |                  |
| Commercial Papers from Others (net of prepaid discount) | 2,63,610         | 85,848           |
|   | <b>(B)</b>       | <b>86,060</b>    |
| <b>Total (A+B)</b>                                      | <b>19,63,765</b> | <b>14,59,793</b> |

### TRADE PAYABLES

#### 9.1 Due to Micro and Small Enterprises

(Rs. in Lacs)

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 9.2 Due to Others

(Rs. in Lacs)

| Particulars     | As at            | As at            |
|-----------------|------------------|------------------|
|                 | 31st March, 2018 | 31st March, 2017 |
| For Services    | 5,590            | 4,091            |
| Acceptances     | 37,055           | 38,249           |
| Operating Lease | 1,28,507         | 60,854           |
| <b>Total</b>    | <b>1,71,152</b>  | <b>1,03,194</b>  |

### 10. OTHER CURRENT LIABILITIES – OTHERS

(Rs. in Lacs)

| Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2017 |
| Interest Accrued but not due on Borrowings   | 33,050           | 32,785           |
| Interest Accrued and due on Borrowings   | 137              | 92               |
| Interest Accrued but not due on Others   | 71               | 194              |
| Unclaimed Dividend (refer Note No. 10.1)   | 35               | 35               |
| Unclaimed Matured Public Deposits and Interest Accrued thereon (refer Note No. 10.1) | 1                | 3                |
| Unpaid Matured Debentures and Interest Accrued thereon                               | -                | 442              |
| Advance from Customers   | 1,571            | 1,270            |
| Statutory Liabilities  | 2,223            | 858              |
| Security Deposits & Retentions   | 7,457            | 9,407            |
| Payable to Employees   | 2,167            | 1,947            |
| Premium payable on Forward Contract  | 2,853            | 2,324            |
| Commission Payable to Directors  | 722              | 433              |
| Liability for Operating Expenses   | 3,347            | 2,463            |
| Derivative Liability   | 52               | 74               |
| Other Liabilities  | 291              | 84               |
| <b>Total</b>   | <b>53,977</b>    | <b>52,411</b>    |

10.1 To be credited to Investor Education and Protection Fund as and when due.

### 11. SHORT-TERM PROVISIONS

(Rs. in Lacs)

| Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2017 |
| <b>Provision for Employee Benefits (Current Portion)</b> |                  |                  |
| Unavailed leave  | 353              | 268              |
| Gratuity   | 1                | 1                |
|  | <b>(A) 354</b>   | <b>269</b>       |
| <b>Other Provisions</b>                                  |                  |                  |
| Contingent Provisions against Standard Assets            | 5,223            | 3,184            |
|  | <b>(B) 5,223</b> | <b>3,184</b>     |
| <b>Total (A+B)</b>                                       | <b>5,577</b>     | <b>3,453</b>     |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 12. FIXED ASSETS

(Rs. in Lacs)

| Particulars                            | Gross Block / Original Cost |                           |   |                                      |                        |                       | Depreciation / Amortisation and Impairment |                            |   |  |                                       |                        | Net Carrying Value |
|--|-----------------------------|---------------------------|---|--------------------------------------|------------------------|-----------------------|--|----------------------------|---|--|---------------------------------------|------------------------|--------------------|
|  | As at 1st April, 2017       | Additions during the year | Disposals / Adjustments during the year | Adjustment on JV becoming Subsidiary | As at 31st March, 2018 | As at 1st April, 2017 | For the year                               | Impairment during the year | Disposals / Adjustments during the year | Adjustment on Cessation of Subsidiary and JV | Adjustment on Cessation of Subsidiary | As at 31st March, 2018 |                    |
|  | (a)                         | (b)                       | (c)                                     | (d)                                  | (e)                    | (f=a+b-c+d-e)         | (g)  | (h)                        | (i)                                     | (j)  | (k)                                   | (l)                    | (m=g+h+i-j+k-l)    |
| <b>I. Tangible assets:</b>             |                             |                           |   |                                      |                        |                       |  |                            |   |  |                                       |                        |                    |
| <b>Assets for Own use</b>              |                             |                           |   |                                      |                        |                       |  |                            |   |  |                                       |                        |                    |
| Land- Freehold                         | 13                          | -                         | -                                       | -                                    | -                      | 13                    | -  | -                          | -                                       | -  | -                                     | -                      | 13                 |
| Buildings                              | 18,552                      | 1                         | -                                       | -                                    | -                      | 18,553                | 1,938                                      | 343                        | -                                       | -  | -                                     | 2,281                  | 16,272             |
| Leasehold Improvements                 | 6,802                       | 444                       | 209                                     | -                                    | -                      | 7,037                 | 2,920                                      | 867                        | -                                       | 196  | -                                     | 3,591                  | 3,446              |
| Furniture and Fixtures                 | 7,330                       | 488                       | 45                                      | -                                    | -                      | 7,773                 | 3,467                                      | 719                        | -                                       | 30   | -                                     | 4,156                  | 3,617              |
| Motor Vehicles                         | 434                         | 102                       | 56                                      | -                                    | -                      | 480                   | 196  | 66                         | -                                       | 35   | -                                     | 227                    | 253                |
| Machinery                              | 43,048                      | 133                       | 503                                     | -                                    | -                      | 42,678                | 13,950                                     | 1,094                      | -                                       | 320  | -                                     | 14,724                 | 27,954             |
| Equipment                              | 2,464                       | 4                         | 29                                      | -                                    | -                      | 2,439                 | 1,469                                      | 228                        | -                                       | 27   | -                                     | 1,670                  | 769                |
| Computer                               | 374                         | 22                        | 12                                      | -                                    | -                      | 384                   | 307  | 34                         | -                                       | 12   | -                                     | 329                    | 55                 |
| Office Equipment                       | 3,965                       | 158                       | 30                                      | -                                    | -                      | 4,093                 | 2,703                                      | 574                        | -                                       | 30   | -                                     | 3,247                  | 846                |
| <b>Total (A)</b>                       | <b>82,982</b>               | <b>1,352</b>              | <b>884</b>                              | <b>-</b>                             | <b>-</b>               | <b>83,450</b>         | <b>26,950</b>                              | <b>3,925</b>               | <b>-</b>                                | <b>650</b>                                   | <b>-</b>                              | <b>30,225</b>          | <b>53,225</b>      |
| <b>Assets given on Operating Lease</b> |                             |                           |   |                                      |                        |                       |  |                            |   |  |                                       |                        |                    |
| Aircrafts                              | 2,793                       | -                         | -                                       | -                                    | -                      | 2,793                 | 2,415                                      | 40                         | -                                       | -  | -                                     | 2,455                  | 338                |
| Earthmoving Equipments                 | 87,019                      | 63,976                    | 1,793                                   | -                                    | -                      | 149,212               | 28,481                                     | 17,023                     | 435                                     | 1,113  | -                                     | 44,826                 | 104,386            |
| Motor Vehicles                         | 89,268                      | 39,894                    | 8,473                                   | -                                    | -                      | 120,689               | 45,432                                     | 13,480                     | 402                                     | 6,734  | -                                     | 52,580                 | 68,109             |
| Plant & Machinery                      | 1,66,193                    | 1,42,116                  | 1,465                                   | -                                    | -                      | 306,844               | 46,487                                     | 20,403                     | 91                                      | 894  | -                                     | 66,087                 | 240,757            |
| Computers                              | 34,905                      | 27,002                    | 3,546                                   | -                                    | -                      | 58,361                | 22,360                                     | 5,223                      | 96                                      | 2,477  | -                                     | 25,202                 | 33,159             |
| Furniture and Fixtures                 | 10,755                      | 2,043                     | 441                                     | -                                    | -                      | 12,357                | 4,323                                      | 1,039                      | 19                                      | 199  | -                                     | 5,182                  | 7,175              |
| <b>Total (B)</b>                       | <b>3,90,933</b>             | <b>2,75,031</b>           | <b>15,708</b>                           | <b>-</b>                             | <b>-</b>               | <b>6,50,256</b>       | <b>1,49,498</b>                            | <b>57,208</b>              | <b>1,043</b>                            | <b>11,417</b>                                | <b>-</b>                              | <b>1,96,332</b>        | <b>4,53,924</b>    |
| <b>Total (I) = (A+B)</b>               | <b>4,73,915</b>             | <b>2,76,383</b>           | <b>16,592</b>                           | <b>-</b>                             | <b>-</b>               | <b>7,33,706</b>       | <b>1,76,448</b>                            | <b>61,133</b>              | <b>1,043</b>                            | <b>12,067</b>                                | <b>-</b>                              | <b>2,26,557</b>        | <b>5,07,149</b>    |
| <b>II. Intangible assets:</b>          |                             |                           |   |                                      |                        |                       |  |                            |   |  |                                       |                        |                    |
| <b>Assets for Own use</b>              |                             |                           |   |                                      |                        |                       |  |                            |   |  |                                       |                        |                    |
| Computer Softwares                     | 5,810                       | 174                       | -                                       | -                                    | -                      | 5,984                 | 4,167                                      | 1,107                      | -                                       | -  | -                                     | 5,274                  | 710                |
| Tenancy Rights                         | 8                           | -                         | -                                       | -                                    | -                      | 8                     | 8  | -                          | -                                       | -  | -                                     | 8                      | -                  |
| <b>Total (C)</b>                       | <b>5,818</b>                | <b>174</b>                | <b>-</b>                                | <b>-</b>                             | <b>-</b>               | <b>5,992</b>          | <b>4,175</b>                               | <b>1,107</b>               | <b>-</b>                                | <b>-</b>                                     | <b>-</b>                              | <b>5,282</b>           | <b>710</b>         |
| <b>Assets given on Operating Lease</b> |                             |                           |   |                                      |                        |                       |  |                            |   |  |                                       |                        |                    |
| Softwares                              | 3,469                       | 12                        | 278                                     | -                                    | -                      | 3,203                 | 2,561                                      | 345                        | 48                                      | 262  | -                                     | 2,692                  | 511                |
| <b>Total (D)</b>                       | <b>3,469</b>                | <b>12</b>                 | <b>278</b>                              | <b>-</b>                             | <b>-</b>               | <b>3,203</b>          | <b>2,561</b>                               | <b>345</b>                 | <b>48</b>                               | <b>262</b>                                   | <b>-</b>                              | <b>2,692</b>           | <b>511</b>         |
| <b>Total (II) = (C+D)</b>              | <b>9,287</b>                | <b>186</b>                | <b>278</b>                              | <b>-</b>                             | <b>-</b>               | <b>9,195</b>          | <b>6,736</b>                               | <b>1,452</b>               | <b>48</b>                               | <b>262</b>                                   | <b>-</b>                              | <b>7,974</b>           | <b>1,221</b>       |
| <b>Total Fixed Assets = (I + II)</b>   | <b>4,83,202</b>             | <b>2,76,569</b>           | <b>16,870</b>                           | <b>-</b>                             | <b>-</b>               | <b>7,42,901</b>       | <b>1,83,184</b>                            | <b>62,585</b>              | <b>1,091</b>                            | <b>12,329</b>                                | <b>-</b>                              | <b>2,34,531</b>        | <b>5,08,370</b>    |
| <b>III. Capital work in Progress</b>   |                             |                           |   |                                      |                        |                       |  |                            |   |  |                                       |                        | <b>390</b>         |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

## 12. FIXED ASSETS (CONTD.)

(Rs. in Lacs)

| Particulars                            | Gross Block / Original Cost |                           |   |                                      |                        |                       | Depreciation / Amortisation and Impairment |                            |   |  |                                       | Net Carrying Value |                        |                        |
|--|-----------------------------|---------------------------|---|--------------------------------------|------------------------|-----------------------|--|----------------------------|---|--|---------------------------------------|--------------------|------------------------|------------------------|
|  | As at 1st April, 2016       | Additions during the year | Disposals / Adjustments during the year | Adjustment on JV becoming Subsidiary | As at 31st March, 2017 | As at 1st April, 2016 | For the year                               | Impairment during the year | Disposals / Adjustments during the year | Adjustment on Cessation of Subsidiary and JV | Adjustment on Cessation of Subsidiary |                    | As at 31st March, 2017 | As at 31st March, 2017 |
|  | (a)                         | (b)                       | (c)                                     | (d)                                  | (e)                    | (f=a+b-c+d-e)         | (g)  | (h)                        | (i)                                     | (j)  | (k)                                   | (l)                | (m=g+h+i-j+k-l)        | (f-m)                  |
| <b>I. Tangible assets:</b>             |                             |                           |   |                                      |                        |                       |  |                            |   |  |                                       |                    |                        |                        |
| <b>Assets for Own use</b>              |                             |                           |   |                                      |                        |                       |  |                            |   |  |                                       |                    |                        |                        |
| Land- Freehold                         | 11                          | -                         | -                                       | 2                                    | -                      | 13                    | -  | -                          | -                                       | -  | -                                     | -                  | -                      | 13                     |
| Buildings                              | 18,513                      | -                         | 7                                       | 46                                   | -                      | 18,552                | 1,590                                      | 343                        | -                                       | 2  | 7                                     | -                  | 1,938                  | 16,614                 |
| Leasehold Improvements                 | 5,658                       | 1,146                     | 2                                       | -                                    | -                      | 6,802                 | 2,225                                      | 696                        | -                                       | 1  | -                                     | -                  | 2,920                  | 3,882                  |
| Furniture and Fixtures                 | 5,158                       | 1,014                     | 30                                      | 1,191                                | 3                      | 7,330                 | 1,995                                      | 665                        | -                                       | 15   | 825                                   | 3                  | 3,467                  | 3,863                  |
| Motor Vehicles                         | 570                         | -                         | -                                       | 153                                  | 289                    | 434                   | 345  | 71                         | -                                       | -  | 51                                    | 271                | 196                    | 238                    |
| Machinery                              | 20,367                      | 23,582                    | 901                                     | -                                    | -                      | 43,048                | 11,174                                     | 1,525                      | -                                       | (1,251)                                      | -                                     | -                  | 13,950                 | 29,098                 |
| Equipment                              | 2,534                       | -                         | 70                                      | -                                    | -                      | 2,464                 | 1,252                                      | 244                        | -                                       | 27   | -                                     | -                  | 1,469                  | 995                    |
| Computer                               | 381                         | 32                        | 34                                      | -                                    | 5                      | 374                   | 313  | 33                         | -                                       | 34   | -                                     | 5                  | 307                    | 67                     |
| Office Equipment                       | 2,502                       | 390                       | 74                                      | 1,147                                | -                      | 3,965                 | 1,523                                      | 619                        | -                                       | 73   | 634                                   | -                  | 2,703                  | 1,262                  |
| <b>Total (A)</b>                       | <b>55,694</b>               | <b>26,164</b>             | <b>1,118</b>                            | <b>2,539</b>                         | <b>297</b>             | <b>82,982</b>         | <b>20,417</b>                              | <b>4,196</b>               | <b>-</b>                                | <b>(1,099)</b>                               | <b>1,517</b>                          | <b>279</b>         | <b>26,950</b>          | <b>56,032</b>          |
| <b>Assets given on Operating Lease</b> |                             |                           |   |                                      |                        |                       |  |                            |   |  |                                       |                    |                        |                        |
| Aircrafts                              | 2,390                       | -                         | -                                       | 403                                  | -                      | 2,793                 | 1,983                                      | 234                        | -                                       | -  | 198                                   | -                  | 2,415                  | 378                    |
| Earthmoving Equipments                 | 25,764                      | 36,468                    | 977                                     | 25,764                               | -                      | 87,019                | 10,188                                     | 7,838                      | 247                                     | 667  | 10,875                                | -                  | 28,481                 | 58,538                 |
| Motor Vehicles                         | 36,909                      | 20,556                    | 5,107                                   | 36,910                               | -                      | 89,268                | 20,270                                     | 8,435                      | 68                                      | 4,454  | 21,113                                | -                  | 45,432                 | 43,836                 |
| Plant & Machinery                      | 81,637                      | 44,627                    | 1,561                                   | 41,490                               | -                      | 166,193               | 23,600                                     | 9,659                      | 245                                     | 2,803  | 15,786                                | -                  | 46,487                 | 119,706                |
| Computers                              | 18,042                      | 4,783                     | 5,961                                   | 18,041                               | -                      | 34,905                | 11,187                                     | 4,530                      | 65                                      | 5,288  | 11,866                                | -                  | 22,360                 | 12,545                 |
| Furniture and Fixtures                 | 3,867                       | 3,113                     | 92                                      | 3,867                                | -                      | 10,755                | 1,673                                      | 693                        | 279                                     | 63   | 1,741                                 | -                  | 4,323                  | 6,432                  |
| <b>Total (B)</b>                       | <b>1,68,609</b>             | <b>1,09,547</b>           | <b>13,698</b>                           | <b>1,26,475</b>                      | <b>-</b>               | <b>3,90,933</b>       | <b>68,901</b>                              | <b>31,389</b>              | <b>904</b>                              | <b>13,275</b>                                | <b>61,579</b>                         | <b>-</b>           | <b>1,49,498</b>        | <b>2,41,435</b>        |
| <b>Total (I) = (A+B)</b>               | <b>2,24,303</b>             | <b>1,35,711</b>           | <b>14,816</b>                           | <b>1,29,014</b>                      | <b>297</b>             | <b>4,73,915</b>       | <b>89,318</b>                              | <b>35,585</b>              | <b>904</b>                              | <b>12,176</b>                                | <b>63,096</b>                         | <b>279</b>         | <b>1,76,448</b>        | <b>2,97,467</b>        |
| <b>II. Intangible assets:</b>          |                             |                           |   |                                      |                        |                       |  |                            |   |  |                                       |                    |                        |                        |
| <b>Assets for Own use</b>              |                             |                           |   |                                      |                        |                       |  |                            |   |  |                                       |                    |                        |                        |
| Computer Softwares                     | 3,117                       | 395                       | 41                                      | 2,378                                | 39                     | 5,810                 | 1,813                                      | 1,017                      | -                                       | 41   | 1,415                                 | 37                 | 4,167                  | 1,643                  |
| Tenancy Rights                         | 4                           | -                         | -                                       | 4                                    | -                      | 8                     | 4  | -                          | -                                       | -  | 4                                     | -                  | 8                      | -                      |
| <b>Total (C)</b>                       | <b>3,121</b>                | <b>395</b>                | <b>41</b>                               | <b>2,382</b>                         | <b>39</b>              | <b>5,818</b>          | <b>1,817</b>                               | <b>1,017</b>               | <b>-</b>                                | <b>41</b>                                    | <b>1,419</b>                          | <b>37</b>          | <b>4,175</b>           | <b>1,643</b>           |
| <b>Assets given on Operating Lease</b> |                             |                           |   |                                      |                        |                       |  |                            |   |  |                                       |                    |                        |                        |
| Softwares                              | 1,820                       | 110                       | 281                                     | 1,820                                | -                      | 3,469                 | 1,139                                      | 443                        | 64                                      | 281  | 1,196                                 | -                  | 2,561                  | 908                    |
| <b>Total (D)</b>                       | <b>1,820</b>                | <b>110</b>                | <b>281</b>                              | <b>1,820</b>                         | <b>-</b>               | <b>3,469</b>          | <b>1,139</b>                               | <b>443</b>                 | <b>64</b>                               | <b>281</b>                                   | <b>1,196</b>                          | <b>-</b>           | <b>2,561</b>           | <b>908</b>             |
| <b>Total (II) = (C+D)</b>              | <b>4,941</b>                | <b>505</b>                | <b>322</b>                              | <b>4,202</b>                         | <b>39</b>              | <b>9,287</b>          | <b>2,956</b>                               | <b>1,460</b>               | <b>64</b>                               | <b>322</b>                                   | <b>2,615</b>                          | <b>37</b>          | <b>6,736</b>           | <b>2,551</b>           |
| <b>Total Fixed Assets = (I + II)</b>   | <b>2,29,244</b>             | <b>1,36,216</b>           | <b>15,138</b>                           | <b>1,33,216</b>                      | <b>336</b>             | <b>4,83,202</b>       | <b>92,274</b>                              | <b>37,045</b>              | <b>968</b>                              | <b>12,498</b>                                | <b>65,711</b>                         | <b>316</b>         | <b>1,83,184</b>        | <b>3,00,018</b>        |
| <b>III. Capital work in Progress</b>   |                             |                           |   |                                      |                        |                       |  |                            |   |  |                                       |                    |                        | <b>859</b>             |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 13.1 NON-CURRENT INVESTMENTS

(Rs. in Lacs)

| Particulars   | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2018 | 31st March, 2017 |
| In Associates [includes goodwill Rs. 3,923 Lacs (Previous year Rs. 3,923 Lacs)] | 8,079            | 9,625            |
| In Other Securities   | 82,527           | 1,17,337         |
| <b>Total</b>  | <b>90,606</b>    | <b>1,26,962</b>  |

### 13.2 CURRENT INVESTMENTS

(Rs. in Lacs)

| Particulars         | As at            | As at            |
|---------------------|------------------|------------------|
|                     | 31st March, 2018 | 31st March, 2017 |
| In Other Securities | 731              | 1,228            |
| <b>Total</b>        | <b>731</b>       | <b>1,228</b>     |

### 14. FINANCIAL ASSETS

(Rs. in Lacs)

| Particulars   | As at 31st March, 2018 |                    |                 | As at 31st March, 2017 |                    |                 |
|---|------------------------|--------------------|-----------------|------------------------|--------------------|-----------------|
|   | Long-Term              |                    |                 | Long-Term              |                    |                 |
|   | Non-Current Maturities | Current Maturities | Short-Term      | Non-Current Maturities | Current Maturities | Short-Term      |
| <b>(Secured, Considered Good)<sup>1</sup></b><br>Financial assets                                 | 11,57,997              | 4,22,642           | 2,26,406        | 8,62,729               | 3,73,941           | 1,88,995        |
| Less: Provision for Non Performing Assets and standard Restructured Assets under CDR, SDR and S4A | (3,912)                | (2,622)            | (6,472)         | (5,908)                | (2,249)            | (3,926)         |
| <b>(Unsecured, Considered Good)</b><br>Financial assets   | 21,016                 | 510                | 18,809          | -                      | -                  | -               |
| <b>Total</b>  | <b>11,75,101</b>       | <b>4,20,530</b>    | <b>2,38,743</b> | <b>8,56,821</b>        | <b>3,71,692</b>    | <b>1,85,069</b> |

<sup>1</sup> Financial assets are secured by underlying hypothecated assets / receivables and in certain cases, are additionally secured by immovable properties and pledge of equity shares of the borrowers by way of collateral security. Securities, created / to be created by the borrowers, against financial assets are based on the valuation of the underlying assets, where applicable, carried out by an external valuer.

### 15. LOAN ASSETS

(Rs. in Lacs)

| Particulars                                     | As at 31st March, 2018 |                    |                 | As at 31st March, 2017 |                    |               |
|---|------------------------|--------------------|-----------------|------------------------|--------------------|---------------|
|   | Long-Term              |                    |                 | Long-Term              |                    |               |
|   | Non-Current Maturities | Current Maturities | Short-Term      | Non-Current Maturities | Current Maturities | Short-Term    |
| <b>Considered Good, unless otherwise stated</b> |                        |                    |                 |                        |                    |               |
| <b>Secured<sup>1</sup></b>                      |                        |                    |                 |                        |                    |               |
| Loans to Others                                 | 8,20,980               | 3,44,689           | 1,11,417        | 7,66,094               | 3,28,776           | 3,057         |
| Loans to Related parties                        | 12,091                 | -                  | -               | 33,080                 | 3,543              | -             |
| <b>(A)</b>                                      | <b>8,33,071</b>        | <b>3,44,689</b>    | <b>1,11,417</b> | <b>7,99,174</b>        | <b>3,32,319</b>    | <b>3,057</b>  |
| <b>Unsecured</b>                                |                        |                    |                 |                        |                    |               |
| Loans to Others                                 | 9,009                  | 9,768              | 9,175           | 11,736                 | 6,565              | 40,770        |
| Loans to Related parties                        | -                      | -                  | -               | 242                    | -                  | -             |
| <b>(B)</b>                                      | <b>9,009</b>           | <b>9,768</b>       | <b>9,175</b>    | <b>11,978</b>          | <b>6,565</b>       | <b>40,770</b> |
| Less: Provision for Bad Debts / Advances        | (14,151)               | -                  | -               | (20,110)               | -                  | -             |
| <b>(C)</b>                                      | <b>(14,151)</b>        | <b>-</b>           | <b>-</b>        | <b>(20,110)</b>        | <b>-</b>           | <b>-</b>      |
| <b>Total (A+B+C)</b>                            | <b>8,27,929</b>        | <b>3,54,457</b>    | <b>1,20,592</b> | <b>7,91,042</b>        | <b>3,38,884</b>    | <b>43,827</b> |

<sup>1</sup> Secured by underlying assets and in certain cases are additionally secured by immovable properties and / or pledge of equity shares of the borrowers by way of collateral security.

<sup>2</sup> In terms of an Order from DRT-1, Kolkata dated 24 December, 2014 Deccan Chronicle Holding Limited (DCHL), one of the borrowers of the Holding Company, had in the financial year 2014-15 allotted to the Company 66,037,735 equity shares in DCHL pursuant to conversion of a portion of loan into equity shares by virtue of the Company's rights under the financial documents. However, during the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 of DCHL, the Company has come to know that the said allotment of 66,037,735 equity shares by DCHL was contrary to law and therefore, void and ineffective. Since DCHL failed to give effect to such conversion, the Company had irrevocably and unconditionally withdrawn its right of conversion of loan into equity shares of DCHL vide its letter dated 23 April, 2018 to Resolution Professional of DCHL.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 16. OTHER LONG TERM ADVANCES

(Rs. in Lacs)

| Particulars                               | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|---|---------------------------|---------------------------|
| <b>Unsecured, Considered Good</b>         |                           |                           |
| Advances                                  |                           |                           |
| Capital Advances                          | 6,726                     | 10,402                    |
| Advance to Vendors for Operating Expenses | 83                        | 136                       |
| Employee Advance                          | 171                       | 270                       |
| Advance against investments               | 23                        | 1,223                     |
| Prepaid Expenses                          | 3,087                     | 2,458                     |
| Balance with Revenue Authorities          | 32,990                    | 18,443                    |
| Security Deposits – to Others             | 33,890                    | 36,538                    |
| MAT Credit Entitlement                    | 5,341                     | 5,962                     |
| Other Advances                            | 3                         | 2                         |
| <b>Total</b>                              | <b>82,314</b>             | <b>75,434</b>             |

### 17. OTHER NON-CURRENT ASSETS

(Rs. in Lacs)

| Particulars   | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|---|---------------------------|---------------------------|
| <b>Unsecured, Considered Good</b>                                       |                           |                           |
| Non-Current portion of other Bank Balances                              |                           |                           |
| Fixed Deposit Account with balance maturity of more than twelve months: |                           |                           |
| – Not Under Lien  | 2                         | 5                         |
| – Under Lien  | 19,457                    | 4,308                     |
| Balance with Bank – Debt Service Reserve Account                        | -                         | 187                       |
| Unamortised Ancillary Borrowing Costs                                   | 3,950                     | 4,125                     |
| Interest Accrued but not due  | 401                       | 742                       |
| Income Accrued but not due  | -                         | 285                       |
| Receivable on Forward Exchange Contracts                                | -                         | 793                       |
| Derivative Assets   | 2,917                     | 427                       |
| Security Receipts   | 38,335                    | 38,250                    |
| Other Receivables   | 203                       | 1,785                     |
| <b>Total</b>  | <b>65,265</b>             | <b>50,907</b>             |

### 18. TRADE RECEIVABLES

(Rs. in Lacs)

| Particulars                               | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|---|---------------------------|---------------------------|
| <b>Unsecured</b>                          |                           |                           |
| Considered Good                           |                           |                           |
| Outstanding for more than Six Months      | 3,922                     | 3,213                     |
| Other Debts                               | 13,942                    | 8,885                     |
|   | <b>17,864</b>             | <b>12,098</b>             |
| Less: Bad Debts / Provision for Bad Debts | (135)                     | (138)                     |
|   | <b>(A) 17,729</b>         | <b>11,960</b>             |
| Considered Doubtful                       |                           |                           |
| Outstanding for more than Six Months      | 321                       | 238                       |
| Other Debts                               | -                         | 28                        |
| Less: Bad Debts / Provision for Bad Debts | (321)                     | (266)                     |
|   | <b>(B) -</b>              | <b>-</b>                  |
| <b>Total (A+B)</b>                        | <b>17,729</b>             | <b>11,960</b>             |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 19. CASH AND CASH EQUIVALENTS

(Rs. in Lacs)

| Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2017 |
| Cash on Hand   | 640              | 745              |
| Balances with Banks – in Current Account   | 11,061           | 14,580           |
| Balances in Automated Teller Machines (ATMs) (in connection with White Label ATM business)                                 | -                | 20               |
| Cheques on Hand  | 22,126           | 14,959           |
| Fixed Deposits with Banks having original maturity of three months or less   | 339              | 11,577           |
| Unclaimed Dividend Account   | 35               | 35               |
|  | <b>(A)</b>       | <b>34,201</b>    |
| Other Bank Balances :  |                  |                  |
| Fixed Deposits with banks having balance maturity of twelve months or less:  |                  |                  |
| – Not Under Lien   | 471              | 4,708            |
| – Under Lien   | 95,786           | 46,576           |
| Fixed Deposits with bank having balance maturity of more than twelve months  | 19,459           | 4,313            |
| Less: Non-current portion of other bank balances disclosed separately under 'Other Non-Current Assets' (refer Note No. 17) | (19,459)         | (4,313)          |
|  | <b>(B)</b>       | <b>96,257</b>    |
| <b>Total (A+B)</b>   | <b>1,30,458</b>  | <b>93,200</b>    |

### 20. OTHER SHORT-TERM ADVANCES

(Rs. in Lacs)

| Particulars                                 | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2018 | 31st March, 2017 |
| <b>Unsecured, Considered good</b>           |                  |                  |
| Advances                                    |                  |                  |
| – Advance to Vendors for Operating Expenses | 3,733            | 1,973            |
| – Employee Advance                          | 642              | 429              |
| – Security Deposits-to Others               | 843              | 758              |
| – Prepaid Expenses                          | 1,400            | 1,343            |
| – Balance with Revenue Authorities          | 28,090           | 2,115            |
| – Other Advances                            | 5,184            | 1,960            |
| <b>Total</b>                                | <b>39,892</b>    | <b>8,578</b>     |

### 21. OTHER CURRENT ASSETS

(Rs. in Lacs)

| Particulars                              | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2018 | 31st March, 2017 |
| Unamortised Ancillary Borrowing Costs    | 1,918            | 2,405            |
| Interest Accrued but not due             | 18,857           | 20,078           |
| Income Accrued but not due               | 330              | 30               |
| Stock for Trade                          | 11,134           | 10,068           |
| Receivable on Forward Exchange Contracts | 9,158            | 3,413            |
| Derivative Assets                        | 234              | 3,854            |
| Insurance Claim Recievable               | 45               | -                |
| Other Receivables                        | 3,348            | 10,404           |
| <b>Total</b>                             | <b>45,024</b>    | <b>50,252</b>    |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 22. REVENUE FROM OPERATIONS

(Rs. in Lacs)

| Particulars   | 2017-18         | 2016-17         |
|---|-----------------|-----------------|
| Income from Loans / Financial Assets  | 3,98,955        | 3,45,979        |
| Income from Leases  | 85,694          | 41,189          |
| Fee Based Income  | 5,792           | 3,323           |
| Income from Equipment Rental  | 21,082          | 16,469          |
| Income from Non Compete Fees  | -               | 20,555          |
| Gain / Loss on Disposal of Assets Acquired in Satisfaction of Debt - Loan Assets ( <i>refer Note 22.1</i> ) | -               | -               |
| Sale of Power   | 2,106           | -               |
| Income from Long-Term Trade Investments   | 5               | -               |
| Income from Current Investment  | 8               | 419             |
| Income from Stock for Trade   | 325             | -               |
| Interest from Long-Term Trade Investments   | 2,249           | 20              |
| Interest from Stock for Trade   | 318             | -               |
| Interest on Fixed Deposits and Other Receivables  | 5,773           | 5,085           |
| Profit on Sale of Long-Term Trade Investments (net)   | 1,328           | 31,835          |
| Profit on Sale of Current Investments (net)   | 33              | 11              |
| Profit on Sale of Stock for Trade (net)   | 331             | 48              |
| <b>Total</b>  | <b>5,23,999</b> | <b>4,64,933</b> |

#### 22.1 GAIN / LOSS ON DISPOSAL OF ASSETS ACQUIRED IN SATISFACTION OF DEBT-LOAN ASSETS

(Rs. in Lacs)

| Particulars   | 2017-18  | 2016-17  |
|---|----------|----------|
| Book Value of Assets acquired in Satisfaction of Debt, disposed off during the year | 753      | 1,17,824 |
| Less: Received on Disposal  |          |          |
| Sale Consideration  | 673      | 1,04,719 |
| Non Compete Fees  | -        | 13,105   |
| Loss on disposal ( <i>refer Note No. 26</i> )                                       | 80       | -        |
| <b>Total</b>  | <b>-</b> | <b>-</b> |

### 23. OTHER INCOME

(Rs. in Lacs)

| Particulars                                 | 2017-2018    | 2016-2017    |
|---|--------------|--------------|
| Liabilities No Longer Required Written Back | 110          | 130          |
| Dividend Income                             | 1,212        | 96           |
| Profit on Sale of Fixed Assets              | 112          | 370          |
| Other Non-Operating Income                  | 754          | 1,047        |
| <b>Total</b>                                | <b>2,188</b> | <b>1,643</b> |

### 24. FINANCE COSTS

(Rs. in Lacs)

| Particulars  | 2017-18        | 2016-17        |
|--|----------------|----------------|
| Interest Expense & Finance Charges   | 252,966        | 237,226        |
| Other Borrowing Costs  | 41,189         | 26,044         |
| Applicable net (gain) / loss on foreign currency transactions and translations | (397)          | (473)          |
| <b>Total</b>   | <b>293,758</b> | <b>262,797</b> |

### 25. EMPLOYEE BENEFITS EXPENSE

(Rs. in Lacs)

| Particulars                               | 2017-18       | 2016-17       |
|---|---------------|---------------|
| Salaries, Allowances, Commission & Bonus  | 22,725        | 18,624        |
| Contribution to Provident and Other Funds | 542           | 891           |
| Staff Welfare Expenses                    | 700           | 641           |
| <b>Total</b>                              | <b>23,967</b> | <b>20,156</b> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 26. ADMINISTRATIVE AND OTHER EXPENSES

(Rs. in Lacs)

| Particulars   | 2017-18       | 2016-17       |
|---|---------------|---------------|
| Communication Expenses  | 681           | 508           |
| Outsourced Manpower Expenses  | 182           | 137           |
| Site & Site Mobilisation Expenses   | 2,759         | 3,308         |
| Legal & Professional Fees   | 10,841        | 7,668         |
| Power & Fuel  | 3,581         | 2,810         |
| Rent  | 1,966         | 1,888         |
| Equipment Hire & Leasing  | 628           | 755           |
| Rates and Taxes   | 356           | 174           |
| Brokerage and Service Charges   | 3,491         | 2,241         |
| Payments to the Auditor   | 315           | 264           |
| Repairs – Machinery   | 3,860         | 3,989         |
| – Others  | 2,293         | 2,500         |
| Travelling and Conveyance   | 4,692         | 3,952         |
| Directors' Fees   | 104           | 94            |
| Insurance   | 553           | 514           |
| Printing and Stationery   | 325           | 303           |
| Advertisement, Subscription and Donation  | 941           | 982           |
| Corporate Social Responsibility Expenses  | 552           | 438           |
| Loss on Sale of Fixed Assets  | 903           | 20            |
| Loss on Disposal of Assets Acquired in Satisfaction of Debt (refer Note No. 22.1) | 80            | –             |
| Miscellaneous Expenses  | 2,316         | 1,410         |
| <b>Total</b>  | <b>41,419</b> | <b>33,955</b> |

### 27. EARNINGS PER EQUITY SHARE

| Particulars  | 2017-18     | 2016-17     |
|--|-------------|-------------|
| (a) Profit after tax attributable to Equity Shareholders (Rs. in Lacs) | 38,455      | 24,336      |
| (b) Weighted average number of Equity Shares (Basic)                   | 503086333   | 503086333   |
| (c) Weighted average number of Potential Equity Shares                 | –           | –           |
| (d) Weighted average number of Equity Shares (Diluted)                 | 503086333   | 503086333   |
| (e) Nominal Value of Equity per share (Rs.)                            | 10          | 10          |
| (f) Basic Earnings per share [(a) / (b)] (Rs.)                         | <b>7.64</b> | <b>4.84</b> |
| (g) Diluted Earnings per share [(a) / (d)] (Rs.)                       | <b>7.64</b> | <b>4.84</b> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 28. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD (AS) 15-EMPLOYEE BENEFITS

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).

(a) Expenses recognised in the Statement of Profit and Loss are as follows:

(Rs. in Lacs)

| Particulars                    | Gratuity         |                  | Leave            |                  |
|--------------------------------|------------------|------------------|------------------|------------------|
|                                | Year ended       |                  | Year ended       |                  |
|                                | 31st March, 2018 | 31st March, 2017 | 31st March, 2018 | 31st March, 2017 |
| Current service cost           | 393              | 315              | 241              | 309              |
| Interest cost                  | 149              | 144              | 60               | 59               |
| Expected return on plan assets | (80)             | (71)             | -                | -                |
| Past Service Cost              | 4                | -                | -                | -                |
| Net actuarial losses / (gains) | (982)            | (123)            | 6                | 208              |
| <b>Net benefit expense</b>     | <b>(516)</b>     | <b>265</b>       | <b>307</b>       | <b>576</b>       |
| Actual return on plan assets   | 7.8% & 8.35%     | 8.5% & 8.75%     | N.A.             | N.A.             |

(b) Net Liability recognised in the Balance Sheet is as follows:

(Rs. in Lacs)

| Particulars                | Gratuity         |                  | Leave            |                  |
|----------------------------|------------------|------------------|------------------|------------------|
|                            | Year ended       |                  | Year ended       |                  |
|                            | 31st March, 2018 | 31st March, 2017 | 31st March, 2018 | 31st March, 2017 |
| Defined benefit obligation | 1,595            | 2,117            | 1,486            | 1,663            |
| Fair value of plan assets  | (1,093)          | (909)            | -                | -                |
| <b>Net liability</b>       | <b>502</b>       | <b>1,208</b>     | <b>1,486</b>     | <b>1,663</b>     |
| - Non-Current              | 501              | 1,207            | 1,133            | 1,396            |
| - Current                  | 1                | 1                | 353              | 267              |

(c) Changes in the present value of the defined benefit obligations are as follows:

(Rs. in Lacs)

| Particulars                               | Gratuity         |                  | Leave            |                  |
|---|------------------|------------------|------------------|------------------|
|   | Year ended       |                  | Year ended       |                  |
|   | 31st March, 2018 | 31st March, 2017 | 31st March, 2018 | 31st March, 2017 |
| Opening defined benefit obligation        | 2,118            | 1,912            | 1,663            | 1,556            |
| Interest cost                             | 149              | 144              | 60               | 59               |
| Current service cost                      | 393              | 315              | 241              | 309              |
| Benefit paid                              | (82)             | (123)            | (483)            | (468)            |
| Actuarial losses / (gains)                | (986)            | (129)            | 6                | 208              |
| Past Service Cost                         | 4                | -                | -                | -                |
| <b>Closing defined benefit obligation</b> | <b>1,596</b>     | <b>2,118</b>     | <b>1,487</b>     | <b>1,663</b>     |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(d) The details of fair value of plan assets at the Balance Sheet date are as follows:

(Rs. in Lacs)

| Particulars                              | Gratuity                  |                           |
|--|---------------------------|---------------------------|
|  | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
| Opening fair value of plan assets        | 909                       | 869                       |
| Expected return on plan assets*          | 80                        | 72                        |
| Contribution by the Company              | 187                       | 97                        |
| Benefits paid                            | (79)                      | (122)                     |
| Actuarial (losses) / gains               | (4)                       | (7)                       |
| <b>Closing fair value of plan assets</b> | <b>1,093</b>              | <b>909</b>                |

\* Determined based on government bond rate

(e) The principal assumptions used in determining the gratuity and leave liability are as shown below:

(Rs. in Lacs)

| Particulars                             | As at   | As at   |
|---|---|---|
|   | 31st March, 2018  | 31st March, 2017  |
| Discount rate (%)                       | 7.60%   | 7.15%   |
| Return on Plan Assets (Gratuity Scheme) | 8.50% &<br>8.35%  | 8.50% &<br>8.75%  |
| Mortality Rate                          | India Assured<br>Lives Mortality<br>(2006-08)<br>(modified) Ult | India Assured<br>Lives Mortality<br>(2006-08)<br>(modified) Ult |

(f) The amounts for the current and previous years are as follows:

(Rs. in Lacs)

| Particulars  | Gratuity                     |                              |                              |                              |                              |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|  | As at<br>31st March,<br>2018 | As at<br>31st March,<br>2017 | As at<br>31st March,<br>2016 | As at<br>31st March,<br>2015 | As at<br>31st March,<br>2014 |
| Defined benefit obligation                                 | 1,596                        | 2,118                        | 1,238                        | 1,144                        | 800                          |
| Fair value of plan assets                                  | 1,093                        | 909                          | 530                          | 526                          | 479                          |
| Deficit  | 502                          | 1,208                        | 708                          | 618                          | 321                          |
| Experience adjustments on plan liabilities – gain / (loss) | 118                          | 307                          | 185                          | 85                           | 96                           |
| Experience adjustments on plan assets – gain / (loss)      | (4)                          | (7)                          | 1                            | (1)                          | (6)                          |
| Actuarial gain / (loss) due to change on assumptions       | 26                           | (50)                         | -                            | (97)                         | 54                           |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lacs)

| Particulars  | Gratuity            |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | As at               | As at               | As at               | As at               | As at               |
|  | 31st March,<br>2018 | 31st March,<br>2017 | 31st March,<br>2016 | 31st March,<br>2015 | 31st March,<br>2014 |
| Defined benefit obligation                                 | 1,487               | 1,663               | 1,029               | 927                 | 729                 |
| Fair value of plan assets                                  | -                   | -                   | -                   | -                   | -                   |
| Deficit  | 1,487               | 1,663               | 1,029               | 927                 | 729                 |
| Experience adjustments on plan liabilities – gain / (loss) | (378)               | (142)               | (90)                | (144)               | (13)                |
| Experience adjustments on plan assets – gain / (loss)      | -                   | -                   | -                   | -                   | -                   |
| Actuarial gain / (loss) due to change on assumptions       | 10                  | (20)                | -                   | (40)                | 27                  |

(g) The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

(h) The amount provided for defined contribution plan is as follows:

(Rs. in Lacs)

| Particulars              | Year ended       |                  |
|--------------------------|------------------|------------------|
|                          | 31st March, 2018 | 31st March, 2017 |
| Provident fund           | 985              | 846              |
| Employee state insurance | 56               | 23               |
| <b>Total</b>             | <b>1,041</b>     | <b>869</b>       |

29. In accordance with Accounting Standard 21 “Consolidated Financial Statements”, the Consolidated Financial Statements of the Group include the financial statements of the Holding Company and all its subsidiaries and sub-subsidiaries which are more than 50% owned and controlled. Enterprises over which the Company exercises significant influence are considered for preparation of the Consolidated Financial Statements as per Accounting Standard 23 “Accounting for Investments in Associates in Consolidated Financial Statements” and Interests in Joint Ventures (JV) have been accounted by using the proportionate consolidation method as per Accounting Standard 27 “Financial Reporting of Interests in Joint Ventures”. Investments that are acquired and held exclusively with a view to subsequent disposal in the near future are not considered for consolidation.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 30. The details of subsidiaries (including their subsidiaries), associates, trusts and joint venture are as follows:–

| Name of the Company  | Country of incorporation | % Holding              |                        |
|--|--------------------------|------------------------|------------------------|
|  |                          | As at 31st March, 2018 | As at 31st March, 2017 |
| <b>Subsidiaries:</b>   |                          |                        |                        |
| Srei Capital Markets Limited   | India                    | 100                    | 100                    |
| Srei Alternative Investment Managers Limited   | India                    | 100                    | 100                    |
| Srei Infrastructure Advisors Limited (ceased to be Subsidiary w.e.f 12.03.2018)  | India                    | -                      | 100                    |
| Controlla Electrotech Private Limited  | India                    | 100                    | 100                    |
| Srei Mutual Fund Asset Management Private Limited  | India                    | 100                    | 100                    |
| Srei Mutual Fund Trust Private Limited   | India                    | 100                    | 100                    |
| IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany) (ceased to be Subsidiary and has become Associate w.e.f. 21.06.2016) | Germany                  | -                      | -                      |
| Srei Forex Limited (ceased to be Subsidiary w.e.f 17.05.2016)  | India                    | -                      | -                      |
| Srei Insurance Broking Private Limited   | India                    | 100                    | 100                    |
| Quippo Oil & Gas Infrastructure Limited  | India                    | 100                    | 100                    |
| Quippo Energy Limited (Formerly Quippo Energy Private Limited)   | India                    | 100                    | 100                    |
| Srei Asset Reconstruction Private Limited  | India                    | 100                    | 100                    |
| Srei Equipment Finance Limited (ceased to be Joint Venture and has become Subsidiary w.e.f. 17.06.2016)  | India                    | 100                    | 100                    |
| Bengal Srei Infrastructure Development Limited ##  | India                    | 51                     | -                      |
| <b>Step-down Subsidiaries:</b>   |                          |                        |                        |
| Bengal Srei Infrastructure Development Limited ##  | India                    | -                      | 51                     |
| Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)  | India                    | 51                     | 51                     |
| Cyberabad Trustee Company Private Limited (Subsidiary of Srei Alternative Investment Managers Limited)   | India                    | 51                     | 51                     |
| AO Srei Leasing, Russia (Formerly ZAO Srei Leasing, Russia) (ceased to be Step-down Subsidiary w.e.f. 21.06.2016)#   | Russia                   | -                      | -                      |
| Srei Advisors Pte Limited (ceased to be Step-down Subsidiary w.e.f. 21.06.2016)  | Singapore                | -                      | -                      |
| Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd) (Subsidiary of Quippo Oil & Gas Infrastructure Limited)                                      | India                    | 100                    | 100                    |
| <b>Joint Venture:</b>  |                          |                        |                        |
| Srei Equipment Finance Limited (ceased to be Joint Venture and has become Subsidiary w.e.f. 17.06.2016)  | India                    | -                      | -                      |
| <b>Associates:</b>   |                          |                        |                        |
| Sahaj e-Village Limited  | India                    | 49.47                  | 49.47                  |
| Attivo Economic Zone (Mumbai) Private Limited  | India                    | 48.78                  | 48.78                  |
| IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany) (ceased to be Subsidiary and has become Associate w.e.f. 21.06.2016) | Germany                  | 49.13                  | 49.13                  |
| <b>Trusts:</b>   |                          |                        |                        |
| Srei Growth Trust (The Trust having completed its Objective & dissolved w.e.f. 31.03.2017)   | India                    |                        |                        |
| Srei Mutual Fund Trust   | India                    |                        |                        |

#The form of the company is changed from ZAO (Closed Joint Stock Company) to AO (Joint Stock Company) w.e.f. 19.04.2016. Accordingly, the Company has been named as AO Srei Leasing.

## Step-down Subsidiary upto 11.03.2018 and became Subsidiary w.e.f. 12.03.2018

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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

(Rs. in Lacs)

| Particulars   | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|---|---------------------------|---------------------------|
| <b>A. Contingent Liabilities</b>  |                           |                           |
| (a) Claims against the Company not acknowledged as debts:   |                           |                           |
| Direct Tax demands  | 13,031                    | 11,654                    |
| Indirect Tax demands  | 11,441                    | 11,951                    |
| (b) Guarantees:   |                           |                           |
| Bank Guarantees   | 63,318                    | 19,341                    |
| Guarantees to Banks and Others against credit facilities extended by them to third parties            | 33,576                    | 14,717                    |
| Guarantees to Banks and others, in the form of Put Option against loan facilities                     | 1,335                     | 1,256                     |
| (c) Others  |                           |                           |
| Towards work contract performance   | 385                       | 290                       |
| <b>Total</b>  | <b>123,086</b>            | <b>59,209</b>             |
| <b>B. Commitments</b>   |                           |                           |
| Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances) | 14,708                    | 40,559                    |
| On account of Letter of Credit  | 71,036                    | 99,734                    |
| On account of Derivative Instruments ( <i>refer Note 31.1</i> )                                       |                           |                           |
| Other Commitments   | 2,003                     | 51                        |

**31.1** The Company has entered into Options / Swaps / Forward contracts (being derivative instruments) which are not intended for trading or speculation, for the purpose of hedging currency and interest rate related risks. Options, Swaps and Forward contracts outstanding as at year end are as follows:

(Amount in Lacs)

| Category            | Currency | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|---------------------|----------|---------------------------|---------------------------|
| Options / Swaps     | EUR/INR  | EUR 676                   | EUR 586                   |
| Options / Swaps     | SGD/USD  | -                         | SGD 42                    |
| Options / Swaps     | USD/INR  | USD 2797                  | USD 1705                  |
| Forwards            | EUR/INR  | EUR 505                   | EUR 275                   |
| Forwards            | USD/INR  | USD 226                   | USD 505                   |
| Forwards            | GBP/INR  | GBP 2                     | GBP 2                     |
| Forwards            | EUR/USD  | -                         | EUR 8                     |
| Interest Rate Swaps | USD      | USD 630                   | USD 779                   |

**32.** The Management accounts upto 31<sup>st</sup> March, 2018 of IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany) (IIS), a foreign associate company of the Company has been prepared as per IFRS, generally followed in the country of incorporation of the foreign associate company. As there are no material differences between such financial results as per IFRS and as per Indian GAAP, no adjustments have been considered necessary.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

33. The Reporting Company's proportionate share in the income and expenses of its Joint Venture Company included in these consolidated financial statements are given below:

(Rs. in Lacs)

| Particulars  | 2017-18  | 2016-17*      |
|--|----------|---------------|
| <b>STATEMENT OF PROFIT AND LOSS</b>  |          |               |
| <b>INCOME</b>  |          |               |
| Revenue from Operations  | –        | 27,496        |
| Other Income   | –        | 1             |
| <b>Total Income</b>  | <b>–</b> | <b>27,497</b> |
| <b>EXPENDITURE</b>   |          |               |
| Finance Costs  | –        | 14,913        |
| Employee Benefits Expense  | –        | 1,536         |
| Depreciation / Amortization and Impairment Expense   | –        | 3,394         |
| Administrative and Other Expenses  | –        | 1,800         |
| <b>Total Expenses</b>  | <b>–</b> | <b>21,643</b> |
| <b>Profit Before Bad Debts and Advances written off (net) / Provisions, Contingencies, Diminutions &amp; Tax</b> | <b>–</b> | <b>5,854</b>  |
| Bad debts and advances written off (net) / Provisions, Contingencies & Diminutions                               | –        | 4,500         |
| <b>Profit Before Tax</b>   | <b>–</b> | <b>1,354</b>  |
| Tax Expenses   | –        | 381           |
| <b>Profit After Tax</b>  | <b>–</b> | <b>973</b>    |
| <b>Proportionate Share in Reserves of Joint Venture:</b>   |          |               |
| Capital Reserves   | –        | –             |
| Securities Premium Account   | –        | –             |
| Debt Redemption Reserve  | –        | –             |
| Special Reserve as per Reserve Bank of India Directions  | –        | –             |
| Income Tax Special reserve (created pursuant to Section 36 (1) (viii) of the Income Tax Act, 1961)               | –        | –             |
| Surplus in the Statement of Profit and Loss  | –        | –             |
| <b>TOTAL</b>   | <b>–</b> | <b>–</b>      |
| Contingent Liabilities   | –        | –             |
| Capital Commitments (Net of Advances)  | –        | –             |

\* Figures for the period 01.04.16 to 16.06.16, since Srei Equipment Finance Limited ceased to be 50:50 Joint Venture and has become Subsidiary w.e.f. 17.06.2016.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 34. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 18 – RELATED PARTY DISCLOSURES

List of Related Parties:

|  |   |
|--|---|
| <b>Holding Company:</b>  |   |
| Adisri Commercial Private Limited  |   |
| <b>Joint Venture:</b>  |   |
| Srei Equipment Finance Limited (ceased to be Joint Venture and has become Subsidiary w.e.f. 17.06.2016)                      |   |
| <b>Key Management Personnel (KMP):</b>   |   |
| <b>Name</b>  | <b>Designation</b>  |
| Mr. Hemant Kanoria   | Chairman & Managing Director                                |
| Mr. Bijoy Kumar Daga (Upto 11.06.2016)   | Chief Executive Officer, Infrastructure Project Finance     |
| Mr. Bajrang Kumar Choudhary (Upto 31.10.2016)  | Chief Executive Officer, Infrastructure Project Development |
| Mr. Kishore Kumar Lodha (Upto 15.01.2018)  | Chief Financial Officer                                     |
| Mr. Sameer Sawhney (w.e.f. 05.11.2016)   | Chief Executive Officer                                     |
| Mr. Sandeep Lakhota  | Company Secretary   |
| <b>Enterprise over which relative of a KMP has significant influence</b>   |   |
| India Power Corporation Limited (significant influence w.e.f. 01.06.2017)  |   |
| ATC Telecom Infrastructure Private Limited (Formerly Viom Networks Limited) (significant influence ceased w.e.f. 21.04.2016) |   |

#### Summary of transactions with Related Parties:

(Rs. in Lacs)

| Name of related party and Nature of relationship | 2017-18                           |                                    | 2016-17                           |                                    |
|--|-----------------------------------|------------------------------------|-----------------------------------|------------------------------------|
|  | Value of Transaction/ Outstanding | Amount Considered in Consolidation | Value of Transaction/ Outstanding | Amount Considered in Consolidation |
| <b>(A) Holding Company:</b>                      |                                   |                                    |                                   |                                    |
| <b>Adisri Commercial Private Limited</b>         |                                   |                                    |                                   |                                    |
| <b>Transactions during the year:</b>             |                                   |                                    |                                   |                                    |
| Dividend Paid                                    | 1,518                             | -                                  | 1,518                             | -                                  |
| <b>(B) Joint Venture:</b>                        |                                   |                                    |                                   |                                    |
| <b>Srei Equipment Finance Limited*</b>           |                                   |                                    |                                   |                                    |
| <b>Transactions during the year:</b>             |                                   |                                    |                                   |                                    |
| Rent Received                                    | -                                 | -                                  | 444                               | 222                                |
| Fees Income for Services                         | -                                 | -                                  | -                                 | -                                  |
| Security Deposit Received                        | -                                 | -                                  | -                                 | -                                  |
| <b>Outstanding as at year end:</b>               |                                   |                                    |                                   |                                    |
| Balance Payable-Security Deposit                 | -                                 | -                                  | -                                 | -                                  |

\* figures for the period 01.04.2016 to 16.06.2016

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lacs)

| Name of related party and<br>Nature of relationship  | Nature of<br>Transactions | Year ended<br>31st March, 2018 |                                      | Year ended<br>31st March, 2017 |                                      |
|--|---------------------------|--------------------------------|--------------------------------------|--------------------------------|--------------------------------------|
|  |                           | For the Year                   | Balance as at<br>31st March,<br>2018 | For the Year                   | Balance as at<br>31st March,<br>2017 |
| <b>(C) Key Management Personnel (KMP):</b>   |                           |                                |                                      |                                |                                      |
| Mr. Hemant Kanoria   | Remuneration              | 242                            | -                                    | 247                            | -                                    |
|  | Commission                | 120                            | 120                                  | 60                             | 60                                   |
|  | Dividend paid             | 2                              | -                                    | 2                              | -                                    |
| Mr. Sandeep Lakhoria   | Remuneration              | 93                             | -                                    | 71                             | -                                    |
|  | Dividend Paid             | 2                              | -                                    | 0.49                           | -                                    |
| Mr. Bajrang Kumar Choudhary (Upto<br>31.10.2016)   | Remuneration              | -                              | -                                    | 86                             | -                                    |
|  | Dividend paid             | -                              | -                                    | 0.39                           | -                                    |
| Mr. Kishore Kumar Lodha (Upto 15.01.2018)  | Remuneration              | 46                             | -                                    | 50                             | -                                    |
|  | Dividend paid             | 0.08                           | -                                    | -                              | -                                    |
| Mr. Bijoy Kumar Daga (Upto 11.06.2016)   | Remuneration              | -                              | -                                    | 109                            | -                                    |
| Mr. Sameer Sawhney (w.e.f. 05.11.2016)   | Remuneration              | 148                            | -                                    | 60                             | -                                    |
| <b>(D) Transaction with Relative of KMP:</b>   |                           |                                |                                      |                                |                                      |
| Mr. Sunil Kanoria (Brother of Mr. Hemant Kanoria)  | Commission                | 13                             | 13                                   | 10                             | 10                                   |
|  | Sitting Fees              | 11                             | -                                    | 11                             | -                                    |
|  | Dividend paid             | 9                              | -                                    | 9                              | -                                    |
| Sandeep Lakhoria (HUF), (HUF of Mr. Sandeep<br>Lakhoria)   | Sale of Motor<br>Vehicle  | 1                              | -                                    | -                              | -                                    |
| <b>(E) Enterprise over which relative of a KMP has significant influence:</b>  |                           |                                |                                      |                                |                                      |
| ATC Telecom Infrastructure Private Limited<br>(Formerly Viom Networks Limited) (significant<br>influence ceased w.e.f. 21.04.2016) | Rent Received             | -                              | -                                    | 3                              | -                                    |
| India Power Corporation Limited (significant<br>influence w.e.f. 01.06.2017))  | Rental Re-<br>ceived      | 882                            | 72                                   | -                              | -                                    |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 35. SEGMENT REPORTING

Segment wise details (information provided in respect of revenue items for the year ended 31<sup>st</sup> March, 2018 and in respect of assets / liabilities as at 31<sup>st</sup> March, 2018 – denoted as “CY” below, previous year denoted as “PY”) as required by AS - 17 “Segment Reporting” are as under:-

(Rs. in Lacs)

| Particulars  | Financial Services |                  | Infrastructure Equipment Services |               | Others       |              | Total            |                  |
|--|--------------------|------------------|-----------------------------------|---------------|--------------|--------------|------------------|------------------|
|  | CY                 | PY               | CY                                | PY            | CY           | PY           | CY               | PY               |
| Segment Revenue  | 5,11,902           | 4,52,531         | 14,270                            | 13,945        | 15           | 100          | 5,26,187         | 4,66,576         |
| Segment Result before Interest & Finance Charges               | 3,43,808           | 2,94,620         | 9,188                             | 4,261         | (49)         | (75)         | 3,52,947         | 2,98,806         |
| Interest & Finance Charges                                     | 2,92,714           | 2,61,849         | 1,044                             | 948           | -            | -            | 2,93,758         | 2,62,797         |
| Tax Expenses   |                    |                  |                                   |               |              |              | 19,216           | 11,733           |
| <b>Profit After Tax after adjustment for Minority Interest</b> |                    |                  |                                   |               |              |              | <b>38,455</b>    | <b>24,336</b>    |
| Segment Assets   | 40,49,590          | 32,82,083        | 31,072                            | 26,522        | 2,043        | 2,172        | 40,82,705        | 33,10,777        |
| Unallocable Assets   | -                  | -                | -                                 | -             | -            | -            | 68,092           | 28,410           |
| <b>Total Assets</b>  | <b>40,49,590</b>   | <b>32,82,083</b> | <b>31,072</b>                     | <b>26,522</b> | <b>2,043</b> | <b>2,172</b> | <b>41,50,797</b> | <b>33,39,187</b> |
| Segment Liabilities  | 35,71,401          | 28,00,437        | 12,218                            | 12,779        | 4            | 127          | 35,83,623        | 28,13,343        |
| Unallocable Liabilities  | -                  | -                | -                                 | -             | -            | -            | 40,310           | 33,911           |
| <b>Total Liabilities</b>                                       | <b>35,71,401</b>   | <b>28,00,437</b> | <b>12,218</b>                     | <b>12,779</b> | <b>4</b>     | <b>127</b>   | <b>36,23,933</b> | <b>28,47,254</b> |
| Capital Expenditures   | 2,76,338           | 1,35,146         | 231                               | 1,070         | -            | -            | 2,76,569         | 1,36,216         |
| Depreciation / Impairment                                      | 63,008             | 37,397           | 623                               | 571           | 45           | 45           | 63,676           | 38,013           |
| Other non-cash Expenditure                                     |                    | -                |                                   | -             |              | -            | -                | -                |

36. Adjustment on disposal / cessation of Subsidiaries and Step-down subsidiaries is Rs. 33 Lacs (Previous year: Rs. 1,561 Lacs). It has been accounted for as per Accounting Standard 21, “Consolidated Financial Statements”.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 37. ADDITIONAL INFORMATION AS PER SCHEDULE III OF THE COMPANIES ACT, 2013

(Rs. in Lacs)

| Sl. No.  | Name of the entity  | As at 31st March, 2018                                |                 | 2017-2018                                  |               |
|--|---|---|-----------------|--|---------------|
|  |   | Net Assets, i.e. total assets minus total liabilities |                 | Share in profit or loss (Profit after tax) |               |
|  |   | As % of consolidated net assets                       | Amount          | As % of consolidated profit or loss        | Amount        |
| <b>Parent</b>  |   |   |                 |  |               |
| 1  | Srei Infrastructure Finance Limited   | 41.41%  | 2,18,184        | 24.78%                                     | 9,528         |
| <b>Subsidiaries</b>  |   |   |                 |  |               |
| <b>Indian:</b>   |   |   |                 |  |               |
| 1  | Srei Capital Markets Limited  | 0.12%   | 650             | 0.03%                                      | 12            |
| 2  | Srei Equipment Finance Limited  | 51.89%  | 2,73,400        | 58.06%                                     | 22,327        |
| 3  | Srei Alternative Investment Managers Limited  | 0.31%   | 1,633           | 0.16%                                      | 62            |
| 4  | Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)     | 0.01%   | 35              | -0.02%                                     | (7)           |
| 5  | Cyberabad Trustee Company Pvt. Limited (Subsidiary of Srei Alternative Investment Managers Limited)                           | 0.00%   | 3               | 0.00%                                      | -             |
| 6  | Srei Infrastructure Advisors Limited (ceased to be Subsidiary w.e.f 12.03.2018)   | 0.00%   | 0               | 0.05%                                      | 2             |
| 7  | Bengal Srei Infrastructure Development Limited (Step-down Subsidiary upto 11.03.2018 and became Subsidiary w.e.f. 12.03.2018) | 0.02%   | 123             | -0.13%                                     | (35)          |
| 8  | Controlla Electrotech Private Limited   | 0.37%   | 1,959           | -0.14%                                     | (52)          |
| 9  | Srei Mutual Fund Asset Management Private Limited   | 0.01%   | 48              | -0.23%                                     | (89)          |
| 10   | Srei Mutual Fund Trust Private Limited  | 0.00%   | 4               | -0.02%                                     | (7)           |
| 11   | Srei Insurance Broking Private Limited  | 0.10%   | 504             | 0.48%                                      | 185           |
| 12   | Quippo Oil & Gas Infrastructure Limited   | 2.30%   | 12,105          | 19.16%                                     | 7,367         |
| 13   | Quippo Drilling International Private Limited (Subsidiary of Quippo Oil & Gas Infrastructure Limited)                         | 0.00%   | -               | 0.00%                                      | -             |
| 14   | Quippo Energy Limited (Formerly Quippo Energy Private Limited)  | 1.92%   | 10,096          | 1.69%                                      | 648           |
| 15   | Srei Mutual Fund Trust  | 0.00%   | -               | 0.00%                                      | -             |
| 16   | Srei Asset Reconstruction Private Limited   | 0.00%   | 10              | 0.00%                                      | -             |
| <b>Gain on disposal / cessation of Subsidiaries and step-down Subsidiaries</b> |   | 0.00%   | -               | 0.09%                                      | 33            |
| <b>Minority Interests in all subsidiaries</b>                                  |   | 0.01%   | 31              | -0.08%                                     | (29)          |
| <b>Associates (investment as per equity method)</b>                            |   |   |                 |  |               |
| <b>Indian:</b>   |   |   |                 |  |               |
| 1  | Sahaj e-Village Limited   | 0.00%   | -               | 0.00%                                      | -             |
| 2  | Attivo Economic Zone (Mumbai) Private Limited   | 1.53%   | 8,051           | 0.01%                                      | 5             |
| <b>Associates (investment as per equity method)</b>                            |   |   |                 |  |               |
| <b>Foregin:</b>  |   |   |                 |  |               |
| 1  | IIS International Infrastructure Services GmbH, Germany (ceased to be Subsidiary and has become Associate w.e.f. 21.06.2016)  | 0.01%   | 28              | -4.04%                                     | (1,552)       |
| <b>TOTAL</b>   |   | <b>100.00%</b>  | <b>5,26,864</b> | <b>100.00%</b>                             | <b>38,455</b> |

Note: Figures are after elimination of related party transactions between entities considered for consolidation.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 37. ADDITIONAL INFORMATION AS PER SCHEDULE III OF THE COMPANIES ACT, 2013 (contd...)

(Rs. in Lacs)

| Sl. No.  | Name of the entity  | As at 31st March, 2017                                |          | 2016-17                                    |         |
|--|---|---|----------|--|---------|
|  |   | Net Assets, i.e. total assets minus total liabilities |          | Share in profit or loss (Profit after tax) |         |
|  |   | As % of consolidated net assets                       | Amount   | As % of consolidated profit or loss        | Amount  |
| <b>Parent</b>  |   |   |          |  |         |
| 1  | Srei Infrastructure Finance Limited   | 42.79%  | 2,10,514 | 27.42%                                     | 6,673   |
| <b>Subsidiaries</b>  |   |   |          |  |         |
| <b>Indian:</b>   |   |   |          |  |         |
| 1  | Srei Capital Markets Limited  | 0.05%   | 230      | 0.05%                                      | 13      |
| 2  | Srei Equipment Finance Limited (ceased to be Joint Venture and has become Subsidiary w.e.f. 17.06.2016)                       | 50.91%  | 2,50,463 | 54.77%                                     | 13,328  |
| 3  | Srei Alternative Investment Managers Limited  | 0.30%   | 1,482    | 0.40%                                      | 97      |
| 4  | Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)     | 0.02%   | 75       | -0.02%                                     | (6)     |
| 5  | Cyberabad Trustee Company Pvt. Limited (Subsidiary of Srei Alternative Investment Managers Limited)                           | 0.00%   | 6        | 0.00%                                      | -       |
| 6  | Srei Infrastructure Advisors Limited  | 0.00%   | (4)      | 0.08%                                      | 19      |
| 7  | Bengal Srei Infrastructure Development Limited (Subsidiary of Srei Infrastructure Advisors Limited)                           | 0.03%   | 168      | 0.15%                                      | 37      |
| 8  | Controlla Electrotech Private Limited   | 0.41%   | 2,007    | -0.18%                                     | (45)    |
| 9  | Srei Mutual Fund Asset Management Private Limited   | 0.01%   | 35       | -0.52%                                     | (127)   |
| 10   | Srei Mutual Fund Trust Private Limited  | 0.00%   | 4        | -0.02%                                     | (6)     |
| 11   | Srei Forex Limited (ceased to be Subsidiary w.e.f. 17.05.2016)  | 0.00%   | -        | 0.00%                                      | -       |
| 12   | Srei Insurance Broking Private Limited  | 0.10%   | 507      | -0.16%                                     | (40)    |
| 13   | Quippo Oil & Gas Infrastructure Limited   | 1.38%   | 6,767    | 11.54%                                     | 2,809   |
| 14   | Quippo Drilling International Private Limited (Subsidiary of Quippo Oil & Gas Infrastructure Limited)                         | 0.00%   | -        | 0.00%                                      | -       |
| 15   | Quippo Energy Limited (Formerly Quippo Energy Private Limited)  | 2.03%   | 9,985    | 1.74%                                      | 424     |
| 16   | Srei Mutual Fund Trust  | 0.00%   | -        | 0.00%                                      | -       |
| 17   | Srei Growth Trust   | 0.00%   | -        | 0.00%                                      | (1)     |
| 18   | Srei Asset Reconstruction Private Limited   | 0.00%   | 10       | 0.00%                                      | -       |
| <b>Subsidiaries</b>  |   |   |          |  |         |
| <b>Foreign:</b>  |   |   |          |  |         |
| 1  | Srei International Infrastructure Services GmbH, Germany (ceased to be Subsidiary and has become Associate w.e.f. 21.06.2016) | 0.00%   | -        | -0.12%                                     | (29)    |
| 2  | AO Srei Leasing, Russia (Formerly ZAO Srei Leasing, Russia) (ceased to be Step-down Subsidiary w.e.f. 21.06.2016)             | 0.00%   | -        | -5.77%                                     | (1,403) |
| 3  | Srei Advisors Pte Limited (ceased to be Step-down Subsidiary w.e.f. 21.06.2016)   | 0.00%   | -        | 0.00%                                      | (1)     |
| <b>Gain on disposal / cessation of Subsidiaries and Step-down Subsidiaries</b> |   | 0.00%   | -        | 6.41%                                      | 1,561   |
| <b>Minority Interests in all subsidiaries</b>                                  |   | 0.01%   | 59       | -0.23%                                     | (55)    |
| <b>Associates (investment as per equity method)</b>                            |   |   |          |  |         |
| <b>Indian:</b>   |   |   |          |  |         |
| 1  | Sahaj e-Village Limited   | 0.00%   | -        | 0.00%                                      | -       |
| 2  | Attivo Economic Zone (Mumbai) Private Limited   | 1.64%   | 8,046    | 0.00%                                      | (1)     |
| <b>Associates (investment as per equity method)</b>                            |   |   |          |  |         |
| <b>Foreign:</b>  |   |   |          |  |         |
| 1  | Srei International Infrastructure Services GmbH, Germany (ceased to be Subsidiary and has become Associate w.e.f. 21.06.2016) | 0.32%   | 1,579    | 0.02%                                      | 6       |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### Joint Ventures (as per proportionate consolidation / investment as per the equity method)

#### Indian:

|              |   |                |                 |                |               |
|--------------|---|----------------|-----------------|----------------|---------------|
| 1            | Srei Equipment Finance Limited (ceased to be Joint Venture and has become Subsidiary w.e.f. 17.06.2016) | 0.00%          | -               | 4.00%          | 973           |
| <b>TOTAL</b> |   | <b>100.00%</b> | <b>4,91,933</b> | <b>100.00%</b> | <b>24,336</b> |

Note: Figures are after elimination of related party transactions between entities considered for consolidation.

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

### Signatories to Note 1 to 38

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

**Mahesh Agarwal**  
Partner  
Membership No. 067806

Place : Kolkata  
Date : 28th April, 2018

For and on behalf of the Board of Directors

**Hemant Kanoria**  
Chairman & Managing Director

**Shyamalendu Chatterjee**  
Director

**Sameer Sawhney**  
Chief Executive Officer

**Sandeep Lakhota**  
Company Secretary

**Vishnu G Agarwal**  
Financial Controller

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES UNDER SECTION 129(3) READ WITH RULE 5 OF THE COMPANIES (ACCOUNTS) RULES, 2014**

**Part "A": Subsidiaries**

(Rs. in Lacs)

| Names of Companies   | 1       | 2   | 3  | 4                               | 5   | 6                                | 7                                | 8  | 9                                   |
|--|---------|---|--|---------------------------------|---|----------------------------------|----------------------------------|--|-------------------------------------|
|  | SI. No. | Srei Alternative Investment Managers Ltd. | Bengal Srei Infrastructure Development Ltd. <sup>3</sup> | Controlla Electrotech Pvt. Ltd. | Srei Mutual Fund Asset Management Pvt. Ltd. | Srei Mutual Fund Trust Pvt. Ltd. | Srei Insurance Broking Pvt. Ltd. | Hyderabad Information Technology Ventures Enterprises Ltd. | Cyberabad Trustee Company Pvt. Ltd. |
| The date since when the subsidiary was acquired            | 1       | 25.12.1997                                | 25.09.2008   | 06.06.2008                      | 27.11.2009                                  | 27.11.2009                       | 31.03.2012                       | 29.08.2007   | 29.08.2007                          |
| Reporting year   |         | March 31, 2018                            | March 31, 2018   | March 31, 2018                  | March 31, 2018                              | March 31, 2018                   | March 31, 2018                   | March 31, 2018   | March 31, 2018                      |
| Reporting Currency   |         | INR                                       | INR  | INR                             | INR   | INR                              | INR                              | INR  | INR                                 |
| Exchange rate on last day of reporting year (In INR)       |         |   |  |                                 |   |                                  |                                  |  |                                     |
| Share Capital  |         | 505.00                                    | 5.00   | 3.53                            | 1,600.00                                    | 15.00                            | 490.00                           | 25.00  | 5.00                                |
| Reserves & Surplus   |         | 144.24                                    | (21.72)  | (444.23)                        | (493.13)                                    | (29.96)                          | (87.79)                          | 42.56  | 1.17                                |
| Total Assets   |         | 728.60                                    | 123.19   | 1,965.46                        | 1,133.80                                    | 4.49                             | 647.41                           | 67.98  | 6.24                                |
| Total Liabilities  |         | 728.60                                    | 123.19   | 1,965.46                        | 1,133.80                                    | 4.49                             | 647.41                           | 67.98  | 6.24                                |
| Investments  |         | 1.80                                      | -  | -                               | -   | -                                | -                                | -  | -                                   |
| Turnover   |         | 522.07                                    | 17.60  | 8.81                            | 149.99                                      | 0.18                             | 831.80                           | 4.03   | 0.41                                |
| Profit / (Loss) before Tax                                 |         | 33.95                                     | (50.49)  | (45.59)                         | 13.83                                       | (6.94)                           | 221.91                           | (7.00)   | 0.03                                |
| Provision for Taxation                                     |         | 13.52                                     | 0.91   | 1.94                            | 2.64  | -                                | 74.09                            | -  | 0.01                                |
| Profit / (Loss) after Tax                                  |         | 20.43                                     | (51.40)  | (47.53)                         | 11.19                                       | (6.94)                           | 147.82                           | (7.00)   | 0.02                                |
| Proposed Dividend  |         | -   | -  | -                               | -   | -                                | -                                | -  | -                                   |
| <b>Extent of shareholding (effective) – in per-centage</b> |         | <b>100%</b>                               | <b>51%</b>   | <b>100%</b>                     | <b>100%</b>                                 | <b>100%</b>                      | <b>100%</b>                      | <b>51%</b>   | <b>51%</b>                          |

**FORM AOC-1**  
**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES**  
**UNDER SECTION 129(3) READ WITH RULE 5 OF THE COMPANIES (ACCOUNTS) RULES, 2014**

Part "A": Subsidiaries

| Names of Companies  | (Rs. in Lacs) |                |                |                |                |                |
|---|---------------|----------------|----------------|----------------|----------------|----------------|
|   | Sl. No.       | 10             | 11             | 12             | 13             | 14             |
| The date since when the subsidiary was acquired           |               | 17.06.2016     | 04.03.2011     | 04.03.2011     | 31.03.2015     | 23.01.2015     |
| Reporting year  |               | March 31, 2018 | March 31, 2018 | March 31, 2018 | March 31, 2018 | March 31, 2018 |
| Reporting Currency  |               | INR            | INR            | INR            | INR            | INR            |
| Exchange rate on last day of reporting year (In INR)      |               |                |                |                |                |                |
| Share Capital   |               | 5,966.00       | 5,080.00       | 113.97         | 10.00          | 1.00           |
| Reserves & Surplus  |               | 2,72,076.00    | (3,102.75)     | (457.54)       | (0.06)         | -              |
| Total Assets  |               | 24,50,164.00   | 17,558.68      | 5,935.72       | 10.53          | 1.83           |
| Total Liabilities   |               | 24,50,164.00   | 17,558.68      | 5,935.72       | 10.53          | 1.83           |
| Investments   |               | -              | 1.00           | -              | -              | -              |
| Turnover  |               | 3,32,091.00    | 19,774.02      | 3,574.35       | 0.69           | -              |
| Profit / (Loss) before Tax                                |               | 39,441.00      | 595.52         | 294.49         | 0.15           | -              |
| Provision for Taxation                                    |               | 13,092.00      | (117.90)       | 247.00         | 0.04           | -              |
| Profit / (Loss) after Tax                                 |               | 26,349.00      | 713.42         | 47.49          | 0.11           | -              |
| Proposed Dividend   |               | -              | -              | -              | -              | -              |
| <b>Extent of shareholding (effective) - in percentage</b> |               | <b>100%</b>    | <b>100%</b>    | <b>100%</b>    | <b>100%</b>    | <b>100%</b>    |

**Notes:**

**1. Names of subsidiaries which are yet to commence operations:**

(i) Quippo Drilling International Private Limited (Formerly Performance Drilling International Private Limited).

**2. Names of subsidiaries which have been liquidated or sold during the current reporting year:**

(i) Srei Infrastructure Advisors Limited (ceased to be Subsidiary w.e.f 12.03.2018) - Sold

**3. Bengal Srei Infrastructure Development Limited (Step-down Subsidiary upto 11.03.2018 and became Subsidiary w.e.f. 12.03.2018)**



FORM AOC-1

**STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES**

Part "B": Associates and Joint Ventures

(Rs. in Lacs)

| Name of Associates or Joint Ventures  | Sahaj e-Village Limited                  | Attivo Economic Zone (Mumbai) Private Limited | Srei International Infrastructure Services GmbH <sup>4</sup> |
|---|--|---|--|
| <b>Relationship</b>   | Associate                                | Associate                                     | Associate  |
| <b>1. Latest Balance Sheet date</b>   | March 31, 2018                           | March 31, 2018                                | March 31, 2018   |
| <b>2. Date on which the Associate or Joint Venture was associated or acquired</b>   | 13.08.2012                               | 30.12.2014                                    | 21.06.2016   |
| <b>3. Shares of Associate or Joint Ventures held by the company on the year end</b> |  |   |  |
| No.   | 10,760,000                               | 10,000  | NA <sup>3</sup>  |
| Amount of Investment in Associates or Joint Venture                                 | 1,076.06                                 | 8,046.60                                      | 3,389.96   |
| Extent of Holding (in percentage)   | 49.47%                                   | 48.78%  | 49.13%   |
| <b>4. Description of how there is significant influence</b>                         | Control of 49.47% of Total Share Capital | Control of 48.78% of Total Share Capital      | Control of 49.13% of Total Share Capital                     |
| <b>5. Reason why the associate / joint venture is not consolidated</b>              | NA                                       | NA  | NA   |
| <b>6. Networth attributable to Shareholding as per latest Balance Sheet</b>         | (10,955.81)                              | 4,126.69                                      | 2,242.43   |
| <b>7. Profit / (Loss) for the year</b>  |  |   |  |
| i. Considered in Consolidation  | -  | 4.55  | (1,551.55)   |
| ii. Not Considered in Consolidation   | (1,613.03)                               | -   | -  |

- Names of associates or joint ventures which are yet to commence operations : None
- Names of associates or joint ventures which have been liquidated or sold during the year : None
- There is no system of issuance of distinctive shares in the country of registration.
- (i) Formerly known as Srei International Infrastructure Services GmbH  
(ii) Figures are based on un-audited financial statement.

**For and on behalf of the Board of Directors**

**Hemant Kanoria**  
Chairman & Managing Director

**Shyamalendu Chatterjee**  
Director

Place : Kolkata  
Date : 28th April, 2018

**Sameer Sawhney**  
Chief Executive Officer

**Sandeep Lakhotia**  
Company Secretary

**Vishnu G Agarwal**  
Financial Controller

## NOTE



## Cautionary Statement

This report contains forward-looking statement, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.



**Srei Infrastructure Finance Limited**

CIN : L29219WB1985PLC055352

Registered Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046

[srei.com](http://srei.com)



## SREI INFRASTRUCTURE FINANCE LIMITED

CIN: L29219WB1985PLC055352

Registered Office : 'Vishwakarma'

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

Tel No. 033 – 6160 7734, Fax No. 033 – 2285 7542 / 8501

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

# Notice

**NOTICE** is hereby given that the Thirty - Third Annual General Meeting (AGM) of the Members of Srei Infrastructure Finance Limited will be held on **Saturday, July 21, 2018 at 10.30 a.m. at the Science City Mini Auditorium, JBS Haldane Avenue, Kolkata - 700 046** to transact the following businesses:

### ORDINARY BUSINESS :

1. To receive, consider and adopt -
  - a. The Standalone Financial Statement of the Company for the financial year ended March 31, 2018, and the Report of the Directors and Auditors thereon.
  - b. The Consolidated Financial Statement of the Company for the financial year ended March 31, 2018, and the Report of the Auditors thereon.
2. To declare dividend on the Equity Shares of the Company.
3. To elect a Director in place of Mr. Hemant Kanoria (holding DIN 00193015) who retires by rotation and being eligible, seeks re-appointment.
4. To ratify the appointment of Statutory Auditors of the Company, and to fix their remuneration and to pass, with or without modification(s), the following resolution as an

#### **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), recommendation of the Audit Committee and pursuant to the resolution passed by the Members at the Thirtieth Annual General Meeting (AGM) held on August 01, 2015, the appointment of Haribhakti & Co. LLP, Chartered Accountants having Registration No. 103523W / W100048 allotted by The

Institute of Chartered Accountants of India (ICAI), as Statutory Auditors of the Company (for 5 (five) years till the conclusion of the Thirty - Fifth Annual General Meeting (AGM) of the Company) be and is hereby ratified and that the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to them, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company."

### SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act, Articles of Association of the Company, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment for the time being in force), Nomination and Remuneration Policy, Policy on Board Diversity and Policy on "Fit and Proper" criteria for Directors, Mr. Malay Mukherjee (holding DIN 02272425), who was appointed as an Additional Director (Category - Independent Director) of the Company with effect from October 26, 2017 and who holds office upto the date of this Annual General

Meeting, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a period of 5 (five) consecutive years from the date of the Thirty-Third Annual General Meeting of the Company.”

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act, Articles of Association of the Company, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment for the time being in force), Nomination and Remuneration Policy, Policy on Board Diversity and Policy on “Fit and Proper” criteria for Directors, Mr. Ram Krishna Agarwal (holding DIN 00416964), Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and being eligible, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a period of 5 (five) consecutive years from the date of the Thirty-Third Annual General Meeting of the Company.”

7. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment, statutory modification(s) or re-enactment thereof for

the time being in force) read with the relevant rules, regulations, guidelines, amendments, if any, prescribed by the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and/or any other regulatory authority, the relevant provisions of the Articles of Association of the Company, the consent, authority and approval of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as ‘Board’) of the Company, to issue on private placement basis, in one or more tranches, Redeemable Non-Convertible Debentures (NCDs) (including secured debentures, unsecured debentures, bonds, subordinated debt securities, covered bonds or other debt securities) for cash, such that the aggregate amount of such NCDs during the period of 1 (one) year from the date of passing of the Special Resolution by the Members shall not exceed Rs. 5,000 Crores (Rupees Five Thousand Crores only) and on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said securities be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised and empowered to arrange/determine or settle the terms and conditions of the issue of such NCDs within the aggregate limit above, including the nature and type of investors;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of the Company be and is hereby authorised to do all such acts, deeds, matters and things and give such directions as it may in its sole discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to delegate to the extent permitted by law, all or any of the powers herein conferred to any Committee of Directors or the Managing Director or any Director(s) or any Key Managerial Personnel (KMPs) or any other Officer(s) of the Company.”

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

Pursuant to the provisions of Section 105 of the Companies Act, 2013 and Rules framed thereunder, a person can act as Proxy on behalf of Members not exceeding 50 (fifty) in number and holding in the aggregate not more than 10 (ten) per cent of the total share capital of the Company carrying voting rights. However, a Member holding more than 10 (ten) per cent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other Member. The Instrument appointing the Proxy, in order to be valid and effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty-eight) hours before the commencement of the meeting. No Proxy Form shall be considered as valid on its receipt after 10.30 a.m. on July 19, 2018. Proxies submitted on behalf of companies, societies etc. must be supported by an appropriate resolution/authority, as applicable. Every Member entitled to vote at the Meeting can inspect the proxies lodged with the Company, at any time during the business hours of the Company, during the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the Meeting and ending on the conclusion of the Meeting. However, a prior notice of not less than 3 (three) days in writing of the intention to inspect the proxies lodged shall be required to be provided to the Company.

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

In case of joint holders attending the meeting, only such joint holder whose name appears first in the Register of Members will be entitled to vote.

**2. Statement pursuant to Section 102:** The Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of special business to be transacted at the Meeting is annexed hereto and forms part of the Notice.

**3. Communication:** Electronic copy of the Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of Electronic Voting along with Attendance Slip and Proxy Form is being sent to all concerned including the Members whose email IDs are registered with the Company's Registrar and Share Transfer Agents/Depository Participants for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email IDs, physical copies of the Notice of the AGM of the Company inter alia indicating the process and manner of Electronic Voting along with Attendance Slip and Proxy Form is being sent through permitted mode.

**4. Registrar & Share Transfer Agents and Depository Participant:** Members holding Shares in physical mode are requested to intimate changes in their address to Karvy Computershare Private Limited, Registrar and Share Transfer Agents (RTA) of the Company located at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032. Members holding Shares in electronic mode are requested to send the intimation for change of address to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.

**5. Nomination Facility:** Members holding shares in the physical form and desirous of making/changing Nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit the prescribed Form No. SH-13 and SH-14, as applicable for this purpose to the Company's Registrar and Share Transfer Agents (RTA), Karvy Computershare Private Limited, who will provide the form on request. In respect of shares held in electronic/demat form, the Members may please contact their respective depository participant.

**6. Book Closure:** Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, July 13, 2018 to Friday, July 20, 2018 (both days inclusive) for the purpose of electronic credit/despatch of dividend.

**7. Dividend:** Subject to the provisions of Section 123 of the



Companies Act, 2013, Dividend on Equity Shares for the financial year ended March 31, 2018 as recommended by the Board, if sanctioned at the Meeting, will be electronically credited/despached between Tuesday, July 31, 2018 to Wednesday, August 08, 2018 -

- a. to those Members, holding Equity Shares in physical form, whose names appear on the Company's Register of Members, at the close of business hours on Friday, July 20, 2018 after giving effect to all valid transfers in physical form lodged on or before Thursday, July 12, 2018 with the Company and/or its Registrar and Share Transfer Agents; and
- b. in respect of Shares held in electronic form, to all beneficial owners as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

Members who are holding Shares in electronic form may note that bank particulars registered with their respective Depository Participants will be used by the Company for electronic credit/despatch of dividend. The Company or its Registrar and Share Transfer Agents (RTA) cannot act on any request received directly from the Members holding Shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised by the Members concerned to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.

- 8. Unclaimed Dividend:** Dividends for the financial year ended March 31, 2011, which remain unpaid or unclaimed for a period of 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Central Government. Members who have not encashed the dividend warrant(s), so far for the financial year ended March 31, 2011, or any subsequent financial years are requested to make their claim to the Company at its Registered Office. It may please be noted that once the unclaimed dividend is transferred to the said Fund, as above, no claims shall lie against the Company. However, claim can be made from the Fund in accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017. Further, pursuant to the provisions of the Investor Education and Protection Fund Authority

(Accounting, Audit, Transfer and Refund) Rules, 2016, the details of unpaid and unclaimed amounts lying with the Company as on July 22, 2017 (date of the last Annual General Meeting) have been uploaded on the website of the Company [www.srei.com](http://www.srei.com) and also on the website of the Ministry of Corporate Affairs (MCA).

- 9. Transfer of Unclaimed Shares:** The Company has sent Reminder letters on 30th April, 2017, to the shareholders relating to transfer of underlying shares, in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more, to the Investor Education and Protection Fund (IEPF) in terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

A Newspaper Notice was also published by the Company in Business Standard and Aajkaal on 1st May, 2017 containing requisite details as required under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Further, 1,51,607 equity shares held by 925 shareholders in respect of which dividend has remained unpaid/unclaimed for 7 (seven) consecutive years or more, have been transferred during the year to the Investor Education and Protection Fund (IEPF) of the Central Government within stipulated timelines. Further, the details of unclaimed shares transferred to IEPF have been uploaded on the website of the Company [www.srei.com](http://www.srei.com).

Further, shares in respect of which dividend will remain unclaimed progressively for 7 (seven) consecutive years, will be reviewed for transfer to the Investor Education and Protection Fund as required by law. The Company will transfer the said shares, after sending an intimation of such proposed transfer in advance to the concerned shareholders, as well as, publish a public notice in this regard. Names of such transferees will be available on the Company's website [www.srei.com](http://www.srei.com).

- 10.Go Green Initiative:** The Company is sending periodic communications including Notices for General Meetings, Financial Statements etc. through email to Members whose email IDs are registered with the Company. While going through the Register of Members, it is noticed that there are Members who have not registered their email IDs with the Company. Consequently, the Company is unable to send communications to them electronically. In compliance with provisions of Rule 18 of the Companies (Management and Administration) Rules, 2014 and

applicable provisions of the Companies Act, 2013, Members holding Shares in physical form are requested to register their email IDs with the Company's Registrar and Share Transfer Agents (RTA) i.e. Karvy Computershare Private Limited and Members holding Shares in electronic/demat mode are requested to register their email IDs with their respective Depository Participants (DPs). Members whose email IDs have undergone any change or whose IDs require any correction, may kindly update the same with the RTA or the DPs, as stated above.

Copies of the Annual Report will not be distributed at the Meeting. Members are requested to carry their copies of the Annual Report to the Meeting. Further, please note that Duplicate Attendance Slips shall not be issued.

**11. Dematerialisation of Shareholding:** Members are requested to dematerialise their shareholding to avoid inconvenience. Members whose shares are in electronic mode are requested to inform change of address and updates of bank account(s) to their respective Depository Participants. Members are encouraged to use the National Automated Clearing Services (NACH) for receiving dividends. Members desirous of availing NACH facility for payment of dividend may download the required NACH mandate form from the website of the Company [www.srei.com](http://www.srei.com).

**12. Consolidation of Multiple Folios:** Members who hold Shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited, enclosing their Share Certificates to enable the Company to consolidate their holdings into a single folio.

**13. New Certificates:** Members who have not yet surrendered their old Share Certificate(s) for exchange with new Certificate(s) bearing hologram, logo and barcoding are requested to surrender the same to the Company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited.

**14. Mandatory PAN Submission:** The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit

their PAN details to the Company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited.

**15. Inspection by Members:** All Statutory Registers and other relevant documents referred to in the Notice and the Statement pursuant to Section 102 of the Companies Act, 2013, shall be available for inspection by the Members at the Registered Office and copies thereof shall also be available for inspection at the Corporate Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and also at the Meeting.

The Register of Directors and Key Managerial Personnel (KMPs) and their shareholding maintained under Section 170 of Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.

Members desirous of obtaining any relevant information with regard to the accounts of the Company at the Meeting are requested to send their requests to the Company at least 7 (seven) days before the date of the Meeting, so as to enable the Company to keep the information ready.

**16. Subsidiary Accounts:** In accordance with the provisions of Section 136 of the Companies Act, 2013, the Company will provide a copy of separate audited financial statements in respect of each of its subsidiary, to any shareholder of the Company on making requisition to the Company Secretary at the registered office of the Company or email at [investor.relations@srei.com](mailto:investor.relations@srei.com).

A Statement containing the salient features of the financial statement of subsidiaries forms part of the Annual Report of the Company. The audited financial statements will also be available for inspection at the Registered Office of the Company and the concerned subsidiary companies during business hours on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting. Further, the documents shall also be available on the website of the Company [www.srei.com](http://www.srei.com).

**17. Voting through electronic means (Electronic Voting)**

I. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and

Administration) Rules, 2014 and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participant(s)]:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Srei Infrastructure Finance Limited'.
- vii. On the voting page, enter the number of

shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email [goenkamohan@gmail.com](mailto:goenkamohan@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Srei Infrastructure Finance Limited 33rd AGM".
- (B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participant(s)]:
- i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.

- ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
- II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again at the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

Other Instructions:

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. S. V. Raju, Deputy General Manager (Unit: Srei Infrastructure Finance Limited) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at [evoting@karvy.com](mailto:evoting@karvy.com) or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on Tuesday, July 17, 2018 (9.00 a.m. IST) and ends on Friday, July 20, 2018 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, July 14, 2018 may cast their votes electronically through remote e-voting. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. Saturday, July 14, 2018.

e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., Saturday, July 14, 2018, he/she may obtain the User ID and Password in the manner as mentioned below:

- i. If the mobile number of the Member is registered against Folio No./ DP ID Client ID, the Member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

- ii. If e-mail address or mobile number of the Member is not registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. Member may call Karvy's toll free number 1800-3454-001.
- iv. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

**18.Web Check-in / Attendance Registration:** Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. Alternatively, to facilitate hassle free and quick registration/entry at the venue of the AGM, the Company has provided a Web Check-in facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters.

Procedure of Web Check-in is as under:

- a. Log on to <https://karisma.karvy.com> and click on “Web Check-in for General Meetings (AGM/EGM/CCM)”.
- b. Select the name of the Company: Srei Infrastructure Finance Limited.
- c. Pass through the security credentials viz., DP ID/Client ID/Folio no. entry, PAN No & “CAPTCHA” as directed by the system and click on the submission button.
- d. The system will validate the credentials. Then click on the “Generate my attendance slip” button that appears on the screen.
- e. The attendance slip in PDF format will appear on the screen. Select the “PRINT” option for direct printing or download and save for the printing.
- f. A separate counter will be available for the online registered Members at the AGM Venue for faster and hassle free entry and to avoid standing in the queue.
- g. After registration, a copy will be returned to the Member.
- h. The Web Check-in (Online Registration facility) is available for AGM during e-voting Period only i.e., Tuesday, July 17, 2018 (9.00 a.m. IST) and ends on Friday, July 20, 2018 (5.00 p.m. IST).
- i. The Members are requested to carry their valid photo identity along with the above attendance slip for verification purpose.

**19. Scrutinizer:** The Company has appointed Mr. Mohan Ram Goenka, Practising Company Secretary, Kolkata (FCS No. 4515, CP No. 2551) as Scrutinizer for conducting the electronic voting process (both remote e-voting and voting at the AGM through Insta Poll) in a fair and transparent manner.

**20. Declaration of Results:** The Scrutinizer shall immediately after the conclusion of voting at the Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least 2 (two) witnesses who are not in the employment of the Company and within a period not exceeding 3 (three) days from the conclusion of the meeting make a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman for counter signature.

The Results shall be declared either by the Chairman or by any Director authorized by the Chairman and the resolution will be deemed to have been passed on the

AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).

Further, in accordance with Regulation 44(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall submit to the Stock Exchange, details of the Voting results in the prescribed format within 48 (forty-eight) hours of conclusion of the Annual General Meeting (AGM). The results shall also be uploaded on the NEAPS (NSE Electronic Application Processing System), BSE Corporate Compliance & Listing Centre and the Electronic Platform of CSE.

Immediately after declaration of results, the same shall be placed along with the Scrutinizer’s Report on the Company’s website [www.srei.com](http://www.srei.com) and on the website of Karvy <https://evoting.karvy.com> and communicated to The Calcutta Stock Exchange Limited, BSE Limited and National Stock Exchange of India Limited, where the Equity Shares of the Company are listed for placing the same on their website. The results shall also be placed on the notice board of the Company at its Registered Office as well as Corporate Office.

**21. Distribution of Gifts:** In conformity with regulatory requirements, the Company will NOT be distributing any gift, gift coupons or cash in lieu of gifts at the AGM or in connection therewith.

**22. Route Map:** A Route Map showing directions to reach to the venue of the 33rd AGM of the Company is given at the end of this Notice as per the requirement of the Secretarial Standard - 2 on “General Meetings” issued by The Institute of Company Secretaries of India (ICSI). The prominent landmark near the Venue is Milan Mela Ground.

**23. Information of Directors pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings:** At the ensuing Meeting of the Company, Mr. Hemant Kanoria (DIN 00193015), Chairman & Managing Director, retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 (“Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible, seeks re-appointment. Further, pursuant to the provisions of Sections 149, 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013, Mr. Malay Mukherjee (DIN 02272425) is

being proposed to be appointed as Non-Executive and Independent Director of the Company.

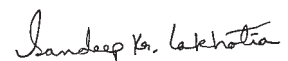
Further, pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013, Mr. Ram Krishna Agarwal (DIN 00416964) is being proposed to be re-designated as Non-Executive and Independent Director of the Company.

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard – 2 on General Meetings, the particulars of the aforesaid Directors seeking appointment/ re-appointment at the AGM are given below:

| Name of Director                       | Mr. Hemant Kanoria<br>(DIN: 00193015)   | Mr. Malay Mukherjee<br>(DIN: 02272425)  | Mr. Ram Krishna Agarwal<br>(DIN: 00416964)   |
|--|---|---|--|
| Date of Birth                          | 05.08.1962 (55 Years)   | 26.07.1955 (62 Years)   | 28.08.1952 (65 Years)  |
| Date of Appointment                    | 30.10.1990 (Appointed as Managing Director w.e.f. 07.05.1994 and as Chairman w.e.f. 14.05.2008).<br>He has been re-appointed as Chairman and Managing Director for a period of 5 years w.e.f 01.04.2015 on terms and conditions as mentioned in the Agreement dated 01.08.2015.   | 26.10.2017<br>(Additional Director)<br>(Category: Independent Director)   | 12.05.2016<br>(Non-Executive & Non-Independent Director)   |
| Expertise in specific functional areas | He holds a bachelor's degree in commerce from the University of Calcutta and has 38 years of experience in industry, trade and financial services. He is currently serving as board member in the Indian Institute of Information Technology, Guwahati, Neotia University and New Delhi Institute of Management and is a member of the advisory board of the Calcutta Business School. He has held several prestigious positions, including serving as the president of Calcutta Chamber of Commerce and the chairman of the FICCI National Committee on Infrastructure, and has served on the board of governors of Indian Institute of Management, Calcutta. He was also a member of the Regional Direct Taxes Advisory Committee, Government of India (Gol). | He has over 40 years of experience in the field of Banking and NBFC including Venture Funding, Factoring and Broking. He was the Chief Executive Officer and Managing Director of IFCI Limited and was responsible for the growth and development of the business of IFCI. He also held the position of Chairman in various group Companies of IFCI Limited. As an Executive Director at the Central Bank of India, he looked after portfolios such as Credit, HR, General Administration, IT, Corporate Communications, Publicity, Marketing, Client coverage and New Initiatives.<br><br>Further, being associated with Indian Bank for 36 years he accrued wide field exposure, having worked in various branches, regions and zones including Assam, Bihar, West Bengal, Karnataka, Maharashtra, Gujarat and New Delhi. He has been the past Chairman of Board of Governors of Management Development Institute (MDI) and Chairman of Institute of Leadership Development, Jaipur. Additionally, he was also a member of the Governing Body of Entrepreneurship Development Institute of India (EDII), Ahmedabad. | He has over 41 years of experience in various fields like Audit, Taxation, Company Law, Consultancy etc. He has been a Partner with S. R. Batliboi & Co. (Member firm of Ernst & Young in India) since 1978 and was the Managing Partner of the Firm at the time of his retirement in June, 2013. Mr. Agarwal is the past President of The Institute of Internal Auditors, India and was a member of the Central Council of The Institute of Chartered Accountants of India during 1991-97. Mr. Agarwal is connected with various Chambers of Commerce as the Committee Chairman / Executive Committee member, permanent invitee etc. and is a past Chairman of CII (Eastern Region). He was the National Chairman of Direct Tax Sub - Committee of CII in the year 2013-14. |
| Qualification                          | B. Com. (Hons.)   | M.Sc. (Physics), CAIIB (Part I)   | Practising Chartered Accountant (FCA)  |
| List of outside Directorships held     | <ul style="list-style-type: none"> <li>▪ Srei Equipment Finance Limited</li> <li>▪ India Power Corporation Limited</li> <li>▪ Austrian Anadi Bank AG, Austria</li> </ul>  | <ul style="list-style-type: none"> <li>▪ SKS Asset Reconstruction Private Limited</li> <li>▪ Dilip Bulcon Limited</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Electrosteeel Castings Limited</li> <li>▪ South City Projects (Kolkata) Limited</li> <li>▪ Emami Cement Limited</li> <li>▪ Bengal NRI Complex Limited</li> <li>▪ Cigniti Technologies Limited</li> <li>▪ RKA Advisory Services Private Limited</li> <li>▪ Indocean Developers Private Limited, Sri Lanka</li> </ul>   |

| Name of Director   | Mr. Hemant Kanoria<br>(DIN: 00193015)   | Mr. Malay Mukherjee<br>(DIN: 02272425)   | Mr. Ram Krishna Agarwal<br>(DIN: 00416964)   |
|--|---|--|--|
| Chairman/Member of the Committees of Board of Directors of the Company   | Member - Stakeholders Relationship Committee<br>Chairman - Committee of Directors<br>Chairman - Credit Committee<br>Chairman - Investment Committee<br>Chairman - Corporate Social Responsibility Committee<br>Member - Risk Committee  | Member - Risk Committee<br>Member - Asset Liability Management Committee   | Member - Business Responsibility Committee   |
| Chairman/Member of the Committees of Board of Directors of other Indian Public Limited Companies in which he is a Director – |   |  |  |
| a) Audit Committee   | NIL   | NIL  | 5 (Chairman – 3)<br>Emami Cement Limited<br>Bengal NRI Complex Limited (Chairman)<br>South City Projects (Kolkata) Limited (Chairman)<br>Electrosteel Castings Limited<br>Cigniti Technologies Limited (Chairman)  |
| b) Stakeholders' Relationship Committee  | 2 (Chairman - 1)<br>Srei Equipment Finance Limited<br>India Power Corporation Limited (Chairman)  | NIL  | 1 (Chairman – NIL)<br>Cigniti Technologies Limited   |
| Shareholding in the Company  | 3,80,000 Equity shares  | NIL  | NIL  |
| Relationship with other Directors, Managers and KMPs   | Mr. Sunil Kanoria (Brother)   | -  | -  |
| No. of Board Meetings attended during Financial Year 2017-18 [out of 4 (Four) held]  | 4 (Four)  | 2 (Two)  | 3 (Three)  |
| Terms and conditions of Appointment or Re-appointment  | In accordance with the Agreement dated 01.08.2015 executed between Mr. Hemant Kanoria and the Company.  | Not liable to retire by rotation.  | Not liable to retire by rotation.  |
| Details of Remuneration sought to be paid and the Remuneration last drawn  | The details of Remuneration paid to Mr. Kanoria during FY 2017-18 have been disclosed in the Corporate Governance Report of the Company.<br><br>Further, the Remuneration to be paid to Mr. Kanoria shall be in accordance with the Agreement dated 01.08.2015 executed between Mr. Hemant Kanoria and the Company. | The details of Remuneration paid to Mr. Mukherjee during Financial Year 2017-18 have been disclosed in the Corporate Governance Report of the Company.<br><br>Mr. Mukherjee shall be entitled to sitting fees for attending meetings of the Board and Committees thereof and annual commission on net profits as may be approved by the Nomination and Remuneration Committee and / or the Board of Directors of the Company, from time to time. | The details of Remuneration paid to Mr. Agarwal during Financial Year 2017-18 have been disclosed in the Corporate Governance Report of the Company.<br><br>Mr. Agarwal shall be entitled to sitting fees for attending meetings of the Board and Committees thereof and annual commission on net profits as may be approved by the Nomination and Remuneration Committee and / or the Board of Directors of the Company, from time to time. |

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



**Sandeep Lakhota**  
Company Secretary  
FCS 7671

Dated : April 28, 2018

Place : Kolkata

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 5

Mr. Mukherjee has over 40 years of experience in the field of Banking and NBFC including Venture Funding, Factoring and Broking. He was the Chief Executive Officer and Managing Director of IFCI Limited and was responsible for the growth and development of the business of IFCI. He also held the position of Chairman in various group Companies of IFCI Limited. As an Executive Director at the Central Bank of India, he looked after portfolios such as Credit, HR, General Administration, IT, Corporate Communications, Publicity, Marketing, Client coverage and New Initiatives.

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

Mr. Malay Mukherjee was appointed as an Additional Director (Category: Independent Director) of the Company w.e.f. October 26, 2017, pursuant to the provisions of Section 161 of the Companies Act, 2013 and holds office as such upto the date of this Annual General Meeting.

In view of the extensive and rich experience of Mr. Mukherjee, and considering the best interests of the Company, it is proposed to appoint him as an Independent Director of the Company for a period of 5 (five) consecutive years from the date of the Thirty-Third Annual General Meeting (AGM) of the Company.

The Company has received from Mr. Mukherjee (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013, (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 & the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (iv) Declaration and Undertaking as well as Deed of Covenant as prescribed under Non-Banking Financial Companies – Systemically Important

Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

In the opinion of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Mukherjee fulfils the conditions specified in the Companies Act, 2013 & rules made thereunder and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as a Non-Executive and Independent Director of the Company and is Independent of the management. Copy of the draft letter of appointment of Mr. Mukherjee as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office & Corporate Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the AGM and can also be viewed on the website of the Company [www.srei.com](http://www.srei.com).

Under the Companies Act, 2013 and the Rules framed thereunder, Independent Directors can only receive sitting fees and profit linked commission as may be approved by the Members. Further, the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, provides that all fees / compensation, if any, paid to Non-Executive Directors, including Independent Directors, shall be recommended by the Board of Directors and shall require approval of the Members at General Meeting. Accordingly, approval of the Members is also being sought for the purposes of payment of sitting fees and profit linked commission, which amount may be decided by the Board / Committee of the Company from time to time, subject to the limits prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Board of Directors is of the opinion that the professional expertise and vast experience of Mr. Mukherjee will be of significant value to the Company.

The Directors, therefore, recommend the Resolution to be passed as an Ordinary Resolution by the Members.

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

Pursuant to Regulation 36(3) of the Securities and



Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard – 2 on General Meetings, requisite particulars for Mr. Mukherjee are given at Note 23 of this AGM Notice.

None of the Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution, except to the extent of their shareholding, if any, in the Company.

## Item No. 6

Mr. Ram Krishna Agarwal has over 41 years of experience in various fields like Audit, Taxation, Company Law, Consultancy etc. He has been a Partner with S. R. Batliboi & Co. (Member firm of Ernst & Young in India) since 1978 and was the Managing Partner of the Firm at the time of his retirement in June, 2013. Mr. Agarwal is the past President of The Institute of Internal Auditors, India and was a member of the Central Council of The Institute of Chartered Accountants of India during 1991-97. Mr. Agarwal is connected with various Chambers of Commerce as the Committee Chairman / Executive Committee member, permanent invitee etc. and is a past Chairman of CII (Eastern Region). He was the National Chairman of Direct Tax Sub - Committee of CII in the year 2013-14.

Mr. Agarwal was appointed as an Additional Director (Category: Non-Executive Non-Independent) of the Company w.e.f. May 12, 2016, pursuant to the provisions of Section 161 of the Companies Act, 2013. His appointment was regularised at the 31st Annual General Meeting held on August 06, 2016.

Section 149(6) of the Companies Act, 2013 ('the Act') restricts the appointment of a Director in the Independent category in case there has been any association or relationship between the Director and the Company or its group companies for 2 / 3 years, as the case may be. Since Mr. Agarwal was associated in the past with Srei Group companies, he was appointed as Non-Executive Non-Independent Director. Further, in compliance with the requirement of the Act, Mr. Agarwal was eligible to be appointed as Independent Director only after the cooling off period of 2 (two) financial years which has ended on 31st March, 2018.

Accordingly, in lieu of the aforesaid and keeping in view the extensive and rich experience of Mr. Agarwal and considering the best interests of the Company, it is now proposed to appoint him as an Independent Director of the Company for a period of 5 (five) consecutive years from the date of the 33rd Annual General Meeting (AGM) of the Company.

The Company has received from Mr. Agarwal i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013, (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 & the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (iv) Declaration and Undertaking as well as Deed of Covenant as prescribed under Non-Banking Financial Companies – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

In the opinion of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Agarwal fulfils the conditions specified in the Companies Act, 2013 & rules made thereunder and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as a Non-Executive and Independent Director of the Company and is Independent of the management. Copy of the draft letter of appointment of Mr. Agarwal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the AGM and can also be viewed on the website of the Company [www.srei.com](http://www.srei.com).

Under the Companies Act, 2013 and the Rules framed thereunder, Independent Directors can only receive sitting fees and profit linked commission as may be approved by the Members. Further, the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, provides that all fees / compensation, if any, paid to Non-Executive Directors, including Independent Directors, shall be recommended by the Board of Directors and shall require approval of the Members at General Meeting. Accordingly, approval of the Members is also being sought for the purposes of payment of sitting fees and profit linked commission, which amount may be decided by the Board / Committee of the Company from time to time, subject to the limits prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Board of Directors is of the opinion that the professional

expertise and vast experience of Mr. Agarwal will be of significant value to the Company.

The Directors, therefore, recommend the Resolution to be passed as an Ordinary Resolution by the Members.

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

Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard – 2 on General Meetings, requisite particulars for Mr. Agarwal are given at Note 23 of this AGM Notice.

None of the Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution, except to the extent of their shareholding, if any, in the Company.

#### Item No. 7

In order to augment resources, the Company has been issuing various Non-Convertible Debt Securities (NCDs) on private placement basis from time to time, within the limits approved by the Members of the Company and they constitute a significant source of borrowings for the Company. These debt securities are integral to the management of long term funds to be used for existing business of the Company and are

considered essential for providing leverage to the Company.

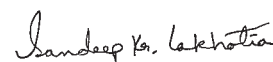
In terms of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company can make a private placement of its NCDs subject to prior approval of the Members by way of a Special Resolution. The Rules further provides that the said Special Resolution shall be passed only once in a year in respect of all offers/invitations on private placement basis for the NCDs proposed to be issued during the year. The terms and conditions of the issue of NCDs including face value, coupon rate, security, listing, etc. will be decided by the Board/duly authorised Committee/any Key Managerial Personnel (KMPs)/ any person duly authorised by the Board/Committee thereof.

Accordingly, it is proposed to offer or invite subscriptions for NCDs on private placement basis, in one or more tranches, during the period of 1 (one) year from the date of passing of the Special Resolution by the Members, within the overall borrowing limits of the Company.

The Directors, therefore, recommend the Resolution to be passed as a Special Resolution by the Members.

None of the Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution, except to the extent of their shareholding, if any, in the Company.

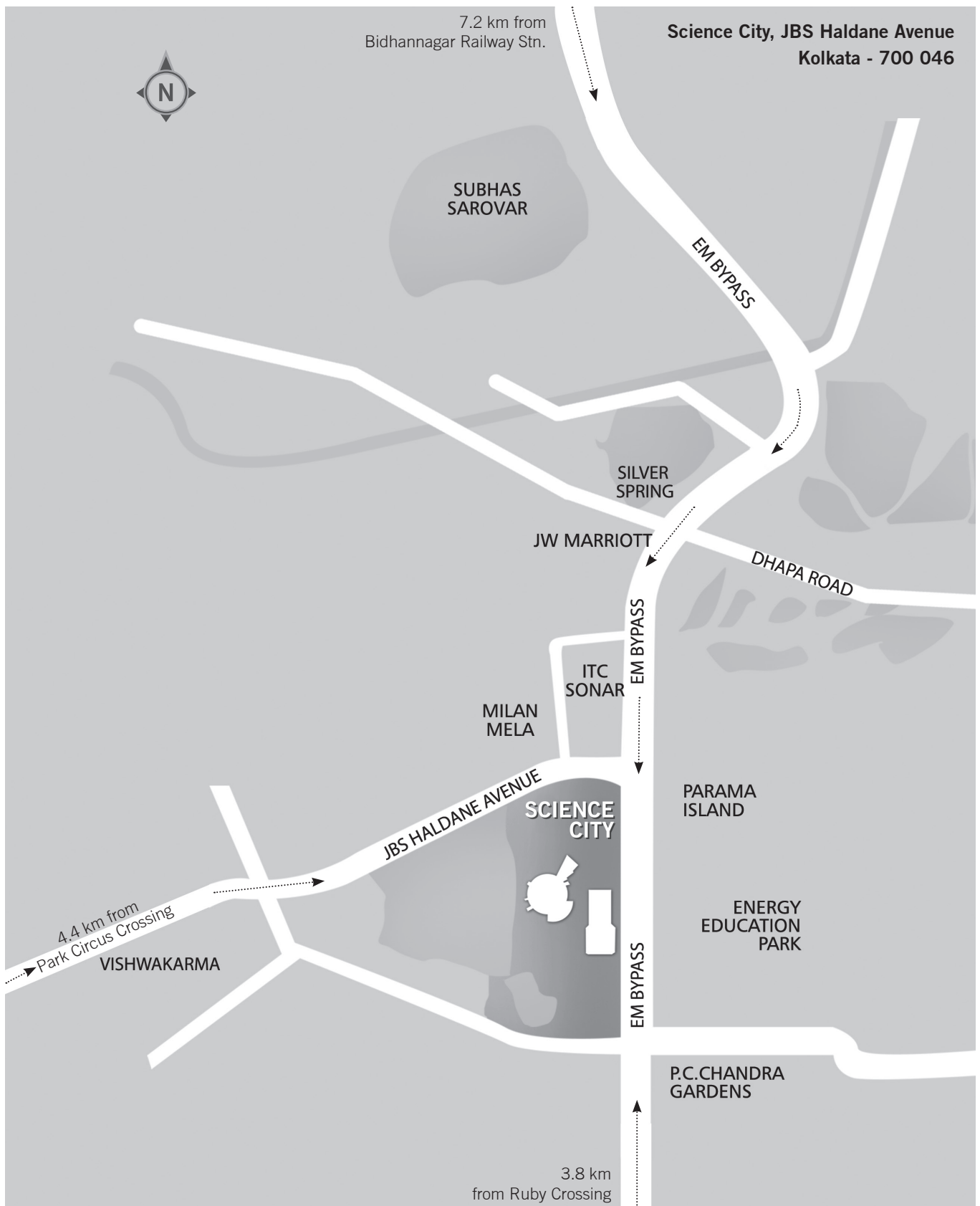
By Order of the Board of Directors  
For **Srei Infrastructure Finance Limited**



**Sandeep Lakhotia**  
**Company Secretary**  
**FCS 7671**

Dated : April 28, 2018  
Place : Kolkata

## Route map to the venue of the 33rd AGM





## SREI INFRASTRUCTURE FINANCE LIMITED

CIN : L29219WB1985PLC055352

Registered Office : 'Vishwakarma'

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

Tel No. 033 - 6160 7734, Fax No. 033 - 2285 7542/8501

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

### PROXY FORM

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

|                         |  |         |  |
|-------------------------|--|---------|--|
| CIN :                   | L29219WB1985PLC055352                                      |         |  |
| Name of the Company :   | Srei Infrastructure Finance Limited                        |         |  |
| Registered Office :     | 'Vishwakarma', 86C, Topsia Road (South), Kolkata – 700 046 |         |  |
| Name of the Member(s) : |  |         |  |
| Registered address :    |  |         |  |
| E-mail Id :             |  |         |  |
| Folio No. / Client Id : |  | DP ID : |  |

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

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

as my / our proxy to attend and vote for me/us and on my/our behalf at the **Thirty-Third Annual General Meeting** of the Company, to be held on Saturday, July 21, 2018 at 10.30 a.m. at the Science City Mini Auditorium, JBS Haldane Avenue, Kolkata - 700 046 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No.           | Resolution  | Vote (Optional)<br>(See Note No. 6) |         |
|--------------------------|---|-------------------------------------|---------|
|                          |   | For                                 | Against |
| <b>Ordinary Business</b> |   |                                     |         |
| 1.                       | Adoption of -<br>a. The Standalone Financial Statement of the Company for the financial year ended March 31, 2018, and the report of the Directors and Auditors thereon.<br>b. The Consolidated Financial Statement of the Company for the financial year ended March 31, 2018, and the report of the Auditors thereon. |                                     |         |
| 2.                       | Declaration of Dividend for the financial year ended March 31, 2018.  |                                     |         |
| 3.                       | Appointment of a Director in place of Mr. Hemant Kanoria (holding DIN 00193015) who retires by rotation and being eligible, seeks re-appointment.   |                                     |         |
| 4.                       | Ratification of appointment of Statutory Auditors of the Company, and to fix their remuneration.  |                                     |         |
| <b>Special Business</b>  |   |                                     |         |
| 5.                       | Appointment of Mr. Malay Mukherjee (holding DIN 02272425) as a Non-Executive and Independent Director of the Company.   |                                     |         |
| 6.                       | Re-designation of Mr. Ram Krishna Agarwal (holding DIN 00416964) as a Non-Executive and Independent Director of the Company.  |                                     |         |
| 7.                       | Issuance of Non - Convertible Debt Securities (NCDs) upto Rs. 5,000 Crores on private placement basis.  |                                     |         |

Signed this ..... day of ..... 2018.

Signature of Shareholder: \_\_\_\_\_

Signature of 1st Proxy holder: \_\_\_\_\_

Signature of 2nd Proxy holder: \_\_\_\_\_

Signature of 3rd Proxy holder: \_\_\_\_\_



Note:

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



**SREI INFRASTRUCTURE FINANCE LIMITED**

CIN : L29219WB1985PLC055352

Registered Office : 'Vishwakarma'

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

Tel No. 033 - 6160 7734, Fax No. 033 - 2285 7542/8501

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

**ATTENDANCE SLIP**

(to be handed over at the Registration Counter)

|  |         |
|--|---------|
| Regd. Folio No. / DP ID* / Client ID*: | Sl. No. |
| Name :                                 |         |
| Address :                              |         |
| Joint Holder :                         |         |

\*Applicable for shares held in electronic form

I/We hereby record my/our presence at the **Thirty-Third Annual General Meeting** of the Company on Saturday, July 21, 2018 at 10.30 a.m. at the Science City Mini Auditorium, JBS Haldane Avenue, Kolkata - 700 046.

Full name of Member/Proxy \_\_\_\_\_  
(IN BLOCK LETTERS)

\_\_\_\_\_  
**Signature of the Member/Proxy**

**Note:**

- Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.
- Special assistance is available to differently abled Members upon request in advance.

**ELECTRONIC VOTING PARTICULARS**

| <b>EVEN<br/>(Electronic Voting Event<br/>Number)</b> | <b>USER ID</b> | <b>PASSWORD</b> |
|--|----------------|-----------------|
|  |                |                 |

The remote e-voting facility will be available during the following period:

|                                       |                                       |
|---------------------------------------|---------------------------------------|
| Commencement of remote e-voting       | End of remote e-voting                |
| From 9.00 a.m. (IST) on July 17, 2018 | Upto 5.00 p.m. (IST) on July 20, 2018 |

The cut-off date for the purpose of remote e-voting & voting at the AGM is Saturday, July 14, 2018.