SIFL/SECT/EA/21-22/68
September 02, 2021

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: Annual Report - F.Y. 2020-21

This is further to our letter dated 30th June, 2021 intimating that the Thirty-Sixth Annual General Meeting (AGM) of the Members of the Company will be held on Saturday, September 25, 2021 at 11:00 A.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in compliance with applicable Circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI).

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Annual Report of the Company for the Financial Year 2020-21 along with the Notice of the Thirty-Sixth Annual General Meeting (AGM) of the Company. The same is also available on the website of the Company at www.srei.com.

The schedule of events is set out below:

Event	Date	Time
Cut-off date for e-voting	18th September, 2021	N.A.
Commencement of e-voting	21st September, 2021	9:00 A.M. (IST)
End of e-voting	24th September, 2021	5:00 P.M. (IST)
AGM	25th September, 2021	11:00 A.M. (IST)

The same is for information and record.

Thanking you.

Yours faithfully.
For **Srei Infrastructure Finance Limited**

Manoj Kumar
Company Secretary
FCS 6698

Srei Infrastructure Finance Limited
Kolkata

Encl: a/a

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 Website: www.srei.com

Together We Make Tomorrow Happen

Srei Infrastructure Finance Limited

Annual Report 2020-21

Contents

RISING ABOVE CHALLENGES

The world was rattled by the Covid-19 pandemic, which had a devastating effect on both life and livelihood across the globe. Millions lost their lives. Economies teetered on the edge. Businesses shuttered. Unemployment soared. Business and consumer sentiments hit an all-time low. For the first time in a century, human resilience was put to test at such a scale and with wide-scale ramifications.

At Srei, we are used to facing challenges in our more than three-decade journey. Every time we have reacted with strong resilience, focusing on what can be done instead of feeling despondent. Taking the pandemic head on, we set out to reorient our business model and will raise capital, which would allow us to not only overcome this downturn, but also position us in such a way that we would be able to capitalise on future opportunities better.

The environment remains uncertain, and challenges are aplenty. But if there is one aspect that we are confident about, it is that we will be able to rise above the challenges and emerge stronger than ever before.

CORPORATE IDENTITY

BUILT TO WITHSTAND CHALLENGES

We have been one of India's leading asset financing and leasing and infrastructure financing institutions and have helped fulfil the aspirations of numerous small and medium-sized infrapreneurs throughout our journey besides enabling infrastructure projects to be developed through innovative structured financial solutions.

Established in 1989, we possess more than 32 years of industry experience and were the first private non-banking finance company to enter the financing of India's infrastructure sector. We have been engaged in providing financial solutions for asset creation and project development and have successfully attracted growth capital and debt from prestigious developmental financial institutions like DEG, FMO, European Investment Bank, US EXIM, Proparco, OeEB and FinnFund, among others.

Our ethos

Vision

To foster infrastructure creation and development.

Mission

To enable implementation of infrastructure in a socially effective and efficient manner.

Presence

Headquartered in Kolkata, we have a strong market presence across the country.

72
Branches

19
States

Core values

Customer Partnership

Intense customer engagement, affinity and understanding, facilitate us to create a mutually profitable partnership.

Respect for People

We treat our employees like family, providing them with an inspiring work environment that encourages initiative and recognises excellence.

Integrity

We are committed to ethical practices. All our actions are to the best of our capability and guided by highest standards of moral values.

Stakeholder Value Enhancement

We enhance value for our stakeholders by focusing on growth and profitability, managing risks and contributing to the society.

Passion for Excellence

Our passion for excellence is instrumental in driving us to be innovative, solutions-focused and impactful.

Professional Entrepreneurship

With over three decades of experience, our spirit of entrepreneurship enables us to overcome obstacles and complexities with professional expertise.

Pioneers

When we started our journey in 1989, the national construction and mining equipment market was pegged around ₹150 Crores. Customers of these assets were so small that most of them did not even have proper balance sheets, and thus banks were averse to lending to this segment. Through our proxy assessment approach, we were able to provide financial solutions to these small- and medium-sized EPC (engineering, procurement and construction) and infrastructure players. We also engaged with various international original equipment manufacturers (OEMs) to facilitate the sale of their equipment in the Indian market. We also played a pivotal role in building acceptance for mechanisation in the construction sector, which was predominantly labour-intensive. As the pace of infrastructure creation accelerated, there was enough demand for manual labour while mechanisation helped achieve higher levels of efficiency and productivity. This shift also prompted international OEMs to eventually set up their manufacturing base in India to capitalise on India's increasing infrastructure needs.

Leadership

Under the leadership of a professional Board of Directors, we have emerged as the market leader in infrastructure equipment financing in India. We have also built an extremely competent and experienced management team, who possess significant experience. This dynamic leadership has enabled us to navigate through multiple cycles and emerge stronger out of every downturn.

Holding structure

Srei Infrastructure Finance Limited is the holding company. It has consolidated all the lending business in Srei Equipment Finance Limited, which will help enhance customer experience, bring in economies of scale, allow the companies to offer their services at competitive rates and provide greater flexibility in accessing capital and improving overall operating efficiency. Simultaneously, Srei Infrastructure Finance Limited, with its rich repository of domain knowledge across various infrastructure sectors, will become more active in the infrastructure enabling space.

PROMOTERS
60.80%

PUBLIC
39.20%

Srei Infrastructure Finance Limited (Listed)

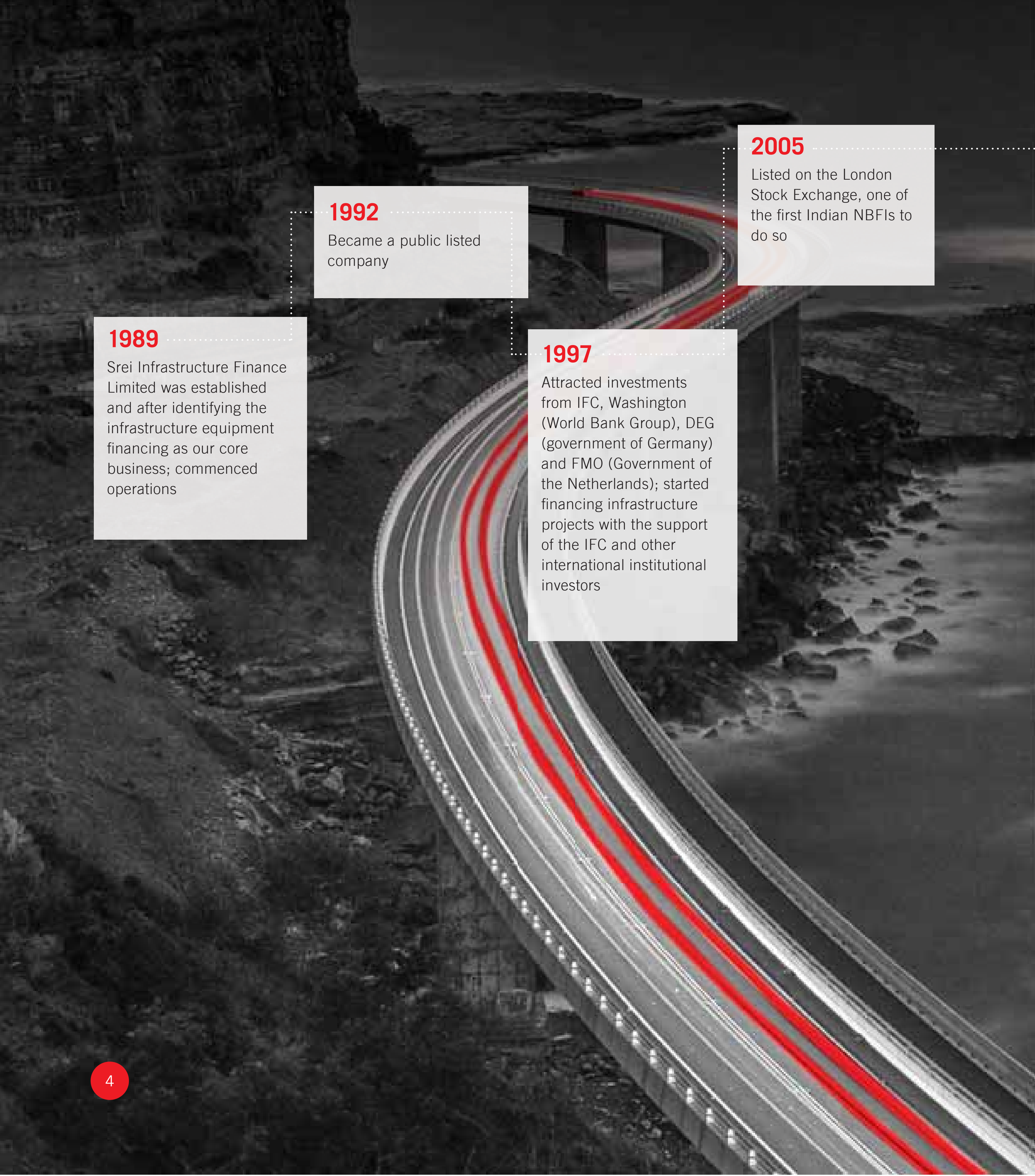
- Infrastructure advisory
- Financial solutions
- Advisory

Fund-based Business	Fee-based Business			Investments
Srei Equipment Finance Limited (SEFL)	**Srei Capital Markets Limited**	**Srei Insurance Broking Pvt. Ltd. (SIBPL)**	**Trinity Alternative Investment Managers Ltd. (TAIML)**	
100%	100%	100%	51%	
• Largest financier in Construction, Mining and allied Equipment ("CME") sector in India • Pan India presence with 72 offices • Expanded to medical, IT and allied equipment	Expertise in transaction advisory, stressed asset resolution and other capital market activities Strong relations with FIs and industry counterparts	Is a composite insurance broker, licensed by the insurance Regulatory Development Authority (IRDA), enabling the company to act as a Direct Broker and a Reinsurance Broker in both the Life and Non Life Insurance Sectors	• Managing multiple Alternate Investment Fund (AIF) registered under different AIF categories of I & II • Has a track record of managing equity, debt, and mezzanine funds	• Roads and Highways • Energy

SREI

OUR JOURNEY

A STORY OF INNOVATION AND DETERMINATION



1989

Srei Infrastructure Finance Limited was established and after identifying the infrastructure equipment financing as our core business; commenced operations

1992

Became a public listed company

1997

Attracted investments from IFC, Washington (World Bank Group), DEG (government of Germany) and FMO (Government of the Netherlands); started financing infrastructure projects with the support of the IFC and other international institutional investors

2005

Listed on the London Stock Exchange, one of the first Indian NBFIs to do so

2008

Created Srei Equipment Finance Limited, a 50:50 joint venture with BNP Paribas to catalyse the growth of our equipment financing business; introduced several new solutions to capitalise on the attractive market opportunities

2014

Placed greater emphasis on strengthening our core business – equipment financing

2016

Consolidated 100% shareholding in the equipment financing business

2019

Completed 30 years of existence and significantly increased our investments in digitalisation; strategically collaborated with banks to enhance visibility in co-lending space

2020

Reoriented the business model through refocusing on reducing infra project financing portfolio, monetising assets and de-leveraging the balance sheet through debt reduction

UNPRECEDENTED CHALLENGES POSED BY THE PANDEMIC

Challenges of the NBFC Sector

The NBFC sector is an integral part of the Indian economy and financial ecosystem, having witnessed exponential growth over the last decade. Leveraging their ability to service the unbanked segments of the society through innovative products and service delivery mechanisms, NBFCs have been able to bridge the credit gap across customer segments – from big ticket structured loans and corporates/high net worth individuals (HNIs) to microfinance customers – due to their higher risk underwriting capacity, superior credit assessment skills and deep understanding of the customer's needs.

However, the situation drastically changed in the second half of 2018-19, as the NBFCs started facing liquidity stress due to the growing risk aversion of institutional lenders towards them. The sector was gradually returning to normalcy, when the outbreak of the novel coronavirus not only disrupted the recovery, it also resulted in a drop in customer acquisition, a sharp fall in repayments and collections and a renewed risk aversion by banks.

Despite the proactive counter measures undertaken by the Reserve Bank of India (RBI) and the Ministry of Finance (MoF) to increase system liquidity, there has been no major improvement in the operating environment as these funds are only accessible to a few larger NBFCs with industrial group parentage. NBFCs operating in Tier-II and Tier-III cities are still struggling to raise funds. The fact that the NBFCs are facing the same difficulty as other borrowers has largely been overlooked.

Construction, Earthmoving, Material Handling & Mining (CEMM) Equipment Industry

The nationwide lockdown brought economic activities to a near halt, especially during the first quarter of FY 2020-21. However, the situation improved with the gradual unlocking and proactive government measures including the mega infrastructure investment push. The CEMM equipment industry ended the year with 9% growth in volumes, albeit on a low base, coming out of a de-growth of 13% in the previous year.

Overall construction equipment sales were at 91,808 units in FY 2020-21, compared to 84,312 units in the previous year, with exports accounting for 5%. The earthmoving equipment segment retained its position as the biggest driver of overall sales, whereas the concrete equipment category recorded the sharpest rise at 62%. However, these were far lower than the peaks seen in FY 2018-19.

COVID-19 (once-in-a-century) pandemic impact

Surge in fatality: Thousands of people have lost their lives in India from March 2020 to June 2021, due to the pandemic

Economic de-growth: The national lockdown imposed to contain the virus spread brought economic activities to a standstill in the first quarter. Despite a strong recovery in the second half, the Indian economy contracted 7.3% during the year under review.

Rise in unemployment: The closure of businesses severely impacted livelihoods; nearly 45% households in India reported a reduction in income compared to the previous year.

Reverse migration: The migration of labour back to their native places and a reluctance to return among some of them once the lockdown was withdrawn had an adverse effect on the construction activities across the country.

Delay in execution: Most construction activities had to be put on hold, which in turn, delayed the project schedules.

Decline in office space: The transition to the work-from-home model across the country resulted in the decline in net absorption of office space significantly in top seven cities, which, in turn, adversely affected real estate construction demand.

Cash flow stifling: The continual lockdowns resulted in companies not getting their payments from their principals and/or through claims/ awards/ court cases.

9%

Growth in CEMM Equipment Industry in FY 2020-21

272

Vendor and manufacturer partnerships from FY 2020-21

60%

Repeat customers

SOLID CORE

BUILDING ON INHERENT STRENGTHS

Long-standing relationships with customers

We forayed into the infrastructure space to fulfil the aspirations of small and medium-sized EPC and infrastructure players who were unable to raise finance from banks due to regulatory restrictions such as credit exposure constraints and sector concentration norms. We adopted proxy assessment approaches like evaluation of borrowers' performance contracts, regular on-site visits, conducting reference checks from their principals and taking the appropriate credit calls with risk mitigants in place. Our ability to deliver customised financial solutions has enabled us to attract 1,00,000 customers and 60% of them are repeat clients, which reflects the strength of our relationships.

Long-standing relationships with OEMs

We were the first private sector NBFC to foray into the infrastructure space. We constantly engaged with global equipment manufacturers and were instrumental in galvanising companies such as Caterpillar, JCB, Komatsu and Volvo, among others. We were able to bring them to India and facilitated the sale of their equipment to the construction companies of India. Apart from pioneering mechanisation of construction activities in India, our efforts convinced many of these OEMs to set up their manufacturing plants here, promoting 'Make in India' long before it actually became a slogan.

Deep understanding of assets and geographies

We are not just a financing company; we are also deeply engaged in the management of all the assets we finance. We conduct regular onsite visits and have a deep understanding of the asset lifecycle and the geographies of deployment. We analyse the requirements of each project and provide suggestions to our customers on the choice of equipment based on our knowledge about the needs and terrains. We also advise them on how to optimise asset utilisation.

STREI

STRATEGIC PRIORITIES

EVOLVING WITH THE CHANGING TIMES

Considering the impact that the pandemic had on the NBFC as well as the infrastructure sector, we proactively undertook various measures and reoriented our business model to enhance our resilience. We also diligently worked towards strengthening our position to capitalise on the emerging opportunities.

Embracing digitalisation

A few years ago, we had created a first-of-its-kind digital platform in the infrastructure financing space. This investment in technology paid off in a big way when the pandemic disrupted the normal way of doing business. As the world switched to a working-from-anywhere mode and social distancing became the norm, the technology platform enabled us to seamlessly conduct business digitally by bringing all stakeholders – customers, OEMs, financiers – on to the virtual platform.

Strategic partnerships

Over the past few years, there has been an emergence of the sharing economy, whether it is cab rides, accommodation, online content or even resources. Our time-tested relationships with our customers, OEMs and financial institutionshave been essentially based on the premise of shared progress. The recent co-lending model launched by the RBI enables banks and NBFCs to jointly lend to customers by sharing the risks and benefitting from each other's areas of expertise. Going forward, we will continue to look out for new strategic partnerships based on mutually beneficial risk-reward models.

Reduction of our infrastructure portfolio

The strategic reduction of our infrastructure/structured finance portfolio was a work in progress when the pandemic struck and consequently accelerated the process. Leveraging our domain knowledge and expertise, we will continue to focus and capitalise on the opportunities across the entire infrastructure equipment lifecycle. We are strategically looking to increase our presence in the agriculture, healthcare and technology sectors, which not only played a critical role during the pandemic, but would continue to do so in the future.

Intermediation between customers and banks

Most of our customers are small and medium-sized players, who were the worst hit by the pandemic, which affected our collections. Our primary focus was to ensure that we were as empathetic to our customers as permitted by the law and devise solutions that would be beneficial for both parties. Our cash flows were impacted as the regulator enabled us to restructure the payment cycle for our customers, but we were not eligible to restructure our borrowings. We thus had to coordinate with our partner banks to arrange refinancing for our customers, so that wecould de-risk ourselves and improve liquidity.

De-leveraging balance sheet

Our primary focus has been to deleverage our balance sheet to ensure seamless business continuity. We are in the middle of a debt recast and are trying to raise capital. Further, we are focused presently on recoveries and sell-down of our portfolio to decrease the stress on our balance sheet and generate liquidity. In addition, we are looking to realign our liabilities with the expected cash flows. We have approached the National Company Law Tribunal (NCLT) for enabling us to repay the loans to our creditors in an orderly manner over a period of time.

Focusing on risks and operational efficiency

As most of our customers were severely affected by the pandemic, we reassessed the risks and made adequate provisions. We also focused on strengthening our securities to safeguard our existing portfolio. Post the consolidation of loan/lease portfolio, we were able to improve our operational efficiency substantially through effective cost optimisation.

OUR PEOPLE

REJUVENATING THE TEAM

At Srei, we have always believed in being connected with our employees and their families on an emotional level and communicate our strategies with absolute transparency. During this uncertain period, we placed greater emphasis on their safety, health and well-being, kept them informed about the evolving situation and assured full support.

Employee engagement

We increased our employee engagement significantly through virtual platforms. Our HR department constantly stayed in touch to keep a tab on the issues faced them. We tried to instil positivity and create a feeling of belongingness and oneness by celebrating success stories, no matter how big or small. Our senior management also engaged with our employees frequently, which kept them motivated during these unprecedented times.

Learning and development

While we shifted to a work-from-home model, we focused on undertaking several learning initiatives to ensure that we maintain the desired level of efficiency and empower our employees with the necessary knowledge and skillsets. A strategy was devised based on ‘just in time’ learning and was delivered through the various online platforms. Business leaders were deployed to spearhead the training in their respective areas of expertise.

Medical aid

Taking cognizance of the high medical costs incurred on COVID-19 treatment, we provided medical insurance through ‘Corona Kawach’ for all our employees and their family members. Nearly 1,800 people benefitted through this programme. In addition, the HR team stayed in touch with the employees and their family members who had been infected and helped them in every way possible, from making hospital arrangements to releasing advance payments.

1,800

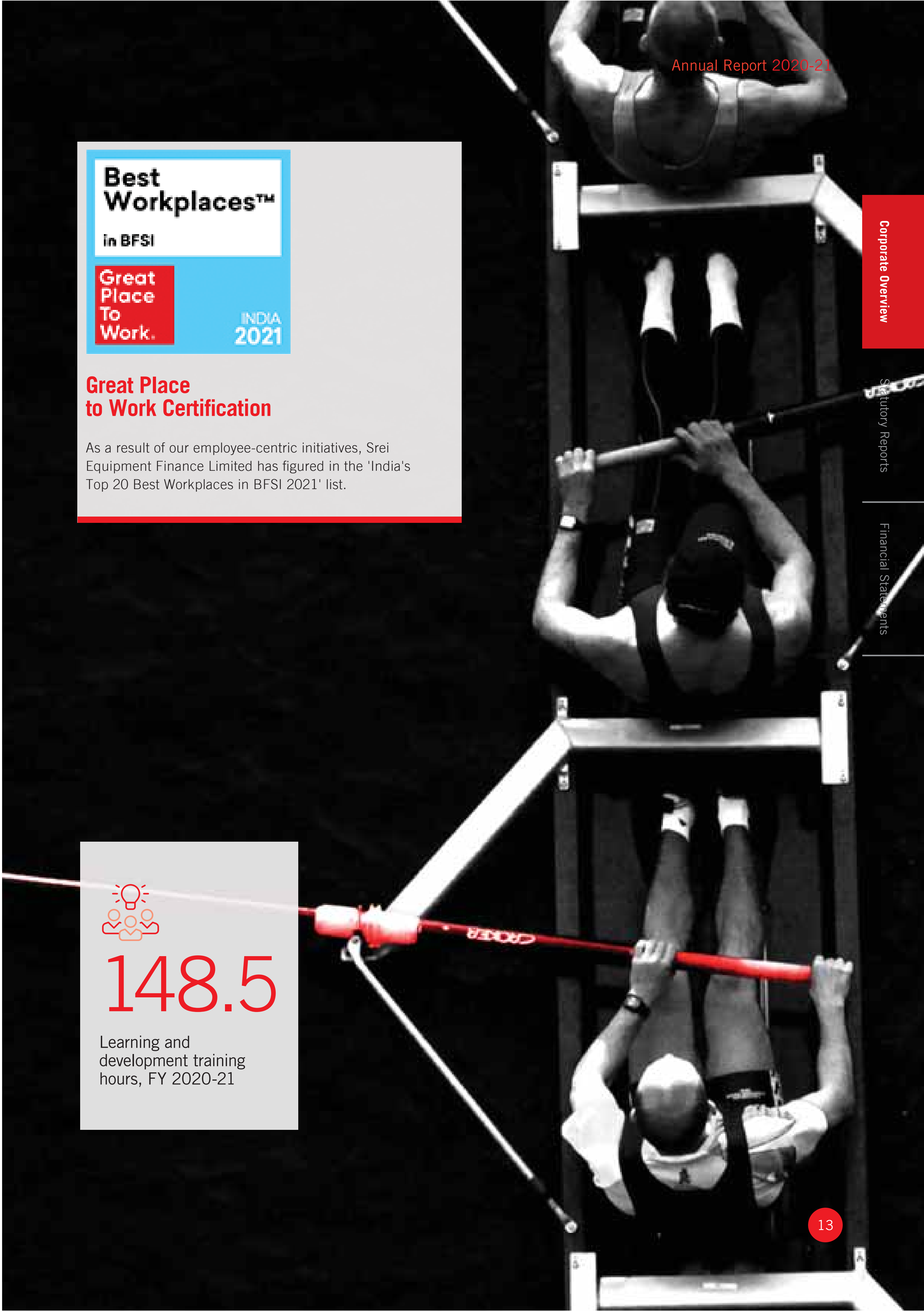
Beneficiaries of the 'Corona Kawach' insurance

Vaccination drive

We collaborated with Medica Super Specialty Hospital to inoculate our employees in Kolkata. More than 500 employees and their family members were vaccinated, and we plan on implementing a similar programme in other cities as well.

500

Employees and family members vaccinated



Great Place to Work Certification

As a result of our employee-centric initiatives, Srei Equipment Finance Limited has figured in the 'India's Top 20 Best Workplaces in BFSI 2021' list.

148.5

Learning and development training hours, FY 2020-21

SREI

CHAIRMAN'S COMMUNIQUE

RIDING OUT THE STORM

Dear Shareholders,

It has been appropriately said that "challenges and adversities always have embedded in them great opportunities." Some get trapped in the negativity of the adversities and some capitalise on the unfolding opportunities. For the first time in about a century, the world, our country and our Company have been going through an adverse environment of unthinkable proportions. The last pandemic resulted in millions of deaths globally and debilitated the lives and livelihoods of all survivors. The present COVID-19 pandemic which has engulfed our planet has had a similar effect on the lives and livelihoods of people.

The Indian economy was already slowing down before it was hit by the pandemic. The pandemic resulted in a nationwide lockdown in March 2020 which caused almost all business operations to come to a grinding halt and muted consumer sentiments, thereby leading to a de-growth of 24.4% in the first quarter in FY 2020-21. In view of some measures undertaken by the government and the Reserve Bank of India (RBI), the situation started improving towards the second half and the economy was staggering back to normalcy when the second wave of the pandemic struck back with more vengeance towards the end of year.

All sectors were deeply impacted by the pandemic due to continual lockdowns and dislocation, but some sectors like infrastructure were ravaged. Beginning with a sudden announcement of the lockdown triggering an unfortunate exodus of migrant labourers from infrastructure construction sites to their homes to the closure of factories, offices, establishments, airports, hotels, transportation and others, infrastructure activities came to a virtual standstill.

As the government offices and courts also went under lockdown and the disruptions continuing even now, the infrastructure and construction companies, have been left with constricted cash flows and dislocated workers.

However, we have faced many challenges over the course of the last three decades, starting from the NBFC crisis during the 90s to the global financial crisis in FY 2008-09. We have always weathered through such adversities and each time we have emerged stronger and wiser as an organisation. Even though this pandemic is truly a once-in-a-century crisis, we are confident that this time, too, we will be able to protect our business and reorganise our operations in a manner which will be beneficial to all stakeholders. However, our foremost objective during these times is to stabilise and as soon as the pandemic and its after-effects are over, we will grow again in areas congenial to the environment, for infrastructure.

As a financial institution, we are primarily dependent on borrowings from banks and other lenders for deployment of funds towards financing for asset creation for our customers. However, the pandemic has had an adverse effect on our customers, which has affected their cash flows, resulting in muted collections for us. We were spot on in our anticipation of the dislocation of the business of our customers due to the pandemic and also certain regulations on extending moratorium and restructuring of loans to them, which unfortunately were not extended to the NBFCs in their capacity as borrowers, thereby resulting in cash flow mismatch. In order to address this anomaly, we submitted a scheme for payment to all our creditors in an orderly fashion to the Hon'ble National Company Law Tribunal in Kolkata in October 2020 and December 2020, respectively. For the first time in the history of the Company, a scheme for payment to creditors was submitted to the Court for realignment of debt. We have had an impeccable track record of 31 years of servicing interest and repayment of loans on time without even a single day's delay to all creditors.

"It has always repaid its commercial lenders, Debenture/ Bond – holders on time and also its fixed depositors till the time it was accepting deposits, without any delay."

Throughout the course of our journey, we have always understood the importance of evolving with the changing times and our agility in doing so has been the propeller of growth for the Company. The business model of your Company has been to support the construction sector through mechanisation of their implementation processes by financing equipment to them and to support public-private partnerships in the infrastructure sectors like roads, airports, power, ports, healthcare, and many others through innovative structured finance. However, since the last few years, the regulations for NBFCs have been changed to align their operations with banks. Therefore, your Company had been rapidly reducing its infrastructure portfolio and realigning the equipment financing business to the extant regulations. Unfortunately, the pandemic has derailed the plans to a certain extent, which your Company is trying to bring back on track.

We have been working with our customers in these difficult times with empathy, but also facilitating them to create sufficient liquidity, so that they can run their business and simultaneously keep on paying us, because, if their businesses close down, it will not only affect them, but will burden us with huge defaults. Many of our customers have been affected due to COVID, not only business-wise, but also lost their family members and employees. Such disruptions where the borrower is a victim of circumstances need to be dealt in a strategically structured manner. As liquidity is also important for us, we are enabling them to generate cash flows.

Our employees have always been our greatest strength. We have relentlessly endeavoured to support them and their families in every possible manner. The senior employees and us, took voluntarily pay cuts and relinquishment of compensation respectively, so as to support all other employees, with an objective that we do not have to retrench during these difficult times. We also enabled them to operate from their homes and take care of themselves and their family members' health.

This has been the most difficult and challenging year in the history of the Company. We are operating in an environment which is completely adversarial in all respects, but we are confident that we will address the issues of our creditors, customers, employees, shareholders and all stakeholders in an appropriate manner befitting the long history of the Company. At this juncture, we need the support of all of you in every possible manner to tide over the situation.

Lastly, I would like to thank all the team members for their undeterred commitment and positive outlook in such difficult times. It is because of their never-say-die attitude and fighting spirit that we are optimistic that we will emerge victorious through the storm. We are focusing on creating liquidity through the huge asset base that we have and once we are able to do so successfully, we will refocus on growth of the business. We thank all of you for your support and we look forward for the encouragement as always.

Regards,

Hemant Kanoria

Hemant Kanoria
Chairman

PARTICIPATING IN SOCIETAL DEVELOPMENT

Irrespective of the business environment or operations, our commitment to create value for the community has remained undeterred. Under the aegis of the Srei Foundation, we have undertaken various programmes in line with the sustainable development goals to create positive impact on the global community.

Srei Foundation

The Srei Foundation is a public charitable trust which was founded in 2009. Our initiatives are being carried out in Special Consultative Status with the United Nation's Economic and Social Council (ECOSOC). In line with our mission 'Service to Humanity', our initiatives are being carried out in collaboration with various non-profit organisations who possess years of domain experience to improve the living standards of the underprivileged people in our community. It is engaged in multifarious activities with a dynamic approach towards creating value and developing building blocks for the nation.

11+

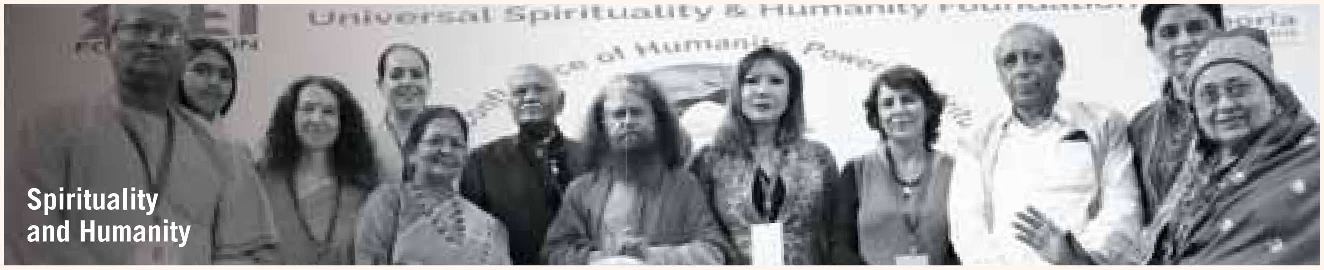
Years of serving communities through Srei Foundation

Major focus areas


Social and economic welfare


Education and skill development


Environment protection



Spirituality and Humanity

Vision

A world free of struggle and poverty and filled with love, happiness, peace, prosperity and good health. A vibrant world with awakened and ignited minds, a Nation with growth and development imbibing Humanity and Spirituality in all facets of everyday life.

Mission

To serve society and humanity with a view to bring about a change in the attitude by following a path of righteousness in fostering peace, harmony and brotherhood to build a sustainable society. To live and let live in a united world encompassing and respecting all other religions and human values while embracing economic growth for the development of the Nation.

PARTICIPATING IN SOCIETAL DEVELOPMENT

Acid Survivors & Women Welfare Foundation

Acid Survivors and Women Welfare Foundation (ASWWF) is a leading not-for-profit, non-governmental organization working for the prevention of all forms of violence against women in India since 2010. ASWWF works to promote a social environment conducive to elimination of violence against women and acts as a forum for advocacy for such cases. ASWWF espouses a firm legal basis for prosecution of offenders. It also advocates for prescription of national guidelines for treatment, aftercare and rehabilitation of survivors of acid violence and other forms of violence against women. ASWWF is tirelessly working to up skill and rehabilitate disadvantaged women and help them become self-reliant.

ASWWF whilst providing holistic care to the survivors, works closely with like-minded organizations both nationally and internationally. It operates through a network of offices pan-India. The Foundation has plans to open more chapters and offices to further enhance the outreach of its mission to rebuild the lives of all acid and other gender-based violence survivors.

Initiatives undertaken by ASWWF

Medical

Provided financial assistance for surgeries at specialty hospitals across India.

Acid survivors were provided free eye treatment at Shankar Netralaya in Chennai and their accomodation, logistics free medicines were taken care of by ASWWF

Employment

Acid survivors were provided with suitable employment opportunities with reputable companies.

Educational assistance

It is also supporting the education of children of acid survivors

Disability certificate

Survivors were provided support to get disability certificate from their respective health departments.

Social welfare programs during COVID-19 pandemic

Project 'Feeding Chennai and Kolkata' was started in April 2020 to help daily wage workers and their families with essential items such as food packages and hygiene kits, thus helping reduce their financial stress. During this period the foundation with the support of the Police provided cooked food and ration items like rice, dal, potatoes, sugar, cooking oil, salt and eggs to a large number of families. Hygiene kits containing sanitary pads, masks and soap bars were also provided. These projects were recognized by Niti Aayog under the Ministry of Commerce, Government of India.

SAMARPAN

A one-of-a-kind outlet in collaboration with Kolkata Bread Company operated by Acid Survivors which provides chef crafted bread and pastries; the sale of which supports the lives of acid survivors.

SOLAR CHARKHA MISSION

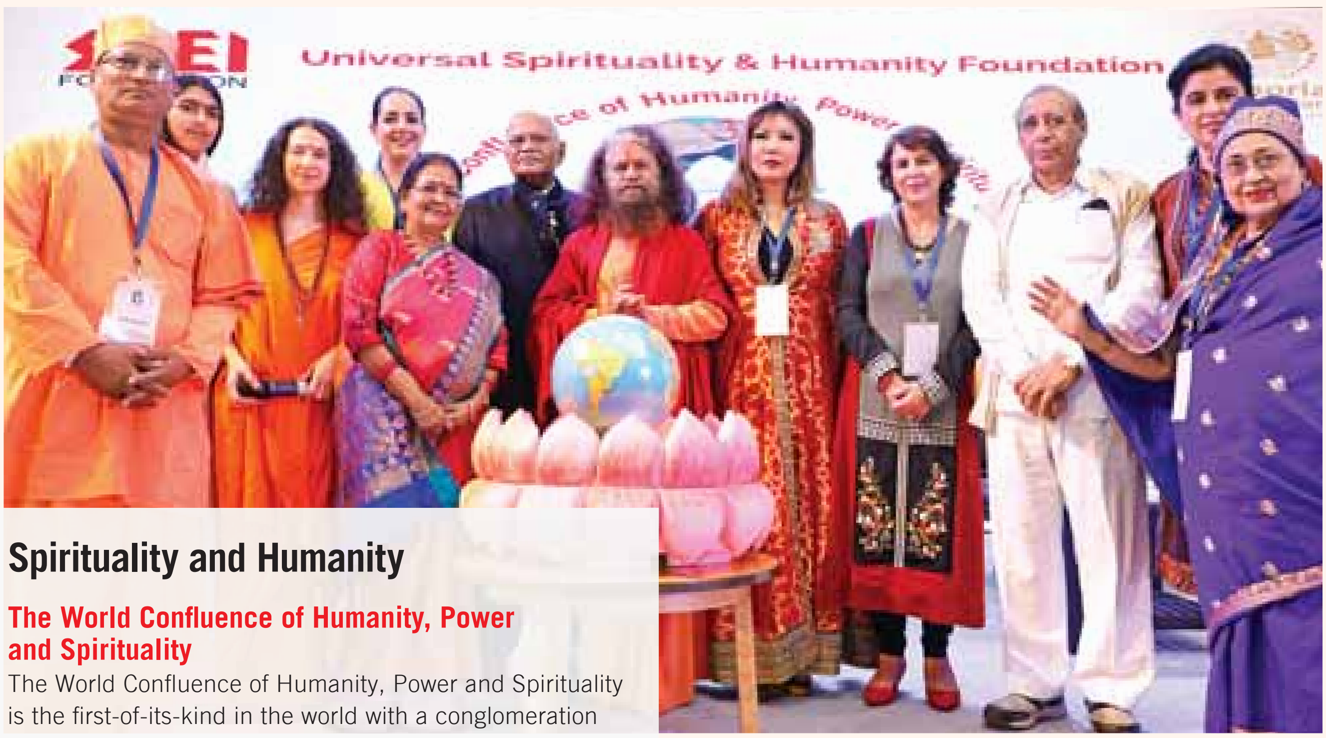
This initiative of the foundation strives to empower the women of Barhaiya in Bihar. For the first time, solar charkhas have been installed there to enable the women to spin thread in these charkhas and sell them to the government directly. This has provided these rural women year-round employment enabling them to be self-reliant and independent economically.

SWAYANGSIDDHA

This programme is on-going in association with North 24 Parganas Police Department and Goranbose Gram Bikas Kendra (GGBK). It is striving to provide total rehabilitation of young-trafficked women to facilitate their re-integration with their families and community.

SIRAGU

This initiative of ASWWF helps underprivileged women by providing training in skills such as making sturdy newspaper, denims, cloth and jute products and candles. Over the last one year, it has been able to empower a large number of women and their families through skill development programmes. The beneficiaries were provided free use of the fully-equipped workspace. The products manufactured at the centre were then marketed to ensure that the constituents were able to make an earning and support their family. It has fostered economic empowerment by teaching them thrift to save and invest small amounts of money in banks, post offices and saving accounts.



Spirituality and Humanity

The World Confluence of Humanity, Power and Spirituality

The World Confluence of Humanity, Power and Spirituality is the first-of-its-kind in the world with a conglomeration for great 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, moral and social principles, thereby leading to one cosmic reality. The children and youth are the future of the country and their consciousness has to be transformed through spiritual alchemy to have the power to cope with life's challenges with faith in self and the creator and to serve humanity.

CORPORATE SOCIAL RESPONSIBILITY

PARTICIPATING IN SOCIETAL DEVELOPMENT

Healthcare and Awareness

Free Eye treatment

Srei Foundation with the support of Shankar Netralaya in Chennai, provides specialised eye treatment free of cost to survivors of acid violence.

Anti-drug awareness campaign

Srei Foundation creates social awareness about drug addiction among the youth through informal and entertainment channels. This programme is supported by the police department and the narcotics bureau.

Environment

Plantation drive

Tree saplings were procured from various nurseries and large scale plantation drives were undertaken. Besides this, median and avenue plantation projects were also undertaken.

Education

Skill development initiative schemes

Srei Foundation is continuing impart vocational and skill development programmes at Falta, South 24 Parganas, West Bengal, since 2013. Vocational training on different industrial trades have been provided to underprivileged and unemployed youths, free of cost.

Skill development scheme for women

Srei Foundation has set up a sewing and embroidery training centre for empowering women and helping them to achieve self-reliance and financial independence by providing vocational training. On successful completion of the course, the women can become self-sufficient and earn their livelihood to support their family.

Computer Training Hub

Various training centres have been set up for Computer Concept Courses (CCC) and Basic Computer Courses (BCC). In association with the Inner Wheel Club, Kolkata, a computer training centre has also been opened for the survivors of acid attack and underprivileged women.

Educational support through scholarships and financial assistance

Srihari Global IISD Foundation provides guidance and training support to the underprivileged persons who are aspiring to get Government jobs by organising preparatory courses for job-oriented competitive examinations absolutely free of cost. It also provides necessary support to a school of underprivileged children located in the slums of Tiljala area of Kolkata. The Foundation has also tied up with various social bodies to provide financial assistance to underpriviliged meritorious students to pursue higher studies. It has also introduced the 'Vivekananda Merit Scholarship' by sponsoring the education fees of needy students of various schools. Monthly financial grants for the maintenance, procurement of furniture and water filters, among others. have also been provided to many schools.

Suryodaya Trust

The Suryodaya Trust manages and supports the education of a large number of underprivileged children from urban slums It also provides the students textbooks, notebooks school uniforms and free mid-day meals.

ANALYSIS OF FINANCIAL STATEMENT 2020-21

1. Analysis of Consolidated Balance Sheet

Highlights, 2020-21

Capital to Risk Asset Ratio was 25.83% as on March 31, 2021 against 21.37% as on March 31, 2020.

Assets:

Cash and Cash Equivalents

Cash and cash equivalents have increased by about 12% to ₹ 435 crore as on March 31, 2021 as against ₹ 389 crore as on March 31, 2020.

Bank Balance

Bank Balance have decreased by about 24% to ₹ 1,008 crore as on March 31, 2021 as against ₹ 1,331 crore as on March 31, 2020.

Derivative financial instruments

Derivative financial assets have decreased by about 97% to ₹ 9 crore as on March 31, 2021 as against ₹ 300 crore as on March 31, 2020. This represents mark-to-market value of derivative contracts.

Trade Receivables

Trade receivables have decreased by about 76% to ₹ 44 crore as on March 31, 2021 as against ₹ 181 crore as on March 31, 2020. Due till three month have decreased from ₹ 174 crore in previous year to ₹ 38 crore as on March 31, 2021.

Loans

This largely comprises of outstanding equipment finance & infrastructure finance loans given to customers. Net Loans decreased from ₹ 28,816 crore as on March 31, 2020 to ₹ 21,549 crore as on March 31, 2021, which include credit extended in the nature of Term loan, Leasing, intercorporate deposit and Letter of Credit. The gross outstanding balance under these categories moved from ₹ 30,187 crore, ₹ 61 crore, ₹ 2 crore and ₹ 171 crore respectively as on March 31, 2020 to ₹ 27,696 crore, Rs 85 crore, ₹ 2 crore and ₹ Nil as on March 31, 2021. Provision towards impairment loss allowance has increased from ₹ 1,605 crore as on March 31, 2020 to ₹ 6,233 crore as on March 31, 2021.

Investments

Investments have increased by about 26% from ₹ 1,307 crore as on March 31, 2020 to ₹ 1,643 crore as on March 31, 2021.

Other Financial Assets

Other Financial Assets have marginally decreased from ₹ 935 crore as on March 31, 2020 to ₹ 924 crore as on March 31, 2021, a decrease of about 1%.

Deferred Tax Assets (Net)

Deferred Tax Assets has decreased from ₹ 233 crore as on March 31, 2020 to ₹ 3 crore as on March 31, 2021.

Property, Plant and Equipment

Group's net block (including CWIP) was ₹ 2,653 crore as on March 31, 2021 as against ₹ 3,667 crore as on March 31, 2020. There were disposals of assets under operating lease category during 2020-21 with no major additions, which resulted in decline of net block. Further, on account of depreciation charge for the year, net block has decreased.

Other Non-Financial Assets

Other Non-Financial Assets have decreased from ₹ 562 crore as on March 31, 2020 to ₹ 485 crore as on March 31, 2021, a decrease of about 14%. This is mainly due to decrease in repossessed assets and assets acquired in satisfaction of debt from ₹ 477 crore as on March 31, 2020 to ₹ 384 crore as on March 31, 2021.

Liabilities:

Derivative Financial Instruments

Derivative liability decreased from ₹ 42 crore as on March 31, 2020 to ₹ 12 crore as on March 31, 2021. This represents mark-to-market value of derivative contracts.

Debt Securities

Debt Securities decreased from ₹ 2,627 crore as on March 31, 2020 to ₹ 2,441 crore as on March 31, 2021. Secured Debentures was ₹ 2,403 crore as on March 31, 2021 as against ₹ 2,590 crore in previous year.

Borrowings (Other than Debt Securities)

Secured loan (Other than debt securities) increased from ₹ 25,296 crore as on March 31, 2020 to ₹ 25,703 crore as on March 31, 2021. Secured loans comprised Term Loans, Working Capital Facilities and Collateral Borrowings.

Unsecured loan (Other than debt securities and subordinated liability) decreased from ₹ 1,549 crore as on March 31, 2020 to ₹ 772 crore as on March 31, 2021. Sourcing of funds through commercial paper was ₹ Nil as on March 31, 2021 as against ₹ 686 crore as on March 31, 2020.

Borrowings (other than debt securities and subordinated liability) comprise 90% rupee denominated and 10% foreign currency denominated debt as on March 31, 2021 as against 89% and 11% respectively in previous year.

Subordinated Liabilities

Subordinated liabilities decreased from ₹ 2,848 crore as on March 31, 2020 to ₹ 2,785 crore as on March 31, 2021.

Payables

Payables decreased from ₹ 1,135 crore as on March 31, 2020 to ₹ 93 crore as on March 31, 2021. Acceptances liability was ₹ Nil as on March 31, 2021 as against ₹ 173 crore in previous year. Other than Acceptances liability also decreased from ₹ 959 crore in previous year to ₹ 89 crore as on March 31, 2021.

Other Financial Liabilities

Other Financial Liabilities decreased by about 18% from ₹ 300 crore in previous year to ₹ 245 crore as on March 31, 2021. Trade deposit amount decreased from ₹ 231 crore in previous year to ₹ 154 crore as on March 31, 2021.

Other Non-Financial Liabilities

Other Non-Financial Liabilities decreased by about 29% from ₹ 119 crore as on March 31, 2020 to ₹ 85 crore as on March 31, 2021.

Equity Share Capital

Share capital comprised of 503086333 equity shares with a face value of ₹ 10 totaling to ₹ 503 crore. There was no increase in equity capital as compared to the previous year. As on March 31, 2021 Promoters' holding constituted 60.80%.

Other Equity: On account of loss during the year 20-21, Group's Other equity decline from ₹ 3,519 crore as on March 31, 2020 to negative ₹ 3,682 crore as on March 31, 2021.

2. Review of Consolidated Statement of Profit and Loss

Highlights, 2020-21

Total income was ₹ 3,488 crore in 2020-21 as against ₹ 6,120 crore in 2019-20.

Assets under management moved from ₹ 44,823 crore in 2019-20 to ₹ 39,498 crore in 2020-21.

Loss before tax was ₹ 7,179 crore during 2020-21 as against profit before tax for ₹ 142 crore in 2019-20.

Loss after tax was ₹ 7,338 crore during 2020-21 as against profit after tax for ₹ 89 crore in 2019-20.

Earnings per equity share was negative ₹ 145.87 in 2020-21 as against positive Earnings per equity share for ₹ 1.76 in 2019-20.

Revenue

Group revenue was ₹ 3,488 crore in 2020-21 as against ₹ 6,120 crore in 2019-20.

Revenue from Operations decreased from ₹ 6,177 crore in 2019-20 to ₹ 3,431 crore in 2020-21. Interest income was ₹ 2853 crore in 2020-21 as against ₹ 3868 crore in 2019-20. Rental Income was ₹ 466 crore in 2020-21 as against ₹ 1207 crore in 2019-20. Net gain on derecognition of financial instruments decreased from ₹ 484 crore in 2019-20 to ₹ 3 crore in 2020-21. Net gain on fair value changes was Rs Nil in 2020-21 as against ₹ 371 crore in 2019-20. Fee and Commission Income decreased from ₹ 118 crore in 2019-20 to ₹ 62 crore in 2020-21.

Expenses

Group's expenses (excluding impairment on financial instruments) has decreased by about 8% from ₹ 5,579 crore in 2019-20 to ₹ 5,153 crore in 2020-21.

Net loss on fair value changes has increased from ₹ Nil in 2019-20 to ₹ 499 crore in 2020-21.

Impairment on financial instruments (net) has increased from ₹ 412 crore 2019-20 to ₹ 5,513 crore in 2020-21.

Employee cost decreased by about 27% from ₹ 196 crore in 2019-20 to ₹ 143 crore in 2020-21.

Depreciation, amortization and impairment expense decreased by about 6% from ₹ 785 crore in 2019-20 to ₹ 735 crore in 2020-21.

Administrative & other expenses decreased by about 12% from ₹ 245 crore in 2019-20 to ₹ 216 crore in 2020-21.

Loss /write-off on Repossessed Assets and Assets acquired in satisfaction of debt decreased by about ₹ 43% from ₹ 218 crore in 2019-20 to ₹ 125 crore in 2020-21.

Finance Costs

Finance costs decreased by about 15% from ₹ 3,909 crore in 2019-20 to ₹ 3,334 crore in 2020-21.

Taxation

Group total tax expense increased from ₹ 53 crore in 2019-20 to ₹ 160 crore in 2020-21.

	Total Income	Disbursement	Asset under Management
10 Year CAGR	4%	-22%	3%

SREI

Consolidated

Assets	2020-21		2019-20		Y-O-Y Change (%)
	Amount (₹ in Crore)	Percentage of Total	Amount (₹ in Crore)	Percentage of Total	
Financial Assets					
Cash and Cash Equivalents	435	1.50	389	1.02	12%
Bank Balance	1,008	3.48	1,331	3.50	-24%
Derivative Financial Instruments	9	0.03	300	0.79	-97%
Trade Receivables	44	0.15	181	0.48	-76%
Loans	21,549	74.30	28,816	75.84	-25%
Investments	1,643	5.66	1,307	3.44	26%
Other Financial Assets	924	3.19	935	2.46	-1%
Non-Financial Assets					
Inventories	-	-	-	-	0%
Current Tax Assets (Net)	187	0.64	209	0.55	-11%
Deferred Tax Assets (Net)	3	0.01	233	0.61	-99%
Investment Property	17	0.06	18	0.05	-6%
Property, Plant and Equipment	2,653	9.15	3,665	9.65	-28%
Rights-of-use - Assets	28	0.10	34	0.09	100%
Capital Work-in-Progress	-	-	2	0.01	-100%
Goodwill on Consolidation	7	0.02	8	0.02	-13%
Other Intangible Assets	12	0.04	4	0.01	200%
Other Non-Financial Assets	485	1.67	562	1.48	-14%
Total	**29,004**	**100.00**	**37,994**	**100.00**	**-24%**

Liabilities	2020-21		2019-20		Y-O-Y Change (%)
	Amount (₹ in Crore)	Percentage of Total	Amount (₹ in Crore)	Percentage of Total	
Financial Liabilities					
Derivative Financial Instruments	12	0.04	42	0.11	-71%
Payables	93	0.33	1,135	2.99	-92%
Debt Securities	2,441	8.42	2,627	6.92	-7%
Borrowings (Other than Debt Securities)	26,476	91.28	26,845	70.66	-1%
Subordinated Liabilities	2,785	9.60	2,848	7.50	-2%
Lease Liabilities	31	0.11	36	0.09	100%
Other Financial Liabilities	245	0.84	300	0.79	-18%
Non-Financial Liabilities					
Provisions	14	0.05	20	0.05	-30%
Other Non-Financial Liabilities	85	0.29	119	0.31	-29%
Equity					
Equity Share Capital	503	1.73	503	1.32	0%
Other Equity	(3,682)	(12.69)	3,519	9.26	-205%
Non-controlling Interests	1	-	-	-	0%
Total	**29,004**	**100.00**	**37,994**	**100.00**	**-24%**

PROFILE OF DIRECTORS

Mr. Hemant Kanoria, Chairman

He has over 41 years of experience in industry, trade and financial services. He has held several prestigious positions like President of Calcutta Chamber of Commerce, Chairman of the FICCI National Committee on Infrastructure and served on the Board of Governors of Indian Institute of Management, Calcutta (IIM-C), Indian Institute of Information Technology, Guwahati, Neotia University and New Delhi Institute of Management besides being a past Member of the Regional Direct Taxes Advisory Committee, Government of India.

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

He is a chartered accountant with more than 31 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 (CIDC) and is a council member of The Institute of Chartered Accountants of India (ICAI). He is also presently the honorary consul of Spain in Kolkata, with jurisdiction over the State of West Bengal.

Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director

A seasoned professional, he has over 47 years of experience in Retail, Commercial, Investment Banking and NBFC. Associated with the State Bank of India for 26 years, he has extensive exposure in the area of International Banking at SBI, London and as the Chief Representative in Washington DC having worked closely with IFC, World Bank and IMF. He was the Executive Director with Axis Bank (formerly UTI Bank) wherein he was instrumental in developing the bank's business model and strong business processes enabling it to evolve into a leading player in the industry. He has been associated with Srei in various capacities for developing business, audit, compliance, HR & IT processes as well as risk management. In addition, he has also served as a Member of the Board of Directors of Nabil Bank, Nepal.

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

Dr. (Mrs.) Punita Kumar Sinha has focused on investment management and financial markets during her 31 year career. She also has significant governance and Board experience across India and North America. She has also been investing in emerging markets since the late 1980s and pioneered some of the first foreign investments into the Indian subcontinent in the early 1990s. Currently, she is the Founding Partner, Pacific Paradigm Advisors, an independent investment advisory and management firm focused on Asia. She is also a Senior Advisor and serves as an Independent Director for several companies. She is also on the Board of Governors of CFA Institute, USA. Prior to this, she was a Senior Managing Director of Blackstone and the Chief Investment Officer of Blackstone Asia Advisors. She is a Doctorate from the Wharton School of University of Pennsylvania.

Mr. Ram Krishna Agarwal, Non-Executive & Independent Director

Mr. Ram Krishna Agarwal has over 46 years of experience in various fields like Audit, Taxation, Company Law, Consultancy etc. He has been a Partner with S. R. Batliboi & Co. (Member firm of Ernst & Young in India) since 1978 and was the Managing Partner of the Firm at the time of his retirement in June, 2013. Mr. Agarwal is the past President of The Institute of Internal Auditors, India and was a Member of the Central Council of The Institute of Chartered Accountants of India during 1991-97. Mr. Agarwal is connected with various Chambers of Commerce and is a past Chairman of CII (Eastern Region). He was the National Chairman of Direct Tax Sub - Committee of CII in the year 2013-14.

Mr. Malay Mukherjee, Non-Executive & Independent Director

Mr. Mukherjee has over 42 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 the Chairman of Institute of Leadership Development, Jaipur. Additionally, he was also a member of the Governing Body of Entrepreneurship Development Institute of India (EDII), Ahmedabad. Presently, he is in the Board of NBFC, other companies in India and also Director of NABIL Bank, Nepal.

Dr. (Mrs.) Tamali Sengupta, Non-Executive & Independent Director

Dr. (Mrs.) Tamali Sengupta has over 35 years of experience in the legal field and is a specialist in transnational legal transactions in media, real estate development, insurance and infrastructure. She is a widely published author and is a Fellow of the Centre of International Legal Studies at Salzburg. She has a Phd from Stanford University USA. She is the Principal of T. Sen Gupta & Associates, a corporate law practice based in New Delhi, which provides advice on corporate law, entertainment law, intellectual property, insurance, project finance, corporate governance, and privatisation. Dr. (Mrs.) Sengupta has extensive experience in international joint-ventures, collaboration and licensing agreements, mergers and acquisitions. She has represented multinational corporations relation to joint-ventures in India and represented Indian companies in joint-ventures overseas and with foreign investors.

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

Dr. (Mrs.) Deepali Pant Rajeev Joshi, Additional Director (Category: Non-Executive & Independent)

Dr. (Mrs.) Deepali Pant Rajeev Joshi holds a Ph.D. degree in Politics, B.A from University of Allahabad, L.L.B. from University of Lucknow, Diploma in Management from I.G.N.O.U., Delhi. She has done Masters of Arts (MA) in Political Science and International relations. She has also done postdoctoral work in Finance and Economics from the University of Harvard and is a fellow of the Harvard University Asia Centre. She was associated with the Reserve Bank of India (RBI) since 1981 and has served at the Central Office/ Regional Offices of the RBI. She has headed as an Executive Director Position in RBI. She has over 42 years of experience in macro-economic policies with regard to Banking Services.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Thirty-Sixth Annual Report together with the Audited Accounts of your Company for the financial year ended March 31, 2021. The summarised consolidated and standalone financial performance of your Company is as follows:

FINANCIAL SUMMARY & STATE OF AFFAIRS

(₹ in Lacs)

Particulars	Consolidated		Standalone	
	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2021	Year ended 31st March, 2020
Total Income	3,48,754	6,12,032	5,001	11,446
Total Expenses (including impairment on financial instruments, depreciation etc.)	10,66,635	5,99,083	8,518	13,222
Profit / (Loss) Before Exceptional Items & Tax	**(7,17,881)**	**12,949**	**(3,517)**	**(1,776)**
Exceptional Items (Expense)	**-**	**-**	**3,10,455**	**-**
Adjustment / gain on disposal/cessation of Subsidiaries and Associate	**-**	**1,222**	**-**	**-**
Profit / (Loss) Before Tax from continued operations	**(7,17,881)**	**14,171**	**(3,13,972)**	**(1,776)**
Profit / (Loss) Before Tax from discontinued operations	-	-	-	3,769
Profit / (Loss) Before Tax	**(7,17,881)**	**14,171**	**(3,13,972)**	**1,993**
Current Tax*	115	4,347	-	-
Income Tax in respect of earlier year*	(4,387)	-	(54)	-
Deferred Tax*	20,230	949	(19,446)	637
Profit / (Loss) After Tax but before Loss of Associate	**(7,33,839)**	**8,875**	**(2,94,472)**	**1,356**
Share of Profit/(Loss) of Associate	-	-	-	-
Profit / (Loss) After Tax before adjusting Minority Interest	**(7,33,839)**	**8,875**	**(2,94,472)**	**1,356**
Non-Controlling Interest	81	(9)	-	-
Profit / (Loss) After Tax after adjusting Minority Interest	**(7,33,920)**	**8,884**	**(2,94,472)**	**1,356**
Surplus brought forward from previous year (Retained Earnings)	(39,663)	(86,804)	36,288	12,511
Other Comprehensive Income (net of tax)	13,771	(13,671)	13,927	(15,797)
Profit Available for Appropriation (Retained Earnings)	**(7,73,308)**	**(77,907)**	**(2,58,162)**	**13,900**
Paid-up Equity Share Capital	50,309	50,309	50,309	50,309
Amount transferred to Reserves	(4,46,032)	(38,224)	-	(22,388)
Other Equity excluding Revaluation Reserves	(3,68,209)	3,51,929	(46,587)	2,33,958
Earning Per Share (₹)*	(145.87)	1.76	(58.53)	0.27

*Standalone figure for the year ended March 31, 2020 is from continuing and discontinued operations.

OPERATIONAL REVIEW

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

- Total Income is ₹ 5,001 Lacs as against ₹ 11,446 Lacs in the last year.
- Profit/(Loss) before taxation is ₹ (3,13,972) Lacs as against ₹ 1,993 Lacs in the last year.
- Net Profit/(Loss) after taxation is ₹ (2,94,472) Lacs as against ₹ 1,356 Lacs in the last year.
- The total assets under management of the Srei Group is ₹ 39,49,850 Lacs as against ₹ 44,82,331 Lacs in the last year.

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

Particulars	2020-21 (%)	2019-20 (%)
Return on Net worth	Negative	0.47
Yield on Average Funds	Nil	11.38
Cost of Funds	10.00	9.62
Gross Interest Spread	Nil	1.76
Return on Average Assets on Books	Negative	0.12
Capital to Risk Assets Ratio (CRAR)	25.83	21.37

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

Return on Networth is negative since Loss After Tax of your Company during the Financial Year 2020-21 was ₹ 2,944.72 Crores compared to Profit After Tax of ₹ 13.56 Crores in Financial Year 2019-20, while Networth stands at negative ₹ 60.79 Crores in Financial Year 2020-21 compared to ₹ 2,872.90 Crores in Financial Year 2019-20.

Owing to the ongoing Covid-19 pandemic followed by extended lockdown, the collection and realisation of Srei Equipment Finance Limited (SEFL), wholly owned subsidiary of your Company from the borrowers/customers were severely impacted during the year ended on March 31, 2021 and resulted in higher delinquencies by customers. SEFL has done impairment provision for ₹ 5,346.44 Crores during the Quarter ended on March 31, 2021 and ₹ 5,448.86 Crores during the Financial Year ended on March 31, 2021 under Expected Credit Loss (ECL) provision and in compliance to the requirement of Indian Accounting Standards (Ind AS) and applicable Regulatory guidelines. Consequently, SEFL has reported loss after tax of ₹ 7,157.97 Crores for the Quarter ended on March 31, 2021 and ₹ 7,136.11 Crores for the Financial Year ended on March 31, 2021, which resulted in net worth erosion of SEFL.

Considering the above facts, your Company has assessed the carrying amount of its investment in SEFL in compliance with Ind AS and has made an impairment provision of ₹ 3,104.55 Crores during the Quarter and Financial Year ended on March 31, 2021 bringing down the carrying amount of its investment in SEFL to ₹ 1. This has resulted in negative net worth of your Company.

Gross Interest Spread is computed as the difference between yield on average funds and cost of funds. Since your Company has not done any lending business during the year, there is no interest income and hence Gross Interest Spread is nil.

Return on Average Assets on Books is negative since there is loss in your Company due to impairment provisions on Investments.

The Financial Statements of your Company have been prepared in accordance with the Ind AS and the relevant provisions of the Companies Act, 2013 and rules made therein, as applicable and Regulation 48 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations, 2015'). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. Your Company discloses standalone and consolidated unaudited financial results on a quarterly basis, which are subjected to limited review, and standalone and consolidated audited financial results on an annual basis.

Your Company has been complying 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 from time to time as per their circulars.

TRANSFER TO RESERVES

Your Company has not transferred any amount to reserves due to losses incurred during the Financial Year ended on March 31, 2021.

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, utilisation of retained earnings, procedure for dividend declaration etc. The Dividend Distribution Policy is available on your Company's website at https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf.

However, due to absence of profits, the Board of Directors of your Company has not recommended any dividend on Equity Shares of your Company for the Financial Year ended on March 31, 2021.

PUBLIC DEPOSITS

Your Company decided not to accept any further public deposits or renew such maturing deposits in any manner w.e.f. April 20, 2010 and the entire amount of outstanding public deposits as on April 19, 2010 together with interest promised to the depositors, was kept in an Escrow Account with a scheduled commercial bank for the purpose of making payment to the depositors as and when they raise the claim. As on March 31, 2021, your Company does not have any unpaid/unclaimed deposits payable to the depositors.

Being a Non Banking 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.

PROMOTERS' GROUP SHAREHOLDING

As on March 31, 2021, 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.

COMPANY'S VISION AND MISSION STATEMENT

The Board of Directors of your Company at its meeting held on June 30, 2021 approved and adopted the revised Vision and Mission Statement of your Company as follows:

Vision

To foster infrastructure creation and development.

Mission

To enable implementation of infrastructure in a socially effective and efficient manner.

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

During the Financial Year 2019-20, the Board of Directors of your Company and Srei Equipment Finance Limited (SEFL), wholly owned subsidiary of your Company at their respective meetings held on July 04, 2019, had for the purposes of consolidation of lending business approved the transfer, assignment and delivery of the Lending Business, Interest Earning Business & Lease Business of your Company together with associated employees, assets and liabilities (including liabilities towards issued and outstanding non-convertible debentures), ('Transferred Undertaking') as a going concern by way of slump exchange to SEFL through a Business Transfer Agreement (BTA), in exchange of fully paid up equity shares to be issued and allotted by SEFL, subject to all necessary approvals.

Pursuant to the aforesaid, BTA was signed and executed by your Company and SEFL on August 16, 2019. Pursuant to the said BTA, the entire fund-based business division of your Company along with all its assets and liabilities has been transferred to SEFL with effect from October 01, 2019. Further, an amendment to the aforesaid BTA was executed on November 14, 2019 with SEFL. Pursuant to this, your Company has entered into various assignment agreements, in connection with the Transferred Undertaking, with SEFL to give effect of the slump exchange and accordingly your Company and SEFL has passed the relevant accounting entries in their respective books of account effective October 01, 2019, after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some or the domestic lenders including lead banks. One of debenture holders of SEFL holding debentures amounting to ₹ 75 Crores has objected to the slump exchange.

The consent or otherwise of other lenders is still awaited. Your Company has obtained expert legal and accounting opinions in relation to the accounting of the Slump Exchange Transaction which confirms that the accounting treatment so given is in accordance with the relevant Indian Accounting Standards (Ind AS) and the underlying guidance and frame work.

Moreover, SEFL has also proposed the Schemes with its Creditors and the application to that effect has been filed with the Hon'ble National Company Law Tribunal, Kolkata (NCLT). BTA, inter alia, constitutes an integral part of the Scheme. Pending final decision in the matter, SEFL and your Company has maintained status quo for BTA as per the directions of Hon'ble NCLT.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC REVIEW

The 'Great Lockdown' which resulted from the Covid-19 pandemic had brought the global economy to a virtual standstill. As per the International Monetary Fund (IMF), after experiencing a contraction of 3.3 per cent in 2020, the global economy is set to grow by 6.0 per cent in 2021 and then by 4.4 per cent in 2022. Although countries are actively collaborating to carry out a global vaccination drive, the mutating nature of the virus and the emergence of new variants are making the future uncertain. A full-fledged recovery is still some time away.

To arrest the spread of this virus in India, a national lockdown was announced in end-March, 2020. As a result, the Indian economy contracted by 7.3 per cent in Financial Year 2020-21 after growing at a rate of 4 per cent in Financial Year 2019-20. The Country went into a brief recession as the first two quarters of Financial Year 2020-21 registered negative GDP growth. However, the Government was proactive in addressing the urgent needs of the most vulnerable segments of the society and announced a number of initiatives aimed at reviving growth under the 'Atmanirbhar Bharat' programme. At the same time the Reserve Bank of India (RBI) reduced the policy rates and had taken a number of measures to preserve financial stability. Thanks to these measures, the economy did come out of the recession in the third quarter and a nascent recovery was visible, but the emergence of a more virulent second wave halted the recovery. With state governments resorting to localised lockdowns and focused containment measures this time, the supply-chain got disrupted once again and this even started pushing up inflation and now with a likely third wave around the corner, the year ahead is likely to witness tepid growth. Although the RBI has predicted a 9.5 per cent GDP growth for India in Financial Year 2021-22, any projection at this stage can prove to be premature.

Even before the pandemic, the economy was steadily losing momentum. The prolonged slowdown has severely curbed consumption and, in turn, fresh investments for fresh capacity creation. The disruption caused by the pandemic created enormous stress in the financial sector as well. The cumulative downside risks have adversely impacted India's sovereign credit rating.

The supply-side disruptions have started pushing up inflation even when there is no significant pick-up in consumption demand. In this backdrop, the RBI is likely to continue its accommodative stance, but chances of any further reduction in policy interest rates are minimal as inflationary trends are clearly visible.

However, there have been some bright spots amidst all the gloom. After recording a total FDI (equity + re-invested earnings + other capital) of USD 74.39 billion in Financial Year 2019-20, India was able to attract FDI worth USD 81.72 billion in Financial Year 2020-21. India's foreign exchange reserves continued to accumulate and presently it stands at over USD 600 billion, much of which was due to a sharp narrowing of the trade deficit in Financial Year 2020-21. These augur well for the economy and reflect the global investor's bullishness on the India Story.

The need of the hour is to restart the economy by rapidly scaling up the pace of vaccination and to draw up a massive government spending plan on infrastructure. The government is well aware that the only way to regain the lost economic momentum is through rapid infrastructure creation as it leads to multiple spin-offs in terms of generating new employment, creating entrepreneurship opportunities, fuelling domestic demand through upstream and downstream linkages and crowding in private investment in due course.

IMPACT OF THE PANDEMIC ON THE NBFCs

In India, as on January, 2021, there were 9,507 Non-Banking Financial Companies (NBFCs). These entities play an active role in promoting financial inclusion as well as in nation building. They cater to the funding needs of the Micro, Small and Medium Enterprises (MSMEs) and also provide structured credit especially to those companies which are involved in the infrastructure sector in services like construction and transportation.

Because of the pandemic, the NBFCs have had a second consecutive challenging year. While the flow of funds to NBFCs from the institutional sources had significantly dried up in Financial Year 2019-20, the pandemic resulted in a drastic fall in revenues in Financial Year 2020-21 as the Reserve Bank of India (RBI) actively intervened to alleviate the problems of the borrower community. In the various COVID schemes introduced by the RBI, the NBFCs have been included only to fulfill their role as lenders. The fact that the NBFCs, as borrowers, have also been facing the same difficulty as other borrowers, has largely been overlooked.

During the first wave, due to lack of adequate clarifications from the RBI, the moratorium was not extended to certain NBFCs by some of their lenders (institutions like SIDBI and NABARD and several banks). Under the August 06, 2020 'Resolution Framework' circular from RBI, the NBFCs were not allowed to go for a one-time restructuring of their loans. But the NBFCs had to extend the moratorium benefits to their stressed borrowers and also allow interested borrowers to avail the resolution window, as per the RBI guidelines. The NBFCs, as lenders, have also not received coverage under Resolution 2.0 framework.

The resultant mismatch in cash flows has created structural liquidity problems for the NBFCs, whether involved in retail lending or wholesale lending. Already the business model of some of these NBFCs, which are into structured credit, is under threat, especially those which have extended credit facilities primarily to infrastructure companies. This being a sector which was stagnating even before the pandemic, most customers in this sector have witnessed severe disruption in their cash flows due to the pandemic and its continuation. Thus, these NBFCs have not witnessed any improvement in the collections.

Although they perform many of the same functions as banks, the NBFCs have been subject to asymmetrical regulations vis-à-vis the banks. Even before the pandemic, there has been a regulatory convergence of the NBFCs with the banks, but only from the asset side and not the liability side. As a result of this, the NBFCs have not been able to derive the maximum benefits from the co-lending model introduced by the RBI so that both banks and NBFCs can benefit from each other's core expertise.

The options for raising resources remain very limited for NBFCs. Although the RBI opened a special liquidity window for the NBFCs, only the ones owned by government or backed by big corporate houses and with superior ratings were able to access it.

While the RBI serves as a lender of last resort for the banks, the NBFCs have no such recourse. Ideally, an institution should be created exclusively for refinancing NBFCs in the lines of the National Housing Bank (which refinances Housing Finance Companies).

As the second wave has spread into the hinterland where a significant portion of NBFCs' clients reside, it will be another challenging year for the NBFC sector. The NBFCs are already facing renewed asset quality risks and liquidity risks. The adverse impact of this on the securitisation market will further thwart fund-raising for NBFCs, at least in the near term.

During the year under review, several other regulatory amendments were made by the RBI which will have a significant impact on the NBFC sector:

- NBFCs, as well as banks, were instructed to adhere to Fair Practices Code and Outsourcing Guidelines regarding the loans sourced by them over Digital Lending Platforms.
- Draft guidelines on dividend distribution by NBFCs (effective financial year beginning April 01, 2020) were proposed to infuse greater transparency and uniformity. Only those NBFCs which comply with the minimum prudential requirements (inter alia w.r.t. the Capital Adequacy, Leverage Ratio, net NPA ratio and other conditions) would be eligible to declare dividend.
- Guidelines on appointment of Statutory Auditors for commercial banks, urban co-operative banks (UCBs) and NBFCs are to be harmonized to enable these supervised

entities to appoint audit firms as per their needs in a timely, transparent and effective manner.

- A discussion paper outlining a 4-layered classification of NBFCs with varied regulatory intensity has been proposed and the classification is done on the basis of parameters like asset size, type of liabilities and their relative systemic importance.
- Entry-point requirement for new NBFC registrations is proposed to be increased from ₹ 20 million to ₹ 200 million and existing NBFCs falling short need to measure up within given a timeframe.
- RBI has conditionally allowed investments from or through Financial Action Task Force (FATF) non-compliant jurisdictions, whether in existing NBFCs or in companies seeking Certification of Registration, provided investors from such jurisdictions should not directly or indirectly acquire 'significant influence' in the NBFC, as outlined under applicable accounting standards.
- Minimum loan size from NBFCs reduced from ₹ 0.5 million to ₹ 0.2 million in order to become eligible for debt recovery under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002).
- As per new rules laid out by the RBI on December 15, 2020, banks have been disallowed from opening current accounts for customers that have cash credit or overdraft facilities with other banks. All transactions need to be routed through the cash credit (CC) / overdraft (OD) account. The new norms have created major operational challenges for NBFCs in terms of collections, choice of technology platform and ease of doing business.

Operational challenges for the NBFC sector make it more difficult for the MSMEs to sustain. For the MSMEs to weather this pandemic, it is necessary to have a vibrant NBFC sector. Therefore, the Government and the RBI must provide adequate regulatory support to the NBFCs, just the way they have been helping the banking sector in the last few years.

NBFCs are at a very crucial juncture in their life cycle and to ensure that they get over this crisis and continue to play their role in the society, appropriate regulations need to be framed on the basis of proper understanding of their business models. Subjecting them to the same regulations as banks without taking into account the nuances of their business models will only make them more vulnerable and most of them who are specialised and serving to meet a large portion of the nation's financial needs, are likely to become extinct. In case the regulatory convergence of banks and NBFCs is pre-decided, the systemically important NBFCs should be encouraged to convert into bank or merge with bank, provided they conform to the RBI's 'fit & proper' criteria and are willing to be subject to periodical checks.

BUSINESS OUTLOOK AND FUTURE PLANS

Given the ongoing economic uncertainty due to the pandemic and the regulatory challenges that the NBFCs have to cope with, your Company is in the process of re-inventing its business model. From here onwards, it will be focusing on the following three key areas:

- Recovery
- Resolution
- Realignment

The year under review has witnessed a sharp drop in financial assistance compared to the pre-pandemic years. This has been a conscious decision on part of the management keeping in mind the uncertainty that the pandemic has created. The focus is presently on the recovery of dues from the customers.

Your Company has been diligently adhering to the RBI guidelines in offering restructuring options to the distressed borrowers and is working out resolution of the stressed accounts in consultation with the clients.

Given the present circumstances, the management has taken a conscious decision to focus on equipment financing and leasing, which has been our forte and the reason behind our market leadership position in equipment financing built over 30 years. Our immediate priority is to steer your Company out of this crisis by fine-tuning the business model and realigning the outstanding debt with our creditors. For that, we are working towards guiding the fully owned operating subsidiary, Srei Equipment Finance Limited, to a stronger financial footing and to come out of the pandemic-induced stress unscathed. Meanwhile, your Company with its rich repository of domain knowledge across various infrastructure sectors, will become more active in the Infrastructure Advisory space which is bound to gain traction with the roll-out of the National Infrastructure Pipeline (NIP) with an envisaged investment of ₹ 111 Trillion over 5 (five) years.

All the infrastructure projects, the significantly increased budget allocations for healthcare sector and agriculture, along with the massive investments going into technology upgradation by both the government and corporate sectors, will open up significant asset financing opportunities. In doing this, your Company aims to leverage technology in a major way, thereby adapting to the 'new normal' of doing business. In this journey, your Company will also explore new avenues of capital and resource mobilisation and will also bring in new set of investors, if required.

BUSINESS REVIEW

During the year under review, your Company streamlined its operations and organisational design entirely focussed on Fee based activities – primarily Advisory services for Infrastructure Projects.

The still raging Pandemic has been devastating for your Company's clients and the macro economy as a whole and there have been several externalities related to the same. Your Company, however, has been steadfast in its commitment to the Infrastructure Advisory business and developing a competitive niche in the sector. Our teams and partners have stood up to the challenges through the year and as the overall macros improve, your Company expects to reap benefits in the chosen business.

FEE BASED ACTIVITIES

I. INFRASTRUCTURE PROJECT ADVISORY

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

a) Multilateral Funded Projects/Assignments

Your Company was able to secure two prestigious Asian Development Bank (ADB) funded Consulting assignments in the urban and tourism infrastructure domain in this fiscal. It signals the entry of your Company into these multilateral funded projects in India.

- Selection of Project Management Consultant (PMC) for 'Loktak Lake Eco-Tourism Project' in Manipur funded by ADB. This project entails establishment of an effective PMC to work in close co-ordination with the Client for preparation of Detailed Project Report (DPR), Bids, Bid Process Management, Transaction Management Services, Co-ordination with Ministry of Tourism/ Other funding agencies for securing funds/ grants and in intermittent design supervision.
- Selection of Consulting Services for Project Design and Management Consultant (PDMC): Project Readiness Financing for Improving Readiness of Integrated Urban Planning – funded by ADB. This project envisages development and preparation of a comprehensive strategy for integrated urban infrastructure development in 7 (seven) District Headquarter (DHQ) towns and 13-Urban Local Bodies (ULBs) in Tripura along with improved readiness of prioritised projects in the identified urban areas (amongst these identified DHQs and 13-ULBs), covering key economic/ border trade centers leading to increased external/ donor investments in urban infrastructure projects; and faster & more efficient development of urban infrastructure projects, better management of urban assets, and strengthened capacity of urban development agencies to deliver urban services.

b) Smart City Mission Programme

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

During the Financial Year 2020-21, both the projects have seen completion of detailed project reports along with floating of tenders partially under various categories for implementation.

c) Pradhan Mantri Awas Yojana – Urban (PMAY-U)

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

d) Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

AMRUT programme aims at enhancement of 5 (five) basic urban infrastructure precincts along with creation of a platform for GIS based mapping of city infrastructure. Your Company has been actively supporting this initiative and has been associated with the following:

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

e) Food Processing

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

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

f) Other Infrastructure Engagements

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

- Project Management Consultant (PMC) for implementation of 5 (five) specific Sewerage Schemes in Goa;
- Independent Engineer & Auditor for Food Corporation of India to oversee/ supervise setting up of Silos on Design, Build,

Finance, Own & Operate (DBFOO) basis for storage of food grains at Sangrur in Punjab and Kannauj in Uttar Pradesh;

- Appointment of Third Party Inspection Agency for Jal Jeevan Mission Project in Kargil District.

g) International Engagements

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

- Working as Transaction Advisor (TA) for setting up of Organic Medicine based farming & processing in India by MedLIFE GmbH iG, an Austrian group.

It is being anticipated that the next wave of opportunity in Government Advisory shall be across 2 (two) major areas (i) more technology and domain specific with even more strategic support like operational management of smart and specific infrastructures that are now being created; and (ii) on revamping more social attributes connected with livelihood missions in Urban spheres owing to the post pandemic era.

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

II. FINANCIAL SOLUTIONS ADVIOSRY

Your Company leveraged its financing and operating experience of around 30 (thirty) years to provide customised financing advisory solutions. The unique feature is an integrated offering to your Company's customer base encompassing both financial advisory and capital market services. Additionally, your Company has developed a deep understanding of the Insolvency and Bankruptcy Code (IBC) process through our relationships with various stakeholders involved in the Corporate Insolvency Resolution Process (CIRP).

During the year under review, your Company undertook various assignments pertaining to both IBC and normal transaction advisory mandates. The pandemic induced stress in the economy will continue to offer select opportunities in the future.

Looking Forward

We look forward to the future with a certain level of optimism as the pandemic recedes and capital investments in the economy picks up with a fresh cycle of growth and prosperity.

Your Company's integrated Advisory services covering Infrastructure Advisory, Capital Markets, Financing Solutions is well differentiated and your Company continues to build teams in readiness for the anticipated growth in business in the coming years.

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

INFRASTRUCTURE EQUIPMENT FINANCE - SREI EQUIPMENT FINANCE LIMITED

Srei Equipment Finance Limited (SEFL), a wholly-owned subsidiary of your Company, is registered with the Reserve Bank of India (RBI) as a systemically important non-deposit taking NBFC and is one of the significant financiers 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 is a key driver for the Indian economy and is responsible for driving the country towards a holistic development. According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDIs in the construction development sector (townships, housing, built up infrastructure and construction development projects) and construction (infrastructure) activities stood at USD 25.93 billion and USD 23.99 billion, respectively, between April, 2000 and December, 2020. According to industry experts, the logistics sector in India is expected to grow at a CAGR of 10.7 per cent between 2020-2024.

The infrastructure sector is considered as the backbone of the country's economy as it integrates projects on a large scale and strengthens its competitiveness on a global level. It is estimated that India should invest USD 4.5 trillion in Infrastructure by 2030 to support faster growth. India plans to spend USD 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country. The National Infrastructure Pipeline (NIP), which was launched in December, 2019 is a part of that attempt to invest USD 4.5 trillion. The NIP pipeline since then has been increased from 6,835 projects to more than 7,600 projects. The Government has suggested investment of ₹ 50 trillion (USD 750 billion) for railways infrastructure from 2018-30. India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for Development of Northeast to undertake strategic infrastructure projects for the region.

Union Budget 2021-22 rests on six pillars with one of key pillars being the infrastructure sector. In the current year's budget, the government has allocated 34.5 per cent more (budgeted estimate to budgeted estimate) than last year to infrastructure development amounting to ₹ 5.54 Lac Crores, and given equal emphasis to all physical infrastructure including roads and highways, railways, urban infrastructure, power, port, shipping and airways, and petroleum and natural gas. The Government has allocated ₹ 20,000 Crores to set up and capitalise a Development Financial Institution (DFI)–to act as a provider, enabler and catalyst for infrastructure financing and a ₹ 5 Lac Crores lending portfolio will be created under the proposed DFI in 3 (three) years. The Government will also nominate infrastructure debt funds that are eligible to raise finance by issuing tax-efficient zero-coupon bonds. The Budget has allocated ₹ 1,18,101 Crores, the highest ever outlay, for Ministry of Road Transport and Highways, of which

₹ 1,08,230 Crore is for capital expenditure. Under the Bharatmala Pariyojana, with an estimated investment of ₹ 5.35 lakh Crore, already 13,000 km of roads worth ₹ 3.3 lakh Crore have been awarded for construction. A large amount of money has been earmarked for ongoing and new economic corridors/expressways, and ₹ 1,10,055 Crore have been allocated to the Railways, of which ₹ 1,07,100 Crore is for capital expenditure with a promise to complete 100 per cent electrification of broad gauge routes by December, 2023.

Keeping the future in mind, the Indian infrastructure equipment sector is undergoing sweeping changes not just in terms of higher demand, but also due to the digitalisation and intelligentisation of manufacturing for rolling out highly advanced equipment. In view of the projected growth and government's 'Make in India' initiative, most Original Equipment Manufacturer (OEMs) are upgrading their manufacturing facilities in an intelligent and innovative way by using automation, robotic, and advanced technologies; producing high-tech machines that meet global quality standards.

The NBFC sector was moving towards a silent recovery when the Covid-19 pandemic struck in the last quarter of the year 2020 and stalled its recovery. The consolidated balance sheet of NBFCs decelerated in Financial Year 2019-20 due to stagnant growth in loans and advances surrounded with a challenging macroeconomic environment, weak demand compounded by risk aversion of the banks and FIs to lend to NBFCs, liquidity stress and rising borrowing costs in the wake of the IL&FS default. The initial phase of the lockdown due to pandemic was relatively higher on NBFCs since they were unable to function, however, towards the end of H1, the NBFC sector, especially that of NBFCs-ND-SI (non-deposit taking systemically important NBFCs) gained traction due to pick-up in loans and advances. However, while the asset quality for the overall NBFC sector deteriorated, the infrastructure sector bore the brunt more compared to the other sectors. This is expected to worsen in the coming months due to the economic damage inflicted by Covid-19 across segments.

While the infrastructure sector continues to enjoy the Government's focus in the long-term, the current fiscal is all about business continuity and survival for all businesses across all sectors including the construction equipment sector and the NBFC sector.

Despite the impact of Covid-19 pandemic, the Indian construction and mining equipment industry, backed by strong infrastructure demand in the second half of the fiscal, overcame the slump during the first 6 (six) months of Financial Year 2020-21 and registered a volume growth of 9 per cent year-on-year in Financial Year 2020-21. In the last 6 (six) months of the financial year, industry has grown by approximately 35 per cent (YoY). However, it is to be noted that the 9 per cent growth was mainly due to a lower base of the previous financial year since due to the aforementioned economic scenario, in Financial Year 2019-20, the CME unit sales had fallen by approximately 18 per cent year-on-year.

As the liquidity was constrained in general across the NBFCs, there was a market slowdown due to which there was a decline in disbursements across the sector. In the last financial year, SEFL focused entirely on collection of its dues. There were negligible disbursements as RBI had restricted any fresh disbursements. Due to the pandemic, there was an increase in delinquency and this has resulted in a massive increase in the NPA of SEFL. In Financial Year 2020-21, SEFL's total income decreased by 34 per cent to ₹ 3,455 crores and SEFL reported a net loss of ₹ 7,136 Crores. This was primarily due to increase in provisioning amounts. The total asset under management for the financial year 2021 was approximately ₹ 33,001 Crores (Rupees Thirty Three Thousand and One Crore only). In this challenging environment, SEFL has focused on recovery of dues to improve the collection and has directed all its efforts in reducing the NPA of SEFL. SEFL is re-engineering the business model through multiple stake holder partnerships with an endeavour to make the model sustainable.

Since the forthcoming year is extremely uncertain due to the second wave and contemplated third wave of Covid-19 as expected by medical experts, SEFL will enhance its focus on recovery of dues from customers, stabilisation of its operations, facilitating the ongoing debt resolution process and the capital raising process through investor engagement.

SCHEME OF ARRANGEMENT FILED BY SREI EQUIPMENT FINANCE LIMITED (SEFL), MATERIAL WHOLLY-OWNED SUBSIDIARY OF YOUR COMPANY

During the year under review, an application being Company Application (CAA) No. 1106/KB/2020 was filed by Srei Equipment Finance Limited (SEFL), material wholly-owned subsidiary of your Company for approval of a proposed Scheme of Arrangement with the Creditors (being the banks and financial institutions) and SEFL ("First Scheme") for re-alignment of debts under Section 230(1) of the Companies Act, 2013. The Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT) in the matter passed an Order on October 21, 2020 wherein it was directed that the Creditors of SEFL shall maintain status quo till further orders with respect to their respective contractual dues, claims and rights, and are estopped from taking any coercive steps including reporting in any form and/or changing the account status of SEFL and Srei Infrastructure Finance Limited ('your Company'). Further, pursuant to the aforesaid Order of the NCLT, a meeting of the Part III Creditors of SEFL (under the First Scheme) for approval of the proposed Scheme of Arrangement with the Creditors covered under the First Scheme and SEFL was held on December 16, 2020 and was declared lost by the Chairperson of the Meeting. The meeting of the Part IV Creditors covered under the First Scheme of SEFL is scheduled to be held on July 26, 2021.

Pursuant to the series of announcements made by the Reserve Bank of India (RBI) by way of various circulars majority of the borrowers of SEFL had sought a one-time restructuring of their loans, which had resulted in a cash flow mismatch in SEFL. Following the asset-liability mismatch and the fact that the cash flows of SEFL were currently being controlled by lender banks by way of the TRA led SEFL to file an application being Company Application (CAA) No. 1492/KB/2020 for approval of a proposed Scheme of Arrangement with its other set of Creditors ('Other Creditors') being the secured debenture holders, unsecured debenture holders, secured ECB lenders, unsecured ECB lenders, PDI holders and individual debenture holders of SEFL ('Second Scheme'). The Second Scheme in conjunction with the First Scheme shall ensure an orderly payment structure to the Creditors of SEFL in consonance with the cash flows of SEFL. The NCLT had passed an Order dated December 30, 2020 on the said application wherein, it had directed meetings of the Other Creditors to be held for the purpose of their considering, and if thought fit, approving, with or without modification, the Second Scheme. The NCLT further directed that till further orders, the Other Creditors (including representative security or debenture trustees) of SEFL covered under the Second Scheme shall maintain status quo with respect to their contractual terms dues claims and rights and the Other Creditors (including representative security or debenture trustees) and all governmental or regulatory authorities shall be estopped from taking any coercive steps including reporting in any form and/or changing the account status of SEFL from being a standard asset which will prejudicially affect SEFL and/or sanctioning and/or implementation of the Second Scheme. The NCLT also directed that the Credit Rating Agencies shall not consider any such non-payment to be a default under the respective debt documents and shall maintain the rating(s) of SEFL at least that of Investment grade.

Further, all payments to the Creditors of SEFL have been kept in abeyance pursuant to the NCLT Orders dated October 21, 2020 and December 30, 2020.

Further, as directed by the bankers, your Company and SEFL had opened the respective Trust and Retention Accounts (TRA) whereby all business and operational payments of your Company and SEFL are managed by the Bankers.

RESOURCES

During the year under review, your Company has not mobilised any additional resources.

The amount outstanding w.r.t. Unsecured Perpetual Non-Convertible Debentures (PDI) is ₹ 330 Crores (Rupees Three Hundred and Thirty Crores only) as on March 31, 2021.

Out of the above, PDI amounting to ₹ 320 Crores (Rupees Three Hundred and Twenty Crores only) are unlisted and PDI amounting to ₹ 10 Crores (Rupees Ten Crores only) are listed on the Stock Exchange.

Further, your Company received the consent of the Investors and Debenture Trustees for waiver of interest payable on listed and unlisted PDI for Financial Year 2020-21. Accordingly, pursuant to the consents received, the interest amount on the PDI amounting to ₹ 330 Crores (Rupees Three Hundred and Thirty Crores only was not due and payable by your Company for Financial Year 2020-21.

Further, the Board of Directors of your Company at its meeting held on June 30, 2021 approved raising of capital / funds through various modes by way of issue of one or more instruments as may be permitted under applicable laws and considered appropriate, subject to approval of the Members and other statutory authorities as may be required, for an amount (including upon conversion of warrants or other convertible securities into Equity shares) not exceeding ₹ 2,500 Crores (Rupees Two Thousand and Five Hundred Crore only).

RISK MANAGEMENT

In Indian Infrastructure space, your Company is playing a pivotal role for close to three decades. The risk management strategy of your Company is based on a clear understanding of various risks, adherence to well-laid risk identification, and assessment procedures and continuous monitoring.

Your Company's business has grown and risk management continues to be the core area of your Company's operation especially in an environment which is characterised by increasing uncertainties like Covid-19 pandemic. Given the imperatives of enhancing shareholders value whilst maintaining highest asset quality through optimal asset allocation on the backdrop of strong business growth, risk management holds the key.

Your Company's risk policies and procedures are derived from the guidance and relevant directives provided from time to time by the Reserve Bank of India (RBI) applicable for designated classifications of Non-Banking Finance Companies (NBFCs) that your Company is included in and other regulatory authorities and continuously bench marked with industry best practices.

The risk strategy of your Company is enunciated and overseen by the Risk Committee of the Board (RCB), an independent Board level sub-committee that strives to put in place specific policies, frameworks and systems for effectively managing the various risks. Policies approved from time to time by the Board of Directors or the RCB in consultation with other sub-committees of the Board, viz. Credit & Investment Committee (CIC) and the Asset Liability Management Committee (ALCO), constitute the governing framework for various types of risk and business activities undertaken within this policy framework.

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

In addition, to manage operational risk prudently, 'Know Your Customer (KYC) and 'Anti-Money Laundering (AML) Policy' are in place, which helps to prevent your Company from being used intentionally or unintentionally by criminal elements for money laundering.

It has been decided to outsource the implementation of full fledged Business Continuity Plan to a third party and vendor evaluation is currently under process and your Company expects to kick start the project by end of July, 2021. In regard to Disaster Recovery (DR), your Company's servers are entirely hosted on our AWS Cloud Data Centres in Asia Pacific (Mumbai) Region. As part of the policy, automated AMI (Amazon Machine Image) backups are performed daily, weekly and monthly for all servers (application as well as data) and also all databases are backed up daily. All these backups are stored on Amazon S3 which guarantees 99.99 per cent durability and 99.99 per cent availability by redundantly storing objects on multiple devices across multiple Availability Zones (Data Centres).

HUMAN RESOURCES ACTIVITIES

During the year under review, your Company experienced an unprecedented shift in the way of life and business due to the global pandemic of Covid-19 and had to quickly adapt to the new normal. The major shift was to encourage employees to work from home and maintain social distancing norms. To adapt to the new way of working, how we interact and how we experience work life balance was a major challenge. Your Company focused on employee engagement as the utmost prominent priority and ensured regular communication and organised reach out sessions from the leader's desk. Engagement activities with employees and also their family members were organised to connect with them digitally and motivate them during challenging times.

Your Company has continued to focus on leveraging technology and digitisation as a key part of its people strategy, driven by Human Resource Department (HR). Along with engagement, your Company focused on leveraging technology to impart virtual instructor led learning programmes to upskill and reskill employees and building organisational capability. Learning was also used as a tool to engage with employees across the country strengthening the collaborative culture.

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. Your Company focused on Wellness, Mental Health, Meditation as well as Financial Wellness sessions for employees to help them reduce anxiety, stress and build resilience.

With restrictions easing, your Company cautiously rotated back into working at the office and focused on ensuring a safe and hygienic environment. All employees were informed on return to work protocols.

The cloud-based Human Resource Management System (HRMS) which was launched earlier has been extracted to cover more areas of HR operations.

The employee count of your Company stands at 28 (Twenty Eight) as on March 31, 2021.

INFORMATION TECHNOLOGY

Adjusting to the new realities created by Covid-19 pandemic has been an incredible challenge which your Company was able to face successfully. From a technology perspective, the crisis has forced your Company to make massive changes – from meeting the needs served by suddenly shuttered workspaces, to scaling the tools required to connect entire workforces now isolated at home. Your Company seamlessly adopted the Work from Home model ensuring business continuity and workforce productivity.

Your Company operates in a highly automated environment and makes use of the latest technologies to support various operations. This throws up operational risks such as business disruption, risks related to information assets, data security, integrity, reliability and availability amongst others. In view of the same, your Company has established an information security architecture to assess its IT-related vulnerabilities and manage the existing and emerging cyber-security risks.

For your Company, cyber-security risk is a priority and your Company continues to develop and enhance its controls, processes and systems in order to protect its networks, computers, software and data from attack, damage or unauthorised access. Your Company's Cyber Security Operations Centre (C-SOC) has been operationalized during the financial year 2020-21 to continuously monitor and improve its security posture while preventing, detecting, analysing and responding to cyber security incidents.

Your Company is constantly making employees aware of Information Security which includes protecting information and information systems from unauthorised access, use or disclosure in addition to developing new technological innovations to ensure the absolute protection of all customers' data.

INTERNAL CONTROL AND AUDIT

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

Your Company's Internal Control System is commensurate with the nature of its business and the size and complexity of its operations and ensures compliance with policies and procedures.

The Internal Control Systems are being constantly updated with new / revised standard operating procedures.

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility (CSR) Committee of your Company has been constituted in line with the provisions of Section 135 of the Companies Act, 2013 ('the Act'). The Committee was re-constituted by the Board of Directors of your Company at its meeting held on July 28, 2020 by cessation of Mr. Sunil Kanoria and Mr. Shyamalendu Chatterjee as Members and induction of Mr. R. K. Agarwal and Dr. (Mrs.) Punita Kumar Sinha as Members w.e.f. August 01, 2020. The Committee was further re-constituted by the Board of Directors of your Company at its meeting held on April 23, 2021 by cessation of Mr. Hemant Kanoria as Chairman and designation of Mr. R. K. Agarwal (Member) as Chairman of the Committee. Further, Dr. (Mrs.) Tamali Sengupta was inducted as Member of the Committee w.e.f. April 23, 2021.

The Committee presently comprises Mr. R. K. Agarwal, Dr. (Mrs.) Punita Kumar Sinha and Dr. (Mrs.) Tamali Sengupta, Independent Directors of your Company. Mr. R. K. Agarwal acts as the Chairman of the CSR Committee. Mr. Manoj Kumar, Company Secretary acts as the Secretary to the CSR Committee.

3 (three) meetings of the CSR Committee were held during the year 2020-21 on June 29, 2020, October 28, 2020 and February 17, 2021.

The CSR Committee has formulated the CSR Policy which describes the multiple lines around which the CSR activities of your Company are positioned being education and skill development, social and economic welfare, environmental sustainability and such other activities included in Schedule VII of the Act as may be identified by the CSR Committee from time to time. The said Policy was last revised by the Board of Directors at its meeting held on June 30, 2021 and is available on your Company's website at https://www.srei.com/pdf/Corporate_Social_Responsibility_CSR_Policy.pdf.

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

The total amount available for CSR spending, being 2 (two) per cent of the average net profits of your Company made during the 3 (three) immediately preceding financial years, during the financial year 2020-21 aggregated to ₹ 76,11,468 /- (Rupees Seventy Six Lacs Eleven Thousand Four Hundred and Sixty Eight only).

During the year under review, your Company sanctioned contribution of ₹ 78,15,000/- (Rupees Seventy Eight Lacs and Fifteen Thousand only) for disbursement to various entities. However, as on March 31, 2021, your Company could disburse an amount of ₹ 24,95,000/- (Rupees Twenty Four Lacs and Ninety Five Thousand only), being 0.66 per cent of the average net profits of last 3 (three) years, towards CSR activities pursuant to CSR Policy of your Company. The balance sanctioned amount of ₹ 53,20,000/- (Rupees Fifty Three Lacs and Twenty Thousand only) could not be disbursed till 31st March, 2021 due to the establishment of Trust and Retention Account (TRA) whereby all the business payments of your Company are controlled by the Bankers and your Company has no control on the cash flows. Several requests have been made to the Bankers to disburse the aforesaid amount as committed to the concerned entities, however, the Bankers have not disbursed the entire sanctioned amount. Your Company is taking efforts to persuade the Bankers for approval of disbursements of the amount as per applicable law.

Recognising its social responsibility, your Company contributed ₹ 20,00,000 /- (Rupees Twenty Lacs only) to Srei Foundation, a public charitable trust established 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 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 ₹ 4,95,000/- (Rupees Four Lacs and Ninety Five Thousand only).

The manner in which the CSR amount was spent during the financial year is set out as an annexure to the Directors' Report and forms part of this Annual Report.

Your Company considers social responsibility an integral part of its business activities and endeavours to utilise allocable CSR budget for the benefit of the society. Your Company spends amount on projects keeping in mind sustainability, impact on the desired recipients and efficacy of implementing agencies. Your Company had utilised the entire amount available for CSR during the last 2 (two) years i.e. Financial Years 2018-19 and 2019-20, however, during the year, disbursement of the entire amount committed to CSR recipients could not be done before March 31, 2021 due to the establishment of Trust and Retention Account (TRA) which had operational challenges. Further, it is expected that with the new policy and initiatives being undertaken under the supervision of the CSR Committee, the outcome of programs will be further enabled to achieve your Company's CSR objective. Your Company remains committed to identify suitable CSR projects for fulfilling its CSR commitment and spend at least 2 (two) per cent of the average net profits of your Company made during the 3 (three) immediately preceding financial years on CSR activities.

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

SREI WEBSITE

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

SUBSIDIARY COMPANIES

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

A Report on the performance and financial position of each of the subsidiaries 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 companies and also forms part of Form AOC-1. The said Report is not repeated here for the sake of brevity. Members interested in obtaining a copy of the annual accounts of the subsidiaries may write to the Company Secretary at the email id investor.relations@srei.com.

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

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

Name of the Subsidiary/Associate	Turnover/Total Income for the Financial Year ended 31st March, 2021 (₹ in Lacs)	Profit After Tax (PAT) for the Financial Year ended 31st March, 2021 (₹ in Lacs)	% Contribution on Turnover/Total Income for the Financial Year ended 31st March, 2021	% Contribution on PAT for the Financial Year ended 31st March, 2021
Srei Capital Markets Limited	156.45	(25.85)	0.045	0.004
Trinity Alternative Investment Managers Limited (TAIML) (Formerly Srei Alternative Investment Managers Limited)	1,333.90	(443.28)	0.382	0.060
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of TAIML)	2.42	(7.11)	0.001	0.001
Cyberabad Trustee Company Private Limited (Subsidiary of TAIML)	0.42	0.16	0.000	0.000
Srei Asset Leasing Limited (Formerly Srei Finance Limited)	2.81	1.76	0.001	0.000
Bengal Srei Infrastructure Development Limited	1.57	(46.71)	0.000	0.006
Controlla Electrotech Private Limited	319.07	9.54	0.091	(0.001)
Srei Mutual Fund Trust Private Limited	0.02	(7.12)	0.000	0.001
Srei Mutual Fund Asset Management Private Limited	82.03	46.26	0.024	(0.006)
Srei Insurance Broking Private Limited	882.56	194.32	0.253	(0.026)
Srei Equipment Finance Limited (SEFL)	3,45,509.00	(7,13,611.00)	99.070	97.244

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
IIS International Infrastructure Services GmbH, Germany	Ceased to be an Associate w.e.f. 29.07.2020
Trinity Alternative Investment Managers Limited (TAIML)	Ceased to be a wholly owned subsidiary but continues to be a subsidiary company w.e.f. 30.09.2020

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, 2021, Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of your Company is a listed 'material' subsidiary of your Company with its, debt securities being listed on the Stock Exchanges in India. However, your Company does not have any material unlisted subsidiary. Your Company has formulated a Policy for determining Material Subsidiaries in accordance with SEBI Listing Regulations, 2015. The said policy is available on your Company's website at https://www.srei.com/sifl-corporate-policies/Policy_on_determining_Material_Subsidiaries.pdf.

KEY MANAGERIAL PERSONNEL (KMPs)

During the year, Mr. Shashi Bhushan Tiwari, Chief Risk Officer ceased to be an additional KMP of your Company w.e.f. June 30, 2020 and Mr. Sandeep Lakhotia resigned as the Company Secretary of your Company w.e.f. close of business hours of March 20, 2021 and hence ceased to be the KMP w.e.f. that date.

The following directors/executives of your Company are whole-time Key Managerial Personnel (KMPs) in accordance with the provisions of Section 2(51) read with Section 203 of the Companies Act, 2013 as on March 31, 2021 –

Name	Designation
Mr. Hemant Kanoria	Chairman
Mr. Rakesh Kumar Bhutoria	Chief Executive Officer
Mr. Sandeep Kumar Sultania	Chief Financial Officer

Mr. Manoj Kumar was appointed as the Company Secretary, being a KMP of your Company w.e.f April 01, 2021 and Mr. Souren Mukhopadhyay, Deputy Chief Executive Officer was appointed as a KMP of your Company w.e.f. June 30, 2021.

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of your Company have constituted a Nomination and Remuneration Committee (NRC) in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations, 2015. The Committee was re-constituted by the Board of Directors of your Company at its meeting held on July 28, 2020 by cessation of Mr. Shyamalendu Chatterjee as Chairman and designation of Mr. S. Rajagopal (Member) as Chairman in his place w.e.f. August 01, 2020. Further, Dr. (Mrs.) Punita Kumar Sinha was inducted as Member w.e.f. August 01, 2020. The NRC was further re-constituted by the Board of Directors of your Company at its meeting held on June 30, 2021 by cessation of Mr. S. Rajagopal and designation of Mr. Malay Mukherjee (Member) as Chairman in his place. Further, Mr. Shyamalendu Chatterjee was inducted as Member of the NRC.

The Committee presently comprises Mr. Malay Mukherjee, Mr. Shyamalendu Chatterjee and Dr. (Mrs.) Punita Kumar Sinha, Independent Directors of your Company. Mr. Malay Mukherjee acts as the Chairman of the Nomination and Remuneration Committee.

Mr. Manoj Kumar, 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 2020-21 on June 29, 2020, July 28, 2020 and November 09, 2020.

The Committee has formulated the Nomination and Remuneration Policy ('Srei Nomination and Remuneration Policy') which broadly laid down the various principles of remuneration being support for strategic objectives, transparency, internal & external equity, flexibility, performance-driven remuneration, affordability and sustainability and covers the procedure for selection, appointment and compensation structure of Board members, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company. The said Policy was last revised by the Board of Directors of your Company at its meeting held on June 30, 2021 and is available on your Company's website at https://www.srei.com/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf.

WHISTLE-BLOWER POLICY (VIGIL MECHANISM)

Your Company has formulated a codified Whistle-Blower Policy incorporating the provisions relating to Vigil Mechanism in terms of Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, 2015, in order to encourage Directors and Employees of your Company to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of your Company and its stakeholders in any way. Your Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimisation, for whistle blowing in good faith. The said Policy was last revised on November 09, 2020 and is available on your Company's website at https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf.

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

POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT

Your Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. Your Company in its endeavour to provide a safe and healthy work environment for all its employees has developed a policy to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another employee's work performance or creates an intimidating, offensive or hostile environment such that each employee can realise 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 sensitise the employees about their fundamental right to have safe and healthy environment at workplace. As per the Policy, any employee may report his/her complaint to the Internal Complaints Committee constituted for this purpose. The said Policy is available on your Company's website at https://www.srei.com/sifl-corporate-policies/Policy_on_Prevention_of_Sexual_Harassment.pdf.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company is exempted from the applicability of the provisions of Section 186 of the Companies Act, 2013 read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 as your Company is engaged in the business of financing of companies or of providing infrastructural facilities.

PERFORMANCE EVALUATION

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

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

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

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

Further, the Chairman is additionally evaluated on key aspects of the role which includes *inter-alia* effective leadership to the Board, adequate guidance to the CEO etc. Independent

Directors are additionally evaluated based on fulfillment of Independence criteria as specified in SEBI Listing Regulations, 2015 and Companies Act, 2013 and their independence from the management.

During the year under review, the Board carried out annual evaluation of its own performance as well as evaluation of the working of various Board Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee and Individual Directors (including Chairman, Independent Directors and Non-independent Non-executive Directors). This exercise was carried out through a structured questionnaire prepared separately for Individual Board Members (including the Chairman) and above-mentioned Board Committees based on the criteria as formulated by the NRC and in context of the Guidance note dated January 05, 2017 issued by SEBI. The said questionnaire was circulated to the Directors and also made available on their I-Pads under the 'Diligent Boards' (Diligent) Application to carry out performance evaluation for the Financial Year 2020-21 on the broad parameters as laid down by the NRC.

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

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

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

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

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

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS (IDs)

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

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

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

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of your Company is available at https://www.srei.com/srei-annual-return.

PARTICULARS OF CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions of your Company are entered in the ordinary course of business and are on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015. There are no materially significant transactions entered into by your Company with Promoters, Directors or Key Managerial Personnel (KMPs), which have potential conflict with the interest of your Company at large. Your Company has not entered into any material related party transactions with any of its related parties during the Financial Year 2020-21. Members may refer to the notes to the financial statements for details of related party transactions.

The Reserve Bank of India (RBI) in its inspection report and risk assessment report for the year ended on March 31, 2020 has identified 'certain parties' being borrower of Srei Equipment Finance limited (SEFL), wholly owned subsidiary of your Company, as probable connected/related companies.

In view of the directions, your Company and SEFL have taken legal view to determine whether such parties are related parties to your Company and SEFL. Based on the legal view, your Company and SEFL have been advised and have therefore come to the conclusion that your Company and SEFL have no direct or indirect control or significant influence (as per Companies Act, 2013 and Ind AS 24) over such parties and are not under common control and accordingly, are not related party of your Company or SEFL.

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 specialisation and your Company's long-term strategy for sectoral investments, optimisation of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries.

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

A Related Party Transactions Policy has been formulated 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/sifl-corporate-policies/Related_Party_Transactions_(RPTs)_Policy.pdf.

PARTICULARS OF EMPLOYEES

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

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

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

During the year under review, the total foreign exchange earnings and expenditure of your Company was ₹ Nil and ₹ 494.28 Lacs, respectively (previous year ₹ 51 Lacs and ₹ 2,913 Lacs, respectively).

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

The details of unclaimed amounts and shares transferred to the Investor Education and Protection Fund (IEPF) during the Financial Year 2020-21 have been mentioned in the Corporate Governance Report annexed to the Directors' Report.

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

AUDIT COMMITTEE

The Audit Committee of your Company has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI Listing Regulations, 2015. The Committee was re-constituted by the Board of Directors of your Company at its meeting held on July 28, 2020 by cessation of Mr. Shyamalendu Chatterjee as Chairman and designation of Malay Mukherjee (Member) as Chairman in his place w.e.f. August 01, 2020. The Audit Committee was further re-constituted by the Board of Directors on April 23, 2021 by cessation of Mr. Sunil Kanoria as Member of the Committee. The Audit Committee was further re-constituted by the Board of Directors on June 30, 2021 by cessation of Mr. S. Rajagopal and induction of Dr. (Mrs.) Tamali Sengupta as a Member in his place.

The Audit Committee presently comprises Mr. Malay Mukherjee, Mr. Ram Krishna Agarwal and Dr. (Mrs.) Tamali Sengupta, Independent Directors of your Company. Mr. Malay Mukherjee is the Chairman of the Audit Committee.

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

5 (five) meetings of the Audit Committee were held during the year 2020-21 on June 29, 2020, July 28, 2020, September 14, 2020, November 09, 2020 and February 13, 2021.

Further, in case of exigencies or urgency of matters, resolutions are passed by circulation.

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

AUDITORS

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

As per the provisions of Section 139 of the Companies Act, 2013, the period of office of Haribhakti & Co. LLP, Chartered Accountants, as Statutory Auditors of your Company, expired at the conclusion of 35th Annual General Meeting (AGM) of your Company held on September 19, 2020.

Further, at the 35th AGM held on September 19, 2020, D. K. Chhajer & Co., Chartered Accountants, having Firm Registration No. 304138E 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) consecutive years from the conclusion of 35th AGM till the conclusion of the 40th AGM of your Company. The Statutory Auditors hold a valid peer review certificate as prescribed under Regulation 33(1)(d) of SEBI Listing Regulations, 2015.

SECRETARIAL AUDIT REPORT

Your Company appointed MR & Associates, Practicing Company Secretaries (Peer Review Certificate No. 720/2020) as the Secretarial Auditor of your Company for Financial Year 2020-21 to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

The Secretarial Audit Report for the financial year ended March 31, 2021 does not contain any qualification, reservation or adverse remark or disclaimer and the same forms part of the Annual Report.

CORPORATE POLICIES

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

CORPORATE GOVERNANCE

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

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

7 (seven) Board meetings were held during the year 2020-21 on June 29, 2020, July 28, 2020, September 14, 2020, November 09, 2020, December 02, 2020, January 07, 2021 and February 13, 2021. The maximum time gap between any two consecutive meetings did not exceed 120 (one hundred twenty) days or the maximum time gap of 180 (one hundred and eighty) days for the first two quarters of Financial Year 2020-21 i.e. till September 30, 2020 as permitted by MCA vide its circular dated March 24, 2020 read with SEBI circular dated March 19, 2020.

DIRECTORS

The Board of Directors of your Company at its meeting held on June 30, 2021 appointed Dr. (Mrs.) Deepali Pant Rajeev Joshi (DIN: 07139051) as an Additional Director (Category – Non Executive and Independent Director) of your Company with effect from June 30, 2021 to hold office as such up to the date of 36th (Thirty-Sixth) Annual General Meeting (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 recommends appointment of Dr. (Mrs.) Deepali Pant Rajeev Joshi as an Independent Director of your Company for a period of 5 (five) consecutive years w.e.f. June 30, 2021.

Your Company has received notice from a Member pursuant to Section 160 of the Companies Act, 2013, signifying his intention to propose the candidature of Dr. (Mrs.) Deepali Pant Rajeev Joshi, for the office of an Independent Director.

Further, based on the core skills/expertise/competencies of (Dr.) Mrs. Deepali Pant Rajeev Joshi, the Board of Directors of your Company is of the opinion that Dr. (Mrs.) Deepali Pant Rajeev Joshi possesses the requisite expertise and experience (including proficiency) and is a person of high integrity and repute. Dr (Mrs.) Joshi fulfil the conditions specified in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Nomination and Remuneration Policy, Policy on 'Fit and Proper' criteria of the Directors and Policy on Board Diversity, for her apppointment as an Independent Director of your Company and is independent of the management.

In accordance with the provisions of Section 152 of the Companies Act, 2013 (Act) and the relevant Rules and your Company's Articles of Association, Mr. Sunil Kanoria (DIN: 00421564) retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

Mr. Srinivasachari Rajagopal (DIN: 00022609) stepped down from the position of Independent Director of your Company with effect from close of business hours of June 30, 2021 due to his other pre-occupation and personal commitments. The Board wishes to place on record its sincere appreciation of the contribution, advice and guidance extended by Mr. S. Rajagopal during his association with your Company. Mr. S. Rajagopal has confirmed that there are no other material reasons for his resignation other than those provided by him.

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

Your Company has received declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI Listing Regulations, 2015 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations, 2015 and that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgement and without any external influence. All requisite declarations were presented before the Board. Further, the Board of Directors, took on record the declaration and confirmation submitted by the Independent Directors under Regulation 25(8) of SEBI Listing Regulations, 2015, after undertaking due assessment of the veracity of the disclosures submitted.

Pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2019 ('the Rules') effective from December 01, 2019, the Independent Directors of your Company have registered themselves with the Databank maintained by the Indian Institute of Corporate Affairs (IICA) and their names presently stands included in the Databank of IICA. A declaration to this effect has been obtained from all the Independent Directors and the same was presented before the Board of Directors. Further, the Independent Directors of your Company have also furnished declarations w.r.t. Online Proficiency Self Assessment Test for Independent Director's Databank conducted by the IICA. The Independent Directors have successfully qualified the Online Proficiency Self Assessment Test, as may be applicable.

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

Based on the core skills/ expertise/ competencies of the present Board Members as reviewed by the Nomination and Remuneration Committee and the Board, the Board of Directors of your Company is of the opinion that the Independent Directors of your Company possess the requisite expertise and experience (including proficiency) and are the persons of high integrity and repute. They fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are independent of the management.

Further, considering the present challenging environment for NBFCs, your Company has not recommended payment of Commission to Non-Executive Directors of your Company for the Financial Year 2020-21.

Mr. Hemant Kanoria, Chairman had voluntarily reduced his pay by 30% (thirty per cent) during the Financial Year 2020-21 and had also voluntarily relinquished the remuneration payable to him for the Financial Year 2020-21 w.e.f. November 01, 2020. The Chairman has also voluntarily decided to relinquish the remuneration for the Financial Year 2021-22 and forego the Commission entitlement for the Financial Year 2020-21.

Further, at the 35th (Thirty-Fifth) AGM of your Company held on September 19, 2020, the Members of your Company had approved that in the event of absence or inadequacy of profits in the 2 (two) years i.e. Financial Year 2020-21 and 2021-22, the remuneration as approved by the Members at the 34th (Thirty-Fourth) AGM of your Company held on July 27, 2019, be continued to be paid to Mr. Hemant Kanoria as minimum remuneration provided, however, that the remuneration shall stand enhanced by such higher amount that may be sanctioned by the Board of Directors to Mr. Hemant Kanoria and such higher amount shall be deemed to be the minimum remuneration payable to him.

Further, Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman of your Company, are also the managerial personnel of Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of your Company and are in receipt of remuneration for the Financial Year 2020-21 from SEFL as per the details given below:

Name of Director*	Remuneration (₹ in Lacs)
Hemant Kanoria	195.81
Sunil Kanoria	192.28

*Mr. Hemant Kanoria and Mr. Sunil Kanoria had voluntarily reduced their pay by 30 per cent during Financial Year 2020-21 and had also voluntarily relinquished the remuneration payable to them w.e.f. 1st November, 2020.

Further, Mr. Shyamalendu Chatterjee, Independent Director of your Company, is the Chairman (Non-executive) of Srei Capital Markets Limited and Independent Director of Srei Equipment Finance Limited (SEFL), both wholly owned subsidiaries of your Company. Dr. (Mrs.) Tamali Sengupta and Mr. Malay Mukherjee, Independent Directors of your Company are also Independent Directors of SEFL. Mr. Chatterjee, Dr. (Mrs.) Sengupta and Mr. Mukherjee were in receipt of sitting fees during the Financial

Year 2020-21 from the respective subsidiary companies in which they are Directors as follows:

Name of Director	Name of Company	Sitting Fees (Amount in ₹)
Mr. Shyamalendu Chatterjee	Srei Capital Markets Limited	1,00,000
	Srei Equipment Finance Limited	13,15,000
Dr. (Mrs.) Tamali Sengupta	Srei Equipment Finance Limited	9,70,000
Mr. Malay Mukherjee	Srei Equipment Finance Limited	2,50,000

Apart from the above, none of the Directors of your Company have received any remuneration or commission from any of your Company's subsidiaries or holding company during the Financial Year 2020-21.

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, 2021, 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, 2021 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;
- Maintenance of Cost records is not applicable to your Company.

ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

Hemant Kanoria

Hemant Kanoria
Chairman
DIN 00193015

Kolkata, June 30, 2021

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 – 700 046, West Bengal, India
4. **Website :** www.srei.com
5. **E-mail ID :** secretarial@srei.com
6. **Financial Year reported :** April 01, 2020 to March 31, 2021
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 business activities of the Company are mostly Fee based, primarily focussed on Infrastructure Project Advisory and Financial Solutions Advisory. Further, the Company, pursuant to the Business Transfer Agreement dated August 16, 2019, has transferred its Lending Business, Interest Earning Business & Lease Business to Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary as a going concern on a slump exchange basis w.e.f. October 01, 2019.
8. **List three key products/ services that the Company manufactures/ provides (as in balance sheet):** The business activities of the Company are mostly Fee based, primarily focussed on Infrastructure Project Advisory and Financial Solutions Advisory.

   The Company has been playing a significant role in nation-building for more than three decades, both in urban and rural India. Its expertise involves infrastructure advisory, structuring and syndication solutions, investment banking advisory, fund management and insurance broking. The understanding of risks associated with infrastructure sector has enabled the company to provide holistic solutions to customers, which in turn allow them achieve their objectives efficiently. Srei is headquartered in Kolkata and has presence across India.
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:** 5 (Kolkata, New Delhi, Mumbai, Hyderabad and Chennai).
10. **Markets served by the Company – Local/ State/ National/ International:** Local.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid-up Capital (INR):** ₹ 503.08 Crores comprising of 50,30,86,333 equity shares of ₹ 10/- each.
2. **Total Turnover (INR):** ₹ 50.01 Crores (Total Income which includes Revenue from Operations and Other Income).
3. **Total profit/ (loss) after taxes (INR):** ₹ (2,944.72) 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):** ₹ 38.06 Crores.
   - (b) **Prescribed CSR Expenditure (two per cent of the amount as in Sl. No. 4(a) above) (INR):** ₹ 76.11 Lakhs.
   - (c) **Total amount spent for the Financial Year:** The Company has disbursed an amount of ₹ 24.95 Lakhs (Rupees Twenty Four Lacs and Ninety Five Thousand only), being 0.66 per cent of the average net profits of last 3 (three) years, towards CSR activities pursuant to CSR Policy of the Company. Appropriate disclosures as prescribed under the Companies Act, 2013 is made in the Annual Report for the financial year ended March 31, 2021.
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, Srihari Global IISD Foundation, Acid Survivors and Women Welfare Foundation.

3. In partnership with external social bodies / NGOs.

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

a) Education and Skills Development.

b) Healthcare/Medical facilities.

c) Social and Economic Welfare.

d) Environmental Sustainability.

During the period April 01, 2020 to March 31, 2021, the CSR expenditure was incurred on promoting Healthcare, Education, Empowering Women and Animal welfare. For further details kindly refer Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2020-21 annexed to the Directors Report.

SECTION C: OTHER DETAILS

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

Yes, the Company had 11 subsidiaries as on March 31, 2021.

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

Yes, the Company encourages its subsidiaries to participate in the BR initiatives. Few subsidiary companies directly or indirectly endorse or participate in the BR initiatives of the Company. Further, 1 (one) subsidiary of the Company has contributed to the corpus of Srei Foundation during the period April 01, 2020 to March 31, 2021.

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

No.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

1. **Director Identification Number (DIN):** 00416964
2. **Name:** Mr. Ram Krishna Agarwal
3. **Designation**: Non-Executive and Independent Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	08449728
2	Name	Mr. Rakesh Kumar Bhutoria
3	Designation	Chief Executive Officer (CEO)
4	Telephone number	(033) 6628 4359
5	E-mail ID	rakesh.bhutoria@srei.com

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

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

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

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

Sr. No.	Questions	Ethics, transparency and accountability P1	Product safety P2	Well-being of employees P3	Stakeholders engagement P4	Human rights P5	Environment Policy P6 (Refer Note)	Public and regulatory policy P7 (Refer Note)	Inclusive growth P8 (Refer Note)	Value to customers and consumers 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	-*	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	Y	Y
		The policies are based on NVG guidelines.								

Sr. No.	Questions	Ethics, transparency and accountability P1	Product safety P2	Well-being of employees P3	Stakeholders engagement P4	Human rights P5	Environment Policy P6 (Refer Note)	Public and regulatory policy P7 (Refer Note)	Inclusive growth P8 (Refer Note)	Value to customers and consumers P9
4	Has the policy been approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	1. Srei Investor Grievance Redressal Policy is available at https://www.srei.com/sifl-corporate-codes 2. Whistle Blower Policy is available at https://www.srei.com/sifl-corporate-codes 3. Corporate Social Responsibility (CSR) Policy is available at https://www.srei.com/sifl-corporate-codes 4. Nomination & Remuneration Policy is available at https://www.srei.com/sifl-corporate-codes 5. Policy on Board Diversity is available at https://www.srei.com/sifl-corporate-codes 6. Policy on Prevention of Sexual Harassment is available at https://www.srei.com/sifl-corporate-codes 7. Srei Code of Conduct for Prohibition of Insider Trading is available at https://www.srei.com/sifl-corporate-codes 8. Srei Code of Conduct for Board of Directors and Senior Executives is available at https://www.srei.com/sifl-corporate-codes 9. Srei Fair Practices Code is available at https://www.srei.com/sifl-corporate-codes 10. Corporate Governance Framework is available at https://www.srei.com/sifl-corporate-codes 11. ESMS Policy is available at https://www.srei.com/sifl-corporate-codes 12. Data Privacy and Protection Policy is available at https://www.srei.com/sifl-corporate-codes 13. Dividend Distribution Policy is available at https://www.srei.com/sifl-corporate-codes 14. Shareholders' Reference is available at https://www.srei.com/sifl-shareholders-information-shareholders-referencer 15. Public policy and advocacy is available at https://www.srei.com/sifl-corporate-codes Note: The remaining policies of the Company including Srei Niti, Corporate Governance Manual etc. are internal documents.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?#	Y	Y	Y	Y	Y	Y	Y	Y	Y

Notes:

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.

P7: The Company is complying with the requisite regulatory requirements of applicable regulators.

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.

b) If answer to question at Serial Number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) – Not Applicable

Sr. No.	Questions	Ethics, transparency and accountability P1	Product safety P2	Well-being of employees P3	Stakeholders engagement P4	Human rights P5	Environment Policy P6	Public and regulatory policy P7	Inclusive growth P8	Value to customers and consumers 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.

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

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

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

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

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

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

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

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

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

Board of Directors

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

The Company conducted familiarisation programme for the Independent Directors from time to time.

Board Committees

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

Code of Conduct & Policy

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

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

The business activities of the Company are Fee based, primarily focused on Infrastructure Project Advisory and Financial Solutions Advisory. The Company also issues Public Financial Institution (PFI) Guarantees which are non-fund based activities. The Company ensures that its activities comply with applicable statutes and regulations.

Principle 3: Businesses should promote wellbeing of employees

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

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

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

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. Adequate steps have been taken for the awareness of Human Gene Analysis, awareness & utility of Stem Cells with spacialised packages for both Employees & their nearest Kin.

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

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

The initiative of gratification and recognition is through the 'Srei Shabash' card and 'Srei ThankYou' card which brings about a great flow of camaraderie.

Further, for the smooth assimilation of new recruits in the Company, Design for Success programme was rolled out which encompassed support to the new entrants. An Engagement Calendar with the various Fun at work events planned for the entire year is captured. The Company makes celebrations a joyful experience for the employees.

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

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

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

The Company supports education institutions and provide opportunities to deserving students (from marginalised 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, thus making it a preferred choice for providing holistic infrastructure financial solutions. The Company makes its services available to all qualified applicants without discrimination and treats all customers consistently and fairly. The Company communicates to its customers in transparent manner about the terms and conditions of its service and mechanism for redressal of customer's grievances, etc. in accordance with regulations stipulated by the Reserve Bank of India (RBI).

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

2. Investors and Lenders

The Company has formulated a Dividend Distribution Policy which is available on the website of the Company at www.srei.com. The said Policy encapsulates inter alia, the parameters for declaration of dividend, utilisation of retained earnings, procedure for dividend declaration etc. The Company had consistent track record of payment of dividend since incorporation. However, with a view to conserve capital, no dividend was declared for Financial Year 2020-21. The clients of the Company are reputed entities and the management endeavours to make all efforts to be responsive towards its stakeholders. As on March 31, 2021, the Company has Unsecured Perpetual Non-Convertible Debentures of ₹ 330 Crores, out of which Unsecured Perpetual Non-Convertible Debentures of ₹ 10 Crores are listed with Stock Exchange.

3. Society

The Company works towards creation of value for the society in a manner which is sustainable, scalable and replicable. As a part of Corporate Social Responsibility (CSR), the Company is actively engaged in deliberating and practicing humble service to Humanity on a sustainable basis. The Company perceives CSR as a strategic social investment aimed at uplifting the society at large, empowering individuals, making them self-reliant. The CSR philosophy is embedded in its commitment to all stakeholders namely consumers, employees, environment and society while the Company's approach extends both to external community as well as to the Company's large and diverse internal employee base and their families. The Company has formulated a CSR Policy which is available on the website of the Company at www.srei.com. The said Policy encapsulates inter alia, the Company's CSR Vision and Mission, thrust areas etc. For further details, please refer to the Annual Report of the Company for the Financial Year 2020-21.

Principle 5: Businesses should respect and promote human rights

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

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

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

The Company has formulated an Environmental & Social Management System (ESMS) which reduces the business risk of its portfolio related to E&S issues and enables adherence to sustainable finance practices. The Company continues to create awareness about environment protection. The Company is continuously making appeal to its shareholders to participate in the 'Green initiative' to reduce use of paper by converting their holding of physical shares into electronic shareholding by dematerialisation, 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 utilisation of resources across all levels of the organisation as well as in all branch offices spread across the Country. As a part of Green initiative for paperless office, the Company uses electronic methods of communication within and outside its offices and avoids use of paper as far as possible to contribute to green environment as much as possible.

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

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

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

Principle 8: Businesses should support inclusive growth and equitable development

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

The Company has formulated a CSR Policy which is available on its website www.srei.com. Please refer the Annual Report of the Company for the Financial Year 2020–21 containing details of Company's CSR activities undertaken for the benefit of financially weaker and vulnerable sections of the society.

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

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

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

BUSINESS RESPONSIBILITY PARAMETER INDEX

Principle-wise Performance

Sr. No.	Questions	Whether Complied?
Principle 1		
1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?	Yes, it covers the Company and its subsidiaries.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	No complaint was received regarding ethical and other matters contained in this principle.
Principle 2		
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company is not engaged in manufacture of any goods. The Company is a Non-banking Finance Company engaged primarily in Fee based activities focussed on Infrastructure Project Advisory and Financial Solutions Advisory. The Company also issues Public Financial Institution (PFI) Guarantees which are non-fund based activities. The Company complies with the environmental & social norms and laws of the Country while undertaking its business activities.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable.

<table>
<tr><th>Sr. No.</th><th>Questions</th><th>Whether Complied?</th></tr>
<tr><td>3.</td><td>Does the Company have procedures in place for sustainable sourcing (including transportation)?
a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</td><td>Not Applicable.</td></tr>
<tr><td>4.</td><td>Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</td><td>Not Applicable.</td></tr>
<tr><td>5.</td><td>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.</td><td>The Company is not engaged in the manufacture of any goods.
The waste generated at its offices is managed as per the waste disposal process.
The Company has procedures in place to dispose of e-waste through authorised e-waste vendors.
The Company has normal sewerage system as per local municipal rules.</td></tr>
<tr><td colspan="3">Principle 3</td></tr>
<tr><td>1.</td><td>Please indicate the Total number of employees.</td><td>28 (Twenty Eight)</td></tr>
<tr><td>2.</td><td>Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.</td><td>36 (Thirty Six)
(Being consultants employed on projects for temporary period not included in point 1 above)</td></tr>
<tr><td>3.</td><td>Please indicate the Number of permanent women employees.</td><td>4 (Four)</td></tr>
<tr><td>4.</td><td>Please indicate the Number of permanent employees with disabilities</td><td>The Company does not specifically track the number of disabled employees. The Company is an equal opportunity employer and treats all employees at par.</td></tr>
<tr><td>5.</td><td>Do you have an employee association that is recognised by management?</td><td>No.</td></tr>
<tr><td>6.</td><td>What percentage of your permanent employees is members of this recognized employee association?</td><td>Not Applicable.</td></tr>
<tr><td>7.</td><td>Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.</td><td><table>
<tr><th>Sr. No.</th><th>Category</th><th>No. of complaints filed during the year</th><th>No. of complaints pending as on end of the financial year</th></tr>
<tr><td>1.</td><td>Child labour/ forced labour/ involuntary labour</td><td>-</td><td>-</td></tr>
<tr><td>2.</td><td>Sexual harassment</td><td>-</td><td>-</td></tr>
<tr><td>3.</td><td>Discriminatory employment</td><td>-</td><td>-</td></tr>
</table></td></tr>
<tr><td>8.</td><td>What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
a) Permanent Employees
b) Permanent Women Employees
c) Casual/ Temporary/ Contractual Employees
d) Employees with Disabilities</td><td>Permanent Employees (including women and employees with disabilities) - 96% (Ninety Six per cent)
Casual/ Temporary/ Contractual Employees – 8% (Eight per cent)
[These temporary consultants are typically working at different infrastructure advisory project sites and they are experts in their domain. These are very often short-term assignments.]</td></tr>
<tr><td colspan="3">Principle 4</td></tr>
<tr><td>1.</td><td>Has the Company mapped its internal and external stakeholders? Yes/No</td><td>Yes.</td></tr>
<tr><td>2.</td><td>Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.</td><td>Yes.</td></tr>
<tr><td>3.</td><td>Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.</td><td>Yes. Please refer Para 3 of Principle 4 under Section E of this Report.</td></tr>
</table>

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

Sr. No.	Questions	Whether Complied?
Principle 8		
1.	Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. The Company has formulated a Corporate Social Responsibility (CSR) Policy. Please refer Para 1 & 2 of Principle 8 under Section E of the Report for further details.
2.	Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/any other organization?	Yes, the projects are undertaken primarily through in-house teams and Srei Foundation, with the assistance of implementation partners wherever required.
3.	Have you done any impact assessment of your initiative?	No.
4.	What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.	The Company has spent ₹ 24.95 Lakhs on CSR activities during the period April 01, 2020 to March 31, 2021. During the period April 01, 2020 to March 31, 2021, the CSR expenditure was incurred on promoting Education and Animal welfare. Appropriate disclosures as prescribed under the Companies Act, 2013 have been made in the Annual Report for the year ending on March 31, 2021.
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 voluntary and proactive participation.
Principle 9		
1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	None.
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A./ Remarks (additional information)	Not Applicable.
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	In the ordinary course of Company's business, several customers and borrowers may have disputes with the Company which could result in their filing a civil suit claiming compensation for damages and for enforcing contractual obligation etc., criminal complaint or consumer complaint alleging deficiency of services. The Company always strives to have a cordial relationship with its customers and attempts to have an amicable settlement of the dispute but yet, in some cases it may need to pursue legal resolution of the same.
4.	Did your Company carry out any consumer survey / consumer satisfaction trends?	NO

For Srei Infrastructure Finance Limited

Sd/-

Ram Krishna Agarwal

DIN: 00416964

Chairman - Business Responsibility Committee

Place: Kolkata

Date: June 30, 2021

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

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

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 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 there under;

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

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

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

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

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

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

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

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

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the Audit Period);

   (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period); and

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

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

   (a) Reserve Bank of India (RBI) Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Taking Non-Banking Financial Company (NBFC – ND – SI).

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

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

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

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

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There had been no changes in the composition of Board of directors during the period under review.

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.

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

We further report that during the Financial Year 2019-20, the Board of Directors of the Company and its wholly-owned subsidiary, Srei Equipment Finance Limited ("SEFL") at their respective meetings held on July 04, 2019 approved the transfer of Lending Business, Interest Earning Business & Lease Business of the Company together with associated employees, assets & liabilities (including liabilities towards issued & outstanding non-convertible debentures) (the 'Transferred Undertaking'), as a going concern by way of slump exchange to SEFL through a Business Transfer Agreement ('BTA') dated August 16, 2019, in exchange of fully paid up equity shares to be issued and allotted by SEFL, subject to all necessary approvals. An amendment to the, aforesaid, BTA was executed on November 14, 2019 with SEFL, pursuant to which it has entered into various assignment agreements, in connection with the Transferred Undertaking, with SEFL to give effect of the slump exchange and accordingly the Company and SEFL has passed the relevant accounting entries in their respective books of account effective October 01, 2019, after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks. One of debenture holders of SEFL holding debentures amounting to ₹ 75 crores has objected to the slump exchange. The consent, or otherwise, of other lenders is still awaited. The Company has obtained expert legal and accounting opinions in relation to the accounting of the Slump Exchange Transaction which confirms that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and frame work.

We further report that SEFL, material subsidiary of the company has proposed Schemes under Section 230 and other applicable provisions of the Companies Act, 2013 with its Creditors and the application to that effect has been filed with the Hon'ble National Company Law Tribunal, Kolkata (NCLT). BTA, inter alia, constitutes an integral part of the Scheme. The matters covered in the Schemes are pending before the Hon'ble NCLT / NCLAT.

This Report is to be read with our letter of even date which is annexed '**ANNEXURE - A**' and forms an Integral Part of this Report.

For M R & Associates
Company Secretaries

Sd/-
M R Goenka
Partner
FCS No.: 4515
C P No.: 2551
UDIN: F004515C000541623

Place: Kolkata
Date: June 30, 2021

Note: In view of the situation emerging out of the outbreak of second wave of Covid-19 Pandemic, physical documents, records & other papers of the Company for the Financial Year ended March 31, 2021 required by us for our examination were obtained from the Company through electronic mode only and verified to the extent possible.

ANNEXURE – A

(TO THE SECRETARIAL AUDIT REPORT OF SREI INFRASTRUCTURE FINANCE LIMITED
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021)

To,
The Members,
Srei Infrastructure Finance Limited
Vishwakarma, 86C, Topsia Road (South),
Kolkata 700046

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

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

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

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

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

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

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

For M R & Associates
Company Secretaries

Sd/-
M R Goenka
Partner
FCS No.: 4515
C P No.: 2551
UDIN: F004515C000541623

Place: Kolkata
Date: June 30, 2021

Note: In view of the situation emerging out of the outbreak of second wave of Covid-19 Pandemic, physical documents, records & other papers of the Company for the year ended March 31, 2021 required by us for our examination were obtained from the Company through electronic Mode only and verified to the extent possible.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2020-21

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

1. Brief outline on CSR policy of the Company

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the same is placed on the Company's website and the web link for the same is:

https://www.srei.com/pdf/Corporate_Social_Responsibility_CSR_Policy.pdf

The CSR Policy outlines the Company's approach to CSR, CSR Thrust areas, Role of CSR Committee, CSR Reporting mechanism, amongst others.

2. The Composition of the CSR Committee (as on March 31, 2021):

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year (during the tenure of Members)	Number of meetings of CSR Committee attended during the year
1.	Mr. Hemant Kanoria	Chairman of the Committee (Chairman)	3	3
2.	Mr. Sunil Kanoria*	Member (Non-Executive Non-Independent Director)	1	1
3.	Shyamalendu Chatterjee*	Member (Non-Executive and Independent Director)	1	1
4.	Mr. R. K. Agarwal**	Member (Non-Executive and Independent Director)	2	2
5.	Dr. (Mrs.) Punita Kumar Sinha**	Member (Non-Executive and Independent Director)	2	2

*Ceased to be Member w.e.f. 01.08.2020

**Inducted as Member w.e.f. 01.08.2020

The Company Secretary of the Company acts as the Secretary to the Committee. Mr. Sandeep Lakhotia resigned as the Company Secretary of the Company w.e.f. close of business hours of March 20, 2021 and Ms. Ekta Agarwal, Deputy Company Secretary acted as the Secretary to the Corporate Social Responsibility Committee during the intervening period.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The web-links are given below:

Composition of CSR committee – https://www.srei.com/csr-committee

CSR Policy – https://www.srei.com/pdf/Corporate_Social_Responsibility_CSR_Policy.pdf

CSR projects approved by the board – https://www.srei.com/csr-committee

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Nil

6. Average net profit of the Company as per Section 135(5):

₹ 38,05,73,424/-

7. (a) Two percent of average net profit of the Company as per Section 135(5):

₹ 76,11,468/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:

Nil

(c) Amount required to be set off for the financial year, if any:

Nil

(d) Total CSR obligation for the financial year (7a + 7b – 7c):

₹ 76,11,468/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount unspent (₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
24,95,000	Not Applicable	Not Applicable	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementa-tion -Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
1.	Promoting Education, Enhancing vocational skills, Promoting health and culture including women empowerment	Cl.(i) Promoting Health Care; Cl.(ii) Promoting Education; Cl.(iii) Empowering Women	Yes*	West Bengal West Bengal Tamil Nadu Bihar*	Kolkata 24 Parganas(S) Chennai Barahiya	20,00,000	No	Srei Foundation#	CSR00005928
2.	Animal Welfare (Running of animal rescue mobile units)	Cl.(iv) Promoting animal welfare, agroforestry	Yes	West Bengal	Kolkata	4,95,000	No	Sonata Foundation##	CSR00009709
	TOTAL (₹)					**24,95,000**			

*CSR Expenditure in Bihar is not a local area expenditure.

#Srei Foundation is a Public Charitable Trust established with an objective of serving the humanity inter-alia through promotion of education, health, housing, socio-economic support and awakening of women, free holistic treatment and assistance to various NGOs in their respective fields. Srei Foundation has an established track record of more than 4 (four) years in undertaking such projects and programs. It is registered under Section 12A and 80G of the Income Tax Act, 1961.

##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 4 (four) years in undertaking such projects and programs. It is registered under Section 12A and 80G of the Income Tax Act, 1961.

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 24,95,000

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per Section 135(5)	76,11,468
(ii)	Total amount spent for the Financial Year	24,95,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project-Completed/Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

(a) **Date of creation or acquisition of the capital asset(s):** NA

(b) **Amount of CSR spent for creation or acquisition of capital asset:** Nil

(c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:** NA

(d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** NA

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5):

The Company considers social responsibility an integral part of its business activities and endeavours to utilise allocable CSR budget for the benefit of the society. The Company spends amount on projects keeping in mind sustainability, impact on the desired recipients and efficacy of implementing agencies. The Company had utilised the entire amount available for CSR during the last 2 (two) years i.e. Financial Years 2018-19 and 2019-20, however, during the year, disbursement of the entire amount committed to CSR recipients could not be done before March 31, 2021 due to the establishment of Trust and Retention Account (TRA) which had operational challenges. Further, it is expected that with the new policy and initiatives being undertaken under the supervision of the CSR Committee, the outcome of programs will be further enabled to achieve the Company's CSR objective. The Company remains committed to identify suitable CSR projects for fulfilling its CSR commitment and spend atleast 2 (two) per cent of the average net profits of the immediately preceding 3 (three) financial years on CSR activities.

For and on behalf of Corporate Social Responsibility Committee

Sd/-
R. K. Agarwal
DIN: 00416964
Chairman of Committee
(Independent Director)

Sd/-
Tamali Sen Gupta
DIN: 00358658
Member of Committee
(Independent Director)

Place: Kolkata
Date: June 30, 2021

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

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

Name of the Directors	Remuneration* (₹)	Median Remuneration of employees (₹)	Ratio (In times)
Mr. Hemant Kanoria**	89,76,758	15,76,920	5.69
Mr. Sunil Kanoria	11,35,000		0.72
Mr. Srinivasachari Rajagopal#	11,95,000		0.76
Mr. Shyamalendu Chatterjee	10,25,000		0.65
Dr. (Mrs.) Punita Kumar Sinha	11,00,000		0.70
Mr. Malay Mukherjee	15,25,000		0.97
Mr. R. K. Agarwal	12,45,000		0.79
Dr. (Mrs.) Tamali Sengupta	8,50,000		0.54

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

**Mr. Hemant Kanoria had voluntarily reduced his pay by 30% (thirty per cent) during the Financial Year 2020-21 and had also voluntarily relinquished the remuneration payable to him w.e.f. November 01, 2020.

#Resigned with effect from close of business hours of June 30, 2021.

Notes:

(a) The Non-Executive Directors of the Company are paid commission on an annual basis based on the recommendation of Nomination and Remuneration Committee and approval of the Board in accordance with Nomination and Remuneration Policy and within the approved statutory limit of the 1% (one per cent) of the net profits of the Company pursuant to Section 197 of the Companies Act, 2013 read with Rules thereto and as approved by the shareholders at the 34th Annual General Meeting (AGM) of the Company held on July 27, 2019. However, no commission is payable to Non Executive Directors for the financial year 2020-21.

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* (₹)	Remuneration of Current year* (₹)	%ge Increase/ Decrease
1	Mr. Hemant Kanoria**	Chairman	2,46,60,000	89,76,758	(63.60)
2	Mr. Sunil Kanoria	Vice Chairman (Non-Executive Director)	10,50,000	11,35,000	8.10
3	Mr. Srinivasachari Rajagopal***	Independent Director	7,45,000	11,95,000	60.40
4	Mr. Shyamalendu Chatterjee		10,70,000	10,25,000	(4.21)
5	Dr. (Mrs.) Punita Kumar Sinha		6,25,000	11,00,000	76.00
6	Mr. Malay Mukherjee		8,00,000	15,25,000	90.63
7	Mr. R. K. Agarwal		7,10,000	12,45,000	75.35
8	Dr. (Mrs.) Tamali Sengupta		5,25,000	8,50,000	61.90
9	Mr. Rakesh Kumar Bhutoria	Chief Executive Officer	3,11,75,768	2,59,28,158@	(16.83)
10	Mr. Sandeep Lakhotia#	Company Secretary	94,39,320	76,22,944@	(19.24)
11	Mr. Sandeep Kumar Sultania	Chief Financial Officer	79,12,200	62,36,730@	(21.18)

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

**Mr. Hemant Kanoria had voluntarily reduced his pay by 30% (thirty per cent) during the Financial Year 2020-21 and had also voluntarily relinquished the remuneration payable to him w.e.f. November 01, 2020.

***Resigned with effect from close of business hours of June 30, 2021.

#Resigned with effect from close of business hours of March 20, 2021.

@For the Financial Year 2020-21, the Chief Executive Officer & other senior management members voluntarily reduced their pay in the range of 20% (twenty per cent) to 25% (twenty five per cent).

Further, due to the restrictions imposed by the Lenders, the salary of senior management was capped to ₹ 50 Lacs per annum during the period November, 2020 to March, 2021. The Company has made provision of arrear salary of those employees as the same is payable as per the contractual obligations of the Company. The Company is pursuing with the Lenders for approval of the payments. Details of balance payments as on March 31, 2021 are reflected in note no. 39 to the Financial Statements forming part of the Annual Report of the Company.

Notes:

(a) The Non-Executive Directors of the Company are paid commission on an annual basis based on the recommendation of Nomination and Remuneration Committee and approval of the Board in accordance with Nomination and Remuneration Policy and within the approved statutory limit of the 1% (one per cent) of the Net profits of the Company pursuant to Section 197 of the Companies Act, 2013 read with Rules thereto and as approved by the shareholders at the 34th Annual General Meeting (AGM) of the Company held on July 27, 2019. However, no commission is payable to the Non Executive Directors for financial year 2020-21.

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 (₹)	Median remuneration of current year (₹)	% increase/decrease
7,19,802	15,76,920	119.08

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

There were 28 (twenty eight) employees as on March 31, 2021 as against 43 (forty three) employees as on March 31, 2020.

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

Sl. No.	Particulars	Average % increase/decrease
1.	Increase in salary of Managerial Personnel*	(64)
2.	Increase in salary of employee (other than Managerial Personnel)	(15)

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

*Managerial Personnel represents Mr. Hemant Kanoria, Chairman (Executive).

During the year, a large number of employees of the Company were transferred to Srei Equipment Finance Limited (SEFL), wholly owned subsidiary of the Company due to Slump Exchange transaction between the Company and SEFL in the previous financial year.

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
DIN: 00193015

Place: Kolkata
Date: June 30, 2021

PARTICULARS OF EMPLOYEES

Pursuant to Section 197(12) read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended March 31, 2021

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 (₹)	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 Company
1	Hemant Kanoria [Refer Note (d)]	Chairman	89,76,758	B. Com (Hons.)	41	58	07.05.1994	None	0.08
2.	Rakesh Kumar Bhutoria [Refer Note (f)]	Chief Executive Officer	2,59,28,158	B.E. (Hons.), MMS	31	54	16.11.2018	IDFC Bank Ltd. - Group EVP & Head -Commercial Banking & Strategic Initiatives	NIL
3.	Sandeep Kumar Sultania [Refer Note (f)]	Chief Financial Officer	62,36,730	M.Com, MBF, FCA, ACS, ACMA, DISA (ICAI)	24	47	05.07.2018	Manaksia Industries Ltd. – Chief Financial Officer	NIL
4.	Vinod Kumar Dubey [Refer Note (f)]	Head-Direct Tax	52,47,006	B. Com (H), FCA, ACS	33	55	16.01.2014	Balrampur Chini Mills Ltd. – Senior General Manager (Taxation)	Negligible
5.	Sachin Pant [Refer Note (f)]	President - Advisory Business	49,75,908	MBA Finance & Strategic Management, Master in Environmental Planning and B Tech Civil Engineering	24	48	02.09.2019	Innovest Advisory Services Pvt Ltd. - CEO	NIL
6.	Souren Mukhopadhyay [Refer Note (f)]	Chief Risk Officer	45,06,378	BE, CAIIB, PGDFA	36	58	07.02.2011	IDBI Bank Ltd. - DGM	Negligible
7.	Amit Rungta	Associate Vice President	32,92,474	FCA, MBA, Diploma in Business Finance	14	41	19.09.2012	MyJoy Fun and Food Pvt. Ltd. – Assistant Vice President	NIL
8.	Sunan Rajan Sensarma	Vice President	32,36,252	Master of Planning, Doctor of Engineering	20	48	01.10.2018	KPMG Advisory Services Pvt. Ltd. – Associate Director	NIL
9.	Vishnu Gopal Agarwal	Financial Controller	28,46,712	FCA, ACS	21	43	01.08.2006	TATA AIG Life Insurance Co, Ltd. - Zonal Compliance Manager	Negligible
10.	Sanjay Kumar	Chief Manager	18,20,882	B Tech (Civil)	20	42	09.01.2012	Mott MacDonald Pvt. Ltd. - Engineer	NIL

Notes:

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

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

(c) No employee is a relative of any Director except Mr. Hemant Kanoria (Chairman) who is brother of Mr. Sunil Kanoria (Non-Executive Director & Vice Chairman).

(d) Mr. Hemant Kanoria had voluntarily reduced his pay by 30% (thirty per cent) during the Financial Year 2020-21 and had also voluntarily relinquished the remuneration payable to him w.e.f. November 01, 2020.

(e) For the Financial Year 2020-21, the Chief Executive Officer & other senior management members voluntarily reduced their pay in the range of 20% (twenty per cent) to 25% (twenty five per cent).

(f) Due to the restrictions imposed by the Lenders, the salary of senior management was capped to ₹ 50 Lacs per annum during the period November, 2020 to March, 2021. The Company has made provision of arrear salary of those employees as the same is payable as per the contractual obligations of the Company. The Company is pursuing with the Lenders for approval of the payments. Details of balance payments as on March 31, 2021 are reflected in note no. 39 to the Financial Statements forming part of the Annual Report of the Company.

For and on behalf of Board of Directors

Sd/-
Hemant Kanoria
Chairman
DIN: 00193015

Place: Kolkata
Date: June 30, 2021

CEO & CFO CERTIFICATION

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

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

June 30, 2021

We, Hemant Kanoria, Chairman, Rakesh Kumar Bhutoria, Chief Executive Officer (CEO) and Sandeep Kumar Sultania, Chief Financial Officer (CFO) of Srei Infrastructure Finance Limited, hereby certify to the Board of Directors that we have reviewed the financial statements and the cash flow statement of the Company for the Financial Year ended on March 31, 2021 and to the best of our knowledge and belief, declare that –

1. The Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; that the Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are no transactions entered into by the Company during the Financial Year which are fraudulent, illegal or violative of the Company's Code of Conduct.

3. We accept the responsibility for establishing and maintaining the internal controls for financial reporting which are monitored by the Company's Internal Audit Team and have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting based on feedbacks received from the Company's Internal Audit Team and have disclosed to the Auditors and the Audit Committee, the deficiencies, if any, in the design or operation of such internal controls and the steps taken or proposed to be taken to rectify the deficiencies.

4. We have indicated to the Auditors and the Audit committee:

   (i) significant changes, if any, in the internal control over financial reporting during the financial year;

   (ii) significant changes, if any, in accounting policies made during the financial year and the same have been disclosed in the notes to the financial statements; and

   (iii) that there have been no instances of significant fraud, of which we have become aware and consequently no involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
Srei Infrastructure Finance Limited

We have examined the compliance of conditions of Corporate Governance by **SREI INFRASTRUCTURE FINANCE LIMITED** ('the Company') for the year ended on March 31, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Sd/-
Makarand Joshi
Partner
Peer Review No. P2009MH007000
UDIN: F005533C000337678
FCS No. 5533
CP No. 3662

Place: Mumbai
Date: May 17, 2021

REPORT ON CORPORATE GOVERNANCE

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

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

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

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

The Company is in compliance with the Corporate Governance Code as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015'). Details of compliances pursuant to the SEBI Listing Regulations, 2015 for the year ended March 31, 2021 are provided below:

A. MANDATORY REQUIREMENTS

1. Company's philosophy on Code of Governance

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

2. Board of Directors

- **Composition**

As on March 31, 2021, the Board comprised of 8 (Eight) Directors with an optimal combination of Executive, Non-executive and Independent Directors, including Women Directors. 1 (One) Director is Non-Executive Director being Vice Chairman, 1 (One) Director is Executive Director (Chairman) and 6 (Six) Directors are Independent Directors involving 2 (Two) Independent Women Directors. Majority of the Board is comprised of Independent Directors. The Board's actions and decisions are aligned with best interests of the Company.

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

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

None of the Directors on the Board serve as a Director in more than 7 (Seven) listed entities. Further, none of the Directors on the Board serve as an Independent Director of more than 7 (Seven) listed entities across all entities in which he/she is a Director. Further, none of the Director on the Board who is serving as a Whole-time Director/Managing Director in any listed entity is serving as an Independent Director of more than 3 (Three) listed entities across all entities in which he/she is a Director. The

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

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

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

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

The Composition of the Board of Directors as on March 31, 2021 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, 2021 are as under:

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

*Resigned from the position of Independent Director of the Company with effect from close of business hours of June 30, 2021 due to his other pre-occupation and personal commitments and there are no other material reasons other than those provided as confirmed by the Director.

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, 2021. None of the other Directors hold any equity shares in the Company.

As on March 31, 2021, Mr. Hemant Kanoria, Chairman, Mr. Rakesh Kumar Bhutoria, Chief Executive Officer (CEO) and Mr. Sandeep Kumar Sultania, Chief Financial Officer (CFO) of the Company are the Whole-time Key Managerial Personnel (KMPs) of the Company in accordance with Section 2(51) read with Section 203 of the Companies Act, 2013.

Further, during the year, Mr. Sandeep Lakhotia resigned as the Company Secretary (being KMP) of the Company with effect from the close of business hours of March 20, 2021. He was holding 3,35,993 Equity shares in the Company as on March 20, 2021. In the interim, Ms. Ekta Agarwal, Deputy Company Secretary of the Company was in charge of the compliance function. Further, Mr. Manoj Kumar was appointed as the Company Secretary and Compliance Officer (being KMP) of the Company w.e.f. April 01, 2021.

Mr. Manoj Kumar does not hold any equity shares of the Company.

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/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf.

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

Succession Policy

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

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

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

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

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

Responsibilities

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

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

- **Independent Directors (IDs)**

As on March 31, 2021, the Company has 6 (Six) Independent Directors on its Board out of the total strength of 8 (Eight) Directors. None of the Independent Directors have resigned from the Board before the expiry of his/her tenure during the Financial Year 2020-21.

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 presented before the Board. In the opinion of the Board, all the existing Independent Directors of the Company, fulfill the conditions specified in SEBI Listing Regulations, 2015 and are independent of the management.

Meeting of Independent Directors (IDs)

The Independent Directors (IDs) met on June 29, 2020 and February 13, 2021 without the presence of Non-Independent Directors and the Management Team. The meetings were attended by all the Independent Directors and enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board. The IDs reviewed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The IDs also evaluated the performance of Chairperson (Executive Director) after considering the views of Non-Executive Directors, Non-Independent Directors and the Board as a whole and found it to be satisfactory.

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.

2 (Two) such specific familiarisation programmes were conducted on June 29, 2020. As a part of the first programme, Summary of Codes and Policies – Key Highlights & Key Changes during the Financial Year 2019-20 was circulated to the Independent Directors and was also deliberated upon. As a part of the second programme, Compilation of regulatory updates relevant to Non-Banking Financial Companies (NBFCs) on account of Covid-19 pandemic was circulated to the Independent Directors and was also deliberated upon.

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

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

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

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

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

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

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

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

Performance Evaluation

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

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

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

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

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

During the year under review, the Board carried out annual evaluation of its own performance as well as evaluation of the working of various Board Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee and Individual Directors (including Chairman, Independent Directors and Non-Independent Non-Executive Directors). This exercise was carried out through a structured questionnaire prepared separately for Individual Board Members (including the Chairman) and above Board Committees based on the criteria as formulated by the NRC and in context of the Guidance note dated January 05, 2017 issued by SEBI. The said questionnaire was circulated to the Directors and was also made available to the Directors on their I-Pads under the 'Diligent Boards' (Diligent) Application to carry out performance evaluation for the Financial Year 2020-21 on the broad parameters as laid down by the NRC.

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

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

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

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

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

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

Key skills/ expertise/ competence of the Board of Directors

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

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

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

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

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

*Resigned w.e.f. the close of business hours of June 30, 2021

- **Meetings**

7 (Seven) Board meetings were held during the year 2020-21 on June 29, 2020, July 28, 2020, September 14, 2020, November 09, 2020, December 02, 2020, January 07, 2021 and February 13, 2021. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days or the maximum time gap of 180 (One Hundred and Eighty) days for the first two quarters of Financial Year 2020-21 i.e. till September 30, 2020 permitted by MCA vide its circular dated March 24, 2020 read with SEBI circular dated March 19, 2020.

Further, during the Financial Year 2020-21, 2 (two) circular resolutions were approved by the Board of Directors of the Company each on March 20, 2021 and March 23, 2021.

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

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

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

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

In order to assist the Board Members and Senior Management to keep pace with the ever-changing laws and to apply them prudently in their respective area of activities, a Regulatory Landscape Handbook containing the regulatory changes carried out by the various Regulators is circulated on monthly, half yearly and annual basis. 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 of the Company.

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

The 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 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 financial year 2020-21 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 September 19, 2020
	Held	Attended	
Mr. Hemant Kanoria	7	7	Yes
Mr. Sunil Kanoria	7	7	Yes
Mr. Srinivasachari Rajagopal*	7	7	Yes
Mr. Shyamalendu Chatterjee	7	7	Yes
Dr. (Mrs.) Punita Kumar Sinha	7	7	Yes
Mr. Ram Krishna Agarwal	7	7	Yes
Mr. Malay Mukherjee	7	7	Yes
Dr. (Mrs.) Tamali Sengupta	7	7	Yes

*Resigned w.e.f. the close of business hours of June 30, 2021

- **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, 2021 –

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

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

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

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

*Resigned w.e.f. the close of business hours of June 30, 2021.

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

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

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

#Resigned w.e.f. the close of business hours of June 30, 2021.

- **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 and Investment Committee, Corporate Social Responsibility Committee, Asset Liability Management Committee, Business Responsibility Committee, IT Strategy Committee and Governance Committee as on March 31, 2021 in addition to few internal Committees. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval, as the case may be. Further, minutes of proceedings of the Committees are circulated to the Members and are placed before the Board for noting thereat. Further, during the year, the Board of Directors of the Company has accepted all recommendations received from its Board Committees.

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

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

3. Remuneration of Directors

- **Details of remuneration paid/payable to Directors for the year ended March 31, 2021 are as follows:**

(Amount in ₹)

Directors	Sitting Fees[1]	Salary & Perquisites[2]	Commission[4]	Total
Mr. Hemant Kanoria (Chairman)	-	89,76,758[3]	-	89,76,758
Mr. Sunil Kanoria (Vice Chairman)	11,35,000	-	-	11,35,000
Mr. Srinivasachari Rajagopal*	11,95,000	-	-	11,95,000
Mr. Shyamalendu Chatterjee	10,25,000	-	-	10,25,000
Dr. (Mrs.) Punita Kumar Sinha	11,00,000	-	-	11,00,000
Mr. Ram Krishna Agarwal	12,45,000	-	-	12,45,000
Mr. Malay Mukherjee	15,25,000	-	-	15,25,000
Dr. (Mrs.) Tamali Sengupta	8,50,000	-	-	8,50,000

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

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

[3]Mr. Hemant Kanoria had voluntarily reduced his pay by 30% (thirty per cent) during the Financial Year 2020-21 and had also voluntarily relinquished the remuneration payable to him w.e.f. November 01, 2020.

[4]Mr. Hemant Kanoria, Chairman has voluntarily decided to forego the Commission entitlement for the Financial Year 2020-21. Further, no commission is payable to Non Executive Directors for the financial year 2020-21.

*Resigned w.e.f. the close of business hours of June 30, 2021.

- The appointment of Whole Time Director is governed by resolution passed by the Nomination and Remuneration Committee, Board of Directors and the Shareholders of the Company, which covers the terms and conditions of such appointment including remuneration. Further, payment of remuneration to Whole Time Director is also governed by the agreement executed between him and the Company, and approval of Shareholders, wherever applicable. Further, the senior management team (including Chairman and Chief Executive Officer) of the Company decided to lead the efforts on expense control by volunteering to take pay cuts for the Financial Year 2020-21. The Chairman voluntarily reduced his pay by 30% (thirty per cent). Further, Mr. Hemant Kanoria had voluntarily relinquished the remuneration payable to him w.e.f. November 01, 2020. The tenure of office of Mr. Hemant Kanoria is for 5 (Five) years effective from April 01, 2019 and can be terminated by giving 3 (Three) month's notice in writing. There is no separate provision for payment of severance fees. Mr. Hemant Kanoria is presently liable to retirement by rotation.

Further, Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman (Non-Executive Director) of the Company, are also the Chairman and Vice-chairman (Executive), respectively, of Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of the Company and are in receipt of remuneration for the Financial Year 2020-21 from SEFL as per the details given below:

Name of Director*	Remuneration (₹ in Lacs)
Mr. Hemant Kanoria	195.81
Mr. Sunil Kanoria	192.28

*Mr. Hemant Kanoria and Mr. Sunil Kanoria had voluntarily reduced their pay by 30 per cent during Financial Year 2020-21 and had also voluntarily relinquished the remuneration payable to them w.e.f. November 01, 2020.

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

The details of sittings fees paid to the Independent Directors from the respective subsidiary companies in which they are Directors are disclosed in the Directors Report which forms part of the Annual Report of the Company.

Apart from the above, Mr. Hemant Kanoria, Mr. Sunil Kanoria, Mr. Shyamalendu Chatterjee, Dr. (Mrs.) Tamali Sengupta and Mr. Malay Mukherjee have not received any remuneration or commission from any of the Company's subsidiaries or holding company for the Financial Year 2020-21.

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

- The Non-Executive Directors are paid remuneration by way of sitting fees for each meeting of the Board or any Committee thereof attended by them and reimbursement of out-of-pocket expenses incurred, wherever applicable, for attending such meetings. The sitting fees as determined by the Board are presently ₹ 1,00,000/- for attending each meeting of the Board, ₹ 50,000/- for attending each meeting of the Audit Committee, Credit and Investment Committee, Risk Committee and Separate Meeting of Independent Directors and ₹ 25,000/- for attending each meeting of other Committees. The aforesaid payment is well within the limits prescribed under the Companies Act, 2013 and rules made therein.

  Further, the Members of the Company at their meeting held on July 27, 2019 approved payment of commission to Non-Executive Directors of the Company annually for each of the 5 (Five) financial years of the Company commencing from Financial Year 2019-20, an amount not exceeding 1 (One) percent of the net profits of the Company payable in one financial year, to be divided amongst Non-Executive Directors in such amounts or proportions and in such manner as may be determined by the Board from time to time and in default of such determination equally and the above commission shall be in addition to the sitting fees payable to such Directors for attending meetings of the Board and/or Committee(s) thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and/or Committee meetings. However, no commission is proposed and payable to Non-Executive Directors of the Company for the Financial Year 2020-21.

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

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

4. Code of Conduct for Directors and Senior Management

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

It is hereby declared that the Company has obtained from all the Board Members and Senior Management an affirmation that they have complied with the Code of Conduct for the financial year 2020-21.

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

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

5. Audit Committee

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

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI Listing Regulations, 2015. The Audit Committee comprised of 4 (four) Directors as on March 31, 2021:

1. Mr. Malay Mukherjee, Independent Director;
2. Mr. Srinivasachari Rajagopal, Independent Director;
3. Mr. Ram Krishna Agarwal, Independent Director; and
4. Mr. Sunil Kanoria, Non-Executive Director.

Mr. Malay Mukherjee, 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. The Company Secretary of the Company acts as the Secretary to the Committee. Mr. Sandeep Lakhotia resigned as the Company Secretary of the Company w.e.f. close of business hours of March 20, 2021 and Ms. Ekta Agarwal, Deputy Company Secretary acted as the Secretary to the Audit Committee during the intervening period. The Statutory Auditors of the Company are invited to attend the Audit Committee meetings. The Committee also invites senior executives, as it considers appropriate, to be present at the meetings of the Committee. The Terms of Reference of this Committee includes oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommending appointment, remuneration and terms of appointment of auditors, reviewing/examining quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval, evaluate Company's internal financial controls and risk management systems, reviewing performance of statutory and internal auditors and adequacy of internal control systems, reviewing the functioning of the Whistle Blower Mechanism, review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other matters specified for Audit Committee in Section 177 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI Listing Regulations, 2015.

As per the provisions of Section 139 of the Companies Act, 2013, the period of office of Haribhakti & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company, expired at the conclusion of 35th Annual General Meeting (AGM) of the Company held on September 19, 2020.

At the 35th AGM of the Company held on September 19, 2020, D. K. Chhajer & Co., Chartered Accountants, having Firm Registration No. 304138E allotted by The Institute of Chartered Accountants of India (ICAI), were appointed as Statutory Auditors of the Company to hold office for a term of 5 (Five) consecutive years from the conclusion of 35th AGM till the conclusion of the 40th AGM of the Company.

Details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor (including all entities in the network firm/network entity of which the Statutory Auditor is a part) during the Financial Year 2020-21, are as follows:

(₹ in Lacs)

Particulars	2020-21		
	Haribhakti & Co. LLP		D. K. Chhajer & Co.
Entity name	**SIFL**	**SEFL**	**SIFL**
Audit Fees	7.00	225.00	40.00
Certification fees and others	4.37	57.60	2.50
Total	**11.37**	**282.60**	**42.50**

- **Meetings and attendance during the year**

5 (Five) meetings of the Audit Committee were held during the year 2020-21 on June 29, 2020, July 28, 2020, September 14, 2020, November 09, 2020 and February 13, 2021. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days or the maximum time gap of 180 (One Hundred and Eighty) days for the first two quarters of Financial Year 2020-21 i.e. till September 30, 2020 permitted by MCA vide its circular dated March 24, 2020 read with SEBI circular dated March 19, 2020. 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*	2	2
Mr. Malay Mukherjee**	5	5
Mr. Srinivasachari Rajagopal	5	5
Mr. Ram Krishna Agarwal	5	5
Mr. Sunil Kanoria	5	5

*Ceased to be Chairman & Member w.e.f. 01.08.2020

**Designated as Chairman w.e.f. 01.08.2020

- The Company has an Internal Audit Department and the Head of the Department reports to the Audit Committee from time to time. The Company's system of internal controls covering financial and operational activities, compliances, IT applications, etc. are reviewed by the Internal Audit Department and presentations are made to the Audit Committee on the findings of such reviews. Further, in compliance with Section 177(4)(vii) of the Companies Act, 2013 and the RBI Directions, the Audit Committee maintains and evaluates the effectiveness of internal control systems of the Company pertaining to financial reporting, compliance with applicable Accounting Standards, and looks after overall financial activities under applicable laws and regulations governing the Company. Further, an Information System (IS)

Audit of the internal systems and processes is conducted at least once in a year to assess operational risks faced by the Company. The Company has also appointed external agencies to undertake the Internal Financial Controls (IFC) implementation at the Company and for review, control and monitoring Internal Financial Controls as well as for the purpose of Information System (IS) Audit of the internal systems and processes of the Company.

6. Stakeholders Relationship Committee

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

The Stakeholders Relationship Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI Listing Regulations, 2015. The Stakeholders Relationship Committee comprised of 3 (three) Independent Directors as on March 31, 2021:

1. Mr. Ram Krishna Agarwal;
2. Mr. Malay Mukherjee; and
3. Mr. S. Rajagopal.

Mr. Ram Krishna Agarwal is the Chairman of the Stakeholders Relationship Committee. The Company Secretary of the Company acts as the Secretary to the Committee and is assigned with the responsibilities of overseeing investor grievances. Mr. Sandeep Lakhotia resigned as the Company Secretary of the Company w.e.f. close of business hours of March 20, 2021 and Ms. Ekta Agarwal, Deputy Company Secretary acted as the Secretary to the Stakeholders Relationship Committee during the intervening period. The Committee oversees and reviews redressal of shareholder and investor grievances, transfer & transmission of securities, issue of duplicate share/security certificates, exchange of new design share/security certificates, recording dematerialisation & rematerialisation of securities, deal with matters relating to Srei Code of Conduct for Prohibition of Insider Trading (Srei Insider Code) framed in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and related matters. The Stakeholders Relationship Committee meets at regular intervals to take note of share transfer and other matters.

- **Meetings and attendance during the year**

During the year 2020-21, the Stakeholders Relationship Committee met 5 (Five) times on June 19, 2020, July 08, 2020, September 04, 2020, October 27, 2020 and January 18, 2021. Further, 4 (four) circular resolutions were passed by the Members of the Committee on April 22, 2020, May 05, 2020, May 28, 2020 and December 13, 2020.

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

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria*	2	2
Mr. Sunil Kanoria*	2	2
Mr. Shyamalendu Chatterjee**	2	2
Mr. Ram Krishna Agarwal#	3	3
Mr. Malay Mukherjee##	3	3
Dr. (Mrs.) Tamali Sengupta@	3	3
Mr. S. Rajagopal@@	-	-

*Ceased to be Member w.e.f. 01.08.2020

**Ceased to be Chairman & Member w.e.f. 01.08.2020

#Inducted as Chairman w.e.f. 01.08.2020

##Inducted as Member w.e.f. 01.08.2020

@Inducted as Member w.e.f. 01.08.2020 and ceased to be Member w.e.f. 21.03.2021

@@ Inducted as Member w.e.f. 21.03.2021

Total number of shares physically transferred during the year 2020-21 was NIL shares compared to 701 shares during the year 2019-20.

- **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, 2021 is tabulated below:

Investor Complaints	Received (Nos.)	Resolved (Nos.)	Pending at the end of the financial year (Nos.)
From SEBI (SCORES)			
- Equity	1	1	Nil
- Debt	-	-	-
From Stock Exchanges			
- Equity	1	1	Nil
- Debt	7	7	Nil
Ministry of Corporate Affairs (MCA)			
- Equity	-	-	-
- Debt	-	-	-
Others (Received by RTA)			
- Equity	91	91	Nil
- Debt	-	-	-

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, 2021.

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

It has been a constant endeavour of the Company to send regular emails to the shareholders keeping them abreast of all the latest events, press releases and corporate announcements that are made by the Company from time to time. Emails to all shareholders intimating financial results are being sent to those shareholders who have registered their email addresses with their respective Depository Participants.

Shareholders have been given reminder to encash their dividends. Further, 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 comprised of 3 (three) Independent Directors as on March 31, 2021:

1. Mr. S. Rajagopal;
2. Mr. Malay Mukherjee; and
3. Dr. (Mrs.) Punita Kumar Sinha.

Mr. S. Rajagopal acted as the Chairman of the Nomination and Remuneration Committee. The Company Secretary of the Company acts as the Secretary to the Committee. Mr. Sandeep Lakhotia resigned as the Company Secretary of the Company w.e.f. close of business hours of March 20, 2021 and Ms. Ekta Agarwal, Deputy Company Secretary acted as the Secretary to the Nomination and Remuneration Committee during the intervening period. 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 2020-21 on June 29, 2020, July 28, 2020, and November 09, 2020.

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

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Shyamalendu Chatterjee*	2	2
Mr. S. Rajagopal**	3	3
Mr. Malay Mukherjee	3	3
Dr. (Mrs.) Punita Kumar Sinha***	1	1

*Ceased to be Chairman & Member w.e.f. 01.08.2020

**Designated as Chairman w.e.f. 01.08.2020

***Inducted as Member w.e.f. 01.08.2020

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

8. Subsidiary Companies' Monitoring Framework

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

– Financial statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Company's Audit Committee.

– Minutes of Board meetings of unlisted subsidiary companies are placed before the Company's Board regularly.

– A statement containing all significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board.

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

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

As on March 31, 2021, Srei Equipment Finance Limited (SEFL) is a listed material Subsidiary of the Company.

9. Corporate Social Responsibility Committee

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

The Corporate Social Responsibility Committee has been constituted in line with the provisions of Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee comprised of 3 (three) Directors as on March 31, 2021:

1. Mr. Hemant Kanoria, Chairman (Executive);
2. Mr. Ram Krishna Agarwal; Independent Director; and
3. Dr. (Mrs.) Punita Kumar Sinha, Independent Director.

Mr. Hemant Kanoria, Chairman of the Company acted as the Chairman of the Corporate Social Responsibility Committee. The Company Secretary of the Company acts as the Secretary to the Committee. Mr. Sandeep Lakhotia resigned as the Company Secretary of the Company w.e.f. close of business hours of March 20, 2021 and Ms. Ekta Agarwal, Deputy Company Secretary acted as the Secretary to the Corporate Social Responsibility Committee during the intervening period. 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/pdf/Corporate_Social_Responsibility_CSR_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 2020-21 on June 29, 2020, October 28, 2020 and February 17, 2021. 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*	1	1
Mr. Shyamalendu Chatterjee*	1	1
Mr. Ram Krishna Agarwal**	2	2
Dr. (Mrs.) Punita Kumar Sinha**	2	2

*Ceased to be Member w.e.f. 01.08.2020
**Inducted as Member w.e.f. 01.08.2020

10. Committee of Directors

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

The Committee of Directors comprised of 3 (three) Directors as on March 31, 2021:

1. Mr. Hemant Kanoria, Chairman (Executive);
2. Mr. Sunil Kanoria, Non-Executive Director; and
3. Mr. Shyamalendu Chatterjee, Independent Director.

Mr. Hemant Kanoria, Chairman of the Company acted as the Chairman of the Committee of Directors. The Company Secretary of the Company acts as the Secretary to the Committee. Mr. Sandeep Lakhotia resigned as the Company Secretary of the Company w.e.f. close of business hours of March 20, 2021 and Ms. Ekta Agarwal, Deputy Company Secretary acted as the Secretary to the Committee of Directors during the intervening period. 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**

4 (Four) meetings of the Committee of Directors of the Company were held during the year 2020-21 on June 19, 2020, September 19, 2020, November 09, 2020 and February 19, 2021. Further, 1 (one) circular resolution was approved by the Members of the Committee on January 17, 2021.

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

11. Credit and Investment Committee

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

The Credit and Investment Committee has been constituted by the Board of Directors of the Company by consolidating the erstwhile Credit Committee and Investment Committee of the Company w.e.f. August 01, 2020. The Credit and Investment Committee comprised of 3 (three) Directors as on March 31, 2021:

1. Mr. Malay Mukherjee, Independent Director;
2. Mr. Hemant Kanoria, Chairman (Executive); and
3. Mr. Sunil Kanoria, Non-Executive Director.

Mr. Malay Mukherjee acts as the Chairman of the Credit and Investment Committee. Mr. Sandeep Kumar Sultania, Chief Financial Officer (CFO) of the Company 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, to consider, authorise and approve all investment related matters of the Company in accordance with the Investment Policy of the Company etc.

- **Meetings and attendance during the year**

1 (One) meeting of the erstwhile Investment Committee of the Company was held during the year 2020-21 on June 29, 2020. The attendance of each member of the erstwhile Investment Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	1	1
Mr. Sunil Kanoria	1	1
Dr. (Mrs.) Punita Kumar Sinha*	1	1

*Ceased to be a Member consequent to dismantling of the Investment Committee w.e.f. 01.08.2020.

No meeting of the erstwhile Credit Committee of the Company was held during the year 2020-21. However, 3 (three) circular resolutions were passed by the Members of the erstwhile Credit Committee on April 10, 2020, June 05, 2020 and July 31, 2020.

2 (Two) meetings of the Credit and Investment Committee (CIC) of the Company were held during the year 2020-21 on November 09, 2020 and February 13, 2021. Further, 3 (three) circular resolutions were passed by the Members of the Credit and Investment Committee on September 20, 2020, December 03, 2020 and December 30, 2020.

The attendance of each member of the Credit and Investment Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Malay Mukherjee*	2	2
Mr. Hemant Kanoria	2	2
Mr. Sunil Kanoria	2	1

*Chairman of CIC w.e.f. 01.08.2020 (date of constitution of CIC)

12. Risk Committee

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

The Risk Committee comprised of 3 (three) Independent Directors as on March 31, 2021:

1. Mr. S. Rajagopal;
2. Mr. Malay Mukherjee; and
3. Dr. (Mrs.) Punita Kumar Sinha.

Mr. S. Rajagopal acted as the Chairman of the Risk Committee. Mr. Souren Mukhopadhyay 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 2020-21 on June 29, 2020, September 14, 2020, November 09, 2020 and February 13, 2021.

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

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. S. Rajagopal	4	4
Mr. Shyamalendu Chatterjee*	1	1
Mr. Malay Mukherjee	4	4
Dr. (Mrs.) Punita Kumar Sinha**	3	3

*Ceased to be Member w.e.f. 01.08.2020

**Inducted as Member w.e.f. 01.08.2020

13. 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 comprised of 2 (two) Independent Directors and 2 (two) Company Executives as on March 31, 2021:

1. Mr. Ram Krishna Agarwal, Independent Director;
2. Mr. Malay Mukherjee, Independent Director;
3. Mr. Rakesh Kumar Bhutoria, Chief Executive Officer (CEO); and
4. Mr. Sandeep Kumar Sultania, Chief Financial Officer (CFO).

Mr. Ram Krishna Agarwal acts as the Chairman of the Business Responsibility Committee. The Company Secretary of the Company acts as the Secretary to the Committee. Mr. Sandeep Lakhotia resigned as the Company Secretary of the Company w.e.f. close of business hours of March 20, 2021 and Ms. Ekta Agarwal, Deputy Company Secretary acted as the Secretary to the Business Responsibility Committee during the intervening period. 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**

3 (Three) meetings of the Business Responsibility Committee of the Company were held during the year 2020-21 on June 29, 2020, July 28, 2020 and October 27, 2020.

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

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Shyamalendu Chatterjee*	2	2
Mr. Ram Krishna Agarwal**	3	3
Mr. Malay Mukherjee	3	3
Mr. Rakesh Kumar Bhutoria	3	3
Mr. Sandeep Kumar Sultania	3	3
Mr. Jaidip Chatterjee***	2	-

*Ceased to be Chairman & Member w.e.f. 01.08.2020

**Designated as Chairman w.e.f. 01.08.2020

***Ceased to be Member w.e.f. 01.08.2020

14. Asset Liability Management (ALM) Committee

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

The Asset Liability Management (ALM) Committee comprised of 4 (four) Directors as on March 31, 2021:

1. Mr. Hemant Kanoria, Chairman (Executive);
2. Mr. Malay Mukherjee, Independent Director;
3. Mr. Ram Krishna Agarwal, Independent Director; and
4. Dr. (Mrs.) Punita Kumar Sinha, Independent Director.

Mr. Hemant Kanoria acted as the Chairman of the ALM Committee and Mr. Sandeep Kumar Sultania acts as the Secretary to the ALM Committee. The Terms of Reference of this Committee includes review of liquidity position of the Company in various time buckets, review of Interest rate scenario including Srei Benchmark Rate (SBR) etc.

- **Meetings and attendance during the year**

4 (Four) meetings of the ALM Committee of the Company were held during the year 2020-21 on June 29, 2020, September 14, 2020, November 09, 2020 and February 13, 2021.

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*	1	1
Mr. Shyamalendu Chatterjee**	1	1
Mr. Hemant Kanoria#	4	4
Mr. Malay Mukherjee	4	4
Mr. Ram Krishna Agarwal##	3	3
Dr. (Mrs.) Punita Kumar Sinha##	3	3

*Ceased to be Member w.e.f. 01.08.2020

**Ceased to be Chairman & Member w.e.f. 01.08.2020

#Designated as Chairman w.e.f. 01.08.2020

##Inducted as Member w.e.f. 01.08.2020

15. 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 comprised of 3 (three) Directors and 2 (two) Company Executives as on March 31, 2021:

1. Mr. Malay Mukherjee; Independent Director;
2. Mr. Ram Krishna Agarwal, Independent Director;
3. Mr. Sunil Kanoria, Non-Executive Director;
4. Mr. Rakesh Kumar Bhutoria, Chief Executive Officer (CEO); and
5. Mr. Yogesh Kajaria.

Mr. Malay Mukherjee acts as the Chairman of the IT Strategy Committee and Mr. Sandeep Kumar Sultania, Chief Financial Officer (CFO), acts as the Secretary to the IT Strategy Committee.

The Terms of Reference of this Committee includes to provide input to other Board committees and Senior Management regarding IT Strategies and its implementation, to carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements to ensure proper balance of IT investments for sustaining growth and instituting an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner.

- **Meetings and attendance during the year**

2 (Two) meetings of the IT Strategy Committee of the Company were held during the year 2020-21 on June 29, 2020 and November 09, 2020.

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

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Malay Mukherjee*	1	1
Mr. Shyamalendu Chatterjee**	1	1
Mr. Sunil Kanoria	2	2
Mr. Ram Krishna Agarwal***	1	1
Mr. Yogesh Kajaria	2	2
Mr. Rakesh Kumar Bhutoria	2	2
Mr. Siddhartha Patodia#	1	-

*Inducted as Chairman w.e.f. 01.08.2020

**Ceased to be Chairman & Member w.e.f. 01.08.2020

***Inducted as Member w.e.f. 01.08.2020

#Ceased to be Member w.e.f. 01.08.2020

16. Governance Committee

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

The Governance Committee has been constituted pursuant to the provisions of Circular dated May 10, 2018 issued by the Securities and Exchange Board of India (SEBI). The Committee was re-constituted by cessation of Mr. Shyamalendu Chatterjee and Mr. Sunil Kanoria as Members and induction of Dr. (Mr.) Punita Kumar Sinha and Dr. (Mrs.) Tamali Sengupta as Members w.e.f. August 01, 2020. The Governance Committee comprised of 3 (three) Independent Directors as on March 31, 2021:

1. Mr. Malay Mukherjee;
2. Dr. (Mrs.) Punita Kumar Sinha; and
3. Dr. (Mrs.) Tamali Sengupta.

The Company Secretary of the Company acts as the Secretary to the Committee. Mr. Sandeep Lakhotia resigned as the Company Secretary of the Company w.e.f. close of business hours of 20th March, 2021 and Ms. Ekta Agarwal, Deputy Company Secretary acted as the Secretary to the Governance Committee during the intervening period.

The Terms of Reference of this Committee includes to identify and establish governance standards for 'Group Entities' which includes Subsidiary companies and Associate companies of the Company, both listed and unlisted, incorporated in India or outside India, or any entity identified as group entity based on parameters for materiality or criticality as defined by the Committee, to review the measures already taken and recommending measures to be taken for ensuring Group Governance to the Board taking into account the best interests of the Company, to review and assess the adequacy of the Company's Corporate Governance Manual, Code of Conduct for Directors and Senior Management and other internal policies and guidelines, to ensure that a strong and effective group Governance Policy is in place, to define and identify the levels of risk posed by each of the group entities and accordingly obtaining inputs from the core management of the entities with respect to their applicable laws and compliance requirements.

- **Meetings and attendance during the year**

No meeting of the Governance Committee of the Company was held during the year 2020-21.

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 Special Resolution(s) passed through Postal Ballot during the Financial Year 2019-20 and Financial Year 2020-21**

- **Financial Year 2019-20**

During the Financial Year 2019-20, the Company sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated July 04, 2019 for transfer of Lending Business, Interest Earning Business & Lease Business of Srei Infrastructure Finance Limited to Srei Equipment Finance Limited, a wholly owned subsidiary of Srei Infrastructure Finance Limited as a going concern on a slump exchange basis, the results of which were announced on August 16, 2019. Mr. Mohan Ram Goenka, Practicing Company Secretary, Kolkata (FCS No. 4515, CP No. 2551) was appointed as the Scrutiniser to conduct the Postal Ballot and e-voting process in a fair and transparent manner.

Details of Voting Pattern are as under:

Resolution: (Ordinary/ Special)	Special Resolution - Transfer of Lending Business, Interest Earning Business & Lease Business of Srei Infrastructure Finance Limited to Srei Equipment Finance Limited, a wholly owned subsidiary as a going concern on a slump exchange basis
Whether promoter/ promoter group are interested in the agenda/ resolution?	No

Category	**Mode of Voting**	**No. of shares held**	**No. of votes polled**	**% of Votes Polled on outstanding shares**	**No. of Votes – in favour**	**No. of Votes – against**	**% of Votes in favour on votes polled**	**% of Votes against on votes polled**
		(1)	**(2)**	**(3)=[(2)/(1)]*100**	**(4)**	**(5)**	**(6)=[(4)/(2)]*100**	**(7)=[(5)/(2)]*100**
Promoter and Promoter Group	E-Voting	30,58,68,559	30,58,68,559	100.00	30,58,68,559	-	100.00	-
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		-	-	-	-	-	-
	Total	**30,58,68,559**	**30,58,68,559**	**100.00**	**30,58,68,559**	**-**	**100.00**	**-**
Public-Institutions	E-Voting	7,16,61,904	6,37,21,643	88.92	6,37,21,643	-	100.00	-
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		-	-	-	-	-	-
	Total	**7,16,61,904**	**6,37,21,643**	**88.92**	**6,37,21,643**	**-**	**100.00**	**-**
Public-Non Institutions	E-Voting	12,55,55,870	79,21,596	6.31	78,75,482	46,114	99.42	0.58
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		33,532	0.03	30,576	2,956	91.18	8.82
	Total	12,55,55,870	79,55,128	6.34	79,06,058	49,070	99.38	0.62
Total		**50,30,86,333**	**37,75,45,330**	**75.05**	**37,74,96,260**	**49,070**	**99.99**	**0.01**

Note: The aforesaid resolution was passed with requisite majority on Thursday, August 15, 2019.

Procedure for Postal ballot

The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules"). The Company had completed the despatch of the Postal Ballot Notice dated July 04, 2019 containing draft resolution along with explanatory statement, e-voting instruction, Postal Ballot Forms, e-voting user IDs' and password and a self-addressed postage pre-paid envelope on Tuesday, July 16, 2019 to all Members whose names appeared on the Register of Members/ List of Beneficial Owners as on July 05, 2019. The Notice was sent through electronic mode to those Members, whose e-mail addresses were registered with the Depository Participants and/ or the Registrar and Share Transfer Agents and through physical mode alongwith a self-addressed postage pre-paid envelope to those Members whose email ids were not so registered.

The Company also published a notice in the newspaper declaring the details of completion of despatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 and 110 of the Act and Rules 20 and 22 of the Rules read with Regulation 44 of SEBI Listing Regulations, 2015, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically. The voting under the postal ballot was kept open from July 17, 2019 (9.00 a.m. IST) to August 15, 2019 (5.00 p.m. IST). Upon completion of scrutiny of the postal ballot forms and votes cast through e-voting in a fair and transparent manner, the scrutiniser i.e. Mr. Mohan Ram Goenka submitted his report to the Company and the results of the postal ballot were announced by the Company on August 16, 2019. The voting results were sent to the Stock Exchanges and also displayed on the Company's website www.srei.com and on the website of KFin Technologies Private Limited, https://evoting.karvy.com.

- **Financial Year 2020-21**

During the Financial Year 2020-21, no resolution was passed through Postal Ballot.

No Resolution requiring a postal ballot was placed before the last AGM of the Company held on September 19, 2020.

The Company may seek to pass Special Resolution(s) in Financial Year 2021-22 through Postal Ballot, as and when required, subject to applicable Acts and Rules. Pursuant to the provisions of the Companies Act, 2013, in view of the e-voting facilities provided by the Company, none of the businesses proposed to be transacted at the ensuing AGM require passing a resolution through postal ballot.

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. 39 in 'Notes to the Financial Statements' in the Annual Report, in accordance with the requirements of Ind AS 24 as notified by the Companies (Indian Accounting Standards) Rules, 2015.

A Statement in summary form of the transactions with related parties is periodically placed before the Audit Committee for review and approval and thereafter recommendation to the Board for their approval, wherever required.

The Company's related party transactions, during the year, are primarily with the subsidiaries and associates of the Company. All these transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and are generally carried out on an arm's length basis. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialisation and the Company's long-term strategy for sectoral investments, optimisation 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 2020-21. The Register of Contracts containing transactions, if any, in which Directors are interested, is placed before the Board regularly.

The Reserve Bank of India (RBI) in its inspection report and risk assessment report for the year ended on March 31, 2020 has identified 'certain parties' being borrower of Srei Equipment Finance limited (SEFL), wholly owned subsidiary of the Company, as probable connected / related companies.

In view of the directions, the Company and SEFL have taken legal view to determine whether such parties are related parties to the Company and SEFL. Based on the legal view, the Company and SEFL have been advised and have therefore come to the conclusion that the Company and SEFL have no direct or indirect control or significant influence (as per Companies Act, 2013 and Ind AS 24) over such parties and are not under common control and accordingly, are not related party of the Company or SEFL.

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/sifl-corporate-policies/Related_Party_Transactions_(RPTs)_Policy.pdf.

In compliance with Regulation 23(9) of SEBI Listing Regulations, 2015, disclosures of related party transactions on a consolidated basis is submitted by the Company to the Stock Exchanges on a half yearly basis. The same is also published on the Company's website www.srei.com.

Prior approval of Audit Committee is obtained for all Related Party Transactions (RPTs), wherever applicable, except for the Related Party Transactions (RPTs) for which omnibus approval is granted by the Audit Committee from time to time.

- **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years**

During the last 3 (Three) years, there were no strictures or penalties imposed by either Stock Exchanges or Securities and Exchange Board of India (SEBI) or any statutory authority for non-compliance of any matter related to the capital markets.

In regard to the Application under Section 633 of the Companies Act, 1956 filed on November 26, 2008 in the Hon'ble Calcutta High Court by the Directors and Company Secretary of the Company, the Ad-interim order of injunction restraining the Regional Director and the Registrar of Companies, West Bengal from instituting or causing to be instituted any proceedings against the Directors and Company Secretary of the Company is still continuing.

Further, with respect to the Inspection by the Ministry of Corporate Affairs (MCA) under Section 206(5) of the Companies Act, 2013, in the matter of Preliminary Finding Letter (PFL) dated February 12, 2021 issued by the Joint Director & Inspecting Officer, MCA, Office of the Regional Director, an application was made on behalf of the Directors of the Company before the Hon'ble High Court of Calcutta on March 24, 2021 seeking reliefs under the provisions of Section 463 of the Companies Act, 2013.

- **Insider Trading Code**

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations, 2015), the Board of Directors of the Company adopted the Code of Conduct for Prohibition of Insider Trading (Srei Insider Code) for prohibition of Insider Trading by the Designated Persons and their immediate relatives as well as Promoter and Promoter Group of the Company. Further, awareness emails are circulated to all the Designated Employees of the Company on a monthly basis for increasing awareness, highlighting the compliance requirements arising out of the Srei Insider Code including Do's and Don'ts on insider trading and responsibilities of Designated Persons. Further, initiatives have been taken by the Company to spread insider trading awareness by sending bulk SMS to all the Designated Employees of the Company intimating them about the closure of Trading Window and flashing the Do's and Don'ts as screen savers on the desktops / laptops of the Designated Employees. Further, wall posters on Do's and Don'ts and responsibilities of Designated Persons have been put up across Srei Offices for increasing awareness.

The Board, at its meeting held on September 14, 2020, has revised the Srei Insider Code in line with regulatory changes.

Further, with the sole objective of increasing awareness on Srei Insider Code in an easy and simple manner, information and guidance on Prevention of Insider Trading is regularly shared via email and through presentations from time to time wherein participants are given a broad overview on regulatory requirements and guidance regarding prevention of insider trading and wherein they learn how to avoid partaking in insider trading or sharing material non-public information.

Mr. Manoj Kumar, Company Secretary of the Company 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. Mr. Sandeep Lakhotia resigned as the Company Secretary and Compliance Officer w.e.f. close of business hours of March 20, 2021 and Ms. Ekta Agarwal, Deputy Company Secretary was 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 during the intervening period.

Further, during the Financial Year 2020-21, few instances of violations of the Srei Insider Code by Designated Persons and/or their immediate relatives were observed by the Compliance Officer. Details of all such violations were presented before the Stakeholders Relationship Committee. Subsequently, decisions of the Stakeholders Relationship Committee were reported to the Securities and Exchange Board of India (SEBI) / Stock Exchanges, as applicable in the prescribed format and the penalty amounts imposed, if any, on the respective Designated Persons and / or their immediate relatives were duly deposited to the Investor Protection and Education Fund (IPEF) of SEBI.

- **Fair Disclosure Code**

Pursuant to Regulation 8 read with Schedule A of the PIT Regulations, 2015, the Board of Directors of the Company adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) (Srei Fair Disclosure Code) which lays down principles and practices to be followed by the Company pertaining to universal disclosure of UPSI.

The Chief Financial Officer of the Company is designated as Chief Investor Relations Officer, to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner. A quarterly certificate, affirming compliance with the Srei Fair Disclosure Code is placed before the Stakeholders Relationship Committee for noting. The said Code is available on the Company's website at https://www.srei.com/sifl-corporate-policies/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI.pdf.

- **Disclosure of events or information pursuant to SEBI Listing Regulations, 2015**

Pursuant to Regulation 30(1) of SEBI Listing Regulations, 2015, the Board of Directors of the Company adopted the Policy for determination of Materiality of any event/information for the purpose of proper, sufficient and timely disclosure of the same to the stock exchange(s). The Policy for determination of Materiality of any event/information is available on the Company's website at https://www.srei.com/sifl-corporate-policies/Policy_for_determination_of_Materiality_of_any_Event_Information.pdf.

The Committee of Key Executives for the determination of Materiality of events/information comprises:

Name	Designation
Mr. Hemant Kanoria	Chairman
Mr. Rakesh Kumar Bhutoria	Chief Executive Officer (CEO)
Mr. Sandeep Kumar Sultania	Chief Financial Officer (CFO)

Further, the Company Secretary of the Company acts as the coordinator and liaison officer for dissemination of material events/information to the Stock Exchanges(s) in terms of SEBI Listing Regulations, 2015 and Company's Policy.

Further, in compliance with Regulation 30(8) of SEBI Listing Regulations, 2015, all such events or information which has been disclosed to Stock Exchanges under the said regulation has been disclosed on the website of the Company www.srei.com.

Further, with the objective of increasing awareness on disclosure requirements arising under Regulation 30 of SEBI Listing Regulations, 2015, information and guidance is regularly provided to the senior employees of the Company.

- **Whistle-Blower Policy (Vigil Mechanism)**

The Company has formulated a codified Whistle-Blower Policy in order to encourage Directors and employees of the Company to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of the Company and its stakeholders in any way. The Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimisation, for whistle blowing in good faith. The said Policy was last revised on November 09, 2020 and is available on the Company's website at https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf.

The Company affirms that none of the employees / personnel have been denied access to the Audit Committee. Quarterly report with number of complaints received, if any, under the Whistle Blower Policy and their outcome is placed before the Audit Committee of the Company at quarterly intervals.

Further, no complaints were received during the year under the Whistle Blower Policy.

- **Policy against Sexual and Workplace Harassment**

The Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. The Company in its endeavour to provide a safe and healthy work environment for all its employees has developed a policy to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential. Further, the Company has created a module for the employees which will help the learner to understand the costs of sexual harassment at workplace and the importance of prevention of sexual harassment. Further, the module will familiarise the employees not just about the legal requirements but also the moral and ethical reasons why organisations must promote healthy workplace.

The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('Act'). The Policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at workplace. As per the Policy, any employee may report his / her complaint to the Internal Complaint Committee formed for this purpose. The Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy.

The details of complaints during the Financial Year 2020-21 pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Company's Policy on Prevention of Sexual Harassment is as under:

Number of complaints filed	Number of complaints disposed off	Number of complaints pending
Nil	Nil	Nil

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 material and relevant matters which in its, opinion are material and relevant for the shareholders. The Company effectively uses NEAPS (NSE Electronic Application Processing System) and BSE Corporate Compliance & Listing Centre, a web based application designed by National Stock Exchange of India Limited and BSE Limited, respectively, for filing of shareholding pattern, corporate governance report, financial statements and significant corporate announcements thereby saving time, cost and ensuring operational efficiency.

• Quarterly results	:	The Quarterly results of the Company are published in prominent English Newspaper having nationwide circulation as well as Bengali Newspaper and regularly hosted on Company's website. Further, pursuant to Regulation 47 read with Regulation 33 of SEBI Listing Regulations, 2015, extract of the Consolidated Results were published as per the prescribed format.
• Newspapers in which results are normally published	:	Business Standard, HT Mint, Hindu Business Line, Financial Express. Aajkaal and Ek Din.
• Any website, where displayed	:	Yes, at the Company's website www.srei.com
• Whether it also displays official news releases	:	Yes
• The presentations made to institutional investors or to the analysts	:	Yes Pursuant to Para A of Part A of Schedule III read with Regulation 30 of SEBI Listing Regulations, 2015, schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional Investors, if any, has been duly disclosed by the Company to the Stock Exchanges and the same has also been simultaneously disseminated on the Company's website www.srei.com pursuant to Regulation 46(2) of the said Regulations.
• Whether MD & A is a part of Annual Report or not	:	Yes

20. General Shareholders' Information

A section on Shareholders' Information is separately provided in the Annual Report.

B. DISCRETIONARY REQUIREMENTS

(Regulation 27 read with part E of Schedule II of SEBI Listing Regulations, 2015)

a)	**Chairman of the Board** Whether Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties	Not Applicable as the Company has an Executive Chairman.
b)	**Shareholder rights** A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders	Since quarterly, half-yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Bengali daily newspaper (having circulation in Kolkata) and regularly hosted on Company's website, these are not sent individually to the shareholders of the Company. There is no declaration/publication of second half yearly results as the audited annual results are taken on record by the Board and then communicated to the shareholders through the Annual Report. The Annual Report of the Company for the financial year 2020-21 shall be emailed to the Members whose email addresses are available with the depositories or are obtained directly from the Members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Companies (Accounts) Rules, 2014. Further, in view of the circulars issued by the Ministry of Corporate Affairs (MCA) and by the Securities and Exchange Board of India (SEBI), the Company will not be sending hard copy of the Annual Report for financial year 2020-21 to the Members. Therefore, Members are requested to get their email addresses registered/updated with the Company / Depository Participants, as applicable. The Company communicates with shareholders through e-mail, telephone and one on one meetings either in shareholder's conferences, Company visits or on road shows.
c)	**Modified opinion(s) in audit report** Company may move towards a regime of unmodified financial statements	It is always the Company's endeavour to present unmodified financial statements. There is no audit modification in the Company's financial statements for the year ended on March 31, 2021.
d)	**Reporting of Internal Auditor** The Internal Auditor may report directly to the Audit Committee	The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting audit findings to the Audit Committee.

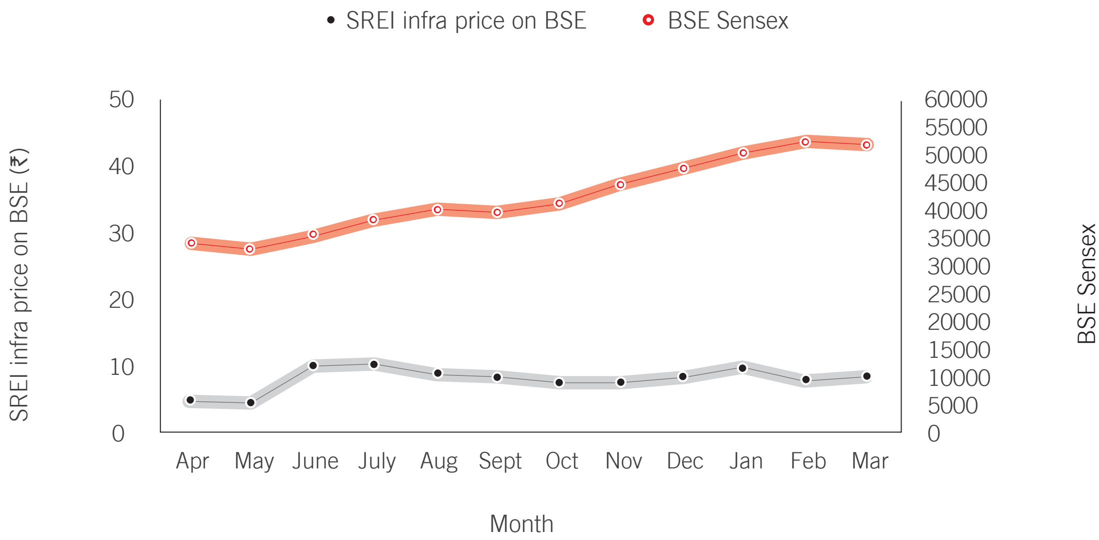
SHAREHOLDERS' INFORMATION

1. Annual General Meeting	
a) Date and Time	Saturday, September 25, 2021 at 11:00 a.m. (IST)
b) Venue	The 36th AGM of the Company will be conducted through Video Conferencing (VC)/Other Audio Visual Means (OAVM). The deemed venue for the 36th AGM shall be the Registered Office of the Company.
2. Financial Calendar (Tentative)	April 1 to March 31
a) Financial reporting for 2021-22	
Quarter ending June 30, 2021	On or before August 14, 2021
Quarter/Half year ending September 30, 2021	On or before November 14, 2021
Quarter/Nine months ending December 31, 2021	On or before February 14, 2022
Year ending March 31, 2022	On or before May 30, 2022
b) Annual General Meeting for the year ending on March 31, 2022	August/September, 2022
3. Dividend Payment Date	Not Applicable (Since no dividend is recommended for the financial year 2020-21).
4. Listing on Stock Exchanges	The Equity shares of the Company are presently listed on the following Stock Exchanges:
	a. BSE Limited P. J. Towers, Dalal Street, Mumbai – 400 001
	b. National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051
	The Unsecured Perpetual Non-Convertible Debentures (PDI) of the Company amounting to ₹ 10 Crores are listed on the Debt Segment of BSE Limited (BSE).
5. Listing Fees	Listing fees for the financial year 2020-21 has been paid to all the Stock Exchanges.
6. International Security Identification Number (ISIN)	Equity Shares - INE872A01014
7. Stock Codes (Equity Shares)	Equity Shares
	BSE - 523756 and NSE - SREINFRA
8. Corporate Identification Number (CIN)	L29219WB1985PLC055352
9. Stock Market Data	

Month	National Stock Exchange of India Limited			BSE Limited		
	High ₹	**Low ₹**	**Volume**	**High ₹**	**Low ₹**	**Volume**
April, 2020	4.40	3.50	2,88,35,693	4.35	3.56	22,67,569
May, 2020	4.20	3.70	2,30,26,665	4.38	3.70	32,87,956
June, 2020	9.50	4.00	8,32,45,234	9.67	3.96	1,94,17,504
July, 2020	9.95	6.20	4,64,58,910	10.15	6.20	1,21,97,565
August, 2020	8.45	6.25	2,82,04,149	8.55	6.26	46,10,161
September, 2020	7.90	6.10	1,81,21,802	8.00	6.15	27,45,572
October, 2020	7.40	6.25	86,41,680	7.35	6.17	22,59,818
November, 2020	7.05	5.65	2,19,10,745	7.05	5.66	39,56,582
December, 2020	8.05	5.85	4,45,33,101	8.00	5.85	93,12,196
January, 2021	9.45	6.55	6,39,16,856	9.41	6.50	95,38,419
February, 2021	7.80	6.15	2,16,05,763	7.75	6.17	42,19,336
March, 2021	8.20	5.00	4,44,58,955	8.19	5.01	86,85,392

Note: Volume is the total monthly volume of trade in number of shares.

Performance in comparison to BSE Sensex (monthly High)



10. Registered Office	a) Address	:	'Vishwakarma', 86C, Topsia Road (South), Kolkata – 700 046
	b) Telephone No.	:	91-33-6160 7734
	c) Facsimile Nos.	:	91-33-2285 7542/8501
	d) Website	:	www.srei.com
	e) E-mail	:	corporate@srei.com
11. Registrar and Share Transfer Agent's details	a) Name & Address	:	KFin Technologies Private Limited Selenium Building, Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal Hyderabad – 500 032
	b) Telephone Nos.	:	040-6716 1500 1800-309-4001
	c) Facsimile Nos.	:	040-2342 0814
	d) Website	:	https://www.kfintech.com
	e) E-mail	:	einward.ris@kfintech.com
12. Details of Debenture Trustees	a) Address	:	Catalyst Trusteeship Limited 'GDA House' Plot No. 85, Bhusari Colony (Right) Kothrud, Pune – 411 038
	b) Telephone No.	:	91-20-2528-0081
	c) Facsimile Nos.	:	91-20-2528-0275
	d) Website	:	www.catalysttrustee.com
	e) E-mail	:	complianceCTL-mumbai@ctltrustee.com
13. Financial Year	April 01 to March 31		

14. Particulars of Past three AGMs

AGM	Year	Venue	Date	Time	Members present
35th*	2019/20	Thru' Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	19/09/2020 (Saturday)	11:00 a.m.	94
34th**	2018/19	Bhasha Bhawan Auditorium, National Library, Belvedere Road, Alipore, Kolkata - 700 027	27/07/2019 (Saturday)	10.30 a.m.	2,205
33rd***	2017/18	Science City Mini Auditorium', JBS Haldane Avenue, Kolkata - 700 046	21/07/2018 (Saturday)	10.30 a.m.	2,207

*One Special Resolution was passed:

- Waiver of recovery of excess remuneration paid to Mr. Hemant Kanoria (DIN: 00193015), Chairman of the Company, in whole time capacity, during the Financial Year 2019-20 and approval for payment of remuneration for the period of 2 (Two) years i.e. Financial Year 2020-21 and 2021-22 in the event of absence or inadequacy of profits, if any.

**Five Special Resolutions were passed:

- Appointment of Mr. Hemant Kanoria (holding DIN: 00193015) as the Chairman of the Company.
- Appointment of Dr. (Mrs.) Tamali Sengupta (holding DIN: 00358658) as an Independent Director of the Company.
- Re-appointment of Mr. Shyamalendu Chatterjee (holding DIN: 00048249) as an Independent Director of the Company.
- Re-appointment of Mr. Srinivasachari Rajagopal (holding DIN: 00022609) as an Independent Director of the Company.
- Re-appointment of Dr. (Mrs.) Punita Kumar Sinha (holding DIN: 05229262) as an Independent Director of the Company.

***One Special Resolution was passed:

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

15. Distribution of Shareholding as on March 31, 2021

Category (Shares)	No. of Shareholders*		No. of Shares	
	Total	Percent	Total	Percent
Up to 500	60543	68.32	9673859	1.92
501 to 1000	11285	12.73	9510098	1.89
1001 to 2000	6769	7.64	10782155	2.14
2001 to 3000	2830	3.19	7424834	1.48
3001 to 4000	1486	1.68	5404496	1.07
4001 to 5000	1392	1.57	6650379	1.32
5001 to 10000	2257	2.55	17190228	3.42
10001 to 20000	1061	1.20	15557297	3.09
20001 and above	1000	1.13	420892987	83.66
Total	**88623**	**100.00**	**503086333**	**100.00**

*based on number of folios

16. Dividend History (Last 5 years)

Financial Year	Dividend Per Share* (₹)	Dividend Declaration Date
2019 – 20	-	-
2018 – 19	0.50	March 08, 2019**
2017 – 18	0.50	July 21, 2018
2016 – 17	0.50	July 22, 2017
2015 – 16	0.50	August 06, 2016

*share of paid-up value of ₹ 10/- per share

**Interim Dividend

17. Categories of Shareholders as on March 31, 2021

Category Code	Category of Shareholder	Total Number of Shares	As a Percentage of (A+B+C)
A	Shareholding of Promoter and Promoter Group		
1	Indian	30,58,68,559	60.80
2	Foreign	N.A.	N.A.
	Total Shareholding of Promoter and Promoter Group*	**30,58,68,559**	**60.80**
B	Public Shareholding		
1	Institutions	48,28,712	0.96
2	Non-institutions**	19,23,89,062	38.24
	Total Public Shareholding	**19,72,17,774**	**39.20**
C	Non-Promoter – Non-Public		
1	Shares underlying DRs	-	-
	Total Non-Promoter – Non-Public Shareholding	**-**	**-**
	GRAND TOTAL (A+B+C)	**50,30,86,333**	**100.00**

*None of the shares held by the Promoter/Promoters' Group is under pledge.
**Includes 4,20,000 equity shares transferred to the Investor Education and Protection Fund (IEPF).

18. Credit Ratings

The following are the Credit Ratings as on March 31, 2021 assigned to unsecured perpetual Non-Convertible Debentures (NCDs) of the Company:

Agency	Brickwork
Innovative Perpetual Debt Instrument (PDI)	BWR BB (Credit watch with negative implications)

During the Financial Year 2020-21, the credit ratings of the various instruments issued by the Company were revised as follows:

Credit Rating Agency	Instruments / Facilities	Date of Revision	Revision Type
Brickwork Ratings India Pvt. Ltd. (Brickwork)	Innovative perpetual debt instrument (IPDI)	07.09.2020	Downgrade
	Innovative perpetual debt instrument (IPDI)	20.11.2020	Downgrade
CARE Ratings Limited (CARE)*	Long-Term and Short-Term Bank facilities, Long term infrastructure bond, Non-Convertible Debenture issue (Series II, IV, V), Unsecured Subordinated Tier II NCDs (Series IV-VI)	14.12.2020	Downgrade
	Long Term and Short-Term Bank facilities, Long-term infrastructure bond, Non-Convertible Debenture issue (Series II, IV, V), Unsecured Subordinated Tier II NCDs (Series IV-VI)	06.03.2021	Downgrade

*Borrowings transferred to Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of the Company, as part of the business of the Company transferred to SEFL on and from 01.10.2019

Further, based on Company's request for withdrawal of rating assigned to various instruments of the Company, Care Ratings Limited (CARE) vide Press Release dated April 30, 2020 has withdrawn the ratings assigned to the instruments of the Company, namely, Commercial Paper Issue, Unsecured Subordinated (Tier II) Non-Convertible Debentures (NCDs) – Series II and Proposed Secured Redeemable NCDs.

Further, based on Company's request for withdrawal / transfer of rating assigned to various instruments of the Company, Brickwork Ratings India Pvt. Ltd. (Brickwork) vide Press Release dated September 07, 2020 has withdrawn the ratings assigned to the instruments of the Company, namely, Non-Convertible Debentures (NCDs) and Commercial Papers (CPs).

Requisite intimations in this regard were sent to the Stock Exchanges in compliance with Regulation 30 read with Schedule III of the SEBI Listing Regulations, 2015.

Further, in terms of the Business Transfer Agreement (BTA) dated August 16, 2019, the Company has transferred all rights and obligations under the Debenture Trust Deeds arising out of the listed Non-Convertible Debentures (NCDs) to Srei Equipment Finance Limited (SEFL), wholly-owned subsidiary of the Company, pursuant to the Novation Deeds executed with the Debenture Trustees i.e. Catalyst Trusteeship Limited and Axis Trustee Services Limited on December 18, 2019 and January 14, 2020, respectively.

19. Commodity Price risk, Foreign Exchange risk and Hedging activities

The Company does not deal in any commodity and hence is not exposed to any commodity price risk. Further, the Company lays down the overall risk strategy and Risk Committee oversees the application and adherence to it. The Company has adopted a comprehensive approach for market risk that not only hedges against market risks, but also endeavours to maximise the risk-adjusted rate of return of the portfolio by keeping close track of macro-economic developments including changes and its impact on movement in interest rates, foreign exchange rates and liquidity position in the market.

Foreign exchange risk management becomes an imperative as the Company borrows money in foreign currency and lends in domestic currency. Therefore, in order to optimise the cost of funds and diversify the funding mix, effective hedging strategies are put in place in keeping with the Company's risk appetite; and limits pertaining to an open position are devised.

20. Measures adopted to protect the interests of the Shareholders

a) Share Transfer Processing

Pursuant to the proviso to Regulation 40(1) of SEBI Listing Regulations, 2015, except in the case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository w.e.f. April 01, 2019.

The amendment does not prohibit the shareholders from holding the shares in physical form. Shareholder has the option of holding shares in physical form even after April 01, 2019. However, any shareholder who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized. In view of the above and the inherent benefits of holding shares in electronic form, the shareholders holding shares in physical form are advised to opt for dematerialisation at the earliest.

	Further, SEBI vide Press Release No. 12/2019 dated March 27, 2019 clarified that the transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 01, 2019. Further, SEBI vide Circular dated September 07, 2020 stipulated March 31, 2021 as the cut-off date for re-lodgement of transfer deeds. Further, the shares that are re-lodged for transfer (including those request that are pending with the listed company / RTA, as on the date of the Circular) shall henceforth be issued only in dematerialised mode. The Stakeholders Relationship Committee meets at regular intervals. During the year 2020-21, the Stakeholders Relationship Committee met 5 (Five) times. Total number of shares physically transferred during the year 2020-21 was NIL shares compared to 701 shares during the year 2019-20. There are no legal cases relating to transfer of shares. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance pertaining to share transfer formalities as required under Regulation 40(9) and formalities w.r.t. transfer of Non Convertible Debentures (NCDs) as required under Regulation 61(4) of SEBI Listing Regulations, 2015 and files a copy of the certificates with the Stock Exchanges.
b) Redressal of Grievances	Investor servicing is one of the key ingredient of good Corporate Governance practices to enhance stakeholders' confidence. Necessary system has been put in place in order to attend with promptness any grievances or queries by the Shareholders. Personal calls and proactive follow-ups have only enhanced stakeholders' confidence which has enabled retaining NIL investor grievances status month on month. Various initiatives undertaken to closely monitor the grievances / correspondences of Equity shareholders are as follows: - A designated e-mail ID 'investor.relations@srei.com' is available to address the Investor Grievances on a day to day basis; - Shareholders' Referencer, a handbook for shareholders is available on the Company's website at https://www.srei.com/sifl-shareholders-information-shareholders-referencer. It serves as an easy guide for the investor's share and dividend related queries and inter-alia covers the shareholders' grievance redressal mechanism and their duties & responsibilities. In addition to the above, a comprehensive Investor Grievance Redressal Policy has been formulated and put in place by the Company. The said Policy was last revised on June 29, 2020. The investor complaints are processed in a centralised web-based complaints redress system called SEBI Complaints Redress System (SCORES). The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned Companies and online viewing by investors of actions taken on the complaint and its current status. The Company had obtained SCORES authentication in June, 2011, when the said concept was introduced by SEBI and the Company has maintained a track record of resolving the grievances of investors received on SCORES within the stipulated time period specified by SEBI. The Securities and Exchange Board of India (SEBI) issued Circular No. CIR/OIAE/1/2014 dated December 18, 2014 on SCORES consolidating all the earlier Circulars issued relating to SCORES. The said Circular provides that failure by listed companies and SEBI registered intermediaries to file Action Taken Report under SCORES within 30 (thirty) days of date of receipt of the grievance shall not only be treated as failure to furnish information to SEBI but shall also be deemed to constitute non-redressal of investor grievance. Further, SEBI vide its Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2018/58 dated March 26, 2018 has permitted investors to directly approach listed companies / registered intermediary for redressal of their complaints via SCORES Platform w.e.f. August 01, 2018. The entity is required to redress the grievance within 30 (thirty) days, failing which the complaint shall be registered in SCORES. Further, SEBI vide Circular dated August 13, 2020 specified that in case of delays, Stock Exchanges have been empowered to impose fines of ₹ 1,000 per day on the listed companies, after following the process as laid down in the aforesaid Circular. The said Circular has become effective from September 01, 2020. There are no pending investor grievances lying unresolved as per the data available on SCORES as on March 31, 2021.
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, 2021, a total of 5,00,411,876 Equity shares of the Company representing 99.47% 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, 2021 is given below –

Physical / Electronic	No. of Holders*	No. of Shares	%
Physical	2,799	26,74,457	0.53
NSDL	41,874	12,35,28,403	24.56
CDSL	43,950	37,68,83,473	74.91
Total	**88,623**	**50,30,86,333**	**100.00**

*based on number of folios

For any assistance in converting physical shares in electronic form, investors may approach KFin Technologies Private Limited or the Secretarial Department of the Company.

The Equity shares of the Company are actively traded on the Stock Exchanges.

e) Depositories

National Securities Depository Limited

Trade World, A Wing, 4th and 5th Floor
Kamala Mills Compound Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013
Telephone No : 91-22-2499 4200
Facsimile Nos. : 91-22-2497 2993/6351
E-mail : info@nsdl.co.in
Website : www.nsdl.co.in

Central Depository Services (India) Limited

25th Floor, Marathon Futurex,
N M Joshi Marg, Lower Parel (East),
Mumbai - 400 013
Telephone No : 91-22-2302 3333
Facsimile Nos. :
91-22-2272 3199/2072
E-mail : investors@cdslindia.com
Website : www.cdslindia.com

f) Registrar and Share Transfer Agents (RTA)

The share transfer and shareholder related activities of the Company are attended and processed by the Registrar and Share Transfer Agents (RTA) of the Company. It is the responsibility of the RTA, inter alia, to register share transfers, coordinate with the depositories and to look after the redressal of shareholders' and Investors' complaints. The complaints/queries received from Investors relating to transfer of shares, non-receipt of annual reports, dividends, share certificates etc. and also the complaints/queries received through SEBI, MCA and the Stock Exchanges are being attended to by the RTA on priority basis.

KFin Technologies Private Limited, Selenium Building, Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, India, is the Registrar and Share Transfer Agents (RTA) of the Company for Equity Shares.

KFin Technologies Private Limited also acts as the Registrar to Non-Convertible Debt Securities (NCDs) of the Company.

g) Fund Raising

The Company has not raised any funds through issuance of securities during the financial year 2020-21.

h) Investor Relations

Global macro and business environment has been very dynamic in the past year with implications on Company's business and financial performance. In this context, the Company recognises the imperatives to maintain continuous dialogue with the investor community. This is done with the objective to abreast the Investors of all the significant developments that may likely impact the Company's performance. This translates into feeding timely, accurate and relevant information that helps investors in taking informed investment decisions.

The Company focuses to build Investor Relations on pillars of trust and transparency. The Company's proactive approach has enabled global investor community to better understand the management objectives, corporate strategies and overall performance of the Company over a period of time.

To deliver an effective communication, the Investor Relations Department of the Company effectively deploys tools like Annual Report, Quarterly Earnings, Investor Release, Conference Calls, one on one Investor Meets, General Meetings and Internet (Company website) to serve as a link to stay connected with the Investors. In order to enable the Company to serve better, the Members are requested to update their database with the Company by filling in and returning to the Company the Shareholders Information Form available on the Company's website at https://www.srei.com/sifl-shareholders-information-forms or by e-mailing the information at investor.relations@srei.com.

21. Address for Shareholders' correspondence

The Company Secretary
Srei Infrastructure Finance Limited
'Vishwakarma', 86C, Topsia Road (South),
Kolkata – 700 046
Email : secretarial@srei.com, investor.relations@srei.com

22. Transfers to the Investor Education and Protection Fund (IEPF)

a) Unclaimed Dividend on Equity shares

Pursuant to Section 124(5) of the Companies Act, 2013, dividends that are 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 ₹ 6,02,050 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, 2013, 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, 2021 stands at ₹ 75,73,437.69.

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
2013 – 14	August 02, 2014	September 07, 2021
2014 – 15	August 01, 2015	September 06, 2022
2015 – 16	August 06, 2016	September 11, 2023
2016 – 17	July 22, 2017	August 27, 2024
2017 – 18	July 21, 2018	August 20, 2025
2018 – 19	March 08, 2019*	April 11, 2026

*Interim Dividend

The shareholders are regularly advised to claim the unencashed dividends lying in the unpaid dividend accounts of the Company before the due dates for crediting the same to the Investor Education and Protection Fund. Further, the details of dividend unclaimed by the Members for the past years which have not yet been transferred to the Central Government are readily available for view by the Members on the website of the Company www.srei.com. Further, the Members are advised to glance through the database and lodge their claim with the Company's Registrar and Share Transfer Agents for dividend which have remained unclaimed.

b) Unclaimed Deposits

During the year under review, the Company transferred a sum of ₹ 10,000 (Rupees Ten Thousand only) to IEPF, being the unpaid amount of unclaimed deposits as provided in Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

c) Equity shares in respect of which dividend has not been claimed for 7 (seven) consecutive years or more

During the year under review, the Company transferred 38,679 Equity shares to IEPF pertaining to Financial Year 2011-12, in accordance with the provisions of Section 124(6) and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 after sending letters to shareholders holding those shares and also making an advertisement in the newspapers in this regard. Details of the shares transferred to IEPF are available on the Company's website under the link https://www.srei.com/sifl-shareholders-information-transfer-shares-iepf.

Further, upon application by a shareholder claiming refund of 100 (One Hundred) equity shares which were transferred to IEPF as per IEPF Rules, the IEPF Authority has settled application pertaining to the said 100 (One Hundred) equity shares to the concerned shareholder during the year.

Total number of Equity shares lying in IEPF account as on March 31, 2021 aggregates to 4,20,000 shares.

The Company will send reminders to those shareholders whose shares are eligible to be transferred to IEPF during the financial year 2021-22 by giving them at least 3 (three) months' notice and also informing them through an appropriate advertisement in the newspapers.

	Further, pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the voting rights on shares transferred to the IEPF shall remain frozen until the rightful owner claims the shares. However, for the purpose of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the shares which have been transferred to the Authority shall not be excluded while calculating the total voting rights. The shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed back by the Shareholders from the IEPF Authority after following the procedure prescribed under the Rules. Guidelines for Shareholders to file claim in respect of the unclaimed dividend and / or shares transferred to IEPF is available on the Company's website under the weblink https://www.srei.com/sifl-shareholders-information-transfer-shares-iepf.
23. Nomination	Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination forms can be obtained from the Company's Registrar and Share Transfer Agents or can be downloaded from the Company's website at https://www.srei.com/sifl-shareholders-information-forms. Nomination facility in respect of shares held in electronic form is available with the Depository Participants as per bye-laws and business rules applicable to NSDL and CDSL.
24. Payment of Dividend etc. in electronic mode	Pursuant to Regulation 12 of SEBI Listing Regulations, 2015, listed entity shall use any of the electronic modes of payment facility approved by the Reserve Bank of India (RBI) in the manner specified in Schedule I of SEBI Listing Regulations, 2015, for making payments of dividend, interest, redemption or repayment amounts etc. However, where it is not possible to use electronic mode of payment, 'payable at-par' warrants or cheques may be issued. Further, where the amounts payable as dividend exceeds ₹ 1,500 (Rupees One Thousand and Five Hundred only), the 'payable at-par' warrants or cheques shall be sent by speed post. The Company is using various RBI approved electronic mode of payment for making payments such as dividend, etc. to the investors, failing which the bank details available with the depository participants and the Company's Registrar and Share Transfer Agents (RTA) are printed on the physical payment instruments. Payment of dividend and other benefits through electronic mode is beneficial to the Members since the risks associated with receiving payment through dividend warrants and other instruments such as loss in transit/misplacement/revalidation etc. can be easily mitigated. Members who wish to avail of the electronic facility of remittance, may update their bank details with the depository participants for shares held in demat form and Members holding securities of the Company in physical form are requested to update their bank details with the Company or its RTA by sending a duly filled and signed National Automated Clearing House (NACH) Mandate Form available on the website of the Company www.srei.com. The Company is using NACH mandate for remittance of dividend either through NACH or other electronic modes failing which the bank details available with the depository participants and the Company's RTA are printed on the dividend warrant. All the arrangements are subject to RBI guidelines, issued from time to time. Members who wish to receive dividend in a bank account other than the one registered with the depository participants for shares held in demat form and with the Company's RTA for shares held in physical form, may notify their depository participants and the Company or its RTA, respectively, about any change in the bank account details. Further, pursuant to Regulation 43A of SEBI Listing Regulations, 2015, a Dividend Distribution Policy was adopted by the Company covering, inter alia, the parameters for declaration of dividend, utilisation of retained earnings, procedure for dividend declaration etc. The Company's Dividend Distribution Policy is available on the Company's website at https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf.
25. Reconciliation of Share Capital Audit	As stipulated by SEBI, a qualified practicing Company Secretary carries out an audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the Report thereon is submitted to the concerned Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

26. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)	The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on Board Meetings and General Meetings. Further, pursuant to Section 118(10) of the Companies Act, 2013, every company shall observe secretarial standards specified by ICSI with respect to Board and General Meetings. The Company confirms that it has duly adhered to the said Secretarial Standards.
27. Secretarial Audit	The Secretarial Auditor appointed by the Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the Securities Contracts (Regulation) Act, 1956 and Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2)), all the Regulations of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, and the Reserve Bank of India Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC – ND – SI). The Secretarial Audit Report for the financial year ended March 31, 2021 is provided in the Annual Report.
28. Compliance Officer	Mr. Sandeep Lakhotia (FCS 7671) resigned as the Company Secretary and Compliance Officer w.e.f. close of business hours of March 20, 2021. Ms. Ekta Agarwal, Deputy Company Secretary (ACS 33860) was in-charge of the Compliance function during the intervening period. Mr. Manoj Kumar (FCS 6698) has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. April 01, 2021. His contact details are as follows: Vishwakarma', 86C, Topsia Road (South), Kolkata – 700 046 Tel: 91-33-6160 7734 Fax: 91-33-2285 7542/8501 E-mail: secretarial@srei.com, investor.relations@srei.com
29. Role of Company Secretary in overall governance process	The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. He assists and advises the Board in ensuring good corporate governance as well as in complying with the corporate governance requirements. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and in accordance with Section 205 of the Companies Act, 2013 reports to the Board regarding compliance with the provisions of the Companies Act, 2013, the rules made thereunder and other laws applicable to the Company. He is also the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.
30. Certification regarding non-disqualification or non-debarment of Directors	The Company has obtained a certificate from Mr. Mohan Ram Goenka (Membership No. FCS 4515, Certificate of Practice No. 2551) certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI) /Ministry of Corporate Affairs (MCA) or any such statutory authority. A copy of the said certificate is set out as an annexure to the Corporate Governance Report and forms part of this Annual Report.

31. Web links to Company policies and programmes	Policy on determining Material Subsidiaries - https://www.srei.com/sifl-corporate-policies/Policy_on_determining_Material_Subsidiaries.pdf
	Related Party Transactions (RPT) Policy- https://www.srei.com/sifl-corporate-policies/Related_Party_Transactions_(RPTs)_Policy.pdf
	Familiarisation Programme for Independent Directors - https://www.srei.com/sifl-corporate-policies/Familiarisation_Programme_for_Independent_Directors.pdf
	Whistle Blower Policy - https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf
	ESMS Policy - https://www.srei.com/sifl-corporate-policies/ESMS_Policy.pdf
	Policy on Prevention of Sexual Harassment - https://www.srei.com/sifl-corporate-policies/Policy_on_Prevention_of_Sexual_Harassment.pdf
	Corporate Social Responsibility (CSR) Policy - https://www.srei.com/pdf/Corporate_Social_Responsibility_CSR_Policy.pdf
	Nomination and Remuneration Policy - https://www.srei.com/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf
	Policy on Board Diversity - https://www.srei.com/sifl-corporate-policies/Policy_on_Board_Diversity.pdf
	Srei Fair Practices Code - https://www.srei.com/sifl-corporate-policies/Srei_Fair_Practice_Code.pdf
	Srei Code of Conduct for Board of Directors and Senior Executives - https://www.srei.com/sifl-corporate-policies/Srei_Code_of_Conduct_for_Board_of_Directors_and_Senior_Executives.pdf
	Code of Practices and Procedures for Fair Disclosure (Srei Fair Disclosure Code) of Unpublished Price Sensitive Information (UPSI)- https://www.srei.com/sifl-corporate-policies/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI.pdf
	Srei Investor Grievance Redressal Policy - https://www.srei.com/sifl-corporate-policies/Srei_Investor_Grievance_Redressal_Policy.pdf
	Srei Corporate Governance Framework - https://www.srei.com/sifl-corporate-policies/Corporate_Governance_Framework.pdf
	Policy for determination of Materiality of any Event/Information - https://www.srei.com/sifl-corporate-policies/Policy_for_determination_of_Materiality_of_any_Event_Information.pdf
	Archival Policy - https://www.srei.com/sifl-corporate-policies/Archival_Policy.pdf
	Dividend Distribution Policy – https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf
	Public Policy and Advocacy - https://www.srei.com/sifl-corporate-policies/Public_policy_and_advocacy.pdf

32. Disclosure of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI Listing Regulations, 2015

Pursuant to Schedule V of SEBI Listing Regulations, 2015, the Company hereby confirms that it has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2). Detailed compliance, inter-alia, covering the subject matter/ heads, as may be applicable are given below:

Sr. No	Particulars	Regulation	Compliance Status	Compliance Observed
1.	Board of Directors	17	Yes	• Composition & Meetings • Quorum of Board Meetings • Review of compliance reports & compliance certificate • Plans for orderly succession for appointments • Code of Conduct • Fees / compensation to Non-Executive Directors • Minimum information to be placed before the Board • Compliance Certificate to be provided by CEO and CFO • Risk assessment and management • Performance evaluation of Independent Directors • Recommendation of the Board to the shareholders
2.	Maximum Number of Directorships	17A	Yes	• Directorship in listed entities whose equity shares are listed on a stock exchange
3.	Audit Committee	18	Yes	• Composition & Meetings • Quorum of the Committee • Powers of the Committee • Role of the Committee and review of information by the Committee
4.	Nomination and Remuneration Committee	19	Yes	• Composition • Quorum of the Committee • Meetings of the Committee • Role of the Committee
5.	Stakeholders Relationship Committee	20	Yes	• Composition • Meetings of the Committee • Role of the Committee
6.	Risk Management Committee	21	N.A.	-
7.	Vigil Mechanism	22	Yes	• Review of Vigil Mechanism for Directors and employees • Adequate safeguards against victimisation of Directors and employees / personnel who avail the mechanism • Direct access to Chairperson of Audit Committee
8.	Related Party Transactions	23	Yes	• Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions • Approval including omnibus approval of Audit Committee and the Board • Review of Related Party Transactions • No material Related Party Transactions • Disclosure of Related Party Transactions on consolidated basis to stock exchanges and publishing the same on Company website

Sr. No	Particulars	Regulation	Compliance Status	Compliance Observed
9.	Corporate governance requirements with respect to subsidiary of Company	24	Yes	• Material subsidiary of the Company is Debt Listed • Minutes of the meetings of the Board of Directors of the unlisted subsidiary • Significant transactions and arrangements entered into by the unlisted subsidiary
10.	Secretarial Audit	24A	Yes	• Secretarial Audit Report annexed to the Board's Report • No material unlisted subsidiary • Secretarial Compliance Report submitted to stock exchanges
11.	Obligations with respect to Independent Directors	25	Yes	• No Alternate Director for Independent Directors • Maximum Directorship and tenure • Meetings of Independent Directors • Cessation and appointment of Independent Directors • Familiarisation of Independent Directors • Declaration by Independent Directors • Directors & Officer's Insurance
12.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes	• Memberships / Chairmanships in Committees • Information to be provided by the directors about the committee positions held by them in other listed entities. • Affirmation on compliance of Code of Conduct by Directors and Senior Management • Disclosure of shareholding by Non-Executive Directors • Disclosures by Senior Management about potential conflicts of interest • No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by any employee (including Key Managerial Personnel, Director and Promoter)
13.	Other Corporate Governance requirements	27	Yes	• Compliance with discretionary requirements • Filing of quarterly compliance report on Corporate Governance with stock exchanges
14.	Website	46(2)(b) to (i)	Yes	• Terms and conditions for appointment of Independent Directors • Composition of various Committees of the Board of Directors • Code of Conduct for Board of Directors and Senior Executives • Details of establishment of Vigil Mechanism / Whistle-blower policy • Criteria of making payment to Non-executive Director • Policy on dealing with Related Party Transactions • Policy for determining 'material' subsidiaries • Details of familiarisation programmes imparted to Independent Directors

SREI CORPORATE CODES & POLICIES – KEY CHANGES DURING FINANCIAL YEAR 2020-21

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

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2020-21
1.	Policy on determining Material Subsidiaries	The policy is used to determine the material subsidiaries of the Company and to provide the governance framework for such subsidiaries.	https://www.srei.com/sifl-corporate-policies/Policy_on_determining_Material_Subsidiaries.pdf	There has been no change to the Policy during the year.
2.	Related Party Transactions (RPTs) Policy	The policy provides a framework to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations	https://www.srei.com/sifl-corporate-policies/Related_Party_Transactions_(RPTs)_Policy.pdf	There has been no change to the Policy during the year.
3.	Whistle-Blower Policy	The policy provides mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics. The policy was revised and adopted on November 09, 2020.	https://www.srei.com/sifl-corporate-policies/Whistle_Blower_Policy.pdf	Changes made – to incorporate contact details of the Chairman of the Audit Committee consequent to reconstitution of the Audit Committee w.e.f. August 01, 2020.
4.	Environmental and Social Management System (ESMS) Policy	This policy provides a framework to facilitate the implementation of appropriate Environmental and Social Management System (ESMS) in the Company with the prime objective of reducing Environmental and Social impacts of its portfolio.	https://www.srei.com/sifl-corporate-policies/ESMS_Policy.pdf	There has been no change to the Policy during the year.
5.	Policy on Prevention of Sexual Harassment	The policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at their workplace and what conduct constitutes sexual harassment.	https://www.srei.com/sifl-corporate-policies/Policy_on_Prevention_of_Sexual_Harassment.pdf	There has been no change to the Policy during the year.
6.	Corporate Social Responsibility (CSR) Policy	The policy outlines the Company's strategy to taking Corporate Social Responsibility (CSR) as a sustainable social initiative with the aim to align and integrate its resources with society's developmental needs towards creating a better tomorrow.	https://www.srei.com/pdf/Corporate_Social_Responsibility_CSR_Policy.pdf	There has been no change to the Policy during the year.
7.	Srei Nomination & Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel (KMPs) and other employees.	https://www.srei.com/sifl-corporate-policies/Nomination_and_Remuneration_Policy.pdf	There has been no change to the Policy during the year.

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2020-21
8.	Policy on Board Diversity	The policy sets out the approach to diversity on the Board of Directors of the Company and recognises and embraces the benefits of having a diverse Board appropriate to the requirements of the Company.	https://www.srei.com/sifl-corporate-policies/Policy_on_Board_Diversity.pdf	There has been no change to the Policy during the year.
9.	Srei Fair Practices Code	The code provides the framework for dealings with the Customers and lays down mechanisms for redressal of Customer grievances.	https://www.srei.com/sifl-corporate-policies/Srei_Fair_Practice_Code.pdf	There has been no change to the Code during the year.
10.	Srei Code of Conduct for Board of Directors and Senior Executives	The code provides the framework for promoting ethical conduct in the Company.	https://www.srei.com/sifl-corporate-policies/Srei_Code_of_Conduct_for_Board_of_Directors_and_Senior_Executives.pdf	There has been no change to the Code during the year.
11.	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Srei Fair Disclosure Code)	The code provides the framework for following the best practices, duly compliant with applicable law, in the matter of disclosure of Unpublished Price Sensitive Information (UPSI).	https://www.srei.com/sifl-corporate-policies/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI.pdf	There has been no change to the Code during the year.
12.	Investor Grievance Redressal Policy	The policy provides mechanism for investor servicing and grievance handling. The policy was revised and adopted on June 29, 2020.	https://www.srei.com/sifl-corporate-policies/Srei_Investor_Grievance_Redressal_Policy.pdf	Changes made – – to incorporate the updated name of the Company's Registrar & Share Transfer Agents to Kfin Technologies Private Limited w.e.f. December 05, 2019 and correspondence address.
13.	Corporate Governance Framework	The policy provides the framework for Corporate Governance so that executives act in accordance with the highest standards of governance while working for and on behalf of the Company.	https://www.srei.com/sifl-corporate-policies/Corporate_Governance_Framework.pdf	There has been no change to the Policy during the year.
14.	Group Governance Policy	This policy lays down the governance and monitoring levels of the Company's subsidiaries and other constituents falling within Group Entities.	-	There has been no change to the Policy during the year.
15.	Policy for Determination of Materiality of any event / information	This policy is aimed at providing clear guidelines for determination of material events or information which need to be disclosed to the Stock Exchanges.	https://www.srei.com/sifl-corporate-policies/Policy_for_determination_of_Materiality_of_any_Event_Information.pdf	There has been no change to the Policy during the year.
16.	Dividend Distribution Policy	The policy sets out the parameters and circumstances that will be taken into account by the Board of Directors in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company.	https://www.srei.com/sifl-corporate-policies/Dividend_Distribution_Policy.pdf	There has been no change to the Policy during the year.
17.	Code of Conduct for Prohibition of Insider Trading (Srei Insider Code)	The code provides the framework for dealing with securities of the Company in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The code was revised and adopted on September 14, 2020.	https://www.srei.com/sifl-corporate-policies/Code_of_Conduct_for_Prohibition_of_Insider_Trading.pdf	Changes made – – to incorporate the provisions as notified by the Securities and Exchange Board of India (SEBI) pursuant to notification of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2020 dated July 17, 2020.

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2020-21
18.	Business Responsibility Policy	The policy is based on principles enunciated in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of a Business released by the Ministry of Corporate Affairs, towards conducting business by a company. The policy was revised and adopted on July 28, 2020.	-	Changes made – – to incorporate revised constitution of the BR Committee.
19.	Policy for Preservation of Documents	This policy provides the procedure and manner for preservation and destruction of documents which are required to be prepared or maintained under applicable regulations.	-	There has been no change to the Policy during the year.
20.	Archival Policy	The policy provides the framework for the retention and archival of corporate records of the Company.	https://www.srei.com/sifl-corporate-policies/Archival_Policy.pdf	There has been no change to the Policy during the year.
21.	Investment Policy	The Policy lays down, inter alia, the guidelines to be followed by the Investment Committee to approve investments. The policy was revised and adopted on November 09, 2020.	-	Changes made – – in view of the revised RBI guidelines on liquidity risk management for NBFCs; and – to incorporate change in Delegation of Authority, conflict of interest etc.
22.	Policy on 'Fit and Proper' criteria for Directors	The Policy sets a framework to determine whether a Director is fit and proper to hold such position in the Company.	-	There has been no change to the Policy during the year.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Srei Infrastructure Finance Limited** having CIN L29219WB1985PLC055352 and having registered office at Vishwakarma, 86C, Topsia Road (South), Kolkata – 700 046 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Directors	DIN	Date of Appointment in Company
1.	Mr. Hemant Kanoria	00193015	30/10/1990
2.	Mr. Sunil Kanoria	00421564	05/07/1989
3.	Mr. Srinivasachari Rajagopal	00022609	25/01/2003
4.	Mr. Shyamalendu Chatterjee	00048249	29/04/2009
5.	Dr. (Mrs.) Punita Kumar Sinha	05229262	20/05/2013
6.	Mr. Ram Krishna Agarwal	00416964	12/05/2016
7.	Mr. Malay Mukherjee	02272425	26/10/2017
8.	Dr. (Mrs.) Tamali Sengupta	00358658	04/02/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M R & Associates
Company Secretaries

Sd/-
M. R. Goenka
Partner
C P No.: 2551
UDIN: F004515C000217189

Place: Kolkata
Date: April 30, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Srei Infrastructure Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Srei Infrastructure Finance Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, Statement of Cash Flows for the year then ended and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2021, the loss and other comprehensive loss, changes in equity and the cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to the following matters in the notes to the Standalone Financial Statements:

1. Note 32 to the Standalone Financial Statements, which explains that the Company has transferred the business of lending, interest-earning and leasing together with its associated employees and related assets and liabilities by way of slump exchange pursuant to a Business Transfer Agreement (BTA) with its subsidiary, Srei Equipment Finance Limited (SEFL) with effect from 01 October, 2019 after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks.

   One of the debenture holders of SEFL holding debentures amounting to ₹ 75 crores have objected to the slump exchange. The consent, or otherwise, of other lenders is still awaited. Pending the approvals, as stated above, the Company accounted BTA on 01 October, 2019, as stated above. The Company obtained expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework. As stated in Note No. 32.1 to the Statement, pending final decision in the matter and further based on a legal opinion, the Company has maintained status quo for BTA.

2. Note 44 to the Standalone Financial Statements, which explains that the outbreak of COVID-19 pandemic and extended lockdown across the globe and in India has contributed to a significant impact and volatility in global and Indian financial markets with consequent slowdown in economic activities. The impact of COVID-19 pandemic (including the ongoing second wave) and the extent to which the pandemic may further impact the operations of the Company and its subsidiaries depends on future developments, which are still unascertainable at this point in time.

3. Note 45 to the Standalone Financial Statements, which explains that the investment of the Company in its material subsidiary Srei Equipment Finance Limited ("SEFL") has been impacted owing to COVID-19 pandemic. The collection of SEFL from the borrowers and the lessees were severely impacted during the year and which also adversely affected the cash flows of SEFL during the said period. Based on the overall assessment of financial stress being faced by the borrowers and the lessees and considering the overall economic and business uncertainty due to pandemic, as a prudent measure and out of abundant caution, SEFL has done accelerated ECL provision which is over and above normal ECL provision. SEFL has incurred losses during the year ended 31 March, 2021 due to which its net worth has eroded.

   Considering the above facts, the Company has assessed the carrying amount of its investment in SEFL in compliance to Ind AS and has made an impairment provision of ₹ 310,455 Lacs during the quarter and year ended 31 March, 2021 bringing down the book value of its investment in SEFL to Re. 1 as a prudent measure.

The Company feels that with gradual improvement in the economy, SEFL will recover significant part of the loan given to its borrowers resulting in reversal of provision made in the books by SEFL in the current year. Accordingly, the impairment on investment will be reviewed in future.

Our opinion is not modified in respect of these matters.

Key Audit Matters

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

Sl. No.	Key Audit Matters	Auditor's Response
1	**Impairment of Investment** Refer Note no. 7 to the Standalone Financial Statements. The impairment review of unquoted equity instruments is considered to be a key audit matter due to the size of the balances as well as the judgmental nature of key assumptions, which may be subject to management override. The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows	**Principal Audit Procedures:** -Obtained an understanding of Management's processes and controls with regard to testing the impairment of unquoted equity instruments. -Reviewed the Financial performance of the company during the year 2020-21. -Performed a sensitivity analysis in relation to key assumptions
2	**Valuation of unquoted financial assets held at fair value** Refer Note no. 7 to the Standalone Financial Statements. The valuation of the Company's unquoted financial assets held at fair value is a key audit matter due to the significance of the amount and complexity involved in the valuation process. Management makes significant judgements because of the complexity of the techniques and assumptions used in valuing some of the level 3 investment securities given the limited external evidence and unobservable market data available to support the Company's valuations. The valuation of the level 3 investment securities are dependent on market conditions and key assumptions made. The determination of these assumptions is complex and requires the exercise of management judgement.	**Principal Audit Procedures:** We have performed the following audit procedures in order to obtain sufficient audit evidence: -Assessed the valuation methodologies including evaluation of independent external valuers' competence, capability and objectivity. -Assessed the reasonableness of key assumptions based on our knowledge of the business and industry. -Checked, on a sample basis, the accuracy and relevance of the input data used

3	**Related Party Transactions** Refer Note no. 39 to the Standalone Financial Statements. We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the Standalone Financial Statements as a key audit matter due to: • the significance of transactions with related parties during the year ended 31 March, 2021. • compliance with applicable laws and Regulatory directives • the fact that Related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015.	**Principal Audit Procedures:** Obtaining an understanding of the Company's policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the Standalone Financial Statements. -Obtaining an understanding of the Company's policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors. -Designing and performing audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations. -Assessing management evaluation of compliance with the provisions of Section 177 and Section 188 of the Act and SEBI (LODR) 2015. -Evaluating the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit. Our examination has showed that the Related Party Transactions have been evaluated and disclosed appropriately.
4	**Considerations on account of COVID-19** Refer Note no. 44 to the Standalone Financial Statements. Considering the evolving nature of the COVID-19 pandemic which has continued to impact the Company's business operations. Given the unique nature of the pandemic and the extent of its economic impact which depends on future developments including governmental and regulatory measures and the Company's responses thereto, the actual loss can be different than that being estimated.	**Principal Audit Procedures:** Tested assumptions used by the Management in determining the overlay for macro-economic factors for COVID-19 pandemic.

Other Matter

The Standalone Financial Statements for the year ended 31 March, 2020 were audited by the then Statutory auditors of the Company who have expressed an unmodified opinion on those Statements vide their report dated 28 July, 2020 and we have relied on the same.

Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Report on Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. The above-mentioned other information are expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Financial Statements does not cover the other information and accordingly, we do not express any form of assurance conclusion thereon.

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

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

Responsibility for Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls with reference to financial statements, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" 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 purpose 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows 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 Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

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

    f. On the basis of the written representations received from the directors as on 31 March, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

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

    h. With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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.31 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 during the year ended 31st March, 2021.

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

    According to the information and explanations given to us and the records of the Company examined by us, the managerial remuneration paid or provided by the Company to its Chairman during the year is in excess of the prescribed limits mandated by the provisions of Section 197 read with Schedule V of the Act and the Company has taken approval from shareholders through a Special Resolution in the last Annual General Meeting held on 19 September, 2020 for the financial years 2020-21 and 2021-22.

For D. K. Chhajer& Co.
Chartered Accountants
FRN: 304138E

Niraj K Jhunjhunwala
Partner
Membership No: 057170
UDIN: 21057170AAAADR2751

Place: Kolkata
Date: 30 June, 2021

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Srei Infrastructure Finance Limited on the Standalone Financial Statements for the year ended 31 March, 2021]

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

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

(b) The Company has a program of physical verification of fixed assets to cover all the items in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties recorded as fixed assets (Property, Plant and Equipment) in the books of accounts of the Company are held in the name of Company, except for the details given below:

(₹ in lacs)

Land/ Building	Total numbers of cases	Leasehold/ Freehold	Gross Block as on 31st March, 2021	Net Block as on 31st March, 2021	Remarks
Building	1	Freehold	8,747.34	8,017.07	Conveyance is pending

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

iii. The Company has not granted any loans, secured or unsecured, to companies, limited liability partnerships, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, Clause 3(iii) of the said Order is not applicable to the Company.

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

v. In our opinion, the Company has complied with the directives issued by Reserve Bank of India, the provisions of sections 73 to 76 of the Act and the rules framed thereunder with regard to the acceptance of deposits. Further, as informed, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

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

vii. (a) The Company is generally regular in depositing with appropriate authorities, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), customs duty, cess and any other material statutory dues applicable to it, except that there have been slight delay in few cases.

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

(b) There are no dues with respect to value added tax, GST, Custom duty and duty of excise which have not been deposited on account of any dispute.The dues outstanding as at 31 March 2021 with respect to income tax, service tax and sales tax on account of any dispute are as follows:

Name of Statute	Nature of dues	Amount (₹ in Lacs)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	471	FY 2005-06 And FY 2006-07	Supreme Court of India
Income Tax Act, 1961	Income tax	125	FY 2006-07 And FY 2007-08	CIT (Appeals), Kolkata
Income Tax Act, 1961	Income tax	529	FY 2007-08 and FY 2010-11	Appeal in the process of being filed before Calcutta High Court
Income Tax Act, 1961	Income tax	76	FY 2007-08	Assessing Officer
Income Tax Act, 1961	Income tax	1809	FY 2008-09	Supreme Court of India
Income Tax Act, 1961	Income tax	1938	FY 2011-12	CIT (Appeals), Kolkata
Income Tax Act, 1961	Income tax	1283	FY 2013-14	CIT (Appeals), Kolkata
Income Tax Act, 1961	Income tax	1427	FY 2014-15	CIT (Appeals), Kolkata
Income Tax Act, 1961	Income tax	97	FY 2015-16	CIT (Appeals), Kolkata
Income Tax Act, 1961	Income tax on fringe benefits	226	FY 2005-06 to FY 2008-09	Calcutta High court
Finance Act, 1964	Service Tax	302	FY 2008-09 to 2009-10	Customs,Excise and Service Tax Appellate Tribunal (CESTAT), Kolkata
Finance Act, 1964	Service Tax	80	FY 2011-12 to FY 2014-15	CGST & CX Commissioner Appeal -1, Commissionerate of Kolkata
Finance Act, 1964	Central sales tax	4263	FY 2015-16	CGST & CX Commissioner, North Commissionerate, Kolkata
Central Sales Tax Act, 1956	Central Sales Tax Act	211	FY 2010-11	West Bengal Tax Appellate and Revisional Board, Kolkata

*In terms of Business Transfer Agreement ('BTA') (Refer Note No. 32 to the Standalone Financial Statements) entered by the Company with its wholly owned Subsidiary, Srei Equipment Finance Limited ('SEFL'), the Company is holding all the aforesaid dues on behalf of SEFL. In case of any future liability arising on the company in relation to the aforesaid dues, the Company will recover the same from SEFL as per the terms of BTA.

viii. During the year the Company has not defaulted in repayment of loans or borrowings to banks, financial Instituitions, Government or dues to debenture holder except overdue interest of Rs.23.86 crores which was due on 31 March, 2021 to wholly owned subsidiary company, Srei Equipment Finance Limited (SEFL) due to the restrictions imposed by the bankers on Related Party Payments.

ix. The Company did not raise any money by way of initial public offer / further public offer (including debt instruments) and term loans during the year, hence reporting under clause 3(ix) is not applicable to the Company.

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

xi. The Company has paid/provided the managerial remuneration to the Chairman which is not in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act (i.e., the managerial remuretion paid/provided, as aforesaid, is in excess of the prescribed limits) and the Company has taken approval from shareholders through a Special Resolution in the last Annual General Meeting held on 19 September, 2020 for the financial years 2020-21 and 2021-22.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. All transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act where applicable, and the details have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

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

xv. The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of Section 192 of the Act are not applicable.

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

For D. K. Chhajer& Co.
Chartered Accountants
FRN: 304138E

Niraj K Jhunjhunwala
Partner
Membership No: 057170
UDIN: 21057170AAAADR2751

Place: Kolkata
Date: 30 June, 2021

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Srei Infrastructure Finance Limited on the Standalone Financial Statements for the year ended 31 March, 2021]

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

We have audited the internal financial controls with reference to financial statements of Srei Infrastructure Finance Limited ("the Company") as of 31 March, 2021 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 management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For D. K. Chhajer& Co.
Chartered Accountants
FRN: 304138E

Niraj K Jhunjhunwala
Partner
Membership No: 057170
UDIN: 21057170AAAADR2751

Place: Kolkata
Date: 30 June, 2021

BALANCE SHEET

as at 31st March, 2021

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	2	1,731	1,078
(b) Bank Balance other than (a) above	3	1,998	303
(c) Derivative Financial Instruments	4	-	-
(d) Receivables			
(I) Trade Receivables	5	1,204	2,389
(II) Other Receivables		-	-
(e) Loans	6	-	-
(f) Investments	7	61,185	3,55,301
(g) Other Financial Assets	8	496	137
(2) Non-Financial Assets			
(a) Current Tax Assets (Net)	10	7,488	14,454
(b) Deferred Tax Assets (Net)	11	-	-
(c) Property, Plant and Equipment	12	9,655	9,865
(d) Right-of-use Assets		1,775	2,160
(e) Capital Work-in-Progress		-	-
(f) Other Intangible Assets	13	4	6
(g) Other Non-Financial Assets	9	213	369
TOTAL ASSETS		**85,749**	**3,86,062**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative Financial Instruments	4	-	-
(b) Payables			
(i) Trade Payables			
(ii) Total outstanding dues of micro enterprises and small enterprises	14	14	-
(iii) Total outstanding dues of creditors other than micro enterprises and small enterprises	14	367	337
(c) Debt Securities	15	-	-
(d) Borrowings (Other than Debt Securities)	16	28,055	45,351
(e) Subordinated Liabilities	17	33,000	36,075
(f) Lease Liabilities		1,994	2,271
(g) Other Financial Liabilities	18	18,351	1,324
(2) Non-Financial Liabilities			
(a) Provisions	19	51	142
(b) Deferred Tax Liabilities (Net)	11	-	15,716
(c) Other Non-Financial Liabilities	20	195	579
(3) Equity			
(a) Equity Share Capital	21	50,309	50,309
(b) Other Equity	22	(46,587)	2,33,958
TOTAL LIABILITIES AND EQUITY		**85,749**	**3,86,062**

Significant Accounting Policies and Notes to Financial Statements. 1 to 48

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 D. K. Chhajer & Co.
Chartered Accountants
ICAI Firm Registration No. 304138E

For and on behalf of the Board of Directors

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Hemant Kanoria
Chairman

Malay Mukherjee
Director

Place : Kolkata
Date: 30th June, 2021

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Manoj Kumar
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2021

(₹ in Lacs)

	Particulars	Note No.	Year ended 31st March, 2021	Year ended 31st March, 2020
	Revenue from Operations			
(i)	Interest Income	23	28	32
(ii)	Dividend Income		-	91
(iii)	Rental Income		1,391	1,436
(iv)	Fees and Commission Income		2,494	5,234
(v)	Net gain on fair value changes	24	-	-
(vi)	Net gain on derecognition of financial instruments under fair value through profit or loss		3	2,128
(vii)	Net gain on derecognition of financial instruments under amortised cost		274	
(I)	**Total Revenue from Operations**		**4,190**	**8,921**
(II)	Other Income	25	811	2,525
(III)	**Total Income (I+II)**		**5,001**	**11,446**
	Expenses			
(i)	Finance Costs	26	3,282	8,681
(ii)	Fees and Commission Expense		1,178	1,059
(iii)	Net loss on derecognition of financial instruments under amortised cost		-	1,211
(iv)	Impairment on Financial Instruments (Net)	28	1,472	(217)
(v)	Employee Benefits Expenses	27	813	586
(vi)	Depreciation, Amortisation and Impairment Expense	12, 13	773	800
(vii)	Administrative and Other Expenses	29	1,000	1,102
(IV)	**Total Expenses (IV)**		**8,518**	**13,222**
(V)	Profit / (Loss) Before Exceptional items and Tax from continuing operations (III-IV)		(3,517)	(1,776)
(VI)	Exceptional items		3,10,455	-
(VII)	Profit / (Loss) Before Tax from continuing operations (V-VI)		(3,13,972)	(1,776)
(VIII)	Tax Expense of continuing operation:			
	(a) Current Tax		-	-
	(b) Income Tax in respect of earlier year		(54)	-
	(c) Deferred Tax		(19,446)	(1,002)
(IX)	Profit / (Loss) after tax from continuing operations (VII-VIII)		(2,94,472)	(774)
(X)	Profit before Tax from discontinued operations		-	3,769
(XI)	Tax Expenses of discontinued operations:			
	(a) Current Tax		-	-
	(b) Income Tax in respect of earlier year		-	-
	(c) Deferred Tax		-	1,639
(XII)	Profit after Tax from discontinued operations (X-XI)		-	2,130
(XIII)	Total Profit Before Tax (VII+X)		(3,13,972)	1,993
(XIV)	Total Tax:			
	(a) Current Tax		-	-
	(b) Income Tax in respect of earlier year		(54)	-
	(c) Deferred Tax		(19,446)	637
(XV)	Total Profit/ (Loss) after Tax (XIII-XIV)		(2,94,472)	1,356
(XVI)	**Other Comprehensive Income/(Expense)**			
	(i) Items that will not be reclassified to Profit or Loss			
	(a) Remeasurement Gains/ (Losses) on Defined Benefit Plan		29	46
	(b) Gains/ (Losses) on Equity Instruments through Other Comprehensive Income		17,627	(20,621)
	(ii) Tax related to above		(3,729)	4,778
	Total Other Comprehensive Income/(Expense) (XVI)		**13,927**	**(15,797)**
(XVII)	**Total Comprehensive Income/(Expense) (XV+XVI)**		**(2,80,545)**	**(14,441)**
(XVIII)	**Earnings per Equity share (in ₹) (Par Value ₹ 10/- per Equity Share)**	30		
	- Basic and Diluted Earnings per Equity share - continuing operations		(58.53)	(0.15)
	- Basic and Diluted Earnings per Equity share - discontinued operations		-	0.42
	- Basic and Diluted Earnings per Equity share - continuing and discontinued operations		(58.53)	0.27

Significant Accounting Policies and Notes to Financial Statements. 1 to 48

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 D. K. Chhajer & Co.
Chartered Accountants
ICAI Firm Registration No. 304138E

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Place : Kolkata
Date: 30th June, 2021

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Malay Mukherjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Manoj Kumar
Company Secretary

STATEMENT OF CASH FLOWS

for the year ended 31st March, 2021

(₹ in Lacs)

	Year ended 31st March, 2021	Year ended 31st March, 2020
A. Cash Flows from Operating Activities		
Profit/ (Loss) Before Tax from continuing operations	**(3,13,972)**	**(1,776)**
Profit/ (Loss) Before Tax from discontinued operations	-	**3,769**
Total Profit/ (Loss) Before Tax	**(3,13,972)**	**1,993**
Adjustments for :		
Net (gain) / loss on derecognition of Property, Plant and Equipment	-	(202)
Interest on Income Tax Refund	(791)	(541)
Liabilities No Longer Required written back	(7)	(2,059)
Impairment on Financial Instruments (Net)	1,472	8,202
Exceptional items	3,10,455	-
Depreciation, Amortisation and Impairment	773	2,565
Operating profit before working capital changes	**(2,070)**	**9,958**
Changes in Working Capital		
Adjustments for :		
(Increase) / Decrease in Trade Receivables and Others Assets	(591)	(63,885)
(Increase) / Decrease in Loans Assets	-	(15,925)
Increase / (Decrease) in Trade Payables and Others Liabilities	16,362	3,728
Increase/ (Decrease) in Other Bank Balances	(1,695)	(7,975)
Cash generated / (used) in operations	**12,006**	**(74,099)**
Direct Taxes Paid (net of refund)	7,811	(164)
Net Cash (used in) / generated from Operating Activities	**19,817**	**(74,263)**
B. Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment, and Intangible Assets	(30)	(75)
Proceeds from Sale of Property, Plant and Equipment	-	202
(Increase) / Decrease in Investments (Other than Subsidiaries)	1,061	2,850
(Increase) / Decrease of Investments in Subsidiaries	182	10
Net Cash (used in) / generated from Investing Activities	1,213	2,987
C. Cash Flows from Financing Activities		
Proceeds from issuance of Debt securities (including subordinated debt securities)	-	11,576
Repayment of Debt securities (including subordinated debt securities)	(3,075)	(24,912)
(Repayment of) / Proceeds from Working Capital facilities (Net)	-	73,476
Proceeds from intercorporate deposit	33,375	87,081
Repayment of intercorporate deposit	(13,721)	(60,469)
Proceeds from Term Loans	-	35,000
(Repayment of) / Proceeds from Other Borrowings (Net)	(36,950)	(56,129)
Dividend Paid (including Corporate Dividend Tax)	(6)	(16)
Net Cash (used in) / generated from Financing Activities	**(20,377)**	**65,607**
Net Increase / (Decrease) in Cash and Cash Equivalents	**653**	**(5,669)**
Cash and Cash Equivalents at the beginning of the year	**1,078**	**9,100**
Cash and Cash Equivalents transferred under slump exchange (Refer note.32)	-	(2,353)
Cash and Cash Equivalents at the end of the year	**1,731**	**1,078**
Net Cash (used in) / generated from Operating Activities includes:		
Interest Received	28	27
Interest Paid	(4,043)	(6,952)
Dividend Received	-	91

(₹ in Lacs)

Components of Cash and Cash Equivalents:	As at 31st March 2021	As at 31st March 2020
Cash and Cash Equivalents at the end of the year		
(a) Cash on hand	-	1
(b) Balances with Banks - in Current Account	1,731	1,077
	1,731	**1,078**

Explanations:

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

2 Previous year figures have been rearranged/ regrouped wherever necessary to conform to the current year's classification.

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

For D. K. Chhajer & Co.
Chartered Accountants
ICAI Firm Registration No. 304138E

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Place : Kolkata
Date: 30th June, 2021

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Malay Mukherjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Manoj Kumar
Company Secretary

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2021

A. Equity Share Capital

(₹ in Lacs)

Particulars	Amount
As at 1st April, 2019	**50,324**
Changes in Equity share capital during the year	(15)
As at 31st March, 2020	**50,309**
Changes in Equity share capital during the year	-
As at 31st March, 2021	**50,309**

B. Other Equity

(₹ in Lacs)

Particulars	Reserves and Surplus							Items of other comprehensive Income	Total
	Special Reserve (pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)	Income Tax Special reserve (pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	Bond/ Debenture Redemption Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as at the 1st April, 2019	**26,925**	**14,606**	**1,945**	**19,754**	**22,660**	**1,39,604**	**12,511**	**10,379**	**2,48,384**
Profit for the year	-	-	-	-	-	-	1,356	-	1,356
Other Comprehensive Income (net of tax) *	-	-	-	-	-	-	33	(15,830)	(15,797)
Dividend and Corporate Dividend Tax	-	-	-	-	-	-	-	-	-
Forfeited Equity	-	-	15	-	-	-	-	-	15
Transfer from/ to retained earnings	272	-	-	-	(22,660)	-	22,388	-	-
Balance as at 31st March, 2020	**27,197**	**14,606**	**1,960**	**19,754**	**-**	**1,39,604**	**36,288**	**(5,451)**	**2,33,958**
Balance as at the 1st April, 2020	27,197	14,606	1,960	19,754	-	1,39,604	36,288	(5,451)	2,33,958
Profit for the year	-	-	-	-	-	-	(2,94,472)	-	(2,94,472)
Other Comprehensive Income (net of tax) *	-	-	-	-	-	-	22	13,905	13,927
Dividend and Corporate Dividend Tax	-	-	-	-	-	-	-	-	-
Forfeited Equity	-	-	-	-	-	-	-	-	-
Reclassification from OCI to retained earnings on cumulative disposal	-	-	-	-	-	-	764	(764)	-
Transfer from/ to retained earnings	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2021	**27,197**	**14,606**	**1,960**	**19,754**	**-**	**1,39,604**	**(2,57,398)**	**7,690**	**(46,587)**

* Includes gain for ₹ 22 lacs (Previous year: charge of ₹ 33 lacs) on account of remeasurement of defined benefit plans.

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

For D. K. Chhajer & Co.
Chartered Accountants
ICAI Firm Registration No. 304138E

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Place : Kolkata
Date: 30th June, 2021

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Malay Mukherjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Manoj Kumar
Company Secretary

SREI INFRASTRUCTURE FINANCE LIMITED

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 under the Companies Act, 2013 and is a Public Financial Institution (PFI).The Company is holding RBI's Certificate of Registration to carry on the business of non banking financial institutions - Infrastructure Finance Company – Non Deposit Taking. The Company has received communication from RBI, for reclassifying it as Investment and Credit Company for which the company has made representation for reconsideration. The Company's shares are listed on NSE Limited and BSE Limited. The registration details are as follows:

RBI	B-05.02773 / dt. 31st March, 2011
Corporate Identity Number (CIN)	L29219WB1985PLC055352

The registered office of the Company and the principal place of business is 'Viswakarma' 86C Topsia Road (South), Kolkata – 700046.

The financial statements of the Company for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 30th June, 2021.

1 (b) Significant Accounting Policies

1.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, other relevant provision of the Act and guidelines issued by the Reserve Bank of India ("the RBI").

The accounting policies are applied consistently to all the periods presented in the financial statements.

1.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for the following:

- certain financial instruments that are measured at fair values at the end of each reporting period; and
- defined benefit plans - plan assets measured at fair value;
- assets acquired in satisfaction of debt - at the lower of their carrying amount of debt and fair value less costs to sell of the asset acquired.

The historical cost of an asset when it is acquired or created is the value of the costs incurred in acquiring or creating the asset, comprising the consideration paid to acquire or create the asset plus transaction costs.

The historical cost of a liability when it is incurred or taken on is the value of the consideration received to incur or take on the liability minus transaction cost.

The preparation of financial statements requires the use of certain significant accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosed amount of contingent liabilities.

Areas involving a higher degree of judgement or complexity or areas where assumptions are significant to the Company are discussed in Note No. 1.20- Significant accounting judgements, estimates and assumptions.

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

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis.

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

The accounting policies for some specific items are disclosed in the respective notes to the financial statements. Other significant accounting policies and details of significant accounting assumptions and estimates are set out below in Note No. 1.3 to 1.20.

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA).

1.3 Investments in Subsidiaries and Associates

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Company has accounted for its equity instruments in Subsidiaries and Associates at cost, less accumulated impairment, if any. The cost comprises price paid to acquire investment and directly attributable cost.

1.4 Revenue recognition

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

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

(a) Interest income from financial assets is recognised by applying the Effective Interest Rate ('EIR') to the gross carrying amount of financial assets, other than credit-impaired assets and those classified as measured at Fair Value through Profit or Loss (FVTPL) or Fair Value through Other Comprehensive Income (FVTOCI). The basis of computation of EIR is discussed in Note No. 1.16.3.

Any subsequent changes in the estimation of the future cash flows having impact on EIR are recognised as interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(b) Income or net gain on fair value changes for financial assets classified as measured at FVTPL and FVTOCI is recognised as discussed in Note No. 1.16.3.

(c) Interest Income on credit impaired financial assets is recognisedby applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

(d) Income from dividend is recognised when the Company's right to receive such dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(e) Rental income arising from non-cancellable operating leases is recognised on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the users benefit. In cases where the increase is in line with expected general inflation rental income is recognised as per the contractual terms.

(f) Revenue from Contract with Customers:

Fees and Commission Income are recognised when transfer of control of promised services to customers in an amount that reflects that the consideration the Company expects to receive in exchange for those services. Revenue is recognised from management and consultancy services as and when related services are rendered and performance obligation is satisfied which is based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Satisfaction of performance obligation in some cases require acknowledgement/ acceptance of service by the Customer.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

1.5 Leasing

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

1.5.1 The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Initial direct costs are included in the initial measurement of the net investment in the lease and reduce the amount of income recognised over the lease term based on interest rate implicit in the lease.

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

For the revenue recognition policy on Lease Contracts, refer Note No. 1.4.

1.5.2 The Company as lessee

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with low-value assets and short-term leases (i.e., leases with a lease term of 12 months or less). For these short term and low value leases, the Company recognizes the lease payments as an operating expense over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability i.e. the present value of future lease payment, adjusted for any lease payment made at or prior to the commencement date of lease plus any initial direct costs, an estimate of costs to be incurred in dismantling and removing or restoring the underlying asset less any lease incentive received. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using interest rate implicit in the lease or if not readily determinable using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease payments are apportioned between finance expenses and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rentals are recognised as expenses in the periods in which they are incurred. In the event that lease incentives are received to enter into lease, such incentives are adjusted towards right-of-use-asset.

Lease liability and right-of-use asset have been separately presented in the Balance Sheet.

1.6 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. Foreign currency changes for non-monetary items measured at FVTOCI are recognised in other comprehensive income.

1.7 Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

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

Interest expense includes origination costs that are initially recognised as part of the carrying value of the financial liability and amortized over the expected life using the EIR. It also include expenses related to borrowing which are not part of effective interest as not directly related to loan origination.

1.8 Employee Benefits

1.8.1 Retirement benefit costs and other employee benefits

(A) Defined Contribution Plans:

Contributions to Provident Fund, Pension Fund and Employee State Insurance are considered as defined contribution plans and are recognised as expenditure as they fall due based on the amount of contribution required to be made and when an employee renders related services.

(B) Defined Benefit Plans:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss when the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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

A liability is recognised for benefits accruing to employees in respect of wages and salaries, including non-monetary benefits, annual leave and sick leave in the period in which related service is rendered.

Liabilities recognised in respect of short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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

1.9 Taxation

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

Current tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

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

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

Current and deferred tax for the year

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

1.10 Property, Plant and Equipment

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

Initial and subsequent recognition

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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

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

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of Profit and Loss. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

Depreciation

Depreciation commences when the assets are ready for their intended use. It is recognised to write down the cost of assets less their residual values over their useful lives, using the straight-line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The Company has adopted the useful life as specified in Schedule II to the Companies Act, 2013.

Leasehold assets including improvements are amortised over the shorter of lease period and their useful life on the same basis as owned assets.

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

1.11 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over 2-6 years, which reflects the managements estimate.

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

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

1.12 Impairment of Non-Financial Assets

Tangible and intangible assets

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

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

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

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

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

Investment in Subsidiaries and Associates

The carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

1.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

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

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

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

Contingent Liabilities

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

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised in the financial statements, but are disclosed where an inflow of economic benefits is probable.

1.14 Cash and cash equivalents

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

1.15 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM assess the financial performance and position of the Company and makes strategic decisions.

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

1.16 Financial Instruments

(i) Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost;

2. Financial assets to be measured at fair value through other comprehensive income;

3. Financial assets to be measured at fair value through profit or loss account.

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

Business model assessment

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

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

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the statement of Profit and Loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

1.16.1 Recognition of Financial Instruments:

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

1.16.2 Initial Measurement of Financial Instruments:

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

1.16.3 Subsequent Measurement:

(A) Financial Assets

Financial Assets carried at Amortised Cost (AC):

These financial assets comprise bank balances, Loans, Trade receivables, Other receivables, investments and other financial assets.

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

Effective Interest Rate (EIR) Method:

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

The EIR for financial assets or financial liability is computed

a. By considering all the contractual terms of the financial instrument in estimating the cash flows.

b. Including fees and transaction costs that are integral part of EIR.

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

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

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

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

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

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

Any differences between the fair values of financial assets classified as FVTPL and held by the Company on the balance sheet date is recognised in the statement of Profit and Loss. In cases there is a net gain in the aggregate, the same is recognised in “Net gains on fair value changes”under Revenue from operations and if there is a net loss the same is disclosed under “Expenses” in the statement of Profit and Loss.

Impairment of Financial Assets:

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognised in the statement of Profit and Loss are the same as the amount would have been recognised in case the debt instrument is measured at amortised cost.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company measures the loss allowance at an amount higher of lifetime expected credit losses taking into account historical credit loss experience (adjusted for forward-looking information) and Income Recognition and Assets Classification norms of RBI compared on individual bucket basis.

Derecognition of Financial Assets:

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

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

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

b. for financial assets measured at fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves may be reclassified within equity.

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

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

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

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

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

(B) Financial Liabilities and Equity Instruments:

Classification as debt or equity:

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

Equity Instruments

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

Financial Liabilities

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities measured at amortised cost

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

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

Trade and other payables

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

Financial Guarantee Contracts

Financial guarantees issued by the Company are those guarantees that require a payment to be made to reimburse the holder of the guarantee for a loss incurred by the holder because the specified debtor fails to make a payment, when due, to the holder in accordance with the terms of a debt instrument. Financial guarantees are recognised initially as a liability at fair value, adjusted for transactions costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of Profit and Loss.

1.16.4 Off-setting of financial instruments

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

1.16.5 Fair value measurement

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

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

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

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

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

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

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

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

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

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

1.16.6 Overview of the Expected Credit Loss (ECL) principles

Expected credit loss (ECL) is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between scheduled or contractual cash flows and actual expected cash flows. Consequently, ECL subsumes both the amount and timing of payments. It also incorporates available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable information about future events and economic conditions at the reporting date.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on funded credit exposures. The application of the model was derived from the combination of the probability of default and loss given default being applied to the exposure at default (EAD) to compute ECL based on historical data on an unsegmented basis due to limitation of count in the past. Owing to transfer of the business, empirical data for the newly constituted business of the Company was not available and hence ECL for non-funded credit exposures is being computed by calculating the difference between the EAD and Net Present Value of the future cash flows and/or expected realisable value of security / collateral. Additionally, the company carries out reviews for specifically identified exposures as meriting special focus in calculation of ECL for fulfilling the objective of greater prudence.

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

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

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

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

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. The Company measures the loss allowance at an amount higher of lifetime expected credit losses taking into account historical credit loss experience (adjusted for forward-looking information) and Income Recognition and Assets Classification norms of RBI compared on individual bucket basis.

1.17 Derivative financial instruments

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

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

1.17.1 Embedded derivatives

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

1.18 Hedge Accounting

The Company complies with the principles of hedge accounting where derivative contracts are designated as hedging instruments. At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge. Furthermore, on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

1.18.1 Fair Value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the statement of Profit or Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

1.18.2 Cash flow hedges

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated as ‘Cash Flow Hedge Reserve’. The gain or loss relating to the ineffective portion is recognised immediately in the statement of Profit and Loss.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to the statement of Profit and Loss in the periods when the hedged item affects the statement of Profit and Loss.

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

Offsetting Financial Instruments

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

1.19 Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss before other comprehensive income 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.

1.19.1 Dividend

Dividends paid (including dividend distribution tax thereon) is recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders. The amount is recognised directly in equity.

1.20 Significant accounting judgements, estimates and assumptions

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

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

1.20.1 Impairment charges on loans and advances

The measurement of impairment losses requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These are based on the assumptions which are driven by a number of factors resulting in future changes to the impairment allowance.

The impairment loss on loans and advances is disclosed in more detail in Note No. 1.16.6 Overview of ECL principles.

1.20.2 Business Model Assessment

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

1.20.3 Provisions other than loan impairment

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

1.20.4 Fair Value measurement

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

1.20.5 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

1.20.6 EIR method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

1.20.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

1.21 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and applicable from April 1, 2021 are given below:

Balance Sheet:

(i) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

(ii) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

(iii) Specified format for disclosure of shareholding of promoters.

(iv) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

(v) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

(vi) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc

Statement of Profit and Loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021

2. Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash on hand	-	1
Balances with Banks - in Current Account	1,731	1,077
Total	**1,731**	**1,078**

(i) Changes in Cash Flow from financing activities

(₹ in Lacs)

Particulars	As at 1st April, 2020	Movement		As at 31st March, 2021
		Cash	Non-Cash	
Debt Securities	-	-	-	-
Borrowings (Other than Debt Securities)	45,351	(14,910)	(2,386)	28,055
Subordinated Liabilities	36,075	(3,075)	-	33,000
Total	**81,426**	**(17,985)**	**(2,386)**	**61,055**

(₹ in Lacs)

Particulars	As at 1st April, 2019	Movement		As at 31st March, 2020
		Cash	Non-Cash*	
Debt Securities	1,67,109	(9,253)	(1,57,856)	-
Borrowings (Other than Debt Securities)	9,37,228	77,539	(9,69,416)	45,351
Subordinated Liabilities	1,44,239	(2,626)	(1,05,538)	36,075
Unclaimed Debentures	249	(37)	(212)	-
Total	**12,48,825**	**65,623**	**(12,33,022)**	**81,426**

*Includes transfer under slump exchange. Refer note no. 32

3. Bank Balance other than Note No. 2 above

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unclaimed Dividend Accounts	30	36
Balances with Banks - in Trust & Retention Account #	1,568	-
Fixed Deposits with banks having original maturity of more than 3 months (Including accrued interest for fixed deposits)*	400	267
Total	**1,998**	**303**

* Includes

Particulars	As at 31st March, 2021	As at 31st March, 2020
Under Lien:		
- Bank Guarantees	399	266
- Unclaimed Public Deposit & Interest**	1	1

** There is no outstanding towards unclaimed public deposit & interest thereon as on 31st March, 2021. However, the fixed deposit created under lien for their repayment is yet to be redeemed

Based on the lenders request, a TRA bank account was opened with UCO Bank wherein some collections of Transferred business has also been received, which is shown as Other Financial Liabilities in Note no. 18.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2021 (Contd.)

4. Derivative Financial Instruments

(₹ in Lacs)

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Currency derivatives:						
-Spot and forwards	-	-	-	-	-	-
-Currency swaps	-	-	-	-	-	-
-Options purchased	-	-	-	-	-	-
Subtotal (i)	-	-	-	-	-	-
(ii) Interest rate derivatives						
-Forward Rate Agreements and Interest Rate Swaps	-	-	-	-	-	-
Subtotal(ii)	-	-	-	-	-	-
Total Derivative Financial Instruments (i)+(ii)	-	-	-	-	-	-
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging:	-	-	-	-	-	-
Subtotal (i)	-	-	-	-	-	-
(ii) Cash flow hedging:						
-Currency derivatives	-	-	-	-	-	-
-Interest rate derivatives	-	-	-	-	-	-
Subtotal (ii)	-	-	-	-	-	-
(iii) Undesignated Derivatives	-	-	-	-	-	-
Subtotal (iii)	-	-	-	-	-	-
Total Derivative Financial Instruments (i)+(ii)+(iii)	-	-	-	-	-	-

The Company's risk management strategy and how it is applied to manage risk are explained in Note No. 35.

4.1 The Company has entered into Options/Swaps/Forward contracts (being derivative instruments) which are not intended for trading or speculation, for the purpose of hedging currency and interest rate related risks. Options, Swaps and Forward contracts outstanding are as follows:

(₹ in Lacs)

Category	Currency	As at 31st March, 2021		As at 31st March, 2020	
		Number of Contracts	Amount in Foreign Currency	Number of Contracts	Amount in Foreign Currency
Options /Swaps	USD/INR	-	-	-	-
Options /Swaps	EUR/INR	-	-	-	-
Forwards	USD/INR	-	-	-	-
Forwards	EUR/INR	-	-	-	-
Forwards	EUR/USD	-	-	-	-
Interest Rate Swaps	USD/INR	-	-	-	-

During the year ended 31st March, 2020, the Company has transferred all the outstanding contracts under Slump exchange. Refer note no.32

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

5 Trade Receivables:

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Considered good - Secured;	-	-
Less: Allowance for impairment loss allowance	-	-
	-	-
(b) Considered good - Unsecured;	1,470	2,559
Less: Allowance for impairment loss allowance	266	170
	1,204	2,389
(c) Significant increase in credit risk	-	-
Less: Allowance for impairment loss allowance	-	-
	-	-
(d) Credit impaired	1,767	412
Less: Allowance for impairment loss allowance	1,767	412
	-	-
Total (a+b+c+d)	**1,204**	**2,389**

i. In determining the allowances for credit losses, the Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience. The Company measures the loss allowance at an amount higher of lifetime expected credit losses taking into account historical credit loss experience (adjusted for forward-looking information) and Income Recognition and Assets Classification norms of RBI compared on individual bucket basis.

ii. No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.

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

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of the year	582	1,820
Charge in Statement of Profit and Loss		
continued operations	1,451	(910)
discontinued operations	-	(257)
Utilized during the year	-	(71)
Balance at the end of the year	2,033	582

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

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

(₹ in Lacs)

Particulars	As at 31st March, 2021		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	769	-	769
Due between three to six months	68	7	61
Due between six months to one year	284	28	256
Due between one year to two year	349	231	118
More than 2 year due	1,767	1,767	-
	3,237	**2,033**	**1,204**

(₹ in Lacs)

Particulars	**As at 31st March, 2020**		
	Gross carrying amount	**Allowance for credit loss**	**Net carrying amount**
Due till three months	1,816	-	1,816
Due between three to six months	333	-	333
Due between six months to one year	37	-	37
Due between one year to two year	373	170	203
More than 2 year due	412	412	-
	2,971	**582**	**2,389**

6. Loans

(₹ in Lacs)

Particulars	As at 31st March, 2021						As at 31st March, 2020					
	Amortised cost	At Fair Value				Total	Amortised cost	At Fair Value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	
Loans												
(A)												
(i) Term Loans	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Other Loans:												
Intercoroporate Deposit	-	-	-	-	-	-	-	-	-	-	-	-
Letter of Credit	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) Net	-	-	-	-	-	-	-	-	-	-	-	-
(B)												
(i) Secured by tangible assets / cash flows	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(iiI) Covered by Bank / Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	-	-	-	-	-	-	-	-	-	-	-	-
Total (B) Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (B) Net	-	-	-	-	-	-	-	-	-	-	-	-
(C) (I) Loans in India												
(i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (I) Net	-	-	-	-	-	-	-	-	-	-	-	-
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (II) Net	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (I) and C (II)	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

6. Loans (Contd......)

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

(₹ in Lacs)

	As at 31st March, 2021					As at 31st March, 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount opening balance	-	-	-	-	-	7,95,997	-	2,38,862	-	10,34,859
New assets originated or purchased	-	-	-	-	-	2,12,551	-	-	-	2,12,551
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	(1,52,256)	-	(12,126)	-	(1,64,382)
Assets derecognised on Transfer under Slump Exchange	-	-	-	-	-	(8,38,978)	(11,250)	(2,27,458)	-	(10,77,686)
Transfers to Stage 1	-	-	-	-	-	3,203	-	(3,203)	-	-
Transfers to Stage 2	-	-	-	-	-	(11,250)	11,250	-	-	-
Transfers to Stage 3	-	-	-	-	-	(9,267)	-	9,267	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	(5,342)	-	(5,342)
Gross carrying amount closing balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ii. Reconciliation of ECL balance is given below:

(₹ in Lacs)

	As at 31st March, 2021					As at 31st March, 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance - opening balance	-	-	-	-	-	26,689	-	54,450	-	81,139
New assets originated or purchased	-	-	-	-	-	2,604	-	-	-	2,604
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	(4,097)	-	1,455	-	(2,642)
Assets derecognised on Transfer under Slump Exchange	-	-	-	-	-	(23,294)	(460)	(53,093)	-	(76,847)
Transfers to Stage 1	-	-	-	-	-	43	-	(43)	-	-
Transfers to Stage 2	-	-	-	-	-	(460)	460	-	-	-
Transfers to Stage 3	-	-	-	-	-	(1,485)	-	1,485	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	(4,254)	-	(4,254)
ECL allowance - closing balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

iii. The contractual amount outstanding on loan assets that were written off during the reporting period and are still subject to enforcement activity is ₹ Nil (Previous year: ₹ Nil) as same were transferred under slump exchange.

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

During the financial year ended 31st March, 2020, the Company has transferred all the loan assets under Slump exchange. Refer note no.32

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

6.1 Disclosure of Restructured Assets (₹ in Lacs)

Sl. No.	Type of Restructuring / Financial year / Asset classification		Under CDR Mechanism	Others	Total	Under CDR Mechanism	Others	Total
			Year ended 31st March, 2021			Year ended 31st March, 2020		
1	Restructured accounts as on 1st April	No. of borrowers	-	-	-	1	1	2
		Amount outstanding	-	-	-	1,986	6,816	8,802
		Provision thereon	-	-	-	1,292	1,092	2,384
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	1	1
		Amount outstanding	-	-	-	6	13,761	13,767
		Provision thereon	-	-	-	250	1,287	1,537
3	Upgradation	No. of borrowers	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	-	-	-	(1)	(2)	(3)
		Amount outstanding	-	-	-	(1,992)	(20,577)	(22,569)
		Provision thereon	-	-	-	(1,542)	(2,379)	(3,921)
5	Downgradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-
7	Restructured accounts as on 31st March	No. of borrowers	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-

Note:

i) There are no restructured accounts under "SME Debt Restructuring Mechanism" category.

ii) Fresh restructuring during the year includes fresh sanction/ changes to existing restructured accounts.

iii) Company has transferred its Loan Assets to SEFL under slump exchange w.e.f. 01st October, 2019 (refer note no.32). Restructured Assets transferred under slump exchange are shown under Sl. No. 4 above, figure of which is as below:

(₹ in Lacs)

Type of Restructuring / Financial year		Under CDR Mechanism	Others	Total	Under CDR Mechanism	Others	Total
		Year ended 31st March, 2021			Year ended 31st March, 2020		
Fresh restructuring during the year	No. of borrowers	-	-	-	1	2	3
	Amount outstanding	-	-	-	1,992	20,577	22,569
	Provision thereon	-	-	-	1,542	2,379	3,921

iv) The outstanding amount and number of borrowers as at 31st March, 2021 and 31st March, 2020 is after considering recoveries during the year.

v) Asset classification as required by Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, is not disclosed as asset classification is not defined under Ind AS.

vi) The Company has classified all the restructured accounts (other than extension in DCCO as per RBI directions) under Stage 3 for ECL Calculations under Ind AS and provided accordingly.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

7. Investments

(₹ in Lacs)

Particulars	As at 31st March, 2021							As at 31st March, 2020						
	Amortised cost	At Fair Value				Others	Total	Amortised cost	At Fair Value				Others	Total
		Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal				Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal		
Investments														
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	17,344	-	-	17,344	-	17,344	-	15,247	-	-	15,247	-	15,247
Subsidiaries	-	-	-	-	-	3,14,210	3,14,210	-	-	-	-	-	3,14,117	3,14,117
Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
In Units of Trusts and Schemes of Venture Funds	-	40,823	1	-	40,824	-	40,824	-	26,630	-	-	26,630	-	26,630
Total – Gross A	-	**58,167**	**1**	-	**58,168**	**3,14,210**	**3,72,378**	-	**41,877**	-	-	**41,877**	**3,14,117**	**3,55,994**
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	-	58,167	1	-	58,168	3,14,210	3,72,378	-	41,877	-	-	41,877	3,14,117	3,55,994
Total – B	-	**58,167**	**1**	-	**58,168**	**3,14,210**	**3,72,378**	-	**41,877**	-	-	**41,877**	**3,14,117**	**3,55,994**
Less: Impairment loss allowance (C)	-	-	-	-	-	(3,11,193)	(3,11,193)	-	-	-	-	-	(693)	(693)
Total – Net D =(A)-(C)	-	**58,167**	**1**	-	**58,168**	**3,017**	**61,185**	-	**41,877**	-	-	**41,877**	**3,13,424**	**3,55,301**

During the financial year ended 31st March, 2021 the Company sold its investment in Equity instruments that was classified at FVTOCI to meet its business objective. The fair value of the investment at the date of derecognition was ₹ 690 lacs (Previous year: ₹ 1,909 lacs) and loss on disposal was ₹ 253 lacs (Previous year: gain ₹ 1,073 lacs).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2021 (Contd.)

7. Investments (Contd….)

Particulars	Quantity		₹ in Lacs	
	As at 31st Mar 2021	As at 31st Mar 2020	As at 31st Mar 2021	As at 31st Mar 2020
Investments Carried at Cost				
Investments in Subsidiary Companies				
In Equity Instruments (Unquoted)				
Srei Capital Markets Limited	5050000	5050000	505	505
Srei Insurance Broking Private Limited (Net of Impairment provision for ₹ 104 lacs (31st March, 2020: ₹ 104 lacs)	5000000	5000000	412	412
Trinity Alternative Investment Managers Limited (Formerly Srei Alternative Investment Managers Limited)	127500	250000	13	25
Controlla Electrotech Private Limited (Refer note (v) below)	35305	35305	708	708
Srei Mutual Fund Asset Management Private Limited (Net of Impairment provision for ₹ 571 lacs (31st March, 2020: ₹ 571 lacs)	18500000	18500000	1,279	1,279
Srei Mutual Fund Trust Private Limited (Net of Impairment provision for ₹ 15 lacs (31st March, 2020: ₹ 15 lacs)	150000	150000	-	-
Srei Asset Leasing Limited (Formerly Srei Finance Limited)	1000000	100000	100	10
Srei Equipment Finance Limited (Net of Impairment provision for ₹ 310,455 lacs (31st March, 2020: Nil) Refer Note no. 45	79016415	79016415	-	3,10,455
Bengal Srei Infrastructure Development Limited (Net of Impairment provision for ₹ 3 lacs (31st March, 2020: ₹ 3 lacs)	25500	25500	-	-
In Warrants (Unquoted)				
Srei Mutual Fund Trust Private Limited (Net of Impairment provision for ₹ 45 lacs (31st March, 2020: Nil)	450000	300000	-	30
			3,017	**3,13,424**
Investments in Associate Companies				
In Equity Instruments (Unquoted)				
IIS International Infrastructure Services GmbH, Germany*	0	**	-	-
			-	**-**
Investments in Mutual Funds				
In Mutual Funds (Quoted)				
Unit Trust of India	400	400	1	-
			1	**-**
Investments Carried at Fair Value through Other Comprehensive Income				
In Equity Instruments (Quoted)				
Kotak Mahindra Bank Limited	1000	1000	18	13
Tata Steel Limited	0	4060	-	11
Bharat Road Network Limited	16630000	16630000	4,764	5,496
Orient Green Power Company Limited	10924302	10924302	229	158
IDBI Bank Limited	0	60000	-	12
Lakshmi Vilas Bank Limited (Refer note (iii) below)	0	11245294	-	1,231
India Power Corporation Limited (Refer note (iv) below)	105524100	105524100	12,294	7,186
Ortel Communications Limited	0	10000	-	-
			17,305	**14,107**
In Equity Instruments (Unquoted)				
TN (DK) Expressways Limited (Pledged with Bank)	13000	13000	1	1
Madurai Tuticorin Expressways Limited (Pledged with Bank)	19500	19500	2	2
Potin Pangin Highway Private Limited	0	5000	-	1
Suratgarh Bikaner Toll Road Company Private Limited	17750	17750	2	2
New India Co-operative Bank Limited	573	573	-	-
Starlift Services Private Limited (Formerly ABG Kolkata Container Terminal Private Limited)	1200	1200	-	-
Kamala Tea Company Limited	25000	25000	34	34
Mahakaleshwar Tollways Private Limited	13270376	13270376	-	459

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

Particulars	Quantity		₹ in Lacs	
	As at 31st Mar 2021	As at 31st Mar 2020	As at 31st Mar 2021	As at 31st Mar 2020
ESL Steel Limited (formerly Electrosteel Steels Limited)	0	6723710	-	641
In Warrants (Unquoted)				
Samsara Energy Limited (formerly Quippo Energy Limited)	23540	23540	-	-
Viom Infra Ventures Limited (Formerly Quippo Infrastructure Limited)	99620	99620	-	-
			39	**1,140**
In Units of Trusts and Schemes of Venture Funds (Unquoted)				
India Advantage Fund III	164981	305549	205	329
Infrastructure Project Development Capital	661654	1102754	955	1,696
Infra Construction Fund	1880333	1880333	36,452	21,281
India Growth Opportunities Fund	3526949	3526949	459	460
Infra Advantage Fund	0	218000	-	75
Make In India Fund	1000000	1000000	157	188
Vision India Fund	5100000	5100000	2,595	2,601
			40,823	**26,630**
Total			**61,185**	**3,55,301**

* The Company has Officially liquidated w.e.f. 29.07.2020.

** There is no system of issuance of distinctive shares in the country of registration.

All quoted and unquoted investments mentioned above all fully paid-up.

Note:

(i) During the period dividend income has been recognised for ₹ NIL lacs (Previous year ₹ 84 lacs) on equity instruments categorised as measured at fair value through other comprehensive income.

(ii) During the previous year, the Company has invested ₹ 100 crores in debentures on behalf of its client and earned management fees for the same. The company has sold ₹ 100 crores worth of debentures during the year ended 31st March, 21 and returned this amount to the client . The said investment and the amount received for making the same, have not been reflected in these financial statements, as the Company does not have any beneficial interest in the said investment.

(iii) As per scheme of amalgamation between The Lakshmi Vilas Bank Ltd. and DBS Bank India Limited, The Lakshmi Vilas Bank Ltd. has been amalgamated with DBS Bank India Limited w.e.f. 27th November, 2020. As per the scheme of amalgamation, the entire amount of the paid-up share capital and reserves and surplus, including the balances in the share/securities premium account of the transferor bank, shall stand written off. The transferor bank shall cease to exist by operation of this Scheme, and its shares or debentures listed in any stock exchange shall stand delisted without any further action from the transferor bank, transferee bank or order from any authority. Hence, rights of shares holders on account of their investment have extinguished. Accordingly, the Company has recognized charge for ₹ 1,231 lacs as fair value changes through other comprehensive income during the financial year 2020-21.

(iv) The Company is holding 95,93,10,000 equity shares in erstwhile India Power Corporation Limited (CIN: U40101WB2003PLC097340) ("erstwhile IPCL"). In terms of the Scheme of Arrangement and Amalgamation of erstwhile IPCL into and with DPSC Limited (now known as India Power Corporation Limited) ("DPSC") (CIN: L40105WB1919PLC003263) as sanctioned by the Hon'ble High Court at Calcutta on 17th April, 2013, the Shareholders of erstwhile IPCL (including the Company) are entitled to be allotted 11 equity shares of Rs.1 each of DPSC for every 100 equity shares of erstwhile IPCL held by them. Thus, the Company will be allotted 10,55,24,100 equity shares in DPSC which will constitute 6.69% of the post amalgamation paid up share capital of DPSC. As the Company has been given to understand, the said allotment of the aforesaid shares of DPSC to the Company will be done in terms of the Scheme sanctioned by the Hon'ble High Court at Calcutta on 17th April, 2013 after certain pending clearance(s) / approval(s) from the Stock Exchanges are obtained by DPSC. Therefore, 10,55,24,100 nos. of shares of DPSC as aforesaid is considered in the investment schedule. As the equity shares of DPSC is listed, closing price is considered for the purpose of valuation as on 31st March, 2021, which was based on price multiple of peer companies under Relative Valuation Method as on 31st March, 2020.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

(v) The fair value of equity shares of Controlla Electrotech Private Limited is higher than its carrying amount as on 31st March, 2021. Accordingly, no impairment provision is considered necessary.

(vi) 950 nos. NCD's (face value Rs 10,00,000 each) issued by Fortis Healthcare Holdings Private Ltd were transferred to SEFL under Slump exchange w.e.f. 01 Oct 19. Being matured ISIN, the depository has rejected the transfer request given by the Company in favor of SEFL. Therefore, these NCD's are being held by the Company for the benefit of SEFL and not considered as investments of the Company.

8. Other Financial Assets

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Loans to employees	3	3
Security deposits		
To Related Parties	-	-
To Others	84	130
Others	409	4
Total	**496**	**137**

9. Other Non-Financial Assets

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital Advances	-	11
Employee Advances	4	12
Advance to Vendors for Operating Expenses	42	182
Advance Rent	-	1
Balances with Government Authorities	16	120
Prepaid expenses	151	43
Total	**213**	**369**

10. Current Tax Assets (Net)

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance Tax [(net of provision for tax ₹ Nil lacs (31 March, 2020: ₹ Nil lacs)]	7,488	14,454
Total	**7,488**	**14,454**

The reconciliation of estimated income tax to income tax expense is as below:

(₹ in Lacs)

Particulars	20-21	19-20
Profit before tax	(3,13,972)	1,993
Statutory Income Tax Rate	31.200%	34.944%
Expected income tax expense at statutory income tax rate	(97,959)	696
(i) Income exempt from tax/ Items not deductible (net)	(187)	30
(ii) Effect of indexation benefit / different tax rate on certain items	32,330	(89)
(iii) Net Deferred tax assets charged to Statement of Profit & Loss	48,372	-
(iv) Effect on change in Tax Rate	(2,002)	-
(v) Income Tax for earlier years	(54)	-
Total Tax Expense recognised in profit and loss account	**(19,500)**	**637**
Total Tax Expense recognised in Other Comprehensive Income	**3,729**	**(4,778)**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

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

(₹ in Lacs)

Particulars	As at 1st April, 2020	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	Transferred under Slump Exchange	As at 31st March, 2021
Receivables, Financial Assets and Liabilities at Amortised Cost	446	27,363	-	-	27,809
Unrealised gain on Investment carried at Fair Value	(38,304)	41,271	(4,984)	-	(2,017)
Carried Forward of Losses & Unabsorbed Depreciation	22,251	(822)	1,262	-	22,691
Property, Plant and Equipment and Intangible Assets	(143)	20	-	-	(123)
Other Temporary Differences	34	(15)	(7)	-	12
Net Deferred Tax Assets/(Liabilities)	**(15,716)**	**67,817**	**(3,729)**	**-**	**48,372**
Net Deferred tax assets charged to Statement of Profit & Loss	-	48,372	-	-	48,372
	(15,716)	**19,445**	**(3,729)**	**-**	**-**

(₹ in Lacs)

Particulars	As at 1st April, 2019	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	Transferred under Slump Exchange	As at 31st March, 2020
MAT Credit Entitlement	1,106	(1,106)	-		-
Financial Assets and Liabilities at FVTPL	574	(644)	-	70	-
Receivables, Financial Assets and Liabilities at Amortised Cost	29,494	1,053	-	(30,101)	446
Unrealised gain on Investment carried at Fair Value	(43,016)	(1,060)	4,794	978	(38,304)
Carried Forward of Losses & Unabsorbed Depreciation	22,968	(717)			22,251
Property, Plant and Equipment and Intangible Assets	(8,955)	446		8,366	(143)
Other Temporary Differences	(439)	285	(16)	204	34
Net Deferred Tax Assets/(Liabilities)	**1,732**	**(1,743)**	**4,778**	**(20,483)**	**(15,716)**

The Company has incurred losses during the year ended 31 March 2021 which resulted in carry forward business losses on which deferred tax assets as stated above can be created to the extent it is probable that in future taxable profits will be available against which carry forward business losses can be utilized. Considering the uncertainty around the COVID 19, the Company has decided not to create deferred tax assets on net basis during the year ended 31st March 2021 in accordance to IndAS 12, which will be reviewed in future period.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2021 (Contd.)

12. Property, Plant and Equipment

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2020	Additions	Disposals and other adjustments	As at 31st March, 2021	As at 1st April, 2020	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2021	As at 31st March, 2021
Assets for Own use										
Buildings[1]	10,525	17	-	10,542	685	229	-	-	914	9,628
Plant and Machinery	10	10	-	20	3	1	-	-	4	16
Furniture and Fixtures	42	-	-	42	29	4	-	-	33	9
Motor Vehicles	-	-	-	-	-	-	-	-	-	-
Computers	26	-	-	26	24	2	-	-	26	-
Office Equipments	7	-	-	7	5	1	-	-	6	1
Leasehold Improvements	1	-	-	1	-	-	-	-	-	1
(A)	**10,611**	**27**	**-**	**10,638**	**746**	**237**	**-**	**-**	**983**	**9,655**
Assets for Operating Lease										
Plant and Machinery	-	-	-	-	-	-	-	-	-	-
(B)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (C)= (A+B)	**10,611**	**27**	**-**	**10,638**	**746**	**237**	**-**	**-**	**983**	**9,655**

13. Other Intangible Assets

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2020	Additions	Disposals and other adjustments	As at 31st March, 2021	As at 1st April, 2020	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2021	As at 31st March, 2021
Assets for Own use										
Software	157	3	-	160	151	5	-	-	156	4
Total	**157**	**3**	**-**	**160**	**151**	**5**	**-**	**-**	**156**	**4**

[1] Building includes Gross carrying amount of ₹ 8,747.34 Lacs in respect of property at Saket Place, New Delhi ('Property'), which was purchased by the Company from third party by execution of deed of declaration and for which purchase consideration was paid. The builder was supposed to get the required approval of Delhi Development Authority for conversion of Property from leasehold to freehold before conveyance, which is pending and the matter has been referred to the appropriate legal forum, where it is sub-judice.

The Property is in the possession of the Company and being used for its business purposes. Further, the Company is depositing related corporation taxes in its name. Therefore, in accordance to IndAS 16, the said Property (pending its conveyance) is continued to be shown as aforesaid.

Breakup of Depreciation/ Amortisation and Impairment for the year ended 31st March, 2021 is as below:

(₹ in Lacs)

Particulars	Total
Assets for Own use - Tangible	237
Assets for Own use - Intangible	5
Right to use assets (Refer note 41)	531
Total	**773**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2021 (Contd.)

12. Property, Plant and Equipment

(₹ in Lacs)

Particulars	Gross Carrying Amount					Depreciation/ Amortisation and Impairment						Net Carrying Amount
	As at 1st April, 2019	Additions	Transfer under Slump exchange transaction	Disposals and other adjustments	As at 31st March, 2020	As at 1st April, 2019	Depreciation/ amortisation Charge	Impairment Charge	Adjustment for Transfer under Slump exchange transaction	Disposals and other adjustments	As at 31st March, 2020	As at 31st March, 2020
Assets for Own use												
Buildings[1]	14,674	-	4,149	-	10,525	610	266	-	191	-	685	9,840
Plant and Machinery	99	-	89	-	10	20	5	-	22	-	3	7
Furniture and Fixtures	3,663	49	3,670	-	42	1,011	262	-	1,244	-	29	13
Motor Vehicles	55	-	55	-	-	27	6	-	33	-	-	-
Computers	69	-	43	-	26	44	10	-	30	-	24	2
Office Equipments	560	-	553	-	7	365	44	-	404	-	5	2
Leasehold Improvements	4,313	41	4,351	2	1	1,704	328	-	2,031	1	-	1
(A)	**23,433**	**90**	**12,910**	**2**	**10,611**	**3,781**	**921**	**-**	**3,955**	**1**	**746**	**9,865**
Assets for Operating Lease												
Plant and Machinery	35,212	-	35,185	27	-	4,964	1,086	-	6,023	27	-	-
(B)	**35,212**	**-**	**35,185**	**27**	**-**	**4,964**	**1,086**	**-**	**6,023**	**27**	**-**	**-**
Total (C)= (A+B)	**58,645**	**90**	**48,095**	**29**	**10,611**	**8,745**	**2,007**	**-**	**9,978**	**28**	**746**	**9,865**

13. Other Intangible Assets

(₹ in Lacs)

Particulars	Gross Carrying Amount					Depreciation/ Amortisation and Impairment						Net Carrying Amount
	As at 1st April, 2019	Additions	Transfer under Slump exchange transaction	Disposals and other adjustments	As at 31st March, 2020	As at 1st April, 2019	Depreciation/ amortisation Charge	Impairment Charge	Adjustment for Transfer under Slump exchange transaction	Disposals and other adjustments	As at 31st March, 2020	As at 31st March, 2020
Assets for Own use												
Software	172	-	15	-	157	138	21	-	8	-	151	6
Total	**172**	**-**	**15**	**-**	**157**	**138**	**21**	**-**	**8**	**-**	**151**	**6**

[1] Building includes Gross carrying amount of ₹ 8,747.34 Lacs in respect of which conveyance is pending.

Breakup of Depreciation/ Amortisation and Impairment for the year ended 31st March, 2020 under continued and discontinued operations is as below:

(₹ in Lacs)

Particulars	Continued Operations	Discontinued Operations	Total
Assets for Own use - Tangible	244	677	921
Assets given on operating lease	-	1,086	1,086
Assets for Own use - Intangible	19	2	21
Subtotal (a)	**263**	**1,765**	**2,028**
Right to use assets (Refer note 41)	537	-	537
Subtotal (b)	**537**	**-**	**537**
Total (a+b)	**800**	**1,765**	**2,565**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

14. Trade Payables

(a) Total outstanding dues of micro enterprises and small enterprises

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) The principal amount and interest due thereon remaining unpaid to any supplier	14	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day.	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Total	**14**	**-**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

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

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
For Services	367	337
Total	**367**	**337**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

15. Debt Securities

(₹ in Lacs)

Particulars	As at 31st March, 2021				As at 31st March, 2020			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
Non-Convertible Debentures (refer Note No. 15.1)	-	-	-	-	-	-	-	-
Long-Term Infrastructure Bonds (refer Note No. 15.2)	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debt securities in India	-	-	-	-	-	-	-	-
Debt securities outside India	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

16. Borrowings (Other than Debt Securities)

(₹ in Lacs)

Particulars	As at 31st March, 2021				As at 31st March, 2020			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
Secured								
(a) Term Loans								
(i) From Banks								
- Rupee Loans (refer Note No. 16.1)	-	-	-	-	-	-	-	-
- Foreign Currency Loans (refer Note No. 16.1)	-	-	-	-	-	-	-	-
(ii) From Financial Institutions								
- Rupee Loans (refer Note No. 16.1)	-	-	-	-	-	-	-	-
- Foreign Currency Loans (refer Note No. 16.1)	-	-	-	-	-	-	-	-
(b) Working Capital Facilities	-	-	-	-	-	-	-	-
Unsecured								
(a) Term Loans								
From Banks								
- Foreign Currency Loans (refer Note No. 16.1)	-	-	-	-	-	-	-	-
From Financial Institutions								
- Foreign Currency Loans (refer Note No. 16.1)	-	-	-	-	-	-	-	-
(b) Commercial Papers								
- From Others	-	-	-	-	39,263	-	-	39,263
(c) Loans repayable on demand								
Inter Corporate Deposits	28,055	-	-	28,055	6,088	-	-	6,088
Total	**28,055**	**-**	**-**	**28,055**	**45,351**	**-**	**-**	**45,351**

Particulars	As at 31st March, 2021				As at 31st March, 2020			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
Borrowings in India	28,055	-	-	28,055	45,351	-	-	45,351
Borrowings outside India	-	-	-	-	-	-	-	-
Total	**28,055**	-	-	**28,055**	**45,351**	-	-	**45,351**

i. Working capital facilities from banks, including working capital demand loans earmarked against such facilities, were 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). During the year ended 31st March, 2020, the Company has transferred all the outstanding balances under Slump exchange. Refer note no.32.

ii. Face value of Commercial Paper outstanding as at 31 March, 2021 is ₹ Nil (as at March 31, 2020 ₹ 39,830 Lacs). Face value of maximum outstanding at any time during the year was ₹ 39,830 Lacs (As at March 31,2020 ₹ 44,955 Lacs). Face value of Commercial Paper repayable within one year is ₹ Nil (As at March 31 2020 ₹ 39,830 Lacs).

iii. Inter Corporate Deposit as at 31st March, 2021 includes ₹ 28,055 Lacs (31st March 2020: Nil) from Srei Equipment Finance Limited, a wholly owned subsidiary of the Company having interest of 10% p.a.

17. Subordinated Liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2021				As at 31st March, 2020			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
Subordinated Perpetual bonds/debentures (Tier I Capital) (refer Note No. 17.1)	33,000	-	-	33,000	36,075	-	-	36,075
Subordinated bonds/debentures (Tier II Capital) (refer Note No. 17.2)	-	-	-	-	-	-	-	-
Subordinated Deposits - Unsecured (refer Note No. 17.3)	-	-	-	-	-	-	-	-
Subordinated Loans - Unsecured (refer Note No.17.3)	-	-	-	-	-	-	-	-
Total	**33,000**	-	-	**33,000**	**36,075**	-	-	**36,075**
Subordinated Liabilities in India	33,000	-	-	33,000	36,075	-	-	36,075
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total	33,000	-	-	33,000	36,075	-	-	36,075

15.1 Non-Convertible Debentures

The Company has not raised any fund through Non-Convertaible Debentures during the year ended 31st March, 2021. The outstanding as on 31st March, 2021 is Nil.

During the year ended 31st March, 2020, funds raised was ₹ 10,576 lacs through public issue of Secured, Redeemable Non-Convertible Debentures and was utilised for the purposes as per the terms of the issue. The Company had transferred all the outstanding debentures under Slump exchange. Refer note no.32.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

15.2 Long-Term Infrastructure Bonds – Secured, Redeemable, Non-convertible Debentures

During the financial year 2011-12, the Company had raised fund through Public issue of Long-Term Infrastructure Bonds in the nature of Secured, Redeemable Non-Convertible Debentures, eligible for deduction under section 80 CCF of the Income-Tax Act, 1961. Fund raised has been utilised for the purposes of infrastructure lending as per terms in the year of the issue.

During the year ended 31st March, 2020, the Company had transferred all the outstanding Long-Term Infrastructure Bonds under Slump exchange. Refer note no.32

16.1 Term Loans

Secured

The Company has not raised any fund from Term Loans during the year ended 31st March, 2021. The term loan outstanding as on 31st March, 2021 is Nil.

During the year ended 31st March, 2020, the Company had transferred all the outstanding secured loans from Bank and Financial Institutions under Slump exchange. Refer note no. 32

Unsecured

The Company has not raised any fund from Unsecured Term Loans during the year ended 31st March, 2021. The outstanding as on 31st March, 2021 is Nil.

During the year ended 31st March, 2020, the Company has transferred all the outstanding unsecured loans from Bank and Financial Institutions under Slump exchange. Refer note no.32

17.1 Subordinated Perpetual bonds/debentures (Tier I Capital)

During the year, the Company has raised Unsecured subordinated perpetual debentures amounting to ₹ Nil lacs (Previous Year: ₹ 1,000 lacs). As at 31st March, 2021, the amount outstanding is ₹ 33,000 lacs (31st March 2020 : ₹ 33,000 lacs). These debentures have call option which is exercisable with prior approval of RBI. Call Option can be exercised by the Company on 1st April 2029 for ₹ 32,000 lacs and 22nd April, 2029 for ₹ 1,000 lacs.

(₹ in Lacs)

Rate of Interest	As at 31st March, 2021		As at 31st March, 2020	
	Maturity Profile* 2029-30	Total	Maturity Profile* 2029-30	Total
10.00	33,000	33,000	33,000	33,000
Total	**33,000**	**33,000**	**33,000**	**33,000**

* Does not includes Interest accrued and not due in accordance with IndAS 109 ₹ Nil lacs (31st March 2020: ₹ 3,075 lacs).

Considering the significant impact of COVID-19 on business activity, the Company had approached Non-convertible Perpetual Bond holders for waiver of interest for F.Y. 2020-21. The Company has received their consent. Accordingly, the Company has not accrued interest on such bonds for year ended 31st March, 2021 totalling to ₹ 3,294 lacs.

17.2 Subordinated bonds / debentures (Tier II Capital)

The Company has not raised any fund from subordinated bonds/ debentures qualifying for Tier II capital during the year ended 31st March, 2021 & 31st March, 2020.

During the year ended 31st March, 2020, the Company had transferred all the outstanding subordinated bonds/ debentures under Slump exchange. Refer note no. 32.

17.3 Subordinated Loan & Deposits

The Company has not raised any fund from subordinated loans & deposits qualifying for Tier II capital during the year ended 31st March, 2021 & 31st March, 2020.

During the year ended 31st March, 2020, the Company had prepaid subordinated rupee deposits for ₹ 5,000 Lacs. Further, the Company has transferred all the outstanding subordinated loan from Banks under Slump exchange. Refer note no.32.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

18. Other Financial Liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unpaid Dividends (refer Note No. 18.1)	30	36
Unpaid Matured Deposits and Interest Accrued thereon (refer Note No. 18.1 & 18.2)	-	-
Security Deposits & Retentions	15,529	406
Payable to Employees	118	116
Liability for Operating Expenses	649	238
Financial Guarantee Liability	159	39
Advances and Due to Others (refer Note No. 18.3)	1,866	489
Total	**18,351**	**1,324**

18.1 To be credited to Investor Education and Protection Fund as and when due.

18.2 In order to qualify for registration as an 'Infrastructure Finance Company', the Company decided not to accept or renew public deposits w.e.f. 20th April, 2010. The amount of public deposits outstanding as on 19th April, 2010 (including matured and unclaimed deposits) along with accrued and future interest thereof is kept in the form of a Fixed Deposit, under lien, with Axis Bank Limited, a scheduled commercial bank, for the purpose of making payment to the depositors. The outstanding balance of the Fixed Deposit as at 31st March, 2021 is ₹ 1 Lacs (31st March 2020: ₹ 1 Lacs).

18.3 It includes ₹ 1,756 Lacs (31st March 2020: Nil) payable to a wholly owned subsidiary towards funds transferred to Company's Trust & Retention Account from the bank account transferred by the Company under slump exchange (Refer Note 32).

19. Provisions

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits		
Provision for Gratuity (Refer note 38)	6	19
Provision for Unavailed Leave (Refer note 38)	45	123
Total	**51**	**142**

20. Other Non-financial liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance from Customers	50	97
Statutory Liabilities	145	482
Total	**195**	**579**

21. Equity Share Capital

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Authorised				
Equity Shares, ₹ 10/- par value per share	1000000000	1,00,000	1000000000	1,00,000
Preference Shares, ₹ 100/- par value per share	50000000	50,000	50000000	50,000
		1,50,000		**1,50,000**
Issued and subscribed				
Equity Shares, ₹ 10/- par value per share	503086333	50,309	503086333	50,309
Fully Paid-up				
Equity Shares, ₹ 10/- par value per share	503086333	50,309	503086333	50,309
		50,309		**50,309**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

21.1 Reconciliation of the Number of Equity Shares outstanding

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

Equity Shares	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	503086333	50,309	503086333	50,309
Add: Issued during the year	-	-	-	-
At the end of the year	503086333	50,309	503086333	50,309

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

The Company's authorised capital consists of two classes of shares, referred to as Equity Shares and Preference Shares having par value of ₹ 10/- and ₹ 100/- each respectively. Each holder of equity shares is entitled to one vote per share. Preference Shareholder has a preferential right over equity share holders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Company during the year ended 31st March, 2021 and 31st March, 2020.

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

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

21.3 Shares allotted as fully paid-up without payment being received in cash/by way of bonus shares (during 5 years preceding 31st March, 2021)

The Company has not issued any shares without payment being received in cash/ by way of bonus shares since 2015-16.

21.4 Details of Shareholders holding more than 5% of the equity shares each, are set out below:

Name of the shareholders	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Adisri Commercial Private Limited (Holding Company)	30,36,75,845	60.36	30,36,75,845	60.36
Fidelity Investment Trust Fidelity Series Emerging Markets Fund	-	-	2,64,98,940	5.27

21.5. Declaration and payment of dividend

(₹ in Lacs)

Particulars	20-21	19-20
Dividend declared & paid during the year		
Dividend for the year ended 31st March, 2020: ₹ Nil per share (31st March, 2019: ₹ Nil per share)	-	-
Total dividends paid	**-**	**-**
Proposed dividend on equity shares		
Final cash dividend for the year ended on 31st March, 2021: ₹ Nil per share (31st March, 2020: ₹ Nil per share)	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

22. Other Equity

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Special Reserve (pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	27,197	26,925
Add: Transfer from retained earnings	-	272
Closing balance	**27,197**	**27,197**
Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)		
Opening balance	14,606	14,606
Add: Transfer from retained earnings	-	-
Closing balance	**14,606**	**14,606**
Capital Reserve		
Opening balance	1,960	1,945
Add: Addition during the year	-	15
Closing balance	**1,960**	**1,960**
Securities Premium Reserve		
Opening balance	19,754	19,754
Closing balance	**19,754**	**19,754**
Bond/Debenture Redemption Reserve		
Opening balance	-	22,660
Add: Transfer from retained earnings	-	-
Less: Transfer to retained earnings	-	22,660
Closing balance	**-**	**-**
General Reserve		
Opening balance	1,39,604	1,39,604
Closing balance	**1,39,604**	**1,39,604**
Equity Instruments through Other Comprehensive Income		
Opening balance	(5,451)	10,379
Add: Addition during the year	13,905	(15,830)
Less: Reclassification to retained earnings (net of tax)	(764)	-
Closing balance	**7,690**	**(5,451)**
Retained Earnings		
Opening balance	36,288	12,511
Add: Profit for the year	(2,94,472)	1,356
Add: Other Comprehensive Income (net of tax)	22	33
Add/ Less: Appropriations		
Transferred to Special Reserve	-	272
Transferred to Bond/Debenture Redemption Reserve (net)	-	(22,660)
Reclassification from Other Comprehensive Income	(764)	-
Equity dividend [amount ₹ Nil per share (Previous year ₹ Nil)]	-	-
Corporate dividend tax	-	-
Total appropriations	**(764)**	**(22,388)**
Closing balance	**(2,57,398)**	**36,288**
Total	**(46,587)**	**2,33,958**

(i) Special Reserve:

Every year the Company transfers a sum of not less than twenty percent of net profit after tax of that year to its Statutory Reserve pursuant to Section 45-IC of The Reserve Bank of India Act, 1934. As the company has incurred losses in the current financial year, no amount has been transferred to the Special Reserve.

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

No appropriation of any sum from the reserve fund shall be made by the Company except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

withdrawal. RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty one days by such further period as it thinks fit or condone any delay in making such report.

(ii) Income Tax Special Reserve:

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

(iii) Capital Reserve:

This reserve represents capital investment subsidy received, amount forfeited towards warrant subscription and amount on cancellation of forfeited equity shares.

(iv) Securities Premium:

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

(v) Bond/Debenture Redemption Reserve:

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

(vi) General Reserve:

This reserve include amount transferred from net profit as per provisions of erstwhile Companies Act, 1956 and Reserves created on Amalgamation.

(vii) Equity Instruments through Other Comprehensive Income:

This Reserve represents the cumulative gains (net of losses) arising on the changes in Fair Value of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed off.

(viii) Retained Earnings:

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

23. Interest Income

(₹ in Lacs)

Particulars	2020-21			2019-20		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
Interest on deposits with Banks	-	19	-	-	19	-
Other interest Income	-	9	-	-	13	-
Total	**-**	**28**	**-**	**-**	**32**	**-**

24. Net gain on fair value changes

(₹ in Lacs)

Particulars	2020-21	2019-20
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Derivatives	-	-
(ii) Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Derivatives	-	-
- Investments	-	-
- Loans	-	-
- Deposit	-	-
Total Net gain/(loss) on fair value changes (A)	**-**	**-**
Fair Value changes:		
- Realised	-	-
- Unrealised	-	-
Total Net gain/(loss) on fair value changes (B) to tally with (A)	**-**	**-**

25. Other Income

(₹ in Lacs)

Particulars	2020-21	2019-20
Net gain / (loss) on derecognition of property, plant and equipment	-	(1)
Interest on Income Tax Refund	791	541
Others	20	1,985
Total	**811**	**2,525**

26. Finance Costs

(₹ in Lacs)

Particulars	2020-21		2019-20	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on borrowings	-	2,992	-	4,539
Interest on subordinated liabilities	-	-	-	3,774
Other interest expense	-	290	-	368
Total	**-**	**3,282**	**-**	**8,681**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

27. Employee Benefits Expenses

(₹ in Lacs)

Particulars	2020-21	2019-20
Salaries and wages	730	535
Contribution to provident and other funds	71	34
Staff welfare expenses	12	17
Total	**813**	**586**

28. Impairment on Financial Instruments (net)

(₹ in Lacs)

Particulars	2020-21		2019-20	
	On Financial Intruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	On Financial Intruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost
Investments	-	45	-	693
Other financial assets	-	1,427	-	(910)
Total	**-**	**1,472**	**-**	**(217)**

29. Administrative and Other Expenses

(₹ in Lacs)

Particulars	2020-21	2019-20
Rent, Taxes and Energy Costs	91	328
Repairs and Maintenance	115	103
Communication Costs	5	23
Printing and Stationery	8	19
Advertisement and Publicity	41	23
Director's Fees, Allowances and Expenses	81	27
Auditor's Fees and Expenses (refer Note No. 29.1)	54	77
Legal and Professional Charges	316	267
Insurance	26	3
Corporate Social Responsibility Expenses (refer Note No. 29.2)	78	11
Travelling & Conveyance	110	132
Other Expenditure	75	89
Total	**1,000**	**1,102**

29.1 Payments to the Auditor (including Service Tax/ GST)

(₹ in Lacs)

Particulars	2020-21	2019-20
As Auditor - Statutory Audit & Limited Reviews	47	80
For Other Services (Certification etc.)	5	18
For Reimbursement of Expenses	2	5
Total	**54**	**103**
-cost under continued operations	54	77
-cost under discontinued operations	-	26

29.2 Corporate Social Responsibility Expenses

(₹ in Lacs)

Particulars	2020-21	2019-20
(a) Gross amount required to be spent during the year	78	155
(b) Amount spent during the year		
- Construction / acquisition of any asset	-	-
- On purposes other than above	25	158
Total	**25**	**158**
Amount paid in cash	25	158
Amount yet to be paid in cash	53	-
- cost under continued operations	78	11
- cost under discontinued operations	-	147

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

30. Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS

Particulars	2020-21	2019-20
Profit after Tax from continuing operations attributable to the Equity Shareholders (₹ in Lacs) (A)	(2,94,472)	(774)
Profit after Tax from discontinued operations attributable to the Equity Shareholders (₹ in Lacs) (B)	-	2,130
Profit/ (Loss) for the period (C=A+B)	(2,94,472)	1,356
Basic and Diluted		
(i) Number of Equity Shares at the beginning of the year	50,30,86,333	50,30,86,333
(ii) Number of Equity Shares issued during the year	-	-
(iii) Number of Equity Shares at the end of the year	50,30,86,333	50,30,86,333
(iv) Weighted average number of Equity Shares outstanding during the year (D)	50,30,86,333	50,30,86,333
(v) Nominal Value of each Equity Share (₹)	10	10
Basic and Diluted Earnings per Equity share - continuing operations (₹) (A/D)	**(58.53)**	**(0.15)**
Basic and Diluted Earnings per Equity share - discontinued operations (₹) (B/D)	**-**	**0.42**
Basic and Diluted Earnings per Equity share - continuing & discontinued operations (₹) (C/D)	**(58.53)**	**0.27**

There have been no transaction involving ordinary equity shares or potential equity shares between the reporting date and the date of completion of these standalone financial statements which would require the restatement of EPS.

31. Contingent Liabilities and Commitments (To the Extent Not Provided for)

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
A. Contingent Liabilities		
(a) Claims against the Company not acknowledged as debts:		
Income Tax*	-	-
Service Tax*	-	-
Central Sales Tax*	-	-
(b) Guarantees:		
Corporate Guarantees	5,270	-
Bank Guarantees[1]	1,698	1,376
Total	**6,968**	**1,376**
B. Commitments		
Estimated amount of capital contracts remaining	-	1
On account of Derivative Instruments (refer Note No. 4)		

* As regards the contingent liability amounting to ₹ 211 lacs (31st March, 2020: ₹ 211 lacs) for Central Sales tax, ₹ 4,645 lacs (31st March, 2020: ₹ 4,645 lacs) for Service tax and ₹ 7,981 lacs (31st March, 2020: ₹ 7,905 lacs) for Income tax, in relation to various previous financial years, which are under dispute/pending with relevant forum/authorities, in terms of the Business Transfer Agreement ('BTA') (Refer Note No. 32), the Company is holding the same, in its books of account, on behalf of its wholly owned subsidiary, Srei Equipment Finance Limited ('SEFL'). In case of any future liability arising on the Company in relation to the aforesaid claims, the Company will recover the same from SEFL as per the terms of the BTA.

[1] Includes ₹ 504 lacs (₹ 1,045 lacs) issued on Company's behalf by the Banker of a Subsidiary Company and includes Bank Guarantees issued out of banks credit line which was transferred to SEFL as part of BTA.

32 Discontinued Operations:

During the financial year 2019-20, the Board of Directors of the Company and its wholly owned subsidiary, Srei Equipment Finance Limited ("SEFL") at their respective meetings held on July 4, 2019 approved the transfer of Lending Business, Interest Earning Business & Lease Business of the Company together with associated employees, assets & liabilities (including liabilities towards issued & outstanding non - convertible debentures) (the "Transferred Undertaking"), as a going concern by way of slump exchange to SEFL through a Business Transfer Agreement ("BTA"), in exchange of fully paid up equity shares to be issued and allotted by SEFL, subject to all necessary approvals.

Pursuant to this, the Company signed a BTA with SEFL on August 16, 2019 and an amendment thereof on November 14, 2019, consequent to which it has entered into various assignment agreements, in connection with the Transferred Undertaking, with SEFL to give effect of the slump exchange. In terms of the BTA, SEFL has allotted 1,93,56,415 equity shares of ₹ 10/- each at a

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

premium of ₹ 481/- per share to the Company as part of purchase consideration of ₹ 950 Crores during the financial yeaar 2019-20. Accordingly both the Company and SEFL have passed the relevant accounting entries in their respective books of account effective October 1, 2019, after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks. One of the debenture holders holding debentures amounting to Rs.75 crores has objected to the slump exchange. The consent, or otherwise from other lenders is still awaited. The Company has obtained expert legal and accounting opinions in relation to the accounting of the Slump Exchange Transaction which confirmed that the accounting treatment so given by the Company and SEFL is in accordance with the relevant Ind AS and the underlying guidance and framework.

As stated in Note No. 32.1, pending final decision in the matter and further based on a legal opinion, the Company has maintained status quo for BTA.

The Company has derecognised the financial and Non-financial assets and Liabilities transferred to SEFL as on October 1, 2019 on consummation of slump exchange, details of which is as under:

(₹ in Lacs)

Particulars	Amount
ASSETS	
(1) Financial Assets	
(a) Cash and Cash Equivalents	2,353
(b) Bank Balance other than (a) above	19,476
(c) Derivative Financial Instruments	2,424
(d) Receivables	
(I) Trade Receivables	49,286
(II) Other Receivables	-
(e) Loans	10,00,839
(f) Investments	1,34,065
(g) Other Financial Assets	43,704
(2) Non-Financial Assets	
(a) Deferred Tax Assets (Net)	20,483
(b) Property, Plant and Equipment	38,118
(c) Capital Work-in-Progress	474
(d) Other Intangible Assets	7
(e) Other Non-Financial Assets	25,252
Total Assets (A)	**13,36,481**
LIABILITIES	
(1) Financial Liabilities	
(a) Derivative Financial Instruments	359
(b) Payables	
(I) Trade Payables	
(i) Total outstanding dues of micro enterprises and small enterprises	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	35
(c) Debt Securities	1,56,436
(d) Borrowings (Other than Debt Securities)	9,70,836
(e) Subordinated Liabilities	1,05,538
(f) Other Financial Liabilities	2,877
(2) Non-Financial Liabilities	
(a) Provisions	236
(b) Other Non-Financial Liabilities	2,750
Total Liabilities (B)	**12,39,067**
Net Assets Transferred (A-B)	**97,414**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

Transferred Undertaking is considered as Discontinued Operations as per IndAS 105 'Non-current Assets Held for Sale and Discontinued Operations'. Income & Expense in relation to Discontinued Operation is as below:

(₹ in Lacs)

Particulars	Year ended 31st March, 2020
Revenue from Operations	
(i) Interest Income	62,945
(ii) Dividend Income	-
(iii) Rental Income	479
(iv) Fees and Commission Income	784
(v) Net gain on fair value changes	5,026
(vi) Net gain on derecognition of financial instruments under fair value through profit or loss	15,921
(vii) Others	-
(I) Total Revenue from Operations	**85,155**
(II) Other Income	394
(III) Total Income (I+II)	**85,549**
Expenses	
(i) Finance Costs	68,783
(ii) Fees and Commission Expense	-
(iii) Impairment on Financial Instruments (Net)	8,419
(iv) Employee Benefits Expenses	1,448
(v) Depreciation, Amortisation and Impairment Expense	1,765
(vi) Administrative and Other Expenses	1,365
(IV) Total Expenses (IV)	**81,780**
(V) Profit/ (Loss) Before Tax (III-IV)	**3,769**
(VI) Tax Expense	1,639
(VII) Profit from discontinued operations (V-VI)	**2,130**

Net Cash flow attributable to discontinued operations is as below:

(₹ in Lacs)

Particulars	Year ended 31st March, 2020
Net Cash (Used in) / Generated from Operating Activities	(87,089)
Net Cash (Used in) / Generated from Investing Activities	17,412
Net Cash (Used in) / Generated from Financing Activities	68,545
Net cash generated from / (used in) discontinued operations	(1,132)

32.1 SEFL has proposed the Schemes with its Creditors and the application to that effect has been filed with the Hon'ble National Company Law Tribunal (NCLT). BTA, inter alia, constitutes an integral part of the Scheme. Pursuant to the direction of Hon'ble NCLT, a meeting of a particular class of Creditors was held on December 16, 2020. In the meeting held on December 16, 2020, 86.26% (in value) of certain class of creditors who attended the meeting voted against the BTA. The matters covered in the Schemes are pending for final decision before Hon'ble NCLT/NCLAT.

33. Capital Management

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

34. REGULATORY CAPITAL (Capital Adequacy Ratio)

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Tier I capital	12,519	15,301
Tier II capital	6,259	-
Total capital	**18,778**	**15,301**
Risk Weighted Assets	72,701	71,595
Tier I Ratio (%)	17.22	21.37
Tier II Ratio (%)	8.61	-

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

35. Financial Instruments and Related Disclosures

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note No. 1.16 to the financial statements.

A) Categories of Financial Instruments

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

(₹ in Lacs)

	As at 31st March, 2021		As at 31st March, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
a) Measured at Amortised Cost				
i) Cash and Cash Equivalents	1,731	1,731	1,078	1,078
ii) Bank Balance other than (i) above	1,998	1,998	303	303
iii) Trade Receivables	1,204	1,204	2,389	2,389
iv) Other Receivables	-	-	-	-
v) Loans	-	-	-	-
vi) Investments	-	-	-	-
vii) Other Financial Assets	496	496	137	137
Sub-total	**5,429**	**5,429**	**3,907**	**3,907**
b) Measured at Fair value through Profit or Loss				
i) Derivative Financial Instruments	-	-	-	-
ii) Loans	-	-	-	-
iii) Investments	1	1	-	-
iv) Other Financial Assets	-	-	-	-
Sub-total	**1**	**1**	**-**	**-**
c) Measured at Fair value through Other Comprehensive Income				
i) Investments	58,167	58,167	41,877	41,877
Sub-total	**58,167**	**58,167**	**41,877**	**41,877**
Total Financial Assets*	**63,597**	**63,597**	**45,784**	**45,784**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

	As at 31st March, 2021		As at 31st March, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Liabilities				
a) Measured at Amortised Cost				
i) Payables	381	381	337	337
ii) Debt Securities	-	-	-	-
iii) Borrowings (Other than Debt Securities)	28,055	28,055	45,351	45,351
iv) Subordinated Liabilities	33,000	33,000	36,075	35,627
v) Lease Liabilities	1,994	1,994	2,271	2,271
vi) Other Financial Liabilities	18,351	18,351	1,324	1,324
Sub-total	**81,781**	**81,781**	**85,358**	**84,910**
b) Measured at Fair value through Profit or loss				
i) Derivative Financial Instruments	-	-	-	-
Sub-total	-	-	-	-
Total financial liabilities	**81,781**	**81,781**	**85,358**	**84,910**

* Exclude investment in subsidiaries amounting to ₹ 3,017 lacs (31st March, 2020 - ₹ 3,13,424 lacs) measured at cost (net of impairment).

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

Loans measured at amortised cost

The fair values of loan assets are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted at the average lending rate of the company.

Other financial assets measured at amortised cost

Other financial assets have assets with short-term maturity (less than twelve months) as on balance sheet date and therefore, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

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

The fair values of debts are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted at the average borrowing rate of the company.

Other financial liabilities measured at amortised cost

Other financial liabilities have liability with short-term maturity (less than twelve months) as on balance sheet date and therefore, the carrying amounts are a reasonable approximation of their fair value.

B) Fair Value Hierarchy

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2021 (Contd.)

(₹ in Lacs)

	As at 31st March, 2021			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	-	-	-
Loans	-	-	-	-
Other financial assets	-	-	-	-
Investments	17,306	-	40,862	58,168
	17,306	**-**	**40,862**	**58,168**
Financial liabilities				
Derivative Financial Instruments	-	-	-	-
	-	-	-	-

(₹ in Lacs)

	As at 31st March, 2020			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	-	-	-
Loans	-	-	-	-
Other financial assets	-	-	-	-
Investments	14,107	-	27,770	41,877
	14,107	**-**	**27,770**	**41,877**
Financial liabilities				
Derivative Financial Instruments	-	-	-	-
	-	-	-	-

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

(₹ in Lacs)

Particulars	Fair Value As at		Fair Value Heirarchy	Valuation Technique and Key Input	Significant Unobservable Input
	31st March, 2021	31st March, 2020			
Financial Assets					
Derivative Financial Instruments	-	-	Level 2	Note (i)	Not Applicable
Loans	-	-	Level 3	Note (ii)	Note (v)
Other financial assets	-	-	Level 3	Note (ii)	Note (v)
Investments	17,306	14,107	Level 1	Note (iii)	Not Applicable
Investments	40,862	27,770	Level 3	Note (iv)	Note (v) & (vi)
Financial liabilities					
Derivative Financial Instruments	-	-	Level 2	Note (i)	Not Applicable

(i) Mark-to-Market

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

(ii) Income Approach.

The discounted cash flow method was used to capture the present value of the expected future benefits to be derived from the underlying Assets.

(iii) Quoted Prices.

Quoted bid prices of an active market was used.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

(iv) Other Inputs

(a) Market Multiple Method: Relevant information from companies operating in similar economic environment and industry was used.

(b) Discounted Cash Flow Method: Present value of the expected future benefits to be derived from the underlying Assets.

(c) Net Asset Valuation Method: Value of the underlying net assets of the business.

(v) Discount rate, determined using the average cost of borrowing of the company + spread or contract yield rates or as considered by the Valuer.

(vi) Estimated future cash flows.

Reconciliation of Level 3 fair value measurements

(₹ in Lacs)

Reconciliation	Loans		Investments		Other financial assets	
	20-21	19-20	20-21	19-20	20-21	19-20
Opening Balance	-	52	27,770	1,55,760	-	-
Addition	-	-	-	100	-	-
Sale/ Repayment*	-	(52)	(2,800)	(1,11,310)	-	-
Transfers from Level 3	-	-	-	(7,186)	-	-
Unrealised income/(loss)	-	-	15,892	(9,594)	-	-
Closing Balance	**-**	**-**	**40,862**	**27,770**	**-**	**-**

* includes transfer under Slump Exchange & investment written-off

Sensitivity of fair value measurements to changes in unobservable market data (impact of change by 2%)

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

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

(₹ in Lacs)

Reconciliation	As at 31st March, 2021		As at 31st March, 2020	
	Favourable Changes	Unfavourable Changes	Favourable Changes	Unfavourable Changes
Loans	-	-	-	-
Investment	817	817	722	722
Other financial assets	-	-	-	-
Total	**817**	**817**	**722**	**722**

C) Financial risk management objectives

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

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

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

a) Market risk

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

i. Foreign Currency Risk

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

ii. Interest Rate Risk

iii. Other Price Risk

i. Foreign currency risk

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

Foreign Currency Exposure

(₹ in lacs)

As at 31st March, 2021	USD	Euro	Total
Cash and cash equivalents	-	-	-
Loans	-	-	-
Borrowings (Other than Debt Securities)	-	-	-
As at 31st March, 2020	**USD**	**Euro**	**Total**
Cash and cash equivalents	5	-	5
Loans	-	-	-
Borrowings (Other than Debt Securities)	-	-	-

Hedged Foreign Currency balances (₹ in lacs):	Currency	As at 31st March, 2021	As at 31st March, 2020
(i) Borrowings (Other than Debt Securities):	USD	-	-
	EUR	-	-

Foreign Currency Sensitivities

Post transfer of business under slump exchange (Refer note 32), there is no outstanding exposure in foreign currency as at 31st March, 2021 and 31st March, 2020, which will have sensitivity impact.

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

ii. Interest rate risk

Post transfer of business under slump exchange, the Company is not having floating interest rate borrowings. The Company manages the risk by maintaining an appropriate mix between fixed and floating rate borrowings, and by use of interest rate swaps and cross currency interest rate swaps. Hedging activities are evaluated to align with interest rate views and defined risk appetite, to deploy the most cost effective hedging strategies.

Post transfer of business under slump exchange, the Company is not undertaking lending business.

Floating Interest Rate Exposure

(₹ in lacs)

As at 31st March, 2021	INR	Euro	USD	Total
Financial Assets				
Loans	-	-	-	-
Financial Liabilities				
Borrowings (Other than Debt Securities)	-	-	-	-
Subordinated Liabilities	-	-	-	-
As at 31st March, 2020	**INR**	**Euro**	**USD**	**Total**
Financial Assets				
Loans	-	-	-	-
Financial Liabilities				
Borrowings (Other than Debt Securities)	-	-	-	-
Subordinated Liabilities	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

The Company's outstanding borrowings as at 31st March, 2021 and 31st March, 2020 is having fixed interest rates.

During the financial year 2019-20, in some cases, the Company has entered into cross currency swap and interest rate swaps to manage its interest rate risk. The Company's profit and loss and equity was not exposed to interest rate sensitivity to that extent.

The sensitivity analysis is applicable on the exposure having floating interest rates for assets and liabilities at the end of the reporting period. As there is no exposure having floating interest rates, no separate disclosure is being done.

iii. Price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes. The fair value of quoted investments in equity, classified as fair value through Profit & Loss/ fair value through Other Comprehensive Income as at 31st March, 2021 is ₹ 17,305 Lacs (31st March, 2020: ₹ 6,921 Lacs)

A 10% change in equity prices of such securities held as at 31st March, 2021 and 31st March, 2020, would result in an impact of ₹ 1,730 Lacs, and ₹ 692 Lacs respectively.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

b) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events.

Liquidity risk management (based on commercial terms):

(₹ in Lacs)

Particulars	As at 31st March, 2021					As at 31st March, 2020				
	On demand	Less than 3 months	3 to 12 months	>12 months	Total	On demand	Less than 3 months	3 to 12 months	>12 months	Total
A: Financial assets #										
i) Cash and Cash Equivalents	1,731	-	-	-	1,731	1,078	-	-	-	1,078
ii) Bank Balance other than (i) above	1,598	24	302	74	1,998	36	37	230	-	303
iii) Derivative Financial Instruments	-	-	-	-	-	-	-	-	-	-
iv) Trade & Other Receivables		3,237			3,237	-	2,971	-	-	2,971
v) Loans	-	-	-	-	-	-	-	-	-	-
vi) Investments	-	-	5,022	56,163	61,185	-	1,425	5,496	3,48,380	3,55,301
vii) Other Financial Assets	-	11	409	76	496	-	8	49	80	137
Total	**3,329**	**3,272**	**5,733**	**56,313**	**68,647**	**1,114**	**4,441**	**5,775**	**3,48,460**	**3,59,790**
B: Financial liabilities										
i) Derivative Financial Instruments	-	-	-	-	-	-	-	-	-	-
ii) Trade Payables	-	381	-	-	381	-	337	-	-	337
iii) Borrowings*	-	-	-	61,055	61,055	-	36,264	12,162	33,000	81,426
iv) Lease Liabilities	-	168	489	1,337	1,994	-	173	498	1,600	2,271
v) Other Financial Liabilities	30	885	1,774	15,662	18,351	36	875	55	358	1,324
Total	**30**	**1,434**	**2,263**	**78,054**	**81,781**	**36**	**37,649**	**12,715**	**34,958**	**85,358**

Financial Assets does not include Current Tax Assets of ₹ 7,488 lacs and Property, Plant & Equipment of ₹ 9,655 lacs

* Borrowings as at 31st March, 2021 includes Subordinated Perpetual bonds (PDI) amounting to ₹ 33,000 lacs for which Company's request of conversion into equity or equity linked instruments is under consideration of RBI.

c) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

Credit risk is monitored by the credit risk department of the Company's which is independent Risk Controlling Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Post transfer of business under slump exchange, the Company is not undertaking lending business. The major part of the assets consists of Investments and company is primarily focusing on its fee business.

The Company conducts an industry analysis to determine the risk level of each industry which the Company is exposed to. The company also performs portfolio analysis to analyze the correlations between different exposures, assess risk at an overall portfolio, and assess concentration risks in the portfolio. The company also conducts stress testing at portfolio level to assess the impact on stress situations on the Company. The corrective action taken by the Company includes diversification of its exposure to highly marketable and saleable assets.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

d) Public disclosure on liquidity risk as per RBI Circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated November 4, 2019.

As at 31st March, 2021:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

No.	Number of Significant Counterparties	Amount (₹ in Lacs)	% of Total deposits	% of Total Liabilities
1	5	61,055	N.A.	74%

(ii) Top 20 large deposits (Amount: Nil ; and % of total deposits: NA)

(iii) Top 10 borrowings (Amount: ₹ 61,055 lacs; and % of total borrowings: 100%)

(iv) Funding Concentration based on significant instrument/product

No.	Name of the instrument/ product	Amount (₹ in Lacs)	% of Total Liabilities
1	Subordinated Perpetual debentures (Tier I Capital)	33,000	40%
2	Inter Corporate Deposits	28,055	34%

(v) Stock Ratios:

No.	Paȑrticulars	% of Total Public Funds	% of Total Liabilities	% of Total Assets
(a)	Commercial papers	0%	0%	0%
(b)	Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
(c)	Other short-term liabilities	6%	5%	5%

(vi) Institutional set-up for liquidity risk management:

The Company has an Asset Liability Management Committee (ALCO), a management level committee, to handle liquidity risk management. The ALCO meetings are held at periodic intervals. At the apex level, the Risk Committee (RC), a sub-committee of the Board of Directors of the Company, oversees the liquidity risk management.

(vii) Guidelines of Liquidity Coverage Ratio (LCR) as per RBI Circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated November 4, 2019 is applicable to NBFC-NDSI's with an assets size of Rs.5,000 crores and above. As the assets size of the Company is below the prescribed limit, the disclosure requirement is not applicable to the Company.

As at 31st March, 2020:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

No.	Number of Significant Counterparties	Amount (₹ in Lacs)	% of Total deposits	% of Total Liabilities
1	10	80,237	N.A.	79%

(ii) Top 20 large deposits (Amount: Nil ; and % of total deposits: NA)

(iii) Top 10 borrowings (Amount: ₹ 80,237 lacs; and % of total borrowings: 99%)

(iv) Funding Concentration based on significant instrument/product

No.	Name of the instrument/ product	Amount (₹ in Lacs)	% of Total Liabilities
1	Commercial Paper	39,263	39%
2	Subordinated Perpetual debentures (Tier I Capital)	36,075	35%
3	Inter Corporate Deposits	6,088	6%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

(v) Stock Ratios:

No.	Particulars	% of Total Public Funds	% of Total Liabilities	% of Total Assets
(a)	Commercial papers	48%	39%	10%
(b)	Non-convertible debentures (original maturity of less than one year)	-	-	-
(c)	Other short-term liabilities	15%	12%	3%

(vi) Institutional set-up for liquidity risk management:

The Company has an Asset Liability Management Committee (ALCO), a management level committee, to handle liquidity risk management. The ALCO meetings are held at periodic intervals. At the apex level, the Risk Committee (RC), a sub-committee of the Board of Directors of the Company, oversees the liquidity risk management.

e) Risk concentrations

The principal business of the Company was to provide financing in the form of loans to its clients for various infrastructure and allied purposes. Post the transfer of Lending Business, Interest Earning Business & Lease Business (“”Transferred Undertaking””) together with associated employees, assets and liabilities of Srei Infrastructure Finance Limited (SIFL) to Srei Equipment Finance Limited (SEFL) as a going concern basis by way of slump exchange w.e.f. from October 1, 2019, the new business of SIFL is largely predicated on Infrastructure Advisory, Financial Solutions Advisory and Fee Based Business.

Credit Risk is the risk of loss that occurs when a borrower or counterparty fails to meet its obligations in accordance with agreed terms, thus resulting in financial loss. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company’s credit risk policies are approved by the Board from time to time which lays down the credit evaluation and approval process in compliance with regulatory guidelines.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on funded credit exposures. The application of the model was derived from the combination of the probability of default and loss given default being applied to the exposure at default (EAD) to compute ECL based on historical data on an unsegmented basis due to limitation of count in the past. Owing to transfer of the business, empirical data for the newly constituted business of SIFL was not available and hence ECL for non-funded credit exposures is being computed by calculating the difference between the EAD and Net Present Value of the future cash flows and/or expected realisable value of security / collateral. Additionally, the company may also carry out reviews for specifically identified exposures by the management as meriting special focus in calculation of ECL for fulfilling the objective of greater prudence.

In order to avoid excessive concentrations of risk, the Company’s policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. The Company measures the loss allowance at an amount higher of lifetime expected credit losses taking into account historical credit loss experience (adjusted for forward-looking information) and Income Recognition and Assets Classification norms of RBI compared on individual bucket basis.

Analysis of risk concentration

(₹ in Lacs)

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Subsidiary	Others	Total	Subsidiary	Others	Total
Investments	3,017	58,168	61,185	3,13,424	41,877	3,55,301

36. Transfers of financial assets

Transfers of financial assets that are not derecognised in their entirety :

There was no such transaction during the year ended 31st March 21 and 31st March 2020.

37. Assets obtained by taking possession of collateral

The Company has not obtained any non-financial assets during the current and previous year by taking possession of assets held as security against credit facility.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

38. Disclosure pursuant to Ind AS 19 - Employee Benefits

Defined contribution plans

The Company has recognised, in Statement of Profit and Loss for the year ended 31st March, 2021 an amount of ₹ 57 Lacs (Previous year ₹ 118 Lacs) as expenses under defined contribution plans in respect of qualifying employees. The Company has no obligation other than Provident Fund, Employee State Insurance Scheme, National Pension Scheme and Labour Welfare Fund. The contributions are charged to profit and loss as they accrue.

The amount recognised as an expense towards employers contribution to the aforesaid funds are as below:

(₹ in Lacs)

Particulars	2020-21	2019-20
Provident Fund	52	113
Employee State Insurance Scheme	*	*
National Pension Scheme	5	5
Labour Welfare Fund	**	**

* ₹ 5114/- (Previous year: ₹ 14341/-)

* ₹ 72/- (Previous year: ₹ 396/-)

Defined benefit plans

(A) Gratuity Fund :-

The Company makes contributions to Defined Benefit Plans for qualifying employees. The scheme is funded by way of separate irrevocable trust. The fund is managed internally by the company. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable Statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance. The Trustees of the gratuity scheme for the employees of the Company have interested the administration of the scheme to the Life Insurance Corporation of India (LIC).

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method. The Company makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation. Some Group companies also participate in these Plans. These participating Group companies make contributions to the Plans for their respective employees on a uniform basis and each entity ascertains their obligation through actuarial valuation. The net Defined benefit cost is recognised by these companies in their respective Financial Statements.

Under the Gratuity plan, every employee is entitled to gratuity, being higher of the amount, calculated under the Company's plan (based on last monthly salary and number of years of service) or calculations as laid down under the Payment of Gratuity Act, 1972. Gratuity is payable on death / retirement / termination and the benefit vests after 5 year of continuous service.

Risk Management

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

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

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

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at 31st March, 2021.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

38.1 Particulars in respect of employee benefits of the Company are as follows :-

(₹ in Lacs)

Description	Gratuity		Leave	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Change in the defined benefit obligation				
Present Value of Obligation at the Beginning of the Year	121	333	78	226
Current Service Cost	15	43	10	38
Interest Cost	7	17	5	11
Past Service Cost - Plan Amendements	-	-	-	-
Acquisitions Cost / credit	-	(165)	-	(88)
Actuarial (gain)/loss	(29)	(51)	(55)	(28)
Benefits paid	(40)	(56)	(5)	(81)
Present Value of Obligation at the end of the Year	**74**	**121**	**33**	**78**
Change in plan assets				
Fair value of Plan Assets at the Beginning of the Year	102	54	NA	NA
Expected return on Plan Assets	5	1	NA	NA
Acquisitions Cost/credit	-	-	NA	NA
Contributions by the Employer	-	103	NA	NA
Benefits paid	(40)	(56)	NA	NA
Fair value of Plan Assets at the end of the Year	**67**	**102**	**-**	**-**

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

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

Description	Gratuity		Leave	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Amount recognised in Balance Sheet consists of:				
Fair value of Plan Assets at the end of the Year	67	102	-	-
Present Value of Obligation at the end of the Year	74	121	33	78
Net (Asset)/Liabilities recognised in the Balance Sheet in respect of defined benefits	7	19	33	78

Description	Gratuity		Leave	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Expenses recognised in the statement of profit and loss consists of:				
Employee benefits expenses:				
Current Service cost	15	43	10	38
Past Service Cost - Plan Amendements	-	-	-	-
Net Interest cost	1	11	5	11
Net Actuarial (gain)/loss	-	-	(55)	(28)
Total [A]	**16**	**54**	**(40)**	**21**
Other Comprehensive Income				
Actuarial (Gain) / Loss from experience adjustments	(29)	(26)	-	-
Actuarial (Gain) / Loss from financial assumptions	-	(25)	-	-
Return on plan assets (excluding amounts included in net interest cost)	-	5	-	-
Total [B]	**(29)**	**(46)**	**-**	**-**
Expense recognised during the year [A+B]	**(13)**	**8**	**(40)**	**21**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

38.2 Particulars of Investment Details of Plan Assets are as follows :-

(₹ in Lacs)

Description	Gratuity % Invested As at 31st March, 2021	Gratuity % Invested As at 31st March, 2020	Leave % Invested As at 31st March, 2021	Leave % Invested As at 31st March, 2020
Investment Details of Plan Assets				
Schemes of insurance- conventional products	100%	100%		Not Applicable
Total	**100%**	**100%**		

38.3 Principal Assumptions used are as follows:

Discount rate per annum	6.70%	6.70%	6.70%	6.70%
Salary escalation rate per annum	5.00%	5.00%	5.00%	5.00%
Attrition Rate	Age 20-25: 5.0% Age 25-30: 3.0% Age 30-35: 2.0% Age 35-50: 1.0% Age 50-55: 2.0% Above Age 55: 3.0%	Age 20-25: 5.0% Age 25-30: 3.0% Age 30-35: 2.0% Age 35-50: 1.0% Age 50-55: 2.0% Above Age 55: 3.0%	Age 20-25: 5.0% Age 25-30: 3.0% Age 30-35: 2.0% Age 35-50: 1.0% Age 50-55: 2.0% Above Age 55: 3.0%	Age 20-25: 5.0% Age 25-30: 3.0% Age 30-35: 2.0% Age 35-50: 1.0% Age 50-55: 2.0% Above Age 55: 3.0%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

38.4 The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

38.5 Expected employers contribution towards gratuity fund for the year ended 31st March, 2022 is ₹ 10 Lacs as per actuarial report.

38.6 Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

	As at 31st March, 2021				As at 31st March, 2020			
	Gratuity		Leave		Gratuity		Leave	
	%	₹ (in lacs)	%	₹ (in lacs)	%	₹ (in lacs)	%	₹ (in lacs)
Discount Rate + 100 basis points	-6.2%	(4)	-7.1%	2	-8.0%	(10)	-6.6%	(5)
Discount Rate - 100 basis points	7.1%	5	8.1%	3	9.3%	11	7.5%	6
Salary Increase Rate + 1%	5.6%	4	8.2%	3	6.4%	8	7.6%	6
Salary Increase Rate – 1%	-6.0%	(4)	-7.2%	(2)	-6.1%	(7)	-6.8%	(5)

38.7 Maturity Analysis of The Benefit Payments

(₹ in Lacs)

Expected payment for future years	As at 31st March, 2021		As at 31st March, 2020	
	Gratuity	Leave	Gratuity	Leave
Year 1	2	1	3	3
Year 2	25	7	7	3
Year 3	12	4	26	32
Year 4	2	1	13	5
Year 5	3	1	5	2
Next 5 Years	44	14	95	41

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2021 (Contd.)

38.8 Weighted average duration of defined benefit obligations: 7 years (31st March, 2020: 9 years).

39. Disclosure pursuant to Indian Accounting Standard 24 - "Related Party Disclosures"

Related Parties:

Holding Company:	Country of Origin
Adisri Commercial Private Limited	India
Subsidiary of Holding Company:	**Country of Origin**
Srei Factors Private Limited	India
Subsidiaries & Step-down Subsidiaries:	**Country of Origin**
Srei Capital Markets Limited	India
Trinity Alternative Investment Managers Ltd. (Formerly Srei Alternative Investment Managers Limited)	India
Controlla Electrotech Private Limited	India
Srei Mutual Fund Asset Management Private Limited	India
Srei Mutual Fund Trust Private Limited	India
Srei Insurance Broking Private Limited	India
Bengal Srei Infrastructure Development Limited	India
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Trinity Alternative Investment Managers Ltd.)	India
Cyberabad Trustee Company Private Limited (Subsidiary of Trinity Alternative Investment Managers Ltd.)	India
Srei Asset Leasing Limited (Formerly Srei Finance Limited)	India
Srei Equipment Finance Limited	India
Associates & Related Subsidiaries:	**Country of Origin**
E Village Kendra Limited (formerly Sahaj e-Village Limited) (ceased to be an Associate w.e.f. 01.01.2020)	India
IIS International Infrastructure Services GmbH, Germany (Officially liquidated w.e.f. 29.07.2020)	Germany
AO International Infrastructure Services, Russia, (Subsidiary of IIS International Infrastructure Services GmbH, Germany) ceased to be related party on liquidation of IIS International Infrastructure Services GmbH, Germany.	Russia
Sahaj Retail Limited (Subsidiary of E Village Kendra Limited) ceased w.e.f. 01.01.2020	India
Trusts:	**Country of Origin**
Srei Mutual Fund Trust	India
Others :	
Srei Infrastructure Finance Limited Employees Gratuity Fund	
Key Management Personnel (KMP):	
Name	**Designation**
Mr. Hemant Kanoria	Chairman
Mr. Rakesh Kumar Bhutoria	Chief Executive Officer
Mr. Sandeep Lakhotia (ceased w.e.f. close of business hours of 20.03.2021)	Company Secretary
Mr. Manoj Kumar (w.e.f. 01.04.2021)	Company Secretary
Mr. Sandeep Kumar Sultania	Chief Financial Officer
Mr. Sanjeev Sancheti (from 28.04.2018 to 19.05.2019)	Chief Strategy Officer
Mr. Shashi Bhushan Tiwari (from 20.05.2019 to 30.06.2020)	Chief Risk Officer
Mr. Shyamalendu Chatterjee	Independent Director
Mr. Srinivasachari Rajagopal	Independent Director
Mr. Malay Mukherjee	Independent Director
Dr. Punita Kumar Sinha	Independent Director
Mr. Ram Krishna Agarwal	Independent Director
Dr. Tamali Sengupta	Independent Director
Mr. Sunil Kanoria	Vice Chairman (Non Executive Director)
Mr. Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018 upto 13.11.2019)	Additional Director (Category – Non Executive Non Independent)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

Details of Related Party Transactions:

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended 31st March, 2021	Balance As at 31st March, 2021	For the Year ended 31st March, 2020	Balance As at 31st March, 2020
(A) Holding Company :					
Adisri Commerical Private Limited	Dividend Paid	-	-	-	-
(B) Subsidiaries:					
Trinity Alternative Investment Managers Ltd (Formerly Srei Alternative Investment Managers Limited)	Advance Given (Unsecured)	200	-	100	-
	Refund of Advance Given	200	-	-	-
	Interest Received on Loan	-	-	33	-
Bengal Srei Infrastructure Development Limited	Refund of Loan Advanced	-	-	48	-
	Interest Received on Loan	-	-	9	-
Srei Mutual Fund Asset Management Private Limited	Inter Corporate Deposits Received (Unsecured)	997	-	1,115	1,097
	Inter Corporate Deposits Refunded	2,094	-	1,216	-
	Interest Paid on Inter Corporate Deposits	31	-	106	-
	Balance Payable-Interest accrued but not due (Net of TDS)	-	-	-	32
Srei Mutual Fund Trust Private Limited	Subscription to Share Warrant	15	-	-	-
	Advance Given (Unsecured)	5	-	4	4
	Refund of Advance Given	9	-		
	Interest on Advance Given	0.33	-	0.07	-
	Share Warrant Redeemed	-	-	-	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	-		0.06
Controlla Electrotech Private Limited	Interest Paid on Inter Corporate Deposits	1	-	0.14	-
	Inter Corporate Deposits Received (Unsecured)	20	-	45	45
	Inter Corporate Deposits Refunded	65	-	-	-
	Balance Payable-Interest accrued but not due (Net of TDS)	-	-	-	0.13
Srei Capital Makerts Limited	Inter Corporate Deposits Received (Unsecured)	-	-	145	-
	Inter Corporate Deposits Refunded	-	-	650	-
	Interest Paid on Inter Corporate Deposits	-	-	10	-
Srei Insurance Broking Private Limited	Rental Received	18	-	7	-
	IT Support Services	-	-	48	-
	Reimbursement of cost	-	-	133	-
	Inter Corporate Deposits Received (Unsecured)	411	-	710	411
	Inter Corporate Deposits Refunded	821	-	499	-
	Subscription to Equity Shares	-	-	10	-
	Interest Paid on Inter Corporate Deposits	11	-	26	-
	Balance Payable-Interest accrued but not due (Net of TDS)	-	-	-	5
Srei Asset Leasing Limited (Formerly Srei Finance Limited)	Subscription to Equity Shares	90	-	-	-
Srei Equipment Finance Limited	Security Deposit Received	15,000	15,000	5,000	-
	Security Deposit Refunded	-	-	5,000	-
	Advisory Fees Received	-	-	900	-
	Reimbursement of cost	250	-	299	-
	Rental Received	1,172	249	1,240	-
	Loan Received - Unsecured (on maximum outstanding basis)	33,355	25,669	30,014	-
	Refund of Loan Received	7,686	-	30,014	-
	Loan Advanced (Unsecured)	-	-	31,408	-
	Refund of Loan Advanced	-	-	31,408	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended 31st March, 2021	Balance As at 31st March, 2021	For the Year ended 31st March, 2020	Balance As at 31st March, 2020
	Interest Expense on Advance	2,428	2,386	76	-
	Interest Received on Loan	-	-	254	-
	Sale of Investment	641	-	-	-
	Purchase of Assets	17	-	-	-
	Other Payable (Refer note 18.3)	1,756	1,756	-	-
	Transfer of Net Assets under Slump exchange in consideration of Equity Shares	-	-	97,412	-
(C) Associates:					
E Village Kendra Limited (formerly Sahaj e-Village Limited) (ceased to be an Associate w.e.f. 01.01.2020)	Refund of Loan Advanced (Unsecured)	-	-	14,878	-
	Purchase of Services (Excluding Tax)	-	-	68	-
	Interest Received on Loan	-	-	323	-
	Financial Guarantee Income	-	-	84	-
	Financial Guarantee Expenses	-	-	4	-
	Margin Deposit Refunded	-	-	152	-
	Guarantee of Put option against Loan facility closed	-	-	1,500	-
	Corporate Guarantee closed	-	-	9,544	-

Refer Note No. 7 to the Financial Statement for outstanding investments in related parties and Note No. 31 for contingent liability transferred as part of BTA.

(D) Remuneration to Key Management Personnel (KMP):

Mr. Hemant Kanoria	Remuneration	90	-	247	-
Mr. Sandeep Lakhotia (ceased w.e.f. close of business hours of 20.03.2021)	Remuneration	76	12*	94	-
Mr. Rakesh Bhutoria	Remuneration	259	70*	312	-
Mr. Sandeep Kumar Sultania	Remuneration	62	7*	79	-
Mr. Sanjeev Sancheti (from 28.04.2018 to 19.05.2019)	Remuneration	-	-	20	-
Mr. Shashi Bhushan Tiwari (from 20.05.2019 to 30.06.2020)	Consultancy	9	-	53	-
Mr. Sunil Kanoria	Sitting Fees	11	-	11	-
Mr. Malay Mukherjee	Sitting Fees	15	-	8	-
Mr. S.Rajagopal	Sitting Fees	12	-	8	-
Mr. S.Chatterjee	Sitting Fees	10	-	11	-
Dr. Punita Kumar Sinha	Sitting Fees	11	-	7	-
Mr. Ram Krishna Agarwal	Sitting Fees	12	-	7	-
Dr. Tamali Sengupta	Sitting Fees	9	-	5	-
Mr. Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018 upto 13.11.2019)	Sitting Fees	-	-	4	-
	Consultancy	-	-	134	-
	Refund of Loan Advanced	-	-	75	-
	Interest Received on Loan	-	-	9	-

* Balance as at 31st March, 2021 is due to the restrictions imposed by the Lenders wherein the salary of employee was capped to Rs.50 lacs p.a. during the period November,2020 to March, 2021. The Company has made provision of arrear salary of those employees as the same is payable as per the contractual obligations. The Company is pursuing with the lenders for approval of the payment.

(E) Others :					
Srei Infrastructure Finance Limited Employees Gratuity Fund	Contribution towards Gratuity	-	-	103	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

(F) Compensation to KMPs:

(₹ in Lacs)

Particulars	2020-21	2019-20
Short-term benefit	543	938
Other long-term employee benefit	3	19
Post-employment benefit	31	43

(G) The remuneration paid by the Company to its Chairman during the year is in excess of the limits laid down under Section 197 of the Companies Act, 2013, for which the Company had taken approval from shareholders through a Special Resolution in the last Annual General Meeting held on 19th September, 2020.

40. Details of Loans/ Advances to Subsidiary Companies and Associates

(₹ in Lacs)

Name of the Company $	Maximum Amount Outstanding during		Amount Outstanding as at 31st March, *	
	2020-21	2019-20	2021	2020
E Village Kendra Limited (formerly Sahaj e-Village Limited) (ceased to be an Associate w.e.f. 01.01.2020)	-	14,878	-	-
Bengal Srei Infrastructure Development Limited	-	149	-	-
Trinity Alternative Investment Managers Ltd. (Formerly Srei Alternative Investment Managers Limited)	200	715	-	-
Srei Insurance Broking Private Limited	-	3	-	-
Srei Mutual Fund Trust Private Limited	9	4	-	4
Srei Equipment Finance Limited	15,000	26,621	249	-

*Refer Note No. 39

$ Subsidiary and Associates are as per Ind AS.

41. LEASES

a. In the capacity of Lessee

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

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

(i) The Company has certain cancellable operating lease arrangements for office premises, which range between 11 months to 15 years and are usually renewable by mutual consent, on mutually agreeable terms. Some of these lease agreements have rent escalation upto 5% p.a. or 10% p.a. on renewals.

(ii) The Company had no non-cancellable operating lease arrangements for office premises during current and previous year.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2021 (Contd.)

(iii) Disclosure in accordance to IndAS 116 is as below:

(₹ in Lacs)

No.	Particulars	20-21	19-20
a	Short term lease payment	-	-
b	Expense relating to leases of low-value assets	-	-
c	Variance lease payments not included in the measurement of lease liability	-	-
d	Income from subleasing right of use assets	844	688
e	Total Cash outflow for leases	745	712
f	Interest expense on Lease liability	274	270

g. The future lease payments considered for lease liability on an undiscounted basis are as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Less than one year	670	686
One to five years	1,627	2,076
More than five years	147	91
Total	**2,444**	**2,853**

h. Details of right of use assets and its movement is as below:

(₹ in Lacs)

Particulars	Opening As at April 1, 2020	Additions	Adjustment	Closing As at 31st March, 2021
Office Premises:				
Right of use Assets	2,692	149	87	2,754
Accumulated Depreciation/ Amortisation	532	531	84	979
Net Carrying amount				**1,775**

(₹ in Lacs)

Particulars	Opening As at April 1, 2019	Additions	Adjustment	Closing As at 31st March, 2020
Office Premises:				
Right of use Assets	2,729	-	37	2,692
Accumulated Depreciation/ Amortisation	-	537	5	532
Net Carrying amount				**2,160**

i The weighted average incremental borrowing rate applied to lease liability is as at 1st April, 2019 is 11.50%.

b. In the capacity of Lessor

(i) The Company has given assets on Operating lease (refer Note No. 12) for periods ranging between 5 to 15 years. All the agreements were cancellable. Some of these lease agreements stipulate rental computation on the basis of earnings of the Lessee. These assets were transferred during the financial year 2019-20 under slump exchange.

(ii) The Company also has cancellable operating lease arrangements for office premises, which range between 1 to 3 years and are usually renewable by mutual consent on mutually agreeable terms.

(iii) Details of rental income towards operating lease for assets and office premises including sublease are as follows:

(₹ in Lacs)

Particulars	20-21	19-20
Rental Income on the basis of earnings of the Lessee	-	456
Others	1,391	1,459
Total Rental Income	**1,391**	**1,915**

Out of above, Rental income related to discontinued operations is ₹ Nil (Previous year ₹ 479 lacs).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

(iv) Details of fixed future lease receivable towards operating lease for assets and office premises are as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Within 1 year	355	985
1-2 year	289	257
2-3 year	298	160
3-4 year	284	-
4-5 year	284	-
> 5 year	1,192	-
Total	**2,702**	**1,402**

42. Maturity analysis of assets and liabilities

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

(₹ in Lacs)

Assets	As at March 31st, 2021			As at March 31st, 2020		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	1,731	-	1,731	1,078	-	1,078
Bank Balance other than above	1,924	74	1,998	303	-	303
Derivative Financial Instruments	-	-	-	-	-	-
Trade Receivables	1,204	-	1,204	2,389	-	2,389
Other Receivables	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Investments	5,022	56,163	61,185	6,921	3,48,380	3,55,301
Other Financial Assets	420	76	496	57	80	137
Current Tax Assets (Net)	120	7,368	7,488	14,454	-	14,454
Deferred Tax Assets (Net)	-	-	-	-	-	-
Property, Plant and Equipment	-	9,655	9,655	-	9,865	9,865
Right to use assets	-	1,775	1,775	-	2,160	2,160
Capital Work-in-Progress	-	-	-	-	-	-
Other Intangible Assets	-	4	4	-	6	6
Other Non-Financial Assets	95	118	213	332	37	369

Liabilities	As at March 31st, 2021			As at March 31st, 2020		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Derivative Financial Instruments	-	-	-	-	-	-
Trade Payables	381	-	381	337	-	337
Debt Securities	-	-	-	-	-	-
Borrowings (Other than Debt Securities)	-	28,055	28,055	45,351	-	45,351
Subordinated Liabilities	-	33,000	33,000	3,075	33,000	36,075
Lease Liabilities	657	1,337	1,994	671	1,600	2,271
Other Financial Liabilities	2,689	15,662	18,351	966	358	1,324
Provisions	45	6	51	123	19	142
Deferred Tax Liabilities (Net)	-	-	-	-	15,716	15,716
Other Non-Financial Liabilities	155	40	195	579	-	579

43. Information as required by Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is furnished vide Annexure – I attached herewith. These disclosures are prepared under Ind AS issued by MCA.

44. The outbreak of COVID-19 pandemic, extended lockdown across the globe and in India has contributed to a significant impact and volatility in global and Indian financial markets and slowdown in economic activities. The impact of COVID-19 pandemic (including the ongoing second wave) and the extent to which the pandemic may further impact the operations of the Company and its subsidiaries depends on future developments, which are still unascertainable at this point in time.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

45. The investment of the Company in its material subsidiary Srei Equipment Finance Limited ("SEFL") has been impacted owing to COVID-19 pandemic. The collection of SEFL from the borrowers and the lessees were severely impacted during the year and which also adversely affected the cash flows of SEFL during the said period. Based on the overall assessment of financial stress being faced by the borrowers and the lessees and considering the overall economic and business uncertainty due to pandemic, as a prudent measure and out of abundant caution, SEFL has done accelerated ECL provision which is over and above normal ECL provision. SEFL has incurred losses during the year ended 31 March 2021 due to which its net worth has eroded.

Considering the above facts, the Company has assessed the carrying amount of its investment in SEFL in compliance to Ind AS and has made an impairment provision of ₹ 310,455 Lacs during the year ended 31st March, 2021 bringing down the book value of its investment in SEFL to ₹ 1 as prudent measure.

The Company feels that with gradual improvement in the economy, the SEFL will recover significant part of the loan given to its borrowers resulting in reversal of provision made in the books by SEFL in the current year. Accordingly, the impairment on investment will be reviewed in future.

46. In accordance to Ind AS 108 - "Operating Segments", the required disclosure is done in the Consolidated Financial Statement of the Company.

47. The Reserve Bank of India (RBI) in its inspection report and risk assessment report for the year ended March 31, 2020 has identified 'certain parties' being borrower of SEFL as probable connected/ related companies.

RBI has directed the Company and SEFL to reassess and factor the impact of certain parties during the finalisation of balance sheet for FY 2020-21 and to ensure that relevant accounting treatment and appropriate disclosures is done in Annual Accounts of March 31, 2021.

In view of the observations and directions of RBI as stated in the inspection report and risk assessment report (the directions), the Company and SEFL has been advised to reassess and re-evaluate the relationship with the said parties as to whether they are related parties to the Company or to SEFL and also whether the transaction with these parties are on arm's length basis.

In view of the directions, the Company and SEFL has taken legal view to determine whether such parties are related parties to the Company or SEFL. Based on the legal view, the Company and SEFL has been advised and has therefore come to conclusion that the Company or SEFL have no direct or indirect control or significant influence (as per Companies Act, 2013, Ind AS 24) over such parties and are not under common control and accordingly, are not a related party of the Company or SEFL.

During the year ended 31st March 2021, the Company has not lent any money to aforesaid parties and any other transactions were in the ordinary course of business. Accordingly, no separate disclosure is applicable.

48. Figures pertaining to the previous year have been rearranged / regrouped, wherever necessary, to make them comparable with those of current year.

For D. K. Chhajer & Co.
Chartered Accountants
ICAI Firm Registration No. 304138E

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Place : Kolkata
Date: 30th June, 2021

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Malay Mukherjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Manoj Kumar
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

ANNEXURE I TO NOTES TO FINANCIAL STATEMENTS (Refer Note No. 43)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

1 Capital to Risk Assets Ratio (CRAR)

(₹ in Lacs)

Sl.	Particluars	As at 31st March, 2021	As at 31st March, 2020
i)	CRAR (%)	25.83	21.37
ii)	CRAR – Tier I Capital (%)	17.22	21.37
iii)	CRAR – Tier II Capital (%)	8.61	0.00
iv)	Amount of subordinated debt raised as Tier-II capital *	-	-
v)	Amount raised by issue of Perpetual Debt Instruments *	-	1,000

* During the year figure

2 Exposure to Real Estate Sector

(₹ in Lacs)

Category	As at 31st March, 2021	As at 31st March, 2020
a) Direct exposure		
i) Residential Mortgages	-	-
ii) Commercial Real Estate	-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures	-	-
iv) Infrastructure Real Estate (SEZ's, Industrial Parks, IT Parks, Hotels)	-	-
b) Indirect exposure	205	329

3 Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31st March, 2021 are as follows:

(₹ in Lacs)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days (one month)	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits (Unclaimed)	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-
Investments [refer note-1 below]	-	-	-	-	-	-	5,022	53,146	-	3,017	61,185
Borrowings (refer note-2 below)	-	-	-	-	-	-	-	28,055	-	-	28,055
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

Notes:

1 The maturity pattern of Investments has been considered on the basis of Managements best estimates.

2 The amount of Advance and Borrowings considered above is as per commercial terms & without adjusting origination fees or cost being part of EIR.

3 Perpetual Debt Instruments amounting to ₹ 33,000 lacs are not having fixed due date for repayment and therefore, not considered in the above maturity pattern.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (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 31st March, 2020 are as follows:

(₹ in Lacs)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days (one month)	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits (Unclaimed)	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-
Investments [refer note-1 below]	1,425	-	-	-	-	5,496	-	34,956	-	3,13,424	3,55,301
Borrowings [refer note-2 below]	2,990	-	85	24,753	8,436	7,517	4,645	-	-	-	48,426
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

Notes:

1 The maturity pattern of Investments has been considered on the basis of Managements best estimates.

2 The amount of Advance and Borrowings considered above is as per commercial terms & without adjusting origination fees or cost being part of EIR.

3 Perpetual Debt Instruments amounting to ₹ 33,000 lacs are not having fixed due date for repayment and therefore, not considered in the above maturity pattern.

4 The Company has tied up sources to the tune of ₹ 45,000 lacs after 31st March, 2020, to meet the fund requirement.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(₹ in Lacs)

Particulars			As at 31st March, 2021		As at 31st March, 2020	
Liabilities Side:			**Amount Outstanding**	**Amount Overdue**	**Amount Outstanding**	**Amount Overdue**
4	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**					
	(a)	Debentures/ Bonds:				
		Secured	-	-	-	-
		Unsecured (Other than falling within the meaning of public deposit)	33,000	-	36,075	-
	(b)	Deferred Credits	-	-	-	-
	(c)	Term Loans	-	-	-	-
	(d)	Inter-corporate loans and borrowing	28,055	2,386 #	6,088	-
	(e)	Commercial Papers	-	-	39,263	-
	(f)	Public Deposit* (refer Note No. 18.2 of the Notes to the Financial Statements)	-	-	-	-
	(g)	Other Loans:				
		Working capital facility	-	-	-	-
	Break-up of (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)					
	(a)	In the form of Unsecured debentures	-	-	-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c)	Other public deposits	-	-	-	-

* Please see note 1 below

Amount overdue represents interest payable on intercorporate deposit received from a wholly owned subsidiary company, Srei Equipment Finance Limited (SEFL). The consortium of lenders has restricted the payment to related parties and pending approval, the payment could not be made.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(₹ in Lacs)

	Assets Side:		As at 31st March, 2021 Amount Outstanding	As at 31st March, 2020 Amount Outstanding
5	**Break-up of Loans and Advances including bills receivables [other than those included in (6) below]:**			
	(a)	Secured	-	-
	(b)	Unsecured	-	-
6	**Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities**			
	(i)	Lease assets including lease rentals under sundry debtors:		
		(a) Financial lease	-	-
		(b) Operating lease	-	-
	(ii)	Stock on hire including hire charges under sundry debtors:		
		(a) Assets on hire	-	-
		(b) Repossessed Assets	-	-
	(iii)	Other loans counting towards AFC activities		
		(a) Loans where assets have been repossessed	-	-
		(b) Loans other than (a) above	-	-
7	**Break up of Investments $**			
	Current Investments			
	1	Quoted:		
	(i)	Shares: (a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government Securities	-	-
	(v)	Others	-	-
	2	Unquoted:		
	(i)	Shares: (a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government Securities	-	-
	(v)	Others	-	-
	Long-Term investments			
	1	Quoted:		
	(i)	Shares: (a) Equity	17,305	6,921
		(b) Preference	-	-
	(ii)	Debentures and bonds	-	-
	(iii)	Units of mutual funds	1	-
	(iv)	Government Securities	-	-
	(v)	Others	-	-

$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Ind AS issued by MCA. All investment are considered as Long term investment for above disclosure.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(₹ in Lacs)

Assets Side:		As at 31st March, 2021 Amount Outstanding	As at 31st March, 2020 Amount Outstanding
2	Unquoted:		
(i)	Shares: (a) Equity	3,056	3,21,720
	(b) Preference	-	-
(ii)	Debentures, bonds / units	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government Securities	-	-
(v)	Others (Investment in Funds, Trust, Share Warrant & Deemed Investment)	40,823	26,660

8 Borrower group-wise classification of assets financed as in (5) and (6) above:

(₹ in Lacs)

Category		As at 31st March, 2021 Amount net of provisions*			As at 31st March, 2020 Amount net of provisions*		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties**						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
2	Other than related parties	-	-	-	-	-	-
Total		-	-	-	-	-	-

* Please see note 2 below

** As per Ind AS issued by MCA (Please see note 3 below)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (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

9 Investor group wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted) @:

(₹ in Lacs)

Category		As at 31st March, 2021		As at 31st March, 2020	
		Market Value / Break up or fair value or NAV *	Book Value (net of provisions)	Market Value / Break up or fair value or NAV *	Book Value (net of provisions)
1	Related Parties **				
	(a) Subsidiaries	3,268	3,017	3,94,757	3,13,424
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2	Other than related parties	58,168	58,168	41,877	41,877
Total		**61,436**	**61,185**	**4,36,634**	**3,55,301**

*Break up value have been considered for unquoted equity investment in 'Subsidiaries' and in 'Other related parties', other than those measured at fair value.

** As per Ind AS issued by MCA (Please see note 3 below)

@ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Ind AS issued by MCA.

10 Other Information:

(₹ in Lacs)

Particulars		As at 31st March, 2021	As at 31st March, 2020
		Amount	Amount
i.	Gross Non-Performing Assets $		
	(a) Related Parties	-	-
	(b) Other than related Parties	-	-
ii.	Net Non-Performing Assets $		
	(a) Related Parties	-	-
	(b) Other than related Parties	-	-
iii.	Assets acquired in satisfaction of debt (refer Note No. 9 of the Notes to the Financial Statements)	-	-

$ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes:

1. As defined in point xxvi of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

2. Provisioning norms shall be applicable as prescribed in Ind AS issued by MCA.

3. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets acquired in satisfaction of debt.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (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

11 Investments

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1)	Value of Investments		
	i) Gross Value of Investments		
	a) In India	3,72,378	3,55,994
	b) Outside India,	-	-
	ii) Provisions for Depreciation		
	a) In India	3,11,193	693
	b) Outside India,	-	-
	iii) Net Value of Investments		
	a) In India	61,185	3,55,301
	b) Outside India,	-	-
2)	Movement of provisions held towards depreciation on investments		
	i) Opening Balance	693	7,631
	ii) Add : Provisions made during the year	3,10,500	2,652
	iii) Less : Write-off / write-back of excess provisions during the year #	-	9,590
	iv) Closing Balance	3,11,193	693

Represent provision transferred alongwith cost amount of investment under slump exchange.

12 Forward Rate Agreement / Interest Rate Swap

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2021	As at 31st March, 2020
i)	The notional principle of swap agreements	Nil	Nil
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	Nil	Nil
v)	The fair value of the swap book @	Nil	Nil

@ The fair value is the estimated amount that the Company will receive or pay to terminate the swap agreements as on the balance sheet date.

13 Exchange Traded Interest Rate (IR) Derivatives

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2021	As at 31st March, 2020
i)	Notional Principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	Nil	Nil
ii)	Notional Principal amount of exchange traded IR derivatives outstanding (instrument-wise)	Nil	Nil
iii)	Notional Principal amount of exchange traded IR derivatives outstanding and not “highly effective” (instrument-wise)	Nil	Nil
iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not “highly effective” (instrument-wise)	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

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.

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

Besides other market risks / core functions, Asset Liability Committee (ALCO) manages the Foreign Currency and Interest Rate Risks also. The company has put in place the policies for hedging / mitigating risks / strategies and processes for continuous monitoring of risks, which will enable the company to quantify risk, both on account of Foreign Currency and Interest Rate Risks. Apart from ALCO there is a Risk Committee of the Board which guides the company in these risks.

The Board has delegated authority to company officials in the Forex Treasury department for entering into Generic derivative products besides Forward Contracts, on behalf of the company, to hedge the Foreign Currency and Interest Rate Risk exposures.

The company has a Market Risk Policy which paves the way for risk reporting and risk monitoring systems. The marked-to-market values are obtained from the banks with whom the hedge deals are done.

(ii) Quantitative Disclosures

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2021		As at 31st March, 2020	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
i)	Derivatives (Notional Principal Amount)				
	For hedging	Nil	Nil	Nil	Nil
ii)	Marked to Market Positions [1]				
	a) Asset (+)	Nil	Nil	Nil	Nil
	b) Liability (-)	Nil	Nil	Nil	Nil
iii)	Credit Exposure [2]	Nil	Nil	Nil	Nil
iv)	Unhedged Exposures	-	-	-	-

15 Exposure to Capital Market

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2021	As at 31st March, 2020
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;	20,361	3,28,641
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;	-	-
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)	40,823	26,630
Total Exposure to Capital Market		**61,184**	**3,55,271**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

16 Provisions and Contingencies

(₹ in Lacs)

Sl.	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Year ended 31st March, 2021	Year ended 31st March, 2020
	Continuing operations:		
i)	Provisions for depreciation on Investment	45	693
ii)	Provision for Impairment on Loans (refer Note No. 28 of the Notes to the Financial Statements)	-	-
iii)	Provision made towards Income tax	(19,446)	(1,002)
iv)	Provision for Standard Assets#	-	-
v)	Other Provision and Contingencies (with details)		
	Provision for Impairment on other financial assets	1,427	(910)
	Discontinued operations (Refer Note 32):		
vi)	Impairment on Financial Instruments (Net)	-	8,419
vii)	Provision made towards Income tax	-	1,639

Provision for standard assets is included in Provision for Impairment on Loans.

17 Concentration of Advances

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total Advances to twenty largest borrowers	-	-
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.00%	0.00%

18 Concentration of Exposures

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total Exposure to twenty largest borrowers / customers	-	-
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	0.00%	0.00%

19 Concentration of NPAs @

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total Exposure to top four NPA accounts	-	-

@ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (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

20 Sector-wise NPAs

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2021 Percentage of NPAs to Total Advances in that sector	As at 31st March, 2020 Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Others	-	-

21 Movement of NPAs $

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2021	As at 31st March, 2020
i)	Net NPAs to Net Advances (%)	0.00%	0.00%
ii)	Movement of NPAs (Gross)		
	a) Opening Balance	-	2,38,607
	b) Additions during the year	-	9,342
	c) Reductions during the year #	-	2,47,949
	d) Closing Balance	-	-
iii)	Movement of Net NPAs		
	a) Opening Balance	-	1,84,157
	b) Additions during the year	-	3,716
	c) Reductions during the year #	-	1,87,873
	d) Closing Balance	-	-
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening Balance	-	54,450
	b) Provisions made during the year	-	5,626
	c) Write-off / write-back of excess provisions #	-	60,076
	d) Closing Balance	-	-

$ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Includes adjustment for assets and provision transferred under slump exchange (refer note 32 of Notes to financial statement).

22 Details of Non-performing Loan Assets purchased from other NBFCs

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2021	As at 31st March, 2020
(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	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (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

23 Details of Non-performing Loan Assets sold to other NBFCs

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2021	As at 31st March, 2020
i)	No. of accounts sold	-	-
ii)	Aggregate outstanding	-	-
iii)	Aggregate consideration received	-	-

24 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

(₹ in Lacs)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets as on 31st March, 2021	Total Assets as on 31st March, 2020
IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)*	i) Infrastructure Opportunities Singapore Pte. Ltd. (Holding 46.92%) ii) Various other Parties (Holding 3.95%)	Germany	-	-

* Officially liquidated w.e.f. 29.07.2020

25 Ratings

Sl.	Particulars	As at 31st March, 2021		As at 31st March, 2020	
		CARE	Brickwork	CARE	Brickwork
i)	Long Term Banking facilities*			CARE BBB+	
ii)	Short Term Banking Facilities*			CARE A2	
iii)	Short Term Debt Instruments *@			CARE A2	BWR A1
iv)	NCDs / Bonds*			CARE BBB+	BWR A+
v)	Unsecured Subordinated / Tier-II Debentures / Bonds*			CARE BBB	BWR A+
vi)	Subordinated Perpetual bonds/ debentures (Tier I Capital)		BWR BB #		BWR BBB+

Detail of migration of ratings:

Sl.	Particulars	2020-21		2019-20	
		CARE	Brickwork	CARE	Brickwork
i)	Long Term Banking facilities*			from A+ to BBB+	
ii)	Short Term Banking Facilities*			from A1+ to A2	
iii)	Short Term Debt Instruments *@			from A1+ to A2	from A1+ to A1
iv)	NCDs / Bonds*			from A1+ to BBB+	from AA+ to A+
v)	Unsecured Subordinated / Tier-II Debentures / Bonds*			from A+ to BBB	from AA+ to A+
vi)	Subordinated Perpetual bonds/ debentures (Tier I Capital)		from BBB+ to BB #		

CARE: CARE Ratings Limited; Brickwork: Brickwork Ratings

* Borrowings transferred to Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of the Company, as part of the business of the Company transferred to SEFL on and from 1st October, 2019 (refer note 32 of Notes to financial statement). The Rating Agencies is still continuing to issue the ratings in the name of the Company. As there is no outstanding in the books of the Company, the same is not being considered in the above table of outstanding ratings including its migration.

@Other than Commercial Papers.

The ratings is subsequently downgraded to 'D'.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (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

26 Details of financial assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for Asset Reconstruction

(₹ in Lacs)

Sl.	Particulars	2020-21	2019-20
i)	No. of accounts	-	-
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
iii)	Aggregate consideration	-	-
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / (loss) over net book value	-	-

27 Details of Security receipts held by Company is as below:

(₹ in Lacs)

Particulars	Backed by NPAs sold by the Banks/ FIs/ NBFC's as underlying		Backed by NPAs sold by other banks/ financial institutions/ non-banking financial companies as underlying		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Under Investment	-	-	-	-	-	-
Under Loans	-	-	-	-	-	-

28 Details of Assignment transactions undertaken

(₹ in Lacs)

Sl.	Particulars	2020-21	2019-20
i)	No. of accounts	-	-
ii)	Aggregate value (net of provisions) of accounts sold	-	-
iii)	Aggregate consideration	-	-
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / (loss) over net book value	-	-

29 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC

The Company has not exceeded the Prudential exposure limits during the current year and previous year in respect of exposure towards single borrower and group of borrowers.

30 Unsecured Loans

Unsecured Loans as at 31st March, 2021 is ₹ Nil (Previous year ₹ Nil) and it includes advances amounting to ₹ Nil (Previous year ₹ Nil) for which intangible securities such as charge over rights, licences, authority, etc., has been taken as collateral.

31 Registration obtained from other financial sector regulators

The Company is a Public Financial Institution (PFI) notified under section 4A of the Companies Act, 1956. The Company is holding RBI's Certificate of Registration No B-05.02773 dated 31st March 2011 to carry on the business of non banking financial institutions- Infrastructure Finance Company – Non Deposit Taking. The Company has received communication from RBI, for reclassifying it as Investment and Credit Company for which the company has made representation for reconsideration.

32 Disclosure of Penalties imposed by RBI and other regulators

No penalites has been imposed by RBI and other regulators during the financial year ended 31st March, 2021 and 31st March, 2020.

33 Draw Down from Reserves

Details of draw down from Reserves is disclosed in Note No. 22 of the Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (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

34 Off-balance Sheet SPVs sponsored

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Domestic	Overseas	Domestic	Overseas
Name of SPV sponsored	Nil	Nil	Nil	Nil

35 Details of Financing of Parent Company Products

Financing of Parent Company Products during the financial year ended 31st March, 2021 is Nil (Previous year Nil).

36 The Company has not done any Securitisation during the financial year ended 31st March, 2021 and 31st March, 2020.

37 Customer Complaints

Sl.	Particulars	2020-21	2019-20
a)	No. of complaints pending at the beginning of the year	Nil	Nil
b)	No. of complaints received during the year	Nil	Nil
c)	No. of complaints redressed during the year	Nil	Nil
d)	No. of complaints pending at the end of the year	Nil	Nil

38 Disclosure of Fraud

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

During the year ended 31st March, 2021, no fraud was committed and reported to the RBI.

39 The following table provides reconciliation of expected credit loss provided by the company in books under the provisions of Indian Accounting Standards with provisions required under norms prescribed by Reserve Bank of India.

As at 31st March, 2021:

(₹ in Lacs)

Assets Classification as per RBI Norms	Assets Classification as per Ind AS 109	Gross Carrying amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3+4	6	7=4-6
Performing Assets						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms*	Stage 1	-	71	(71)	-	71
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	71	(71)	-	71
Total	**Stage 1**	-	**71**	**(71)**	-	**71**
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	-	**71**	**(71)**	-	**71**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (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

As at 31st March, 2020:

(₹ in Lacs)

Assets Classification as per RBI Norms	Assets Classification as per Ind AS 109	Gross Carrying amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3+4	6	7=4-6
Performing Assets						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms*	Stage 1	-	33	(33)	-	33
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	**33**	**(33)**	-	**33**
Total	**Stage 1**	-	**33**	**(33)**	-	**33**
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	-	**33**	**(33)**	-	**33**

* In accordance to IndAS 109, Financial guarantees are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS115. Therefore, impairment provision on financial guarantee is disclosed as part of Financial Guarantee Liability under Note no. 18 'Other Financial Liabilities' to the financial statement.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. The Company measures the loss allowance under simplified approach as specified in IndAS 109, wherein staging is not required. Therefore, same is not considered in above disclosure.

40 Disclosure on moratorium to borrowers in terms of RBI circular dated 17th April, 2020

Post transfer of business under slump exchange (refer note 32 of Notes to Financial Statement), the Company is not undertaking lending business. Therefore, there are no such case as on 31st March, 2021 and 31st March, 2020.

41 Disclosures on MSME – Restructuring of Advances (RBI/2018-19/10DBR.No.BP.BC.18/ 21.04.048/2018-19)dated 01.01.2019 and subsequent amendment thereto dated 11.02.2020 as required by RBI guidelines on Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances

Post transfer of business under slump exchange (refer note 32 of Notes to Financial Statement), the Company is not undertaking lending business. Therefore, there are no such case for disclosure under above.

42 Disclosures as required by RBI circular dated August 6, 2020 'Resolution Framework for COVID 19- related Stress' are as below:

Post transfer of business under slump exchange (refer note 32 of Notes to Financial Statement), the Company is not undertaking lending business. Therefore, there are no such case for disclosure under above.

INDEPENDENT AUDITORS' REPORT

To the Members of Srei Infrastructure Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

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 associate and its trust, comprising of the Consolidated Balance Sheet as at 31 March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, and the Consolidated Statement of Cash Flows for the year then ended and notes to the Consolidated Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and trust, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and trust as at 31 March, 2021, their consolidated loss, their other comprehensive loss, their consolidated changes in equity and the consolidated cash flows for the year then ended.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note No. 50 to the Consolidated Financial Statements which indicates the factors that have resulted into net loss and liquidity mismatch during the year ended 31 March, 2021. As a result, the Group's net worth has eroded as at that date and it has not been able to comply with various regulatory ratios / limits. All this may have an impact on the Group's ability to continue its operations in normal course in future and to meet its financial commitments as and when due. As stated in the said note, the Group's ability to meet its financial commitments is dependent on the final outcome of the Schemes of Arrangement ("Schemes"), which are pending before Hon'ble NCLT/ NCLAT. The Group is also exploring infusion of equity capital from prospective investors from whom it has received expression of Interest/ term sheets. These events or conditions, along with other matters as set forth in the aforesaid Note, indicate that there is a material uncertainty which casts significant doubt about the Group's ability to continue as a "going concern" in foreseeable future. However, for the reasons stated in the said note, the Group has considered it appropriate to prepare the Consolidated Financial Statements on a going concern basis.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to the following matters in the notes to the Consolidated Financial Statements:

i. Note No. 45 to the Consolidated Financial Statements, which explains the extent to which COVID-19 Pandemic has impacted the operations of the Group, owing to which and based on the information available at this point of time, as stated in the note, Srei Equipment Finance Limited ("SEFL"), a wholly owned subsidiary, has made ECL provision aggregating to ₹ 468,523 Lacs for year ended 31 March, 2021. The extent to which the pandemic may further impact the operations of the financial results of the Group is dependent on future developments, which are highly uncertain at this point of time.

   The note further explains that SEFL has, with reference to specific directions from RBI, as a prudent measure and out of abundant caution, accounted for impairment reserve under Income Recognition, Asset Classification and Provisioning (IRACP) Norms amounting to ₹ 447,464 Lacs which is over and above ECL provision of ₹ 624,042 Lacs.

ii. Note No. 46 to the Consolidated Financial Statements which explains that during the financial year 2019-20, the Holding Company and its wholly owned subsidiary, SEFL has accounted for the Slump Exchange transaction and consequently recognized the relevant assets and liabilities in its books of account, pursuant to the Business Transfer Agreement ('BTA') with effect from October 1, 2019 after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks. On the date of giving effect to BTA, the consent or otherwise, of other lenders was awaited. The note also explains that SEFL has filed Schemes under Section 230 of the Act with the Hon'ble National Company Law Tribunal (NCLT). Pending final decision on the matters covered in the Schemes, as stated in Note No. 47 to the Consolidated Financial Statements, and based on a legal opinion, the Company has maintained status quo for BTA.

iii. Note No. 47 to the Consolidated Financial Statements which explains that SEFL filed the Schemes under Section 230 of the Act with the Hon'ble NCLT and the final decision on the matters covered in the Schemes is pending as on date and hence, no impact / adjustment has been considered in the books of account. Necessary adjustments, if any, will be done as and when the matter is finally decided by Hon'ble NCLT/NCLAT.

iv. Note No. 48 to the Consolidated Financial Statements which explains that SEFL has, considering the interim orders of the Hon'ble NCLT and based on a legal opinion, not considered non-payment to Creditors as an event of default and SEFL's borrowings have been reflected in the accounts as per contractual terms and no impact / adjustment has been considered in the books of account. Necessary adjustments, if any, will be done as and when the matter is finally decided by Hon'ble NCLT/NCLAT.

v. Note No. 49 to the Consolidated Financial Statements, which explains the reasons owing to which SEFL was not able to comply with guidelines of RBI in relation to mandatory hedging of exposure in External Commercial Borrowings amounting to ₹ 23,028 Lacs as at 31 March, 2021. The material impact of such non-compliance, if any, on the Consolidated Financial Statements is unascertainable.

vi. Note No. 51 to the Consolidated Financial Statements, which explains that the Holding Company and SEFL, as per specific directions from Reserve Bank of India (RBI) in relation to certain parties referred to as 'connected parties/related parties', based on the assessment, re-evaluation and legal opinion obtained, have concluded that such parties do not fall in the definition of 'related parties' as defined under the Companies Act, 2013 or the Indian Accounting Standards-24 and have disclosed the total exposure (net of impairment) with such parties in the said note. The note also explains that, the Holding Company and SEFL are in the process of re-assessing & re-negotiating terms and conditions with such borrowers and all other borrowers, who have been granted loans with moratorium period and at interest rate which is linked with the cash flows of the project. Necessary disclosures/ adjustments, if any, will be done upon completion of the re-assessment of and the re-negotiations with the respective borrowers.

Considering the fact that identification of related parties (or connected parties) and ensuring arm's length principle for related party (or connected party) transactions is a subject matter of judgement and interpretation and further considering the complexities and legal aspects involved in the matter, we have solely relied on the assessment and re-evaluation carried out, the legal opinions obtained and the disclosures made by the Holding company and SEFL as per the aforesaid note. Any further comment/s in the matter will depend upon completion of re-assessment and re-negotiation as stated above.

Our opinion is not modified in respect of these matters.

Key Audit Matters

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

Sl. No.	Key Audit Matters	Auditor's Response
1	**Impairment loss allowance of loans to Customers- (as reported in the Independent Auditor's Report of Srei Equipment Finance Limited ('SEFL', a wholly owned subsidiary)):** **(Refer Note no. 28 to the Consolidated Financial Statements)** Impairment loss allowance of loans and advances ("Impairment loss allowance") is a key audit matter as the subsidiary has significant credit risk exposure considering its large loan portfolio. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved for the subsidiary in estimating individual and collective credit impairment provisions, write-offs against these loans and to additionally determine the potential impact of unprecedented COVID-19 pandemic on asset quality and provision of the subsidiary. The subsidiary's model to calculate expected credit loss (ECL") is inherently complex and judgment is applied in determining the three-stage impairment model ("ECL Model"), including the selection and input of forward-looking information. ECL provision calculations require the use of large volumes of data. The completeness and reliability of data can significantly impact the accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.	**Principal Audit Procedures:** The Principal Auditors have used the work of Component Auditors. The Component Auditors have reported that they have followed the following procedures: • Understanding of the internal control environment related to Impairment loss allowance with a focus on recognition and measurement. • Assessing whether the impairment methodology used by the subsidiary is in accordance with the assumptions and methodology approved by the Board of Directors of the subsidiary, which is based on and in compliance with Ind AS 109, "Financial Instruments". • Assessing the approach of the subsidiary regarding the definition of Default, Probability of Default, Loss Given Default and Incorporation of forward-looking Information for the calculation of ECL. • Testing the reliability of key data inputs and related management controls. • Checking the stage classification as at the balance sheet date as per definition of Default. • Validating the ECL Model and its calculation. • Checking on sample basis that the stage classification for the borrowers has been given in accordance with the Resolution Framework issued by Reserve Bank of India (the "RBI") and the approved policy of the subsidiary's Board for ECL provisioning and stage classification with respect to such accounts. Further, verifying whether ECL provision is made in accordance with the above approved policy in this regards. • Calculating the ECL provision manually for a selected sample. • Reviewing the process of the subsidiary to grant moratorium to the borrowers as per the Regulatory Package announced by the RBI. Further, we relied on assumptions of the management that there will be no significant increase in credit risk in the cases where moratorium is given and that the staging based on the days past due (DPD) will be considered as per the RBI COVID-19 Regulatory Package. We have tested on sample basis the DPD freeze for cases where moratorium is provided in accordance with RBI COVID-19 Regulatory Package and also for cases where no moratorium has been provided.

Sl. No.	Key Audit Matters	Auditor's Response
		• In cases where management has assessed and done higher provision under the ECL Policy, whether due to COVID-19 or otherwise, i.e. more than the rate based ECL provision, understood the basis/assumptions from management on sample basis. We broadly reviewed the underlying assumptions and estimates used by the management for the same, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the subsidiary. • Checking the provision on Loan Assets as per Income Recognition, Asset Classification and Presentation and ("IRACP") norms as required under RBI circular dated 13 March, 2020. We have checked the DPD and provision in accordance with the RBI regulations in that regard further considering the Regulatory Packages issued by RBI dated 27 March, 2020 and 23 May, 2020 and RBI circular dated 17 April, 2020. • For loans and advances which are written off during the year under audit, reading and understanding the methodology and policy laid down and implemented by the subsidiary in this regard along with its compliance on sample basis.
2	**Key Information Technology (IT) systems with impact on financial reporting process(as reported in the Independent Auditor's Report of Srei Equipment Finance Limited ('SEFL', a wholly owned subsidiary)):** The IT systems within the subsidiary form a critical component of the subsidiary's financial reporting activities. It impacts account balances, certain operational and financial processes like revenue recognition on Loans. There is a high dependence on the IT systems due to large volume of transactions that are processed daily.	**Principal Audit Procedures:** The Principal Auditors have used the work of Component Auditors. The Component Auditors have reported that they have followed the following procedures: Our approach of testing IT General Controls (ITGC) and IT Automated Controls (ITAC) is risk based and business centric. Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting including: • Testing the ITGC based on the parameters such as Completeness, Validity, Identification / Authentication and Authorisation, Accuracy, Integrity and Accountability. • Reviewing control areas such as User Management, Change Management, Incident Management, Direct Database Update, Job Scheduling, Anti-Virus, Interfaces, Master Maintenance, Job Scheduling, Backup and Restoration, Business Continuity and Disaster Recovery, Capacity Monitoring and Service Level Agreement etc. • Performing tests of controls on sample basis (including other compensatory controls wherever applicable) on the IT application controls and IT Department manual controls in the system. • Testing the control environment using various techniques such as inquiry, review of documentation/ record/reports, observation and re-performance. • Testing few controls using negative testing technique. We took adequate samples of instances for our tests.

Sl. No.	Key Audit Matters	Auditor's Response
3	**Fair Valuation of Claims Receivables (as reported in the Independent Auditor's Report of Srei Equipment Finance Limited ('SEFL', a wholly owned subsidiary)):** **(Refer Note no. 8 to the Consolidated Financial Statements)** Claims Receivables amount to INR 65,897 Lacs as at 31 March, 2021 and has been recognised as financial assets measured at Fair Value through Profit or Loss in the subsidiary's financial statements. Determination of fair value and recoverability of the Claims Receivables has been identified as a Key Audit Matter as the same is based on unobservable inputs and subjective assumptions.	**Principal Audit Procedures:** The Principal Auditors have used the work of Component Auditors. The Component Auditors have reported that they have followed the following procedures: Our audit approach consist of the test of design and operating effectiveness of internal controls and substantive testing as follows: • Obtaining audit evidence in respect of key controls over the judgement of Holding Company's management and the assumptions-setting processes including judgments regarding expected realization date and value. • Assessing the underlying legal due diligence reports, examining the underlying agreements and assessing the progress of the claims during the period. • Evaluating the competencies, capabilities, and objectivity of the external legal counsels, valuer, as applicable.
4	**Valuation of unquoted financial assets held at fair value - (reported by us as auditor of Holding Company):** **(Refer Note no. 7 to the Consolidated Financial Statements)** The valuation of the Holding Company's unquoted financial assets held at fair value is a key audit matter due to the significance of the amount and complexity involved in the valuation process. Management makes significant judgements because of the complexity of the techniques and assumptions used in valuing some of the level 3 investment securities given the limited external evidence and unobservable market data available to support the Company's valuations. The valuation of the level 3 investment securities is dependent on market conditions and key assumptions made. The determination of these assumptions is complex and requires the exercise of management judgement.	**Principal Audit Procedures:** We have performed the following audit procedures in order to obtain sufficient audit evidence: -Assessed the valuation methodologies including evaluation of independent external valuers' competence, capability and objectivity. -Assessed the reasonableness of key assumptions based on our knowledge of the business and industry. -Checked, on a sample basis, the accuracy and relevance of the input data used

Sl. No.	Key Audit Matters	Auditor's Response
5	**Valuation of unquoted investments held at fair value (as reported in the Independent Auditor's Report of Srei Equipment Finance Limited ('SEFL', a wholly owned subsidiary)):** **(Refer Note no. 7 to the Consolidated Financial Statements)** The impairment review of unquoted investments, with a carrying value of ₹ 101,888 Lacs, is considered to be a risk area due to the size of the balances as well as the judgmental nature of key assumptions, which may be subject to subsidiary's management override. The carrying value of such unquoted equity instruments and debt is at risk of recoverability. The fair value of such investments cannot be readily determined as these are not quoted in the stock exchanges. The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows.	**Principle audit procedures :** The Principal Auditors have used the work of Component Auditors. The Component Auditors have reported that they have followed the following procedures: In response to the identified key audit matter, besides obtaining an understanding of the subsidiary management's processes and controls with regard to testing the impairment of the unquoted investments, our audit procedures included but were not limited to the following: 1) Reviewing the subsidiary management's underlying assumptions and appropriateness of the Valuation model used. 2) Comparing the subsidiary's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates, on a sample basis. 3) Assessing the appropriateness of the forecast cash flows within the budgeted period based on their understanding of the business and sector experience. 4) Obtaining Valuation reports from independent valuers on sample basis.
6	**Related Party Transactions- (reported by us as auditor of Holding Company):** **(Refer Note no. 39 to the Consolidated Financial Statements)** We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the Consolidated Financial Statements as a key audit matter due to: • the significance of transactions with related parties during the year ended 31 March, 2021. • compliance with applicable laws and Regulatory directives • the fact that Related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015.	**Principal Audit Procedures:** Obtaining an understanding of the Holding Company's policies and procedures in respect of the capturing of related party transactions and how Holding Company's management ensures all transactions and balances with related parties have been disclosed in the Consolidated Financial Statements. • Obtaining an understanding of the Group's policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors of respective companies. • Designing and performing audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations. • Assessing management evaluation of compliance with the provisions of Section 177 and Section 188 of the Act and SEBI (LODR) 2015. • Evaluating the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit. Our examination has showed that the Related Party Transactions have been evaluated and disclosed appropriately.

SREI

Sl. No.	Key Audit Matters	Auditor's Response
7	**Considerations on account of COVID-19-(reported by us as auditor of Holding Company):** **(Refer Note no. 45 to the Consolidated Financial Statements)** Considering the evolving nature of the COVID-19 pandemic which has continued to impact the Company's business operations. Given the unique nature of the pandemic and the extent of its economic impact which depends on future developments including governmental and regulatory measures and the Company's responses thereto, the actual loss can be different than that being estimated.	**Principal Audit Procedures:** Tested assumptions used by the Management in determining the overlay for macro-economic factors for COVID-19 pandemic.

Other Matters

i. The Consolidated Financial Statements include the audited financial results of 11 subsidiaries whose financial statements reflect Group's share of total assets of ₹ 28,81,971 Lacs as at 31 March, 2021, Group's share of total revenues of ₹ 3,43,049 Lacs, Group's share of net loss after tax of ₹ 7,13,889 Lacs and net cash inflows amounting to ₹ 4,371.78 Lacs for the year ended 31 March, 2021, as considered in the Consolidated Financial Statements, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the Holding Company's management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of the such auditors and the procedures performed by us are as stated in Auditor's Responsibilities section below.

ii. The Consolidated Financial Statements include the unaudited financial statements of 01 trust whose financial results reflect Group's share of total assets of ₹ 1 lakh as at 31 March, 2021, Group's share of total revenues of ₹ Nil, Group's share of total net profit after tax of ₹ Nil and net cash inflows amounting to ₹ Nil for the year ended 31 March, 2021, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also includes Group's share of net profit of ₹ Nil for the year ended 31st March, 2021, as considered in the Consolidated Financial Statements, in respect of 01 associate whose financial statements have not been audited by us. These unaudited financial statements have been certified by the trustees of the trust / management of the associate and furnished to us by the Holding Company's management 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 associate and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid trust and associate is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Holding Company's management, these financial statements are not material to the Group including its associate and trust.

   The financial statements of a foreign associate company of the Holding Company had been prepared as per IFRS, generally followed in the country of incorporation of the foreign associate company. As explained by the management, since there are no material differences between such financial statements as per IFRS and as per Ind AS, no adjustments have been considered necessary and it has been relied upon by us.

   The associate has been liquidated on 29 July, 2020 and as such the Balance Sheet does not include any figure in relation to the associate. The figures in Statement of Profit and Loss (Including Other Comprehensive Income) in respect of the said associate is included till 29 July, 2020 (Date of Liquidation).

   Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the unaudited financial statements certified by the management / trustees of the respective entities.

iii. The Consolidated Financial Statements for the year ended 31 March, 2020 were audited by the then Statutory auditors of the Company who have expressed an unmodified opinion on those Statements vide their report dated 28 July, 2020 and we have relied on the same.

   Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Report on Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements, Consolidated Financial Statements and our auditor's report thereon. The above-mentioned other information are expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and accordingly, we do not express any form of assurance conclusion thereon.

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

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

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income),consolidated changes in equity and consolidated cash flows of the Group including its associate and trust in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group, its associate and the trustees of the trust are also responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group, its associate and trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls with reference to financial statements, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated 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.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its associate and the trustees of the trust are responsible for assessing the ability of the Group and its trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its associate and the trustees of the trust are also responsible for overseeing the financial reporting process of the Group, its associate and trust.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its associate and trust of which we are the independent auditor, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of Holding Company included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries, associate and trust, as noted in the Other matters section above we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 by the Group so far as it appears from our examination of those books and the reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

   (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

   (e) The matters described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group and trust;

   (f) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2021 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India, is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure";

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

i. The Group and trust have disclosed the impact of pending litigations on their financial position in the Consolidated Financial Statements- Refer Note No.32 to the Consolidated Financial Statements

ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March, 2021.

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

According to the information and explanations given to us and the records of the Holding Company examined by us and the reports of the statutory auditors of its subsidiary companies incorporated in India, the managerial remuneration paid or provided to the directors during the year by the Holding Company and subsidiary companies incorporated in India is in accordance with the provisions of section 197 of the Act, except for the managerial remuneration paid or provided to the Chairman of the Holding Company and Chairman, Vice- Chairman and Managing Director of a subsidiary company (i.e. SEFL) incorporated in India, which is in excess of the prescribed limits mandated by this section. The Holding Company and the subsidiary company (i.e. SEFL) have taken approval from shareholders through a Special Resolution in the Annual General Meeting held on 19 September, 2020 and 25 August, 2020 respectively for the financial years 2020-21 and 2021-22- refer Note No. 39(E) to the Consolidated Financial Statements.

For D. K. Chhajer& Co.
Chartered Accountants
Firm Registration No: 304138E

Niraj K Jhunjhunwala
Partner
Membership No: 057170
UDIN: 21057170AAAADT4357
Place: Kolkata
Date: 30 June, 2021

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Srei Infrastructure Finance Limited on the Consolidated Financial Statements for the year ended 31 March, 2021]

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

We have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India, as of 31 March, 2021 in conjunction with our audit of the Consolidated Financial Statements of Srei Infrastructure Finance Limited ("Holding Company") for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 Company's internal financial controls with reference to financial statements of Holding Company and its subsidiary companies.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matters paragraph below, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2021, based on the internal control with reference to financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to 11 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For D. K. Chhajer& Co.
Chartered Accountants
Firm Registration no: 304138E

Niraj K Jhunjhunwala
Partner
Membership No: 057170
UDIN: 21057170AAAADT4357

Place: Kolkata
Date: 30 June, 2021

SREI

CONSOLIDATED BALANCE SHEET

as at 31st March, 2021

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	2	43,511	38,889
(b) Bank Balance other than (a) above	3	1,00,818	1,33,150
(c) Derivative Financial Instruments	4	936	29,992
(d) Receivables			
(I) Trade Receivables	5	4,346	18,148
(II) Other Receivables		-	-
(e) Loans	6	21,54,861	28,81,580
(f) Investments	7	1,64,250	1,30,722
(g) Other Financial Assets	8	92,376	93,470
(2) Non-Financial Assets			
(a) Inventories		-	-
(b) Current Tax Assets (Net)	10	18,690	20,896
(c) Deferred Tax Assets (Net)	11	332	23,261
(d) Investment Property	12	1,729	1,765
(e) Property, Plant and Equipment	13	2,65,294	3,66,466
(f) Right-of-use Assets		2,844	3,371
(g) Capital Work-in-Progress		-	233
(h) Goodwill on Consolidation		683	766
(i) Other Intangible Assets	14	1,177	452
(j) Other Non-Financial Assets	9	48,511	56,190
TOTAL ASSETS		**29,00,358**	**37,99,351**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative Financial Instruments	4	1,151	4,146
(b) Payables			
(I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	15	14	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	9,248	1,13,491
(c) Debt Securities	16	2,44,148	2,62,725
(d) Borrowings (Other than Debt Securities)	17	26,47,553	26,84,523
(e) Subordinated Liabilities	18	2,78,531	2,84,811
(f) Lease Liabilities		3,136	3,563
(g) Other Financial Liabilities	19	24,486	30,010
(2) Non-Financial Liabilities			
(a) Provisions	20	1,384	2,015
(b) Other Non-Financial Liabilities	21	8,522	11,825
(3) Equity			
(a) Equity Share Capital	22	50,309	50,309
(b) Other Equity	23	(3,68,209)	3,51,929
Non-controlling Interests		85	4
TOTAL LIABILITIES AND EQUITY		**29,00,358**	**37,99,351**

Significant Accounting Policies and Notes to Consolidated Financial Statements. 1 to 58

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 D. K. Chhajer & Co.
Chartered Accountants
ICAI Firm Registration No. 304138E

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Place : Kolkata
Date: 30th June, 2021

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Malay Mukherjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Manoj Kumar
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2021

(₹ in Lacs)

	Particulars	Note No.	Year ended 31st March, 2021	Year ended 31st March, 2020
	Revenue from Operations			
(i)	Interest Income	24	2,85,318	3,86,823
(ii)	Dividend Income		-	91
(iii)	Rental Income		46,620	1,20,710
(iv)	Fees and Commission Income		6,186	11,823
(v)	Net gain on fair value changes	25	-	37,108
(vi)	Net gain on derecognition of financial instruments		274	30,370
(vii)	Net gain on derecognition of financial instruments under fair value through profit or loss		4	18,049
(viii)	Others		4,680	12,726
(I)	**Total Revenue from Operations**		**3,43,082**	**6,17,700**
(II)	Other Income	26	5,672	(5,668)
(III)	**Total Income (I+II)**		**3,48,754**	**6,12,032**
	Expenses			
(i)	Finance Costs	27	3,33,438	3,90,899
(ii)	Fees and Commission Expense		5,461	3,695
(iii)	Net loss on fair value changes	25	49,867	-
(iv)	Net loss on derecognition of financial instruments under amortised cost		3,635	18,818
(v)	Impairment on Financial Instruments (Net)	28	5,51,312	41,224
(vi)	Purchases of Stock-in-trade		1,100	-
(vii)	Employee Benefits Expenses	29	14,290	19,613
(viii)	Depreciation, Amortisation and Impairment Expense		73,456	78,502
(ix)	Administrative and Other Expenses	30	21,625	24,499
(x)	Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt		12,451	21,833
(IV)	**Total Expenses (IV)**		**10,66,635**	**5,99,083**
(V)	**Profit before Exceptional Items & Tax (III - IV)**		**(7,17,881)**	**12,949**
(VI)	Adjustment on disposal / cessation of Subsidiaries and Associate		-	1,222
(VII)	**Profit/ (Loss) Before Tax (V+VI)**		**(7,17,881)**	**14,171**
(VIII)	Tax Expense:			
	(a) Current Tax		115	4,347
	(b) Income Tax in respect of earlier year		(4,387)	-
	(c) Deferred Tax		20,230	949
(IX)	**Profit/ (Loss) After Tax but before Loss of Associates (VII-VIII)**		**(7,33,839)**	**8,875**
(X)	Share of Profit/ (Loss) of Associates		-	-
(XI)	**Profit/ (Loss) After Tax (IX+X)**		**(7,33,839)**	**8,875**
(XII)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss			
	(a) Remeasurement Gains/ (Losses) on Defined Benefit Plan		48	2
	(b) Gains/ (Losses) on Equity Instruments through Other Comprehensive Income		17,558	(20,300)
	(c) Tax related to above		(3,495)	4,724
	(ii) Items that will be reclassified to Profit or Loss			
	(a) Effective portion of gains and losses on hedging instruments in a cash flow hedge		1,573	(945)
	(b) Gains on fair valuation of loans		(2,713)	3,871
	(c) Tax related to above		800	(1,023)
	Total Other Comprehensive Income (XII)		**13,771**	**(13,671)**
(XIII)	**Total Comprehensive Income (XI+XII)**		**(7,20,068)**	**(4,796)**
(XIV)	**Profit/ (Loss) for the period attributable to:**			
	-Owners of the parent		(7,33,920)	8,884
	-Non-controlling interest		81	(9)
(XV)	**Other Comprehensive Income attributable to:**			
	-Owners of the parent		13,771	(13,671)
	-Non-controlling interest		-	-
(XVI)	**Total Comprehensive Income attributable to:**			
	-Owners of the parent		(7,20,149)	(4,787)
	-Non-controlling interest		81	(9)
(XVII)	**Earnings per Equity share (Basic and Diluted) (in ₹)**	31	**(145.87)**	**1.76**
	(Par Value ₹ 10/- per Equity Share)			

Significant Accounting Policies and Notes to Consolidated Financial Statements. 1 to 58

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 D. K. Chhajer & Co.
Chartered Accountants
ICAI Firm Registration No. 304138E

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Place : Kolkata
Date: 30th June, 2021

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Malay Mukherjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Manoj Kumar
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March, 2021

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
A. Cash Flows from Operating Activities		
Profit Before Tax	(7,17,881)	14,171
Adjustments for :		
Net unrealised fair value (gain) / loss	63,689	(35,090)
Net (gain) / loss on derecognition of Property, Plant and Equipment	5,657	2,372
Interest on Income Tax Refund	(1,627)	(869)
Liabilities No Longer Required written back	(302)	8,136
Impairment on Financial Instruments (Net)	5,46,322	41,224
Depreciation, Amortisation and Impairment Expense	73,456	78,502
Impairment on Goodwill	83	-
Net (gain) / loss on derecognition of Financial Instruments under amortised cost category	3,361	(11,552)
Impairment/Write-off on Assets acquired in satisfaction of debt	17,524	21,833
Operating profit before working capital changes	**(9,718)**	**1,18,727**
Changes in Working Capital		
Adjustments for :		
(Increase) / Decrease in Trade Receivables and Others Assets	(22,229)	61,877
(Increase) / Decrease in Loans Assets	1,66,080	(1,02,699)
(Increase) / Decrease in Inventory	-	-
Increase / (Decrease) in Trade Payables and Others Liabilities	(1,13,726)	(84,812)
(Increase) / Decrease in Other Bank Balances	32,332	38,058
Cash Generated / (used) in operations	**52,739**	**31,151**
Direct Taxes Paid (net of refund)	8,109	(11,356)
Net Cash (used in) / generated from Operating Activities	**60,848**	**19,795**
B. Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment/ Capital Work-in-Progress/ Intangible Assets	(1,188)	(28,834)
Proceeds from Sale of Property, Plant and Equipment/Intangible assets	23,812	84,182
(Increase) / Decrease in Investments (Other than Subsidiaries)	(17,199)	66,488
Sale of Subsidiaries	182	-
Net Cash (used in) / generated from Investing Activities	**5,607**	**1,21,836**
C. Cash Flows from Financing Activities		
Proceeds from issuance of Debt securities (including subordinated debt securities)	-	2,48,544
Repayment on redemption of Debt securities (including subordinated debt securities)	(26,437)	(3,92,958)
(Repayment of) / Proceeds from Working Capital facilities (Net)	1,58,573	2,08,071
Proceeds from Other Borrowings	79,750	7,63,806
Repayment of Other Borrowings	(2,73,713)	(9,61,482)
Dividend Paid (including Corporate Dividend Tax)	(6)	(16)
Net Cash (used in) / generated from Financing Activities	**(61,833)**	**(1,34,035)**
Net Increase / (Decrease) in Cash and Cash Equivalents	**4,622**	**7,596**
Cash & Cash Equivalents at the beginning of the year	**38,889**	**31,293**
Cash and Cash Equivalents at the end of the year	**43,511**	**38,889**
Net Cash (used in) / generated from Operating Activities includes:		
Interest Received	1,18,169	3,84,012
Interest Paid	2,61,213	4,00,834
Dividend Received	-	91

(₹ in Lacs)

Components of Cash and Cash Equivalents:	As at 31st March, 2021	As at 31st March, 2020
Cash and Cash Equivalents at the end of the year		
(a) Cash on hand	31	15
(b) Balances with Banks - in Current Account	43,442	38,772
(c) Fixed Deposits with original maturity period less than three months	38	102
	43,511	**38,889**

Explanations:

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

2. Previous year figures have been rearranged/ regrouped wherever necessary to conform to the current year's classification.

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

For D. K. Chhajer & Co.
Chartered Accountants
ICAI Firm Registration No. 304138E

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Place : Kolkata
Date: 30th June, 2021

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Malay Mukherjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Manoj Kumar
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2021

A. Equity Share Capital

(₹ in Lacs)

Particulars	Amount
As at 1st April, 2019	**50,324**
Changes in Equity share capital during the year (Refer Note 22 Equity Share Capital)	(15)
As at 31st March, 2020	**50,309**
As at 1st April, 2020	50,309
Changes in Equity share capital during the year (Refer Note 22 Equity Share Capital)	-
As at 31st March, 2021	**50,309**

B. Other Equity

(₹ in Lacs)

Particulars	Reserves and Surplus								Items of Other Comprehensive Income				Total	Non-Controlling Interests
	Special Reserve (pursuant to Section 45IC of the Reserve Bank of India Act, 1934)	Income Tax Special reserve (pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	Bond/ Debenture Redemption Reserve	General Reserve	Retained Earnings	Impairment Reserve	Equity Instruments through Other Comprehensive Income	Foreign Currency Translation Reserve	Debt Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges		
Balance as at the 1st April, 2019	53,513	23,734	1,04,729	62,441	53,620	1,36,801	(86,804)	-	9,323	(231)	4,085	(418)	3,60,793	13
Profit for the year	-	-	-	-	-	-	8,884	-	-	-	-	-	8,884	(9)
Other Comprehensive Income (net of tax) *	-	-	-	-	-	-	13	-	(15,587)	-	2,518	(615)	(13,671)	-
Reclassified to Consolidated Statement of Profit and Loss	-	-	-	-	-	-	-	-	-	-	(4,092)	-	(4,092)	-
Forfeited Equity	-	-	15	-	-	-	-	-	-	-	-	-	15	-
Transfer from retained earnings	1,391	2,100	-	-	(41,735)	-	38,244	-	-	-	-	-	-	-
Balance as at 31st March, 2020	**54,904**	**25,834**	**1,04,744**	**62,441**	**11,885**	**1,36,801**	**(39,663)**	**-**	**(6,264)**	**(231)**	**2,511**	**(1,033)**	**3,51,929**	**4**
Balance as at the 1st April, 2020	54,904	25,834	1,04,744	62,441	11,885	1,36,801	(39,663)	-	(6,264)	(231)	2,511	(1,033)	3,51,929	4
Profit for the year	-	-	-	-	-	-	(7,33,920)	-	-	-	-	-	(7,33,920)	81
Other Comprehensive Income (net of tax) *	-	-	-	-	-	-	275	-	13,836	-	(1,360)	1,020	13,771	-
Reclassified to Consolidated Statement of Profit and Loss	-	-	-	-	-	-	-	-	-	-	11	-	11	-
Reclassification from OCI to retained earnings on cumulative disposal	-	-	-	-	-	-	764	-	(764)	-	-	-	-	-
Transfer to / from retained earnings	-	-	-	-	(1,663)	-	(4,46,032)	4,47,464	-	231	-	-	-	-
Balance as at 31st March, 2021	**54,904**	**25,834**	**1,04,744**	**62,441**	**10,222**	**1,36,801**	**(12,18,576)**	**4,47,464**	**6,808**	**-**	**1,162**	**(13)**	**(3,68,209)**	**85**

* Includes gain for ₹ 275 Lacs (Previous year: charge of ₹ 13 Lacs) on account of remeasurement of defined benefit plans.

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

For D. K. Chhajer & Co.
Chartered Accountants
ICAI Firm Registration No. 304138E

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Place : Kolkata
Date: 30th June, 2021

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Malay Mukherjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Manoj Kumar
Company Secretary

SREI INFRASTRUCTURE FINANCE LIMITED

Significant Accounting Policies and Notes to Consolidated Financial Statements

1. Significant Accounting Policies

1.1 Basis of preparation

The Consolidated financial statements relates to M/s. Srei Infrastructure Finance Limited (the “Company”) and its subsidiaries (together hereinafter referred to as “Group”), associate and Trust. The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards.

Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 1.26 -Significant accounting judgements, estimates and assumptions. The management believes that the estimates used in preparation of consolidated financial statements are prudent and reasonable. Actual results could differ from those estimates and the differences between the actual results and the estimates would be recognised in the periods in which the results are known/ materialised.

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

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

1.2 Basis of Consolidation

(i) The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e., its subsidiaries. It also includes the Group’s share of profits in associate and interest in trust that are consolidated in a manner as explained below.

Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity. The results of subsidiaries and associate acquired or disposed off during the year are included in the consolidated statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

(i) The financial statements of the subsidiary companies, associate company and Trust used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended 31st March, 2021 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The financial statements of the Group have been prepared in accordance with the Ind AS 110- ‘Consolidated Financial Statements’ as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 ofthe Companies Act, 2013 and the other relevant provisions of the Act.

(iii) The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Group and trust has been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised.

b) The excess of cost to the Company of its investments in the subsidiary companies and trust over its share of equity/corpus of the subsidiary company/trust, at the dates on which the investments is made, is recognised as ‘Goodwill’ being an asset in the consolidated financial statements. Alternatively, where the share of equity/ corpus as on the date of investment is in excess of cost of investment of the Company, it is recognised under ‘Other Equity’, in theconsolidated financial statements.

c) The difference between the proceeds from disposal of investment in subsidiary/ Trust and the carrying amount of its assets and liabilities as of the date of disposal is recognised in the statement of Profit and Loss as profit or loss on disposal of subsidiary.

d) Minority interest, if any, in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary company and further movements in their share in the equity, subsequent to the dates of investments as stated above.

e) Investment made by the Company in an associate company is accounted under the equity method, in accordance with the Indian Accounting Standard 28 on ‘Investments in Associates and Joint Ventures’.

(iv) The subsidiary/associate companies considered in the consolidated financial statements are as below:

Subsidiaries & Step-down Subsidiaries	Country of Origin	Share of ownership interest as at 31st March, 2021(%)	Share of ownership interest as at 31st March, 2020(%)
Srei Capital Markets Limited	India	100	100
Trinity Alternative Investment Managers Ltd (Formerly Srei Alternative Investment Managers Limited)	India	51	100
Controlla Electrotech Private Limited	India	100	100
Srei Mutual Fund Asset Management Private Limited	India	100	100
Srei Mutual Fund Trust Private Limited	India	100	100
Srei Insurance Broking Private Limited	India	100	100
Bengal Srei Infrastructure Development Limited	India	51	51
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India	51	51
Cyberabad Trustee Company Private Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India	51	51
Srei Asset Leasing Limited (Formerly Srei Finance Limited)	India	100	100
Srei Equipment Finance Limited	India	100	100
Associates:			
E Village Kendra Limited (formerly Sahaj e-Village Limited) (ceased to be an Associate w.e.f. 01.01.2020)	India	-	-
IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany) (Officially liquidated w.e.f. 29.07.2020.)	Germany	-	49.13
Trusts:			
Srei Mutual Fund Trust	India	100*	100*

* holding % of Corpus

The accounting policies for some specific items are disclosed in the respective notes to the financial statements. Other significant accounting policies and details of significant accounting assumptions and estimates are set out below in Note No. 1.3 to 1.26.

1.3 Presentation of Financial Statements

The Consolidated financial statements of the Group, associate and trust are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Group and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

These financial statements were approved for issue in accordance with the resolution of the Board of Directors on 30th June, 2021.

1.4 Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, other relevant provision of the Act and guidelines issued by the Reserve Bank of India ("the RBI").

The accounting policies are applied consistently to all the periods presented in the financial statements, unless otherwise stated.

1.5 Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

1.6 Revenue recognition

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

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

(a) Interest income from financial assets is recognised by applying the Effective Interest Rate ('EIR') to the gross carrying amount of financial assets, other than credit-impaired assets and those classified as measured at Fair Value through Profit or Loss (FVTPL) or Fair Value through Other Comprehensive Income (FVTOCI). The basis of computation of EIR is discussed in Note No. 1.20.3.

Any subsequent changes in the estimation of the future cash flows having impact on EIR are recognised as interest income with the corresponding adjustment to the carrying amount of the assets.

(b) Income or net gain on fair value changes for financial assets classified as measured at FVTPL and FVTOCI is recognised as discussed in Note No. 1.20.3.

(c) Income from Credit Impaired Financial Assets is recognised on net basis i.e., after considering Impairment Loss Allowance.

(d) Interests on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

(e) Income from dividend is recognised when the Company's right to receive such dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(f) Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

(g) Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished or the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

(h) Referral income is recognised when it becomes due under the terms of the relevant mutually agreed arrangement.

(i) Income from joint controlled operation is recognised to the extent of the Company's share in jointly controlled operations arising out of sale of units generated as per the terms of the respective power purchase agreements with the State Electricity Boards.

(j) 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.

(k) In case of assignment transactions, as the Company retains the contractual right to receive some of the interest amount due on the transferred assets, the present value of such interest receivable is recorded as 'Interest retained on pools assigned' with corresponding gain recognized in the statement of Profit and Loss.

(l) Revenue from Contract with Customers:

Revenue is recognised when transfer of control of promised goods or services to customers in an amount that reflects that the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised when related services are rendered and performance obligation is satisfied which is based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the performance obligation is satisfied.

Satisfaction of performance obligation in some cases requires acknowledgement/ acceptance of service by the Customer.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

1.7 Leasing

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

The Group as lessor

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

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

For the revenue recognition policy on Lease Contracts, refer Note No. 1.6.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with on borrowing costs (see 1.9 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

At the date of commencement of the lease, the Group recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with low-value assets and short-term leases (i.e., leases with a lease term of 12 months or less). For these short term and low value leases, the Group recognizes the lease payments as an operating expense on a straight line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities excludes these options as there is no reasonable certainty that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability i.e., the present value of future lease payment, adjusted for any lease payment made at or prior to the commencement date of lease plus any initial direct costs, an estimate of costs to be incurred in dismantling and removing or restoring the underlying asset less any lease incentive received. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using interest rate implicit in the lease or if not readily determinable using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease payments are apportioned between finance expenses and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rentals are recognised as expenses in the periods in which they are incurred. In the event that lease incentives are received to enter into lease, such incentives are adjusted towards right-of-use-asset.

Lease liability and right-of-use asset have been separately presented in the Balance Sheet.

1.8 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

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

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

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

Foreign Exchange Gains and Losses:

Financial Assets:

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

• For monetary financial assets measured at amortised cost, FVTOCI or FVTPL and non-monetary financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in the Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

• Foreign currency changes for non-monetary financial assets measured at FVTOCI are recognised in OCI.

Financial Liabilities:

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

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

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

1.9 Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

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

Interest expense includes origination costs that are initially recognised as part of the carrying value of the financial liability and amortized over the expected life using the EIR. It also include expenses related to borrowing which are not part of effective interest as not directly related to loan origination.

1.10 Employee Benefits

Retirement benefit costs and other employee benefits

(A) Defined Contribution Plans:

Contributions to Provident Fund, Pension Fund and Employee State Insurance are considered as defined contribution plans and are recognised as expenditure based on the amount of contribution required to be made and when an employee renders related services.

(B) Defined Benefit Plans:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group‘s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan (‘the asset ceiling’). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss when the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service (‘past service cost’ or ‘past service gain’) or the gain or loss on curtailment is recognised immediately in profit or loss. the Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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

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

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which related service is rendered.

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

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

1.11 Taxation

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

Current tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

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

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

Current and deferred tax for the year

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

1.12 Property, Plant and Equipment

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

Initial and subsequent recognition

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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

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

De-recognition

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

Depreciation

Depreciation commences when the assets are ready for their intended use. It is recognised to write down the cost of assets less their residual values over their useful lives, using the straight-line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Average useful life of the assets determined is as under:

Assets for Own Use:

Assets description as per Note No.13	Useful Life as per the Companies Act 2013	Useful Life as followed by the Group
Buildings	60 years	60 years
Furniture and Fixtures	10 years	10 years
Computers & Office Equipment	3, 5, 6 years	3, 5, 6 years
Motor Vehicles	8 years	7, 8 years
Plant & Machinery	15, 22 years	8, 15, 22 years

Assets for Operating lease:

Assets description as per Note No. 13	Useful Life as per the Companies Act 2013	Useful Life as followed by the Group
Computers	3, 6 years	5 years
Earth Moving Equipment	9 years	7 years
Motor Vehicles	8 years	7 years
Plant and Machinery	15, 30 years	8, 15 years
Windmills	22 years	20 years

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

Leasehold assets including improvements are amortised over the shorter of lease period and their useful life on the same basis as owned assets. Freehold Land is not depreciated.

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

1.13 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over 2-6 years, which reflects the managements estimate.

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

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

1.14 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the statement of profit and loss in the same period.

1.15 Impairment of Non-Financial Assets

Tangible and intangible assets

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

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

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

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

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

1.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

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

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

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

Contingent Liabilities

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

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised in the consolidated financial statements, but are disclosed where an inflow of economic benefits is probable.

1.17 Cash and cash equivalents

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

1.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM assess the financial performance and position of the Group and makes strategic decisions.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of services offered.

1.19 Repossessed Assets and Assets Acquired in Satisfaction of Debt

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

1.20 Financial Instruments

Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost

2. Financial assets to be measured at fair value through other comprehensive income

3. Financial assets to be measured at fair value through profit or loss account

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

Business model assessment

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

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

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the consolidated statement of Profit and Loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

1.20.1 Recognition of Financial Instruments:

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

1.20.2 Initial Measurement of Financial Instruments:

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

1.20.3 Subsequent Measurement:

(A) Financial Assets

Financial Assets carried at Amortised Cost (AC):

These financial assets comprise bank balances, Loans, Trade receivables, Other receivables, investments and other financial assets.

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

Effective Interest Rate (EIR) Method:

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

The EIR for financial assets or financial liability is computed

a. By considering all the contractual terms of the financial instrument in estimating the cash flows.

b. Including fees and transaction costs that are integral part of EIR.

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

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

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

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

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

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

Any differences between the fair values of financial assets classified as FVTPL and held by the Group on the balance sheet date is recognised in the consolidated statement of Profit and Loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the consolidated statement of Profit and Loss.

Impairment of Financial Assets:

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

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

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group measures the loss allowance at an amount equal to lifetime expected credit losses taking into account historical credit loss experience (adjusted for forward-looking information) and Income Recognition and Assets Classification norms of RBI compared on individual bucket basis, wherever applicable.

Derecognition of Financial Assets:

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

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

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

b) for financial assets measured at fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the consolidated statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves may be reclassified within equity.

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

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

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

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

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

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

(B) Financial Liabilities and Equity Instruments:

Classification as debt or equity:

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

Equity Instruments

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

Financial Liabilities

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities measured at amortised cost

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

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

Trade and other payables

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

Financial Guarantee Contracts

Financial guarantees issued by the Group are those guarantees that require a payment to be made to reimburse the holder of the guarantee for a loss incurred by the holder because the specified debtor fails to make a payment, when due, to the holder in accordance with the terms of a debt instrument. Financial guarantees are recognised initially as a liability at fair value, adjusted for transactions costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of Profit and Loss.

1.20.4 Off-setting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously backed by past practice.

1.20.5 Fair value measurement

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

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

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

The principal or the most advantageous market must be accessible.

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

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

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

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

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

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

1.20.6 Overview of the Expected Credit Loss (ECL) principles

Expected credit loss (ECL) is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between scheduled or contractual cash flows and actual expected cash flows. Consequently, ECL subsumes both the amount and timing of payments. It also incorporates available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable information about future events and economic conditions at the reporting date.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on funded credit exposures. The application of the model was derived from the combination of the probability of default and loss given default being applied to the exposure at default (EAD) to compute ECL based on historical data on an unsegmented basis due to limitation of count in the past. Owing to transfer of the business, empirical data for the newly constituted business of the Company was not available and hence ECL for non-funded credit exposures is being computed by calculating the difference between the EAD and Net Present Value of the future cash flows and/or expected realisable value of security / collateral. Additionally, the company carries out reviews for specifically identified exposures as meriting special focus in calculation of ECL for fulfilling the objective of greater prudence.

Unsegmented portfolio for ECL

In case of Loans where financing was restricted to a large extent to the infrastructure sectors, considering the limitations of count over the past years, ECL is computed on an unsegmented portfolio basis.

Staging:

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

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

Methodology:

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

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

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

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

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

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

Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

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

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

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group measures the loss allowance at an amount higher of lifetime expected credit losses taking into account historical credit loss experience (adjusted for forward-looking information) and Income Recognition and Assets Classification norms of RBI compared on individual bucket basis, wherever applicable.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109.

1.21 Derivative financial instruments

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

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

Embedded derivatives

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

1.22 Hedge Accounting

The Group complies with the principles of hedge accounting where derivative contracts are designated as hedging instruments. At the inception of the hedge relationship, the documentation is done for the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge. Furthermore, on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Fair Value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the consolidated statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in consolidated statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of 'Effective portion of cash flow hedges'. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of Profit and Loss.

Amounts previously recognised in OCI and accumulated in equity relating to effective portion as described above are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss, in the same line as the recognised hedged item.

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

1.23 Offsetting Financial Instruments

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

1,24 Earnings Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 "Earnings per share". Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss before other comprehensive income 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. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e., tha average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

1.25 Dividend

Dividends paid (including dividend distribution tax thereon) is recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders. The amount is recognised directly in equity.

1.26 Significant accounting judgements, estimates and assumptions

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

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

1.26.1 Impairment charges on loans and advances

The measurement of impairment losses requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These are based on the assumptions which are driven by a number of factors resulting in future changes to the impairment allowance.

The impairment loss on loans and advances is disclosed in more detail in Note No. 1.19.6 Overview of ECL principles.

1.26.2 Business Model Assessment

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

1.26.3 Provisions other than loan impairment

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

1.26.4 Fair Value measurement

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

1.26.5 Hedge Designation

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

1.26.6 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

1.26.7 EIR method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

1.26.8 Identification of Related Parties

Related Parties for the purpose of Companies Act, 2013 and relevant Ind AS, is identified by the Company, for necessary compliance/reporting/disclosures etc, as per the Board approved Related Party Transactions (RPT) Policy.

1.26.9 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

1.27 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and applicable from April 1, 2021 are given below:

Balance Sheet:

(i) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

(ii) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

(iii) Specified format for disclosure of shareholding of promoters.

(iv) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

(v) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

(vi) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021

2. Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash on hand	31	15
Balances with Banks - in Current Account	43,442	38,772
Fixed Deposits with banks having original maturity of 3 months or less	38	102
Total	**43,511**	**38,889**

(i) Changes in Cash Flow from financing activities

(₹ in Lacs)

Particulars	As at 1st April, 2020	Movement*		As at 31st March, 2021
		Cash	Non-Cash	
Debt Securities	2,62,725	(18,577)	-	2,44,148
Borrowings (Other than Debt Securities)	26,84,523	(28,872)	(8,098)	26,47,553
Subordinated Liabilities	2,84,811	(6,280)	-	2,78,531
Total	**32,32,059**	**(53,729)**	**(8,098)**	**31,70,232**

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

(₹ in Lacs)

Particulars	As at 1st April, 2019	Movement*		As at 31st March, 2020
		Cash	Non-Cash	
Debt Securities	3,61,352	(98,627)	-	2,62,725
Borrowings (Other than Debt Securities)	26,69,115	15,408	-	26,84,523
Subordinated Liabilities	3,35,611	(50,800)	-	2,84,811
Total	**33,66,078**	**(1,34,019)**	**-**	**32,32,059**

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

3. Bank Balance other than Note No. 2 above

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unclaimed Dividend Accounts	30	36
Balances with Banks - in Trust & Retention Account	1,568	-
Earmarked Balances	9,520	5,664
Fixed Deposits with banks having original maturity of more than 3 months (Including accrued interest for fixed deposits)*	89,700	1,27,450
Total	**1,00,818**	**1,33,150**

* Includes

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Under Lien for:		
- Cash collateral for securitisation of receivables	40,165	56,574
- Security against borrowings	35	35
- Letter of Credit	-	2,335
- Bank Guarantees	45,105	56,766
- Unclaimed Public Deposit & Interest	1	1
- Others	2,888	3,152

Fixed deposit earns interest at fixed rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

4. Derivative Financial Instruments

(₹ in Lacs)

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i)Currency derivatives:						
-Spot and Forwards	21,049	-	1,151	24,767	157	151
-Currency swaps	11,200	727	-	2,37,654	27,706	228
-Options purchased	16,190	209	-	11,079	2,129	-
Subtotal (i)	**48,439**	**936**	**1,151**	**2,73,500**	**29,992**	**379**
(ii)Interest rate derivatives						
-Forward Rate Agreements and Interest Rate Swaps	-	-	-	-	-	3,767
Subtotal(ii)	**-**	**-**	**-**	**-**	**-**	**3,767**
Total Derivative Financial Instruments (i)+(ii)	**48,439**	**936**	**1,151**	**2,73,500**	**29,992**	**4,146**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging:	-	-	-	-	-	-
Subtotal (i)	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Cash flow hedging:						
-Currency derivatives	222	-	14	1,559	20	5
-Interest rate derivatives	-	-	-	-	-	1,602
Subtotal (ii)	**222**	**-**	**14**	**1,559**	**20**	**1,607**
(iii) Undesignated Derivatives#	48,217	936	1,137	2,71,941	29,972	2,539
Subtotal (iii)	**48,217**	**936**	**1,137**	**2,71,941**	**29,972**	**2,539**
Total Derivative Financial Instruments (i)+(ii)+(iii)	**48,439**	**936**	**1,151**	**2,73,500**	**29,992**	**4,146**

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
# Includes Derivative Instruments taken towards Acceptance Liabilities on behalf of the Customer	-	-	-	2,249	-	142

The Group's risk management strategy and how it is applied to manage risk are explained in Note No. 35.

4.1 The Group has entered into Options/Swaps/Forward contracts (being derivative instruments) which are not intended for trading or speculation, for the purpose of hedging currency and interest rate related risks. Options, Swaps and Forward contracts outstanding are as follows:

(Amount in Lacs)

Category	Currency	As at 31st March, 2021	As at 31st March, 2020
		Amount in Foreign Currency	Amount in Foreign Currency
Forwards	USD/INR	USD 222	USD 1,462
Forwards	EUR/INR	-	EUR 97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

5. Trade Receivables:

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Considered good - Secured;	-	-
Less: Allowance for impairment loss allowance	-	-
	-	-
(b) Considered good - Unsecured;	4,645	18,529
Less: Allowance for impairment loss allowance	299	386
	4,346	18,143
(c) Significant increase in credit risk	-	-
Less: Allowance for impairment loss allowance	-	-
	-	-
(d) Credit impaired	1,817	467
Less: Allowance for impairment loss allowance	1,817	462
	-	5
Total (a+b+c+d)	**4,346**	**18,148**

i. In determining the allowances for credit losses, the Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience. The Company measures the loss allowance at an amount higher of lifetime expected credit losses taking into account historical credit loss experience (adjusted for forward-looking information) and Income Recognition and Assets Classification norms of RBI compared on individual bucket basis.

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

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of the year	848	13,433
Charge in Consolidated Statement of Profit and Loss	1,456	(1,102)
Utilized during the year	(188)	(11,483)
Balance at the end of the year	**2,116**	**848**

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

(₹ in Lacs)

Particulars	As at 31st March, 2021		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	3,876	28	3,848
Due between three to six months	136	13	123
Due between six months to one year	284	28	256
Due between one year to two year	399	280	119
More than 2 year due	1,767	1,767	-
	6,462	**2,116**	**4,346**

(₹ in Lacs)

Particulars	As at 31st March, 2020		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	17,659	211	17,448
Due between three to six months	344	1	343
Due between six months to one year	152	2	150
Due between one year to two year	429	222	207
More than 2 year due	412	412	-
	18,996	**848**	**18,148**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

6. Loans

(₹ in Lacs)

Particulars	As at 31st March, 2021						As at 31st March, 2020					
	Amortised cost	At Fair Value				Total	Amortised cost	At Fair Value				Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Subtotal			Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Subtotal	
Loans												
(A)												
(i) Term Loan	26,71,151	46,482	51,920	-	98,402	27,69,553	28,24,658	1,10,097	83,923	-	1,94,020	30,18,678
(ii) Leasing	8,476	-	-	-	-	8,476	6,129	-	-	-	-	6,129
(iii) Other Loans :												
Intercorporate Deposit	163	-	-	-	-	163	199	-	-	-	-	199
Letter of Credit	-	-	-	-	-	-	17,098	-	-	-	-	17,098
Total (A) Gross	**26,79,790**	**46,482**	**51,920**	**-**	**98,402**	**27,78,192**	**28,48,084**	**1,10,097**	**83,923**	**-**	**1,94,020**	**30,42,104**
Less: Impairment loss allowance	(6,23,331)	-	-	-	-	(6,23,331)	(1,60,524)	-	-	-	-	(1,60,524)
Total (A) Net	**20,56,459**	**46,482**	**51,920**	**-**	**98,402**	**21,54,861**	**26,87,560**	**1,10,097**	**83,923**	**-**	**1,94,020**	**28,81,580**
(B)												
(i) Secured by tangible assets / cash flows*	25,37,528	46,482	51,920	-	98,402	26,35,930	27,57,071	1,10,097	83,923	-	1,94,020	29,51,091
(ii) Unsecured	1,42,262	-	-	-	-	1,42,262	91,013	-	-	-	-	91,013
Total (B) Gross	**26,79,790**	**46,482**	**51,920**	**-**	**98,402**	**27,78,192**	**28,48,084**	**1,10,097**	**83,923**	**-**	**1,94,020**	**30,42,104**
Less: Impairment loss allowance	(6,23,331)	-	-	-	-	(6,23,331)	(1,60,524)	-	-	-	-	(1,60,524)
Total (B) Net	**20,56,459**	**46,482**	**51,920**	**-**	**98,402**	**21,54,861**	**26,87,560**	**1,10,097**	**83,923**	**-**	**1,94,020**	**28,81,580**
(C) (I) Loans in India												
(i) Public Sector	1,533	-	-	-	-	1,533	2,096	-	-	-	-	2,096
(ii) Others	26,78,257	46,482	51,920	-	98,402	27,76,659	28,45,988	1,10,097	83,923	-	1,94,020	30,40,008
Total (C) Gross	**26,79,790**	**46,482**	**51,920**	**-**	**98,402**	**27,78,192**	**28,48,084**	**1,10,097**	**83,923**	**-**	**1,94,020**	**30,42,104**
Less: Impairment loss allowance	(6,23,331)	-	-	-	-	(6,23,331)	(1,60,524)	-	-	-	-	(1,60,524)
Total (C) (I) Net	**20,56,459**	**46,482**	**51,920**	**-**	**98,402**	**21,54,861**	**26,87,560**	**1,10,097**	**83,923**	**-**	**1,94,020**	**28,81,580**
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (II) Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (C) (I) Net and C (II) Net	**20,56,459**	**46,482**	**51,920**	**-**	**98,402**	**21,54,861**	**26,87,560**	**1,10,097**	**83,923**	**-**	**1,94,020**	**28,81,580**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

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

(₹ in Lacs)

Particulars	As at 31st March, 2021					As at 31st March, 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount opening balance	24,36,025	1,89,689	3,32,466	-	29,58,180	22,79,958	2,27,885	4,05,604	-	29,13,447
New assets originated or purchased / net disbursement	1,62,857	-	-	-	1,62,857	15,67,390	1,250	2,500	-	15,71,140
Assets derecognised or repaid (excluding write offs) #	(2,52,743)	(58,679)	(7,741)	-	(3,19,163)	(13,06,879)	(1,04,102)	(93,618)	-	(15,04,599)
Transfers to Stage 1	13,238	(13,030)	(208)	-	-	93,042	(67,629)	(25,413)	-	-
Transfers to Stage 2	(94,078)	94,122	(44)	-	-	(1,15,294)	1,48,821	(33,527)	-	-
Transfers to Stage 3	(14,52,348)	(1,14,857)	15,67,205	-	-	(82,192)	(16,536)	98,728	-	-
Amounts written off	(34,055)	(1,393)	(40,154)	-	(75,602)	-	-	(21,808)	-	(21,808)
Gross carrying amount closing balance	**7,78,896**	**95,852**	**18,51,524**	**-**	**27,26,272**	**24,36,025**	**1,89,689**	**3,32,466**	**-**	**29,58,180**

ii. Reconciliation of ECL balance is given below:*

(₹ in Lacs)

Particulars	As at 31st March, 2021					As at 31st March, 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance - opening balance	27,051	21,581	1,13,246	-	1,61,878	39,254	13,065	90,354	-	1,42,673
New assets originated or purchased / net disbursement	1,528	-	-	-	1,528	20,582	47	737	-	21,366
Impact on year end ECL of Exposures transferred between stages during the year and reversal of ECL on account of Recovery #	20,100	2,576	4,57,904	-	4,80,580	(33,557)	8,120	37,480	-	12,043
Transfers to Stage 1	2,330	(1,690)	(640)	-	-	13,638	(5,692)	(7,946)	-	-
Transfers to Stage 2	(1,089)	1,143	(54)	-	-	(1,875)	7,375	(5,500)	-	-
Transfers to Stage 3	(12,496)	(19,078)	31,574	-	-	(10,991)	(1,334)	12,325	-	-
Amounts written off	(1,313)	(137)	(18,434)	-	(19,884)	-	-	(14,204)	-	(14,204)
ECL allowance - closing balance	**36,111**	**4,395**	**5,83,596**	**-**	**6,24,102**	**27,051**	**21,581**	**1,13,246**	**-**	**1,61,878**

* Includes ECL allowance of ₹ 5,880 Lacs (Previous year: ₹ 848 Lacs) on off balance sheet exposure.

* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 771 Lacs (Previous year: ₹ 1,354 Lacs).

Represents balancing figure.

iii. The contractual amount outstanding on loan assets that were written off during the reporting period and are still subject to enforcement activity is ₹ 16,457 Lacs (Previous year: ₹ 9,283 Lacs).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March, 2021 (Contd.)

7. Investments

(₹ in Lacs)

Particulars	As at 31st March, 2021						As at 31st March, 2020					
	Amortised cost	At Fair Value			Subtotal	Total	Amortised cost	At Fair Value			Subtotal	Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss				Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss		
Investments												
Debt securities	9,590	-	25,288	-	25,288	34,878	11,086	-	33,491	-	33,491	44,577
Equity instruments	-	17,345	76,765	-	94,110	94,110	-	15,267	52,766	-	68,033	68,033
In Units of Trusts and Schemes of Venture Funds	-	43,610	1,242	-	44,852	44,852	-	27,702	-	-	27,702	27,702
Total – Gross A	**9,590**	**60,955**	**1,03,295**	**-**	**1,64,250**	**1,73,840**	**11,086**	**42,969**	**86,257**	**-**	**1,29,226**	**1,40,312**
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	9,590	60,955	1,03,295	-	1,64,250	1,73,840	11,086	42,969	86,257	-	1,29,226	1,40,312
Total – B	**9,590**	**60,955**	**1,03,295**	**-**	**1,64,250**	**1,73,840**	**11,086**	**42,969**	**86,257**	**-**	**1,29,226**	**1,40,312**
Less: Impairment loss allowance (C)	(9,590)	-	-	-	-	(9,590)	(9,590)	-	-	-	-	(9,590)
Total – Net D =(A)-(C)	**-**	**60,955**	**1,03,295**	**-**	**1,64,250**	**1,64,250**	**1,496**	**42,969**	**86,257**	**-**	**1,29,226**	**1,30,722**

(i) During the financial year ended 31st March, 2021 the Parent Company sold its investment in Equity instruments that was classified at FVTOCI to meet its business objective. The fair value of the investment at the date of derecognition was ₹ 1,480 Lacs (Previous year: ₹ 17,720 Lacs) and gain on disposal was ₹ 253 Lacs (Previous year: loss ₹ 2,134 Lacs). Cumulative gain on disposal not reclassified to Retained earning is Nil (Previous year: gain ₹ 636 Lacs).

(ii) Previoius year, the Parent Company has invested ₹ 100 crores in debentures on behalf of its client and earned management fees for the same. The Parent Company has sold ₹ 100 crores worth of debentures during the year ended 31st March, 21 and returned this amount to the client. The said investment and the amount received for making the same, have not been reflected in these financial statements, as the Parent Company does not have any beneficial interest in the said investment.

(iii) As per scheme of amalgamation between The Lakshmi Vilas Bank Ltd. and DBS Bank India Limited, The Lakshmi Vilas Bank Ltd. has been amalgamated with DBS Bank India Limited w.e.f. 27th November, 2020. As per the scheme of amalgamation, the entire amount of the paid-up share capital and reserves and surplus, including the balances in the share/ securities premium account of the transferor bank, shall stand written off. The transferor bank shall cease to exist by operation of this Scheme, and its shares or debentures listed in any stock exchange shall stand delisted without any further action from the transferor bank, transferee bank or order from any authority. Hence, rights of shares holders on account of their investment have extinguished. Accordingly, the Parent Company has recognized charge for ₹ 1,231 Lacs as fair value changes through other comprehensive income during the financial year 2020-21.

(iv) The Parent Company is holding 95,93,10,000 equity shares in erstwhile India Power Corporation Limited (CIN: U40101WB2003PLC097340) ("erstwhile IPCL"). In terms of the Scheme of Arrangement and Amalgamation of erstwhile IPCL into and with DPSC Limited (now known as India Power Corporation Limited) ("DPSC") (CIN: L40105WB1919PLC003263) as sanctioned by the Hon'ble High Court at Calcutta on 17th April, 2013, the Shareholders of erstwhile IPCL (including the Company) are entitled to be allotted 11 equity shares of ₹.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

each of DPSC for every 100 equity shares of erstwhile IPCL held by them. Thus, the Parent Company will be allotted 10,55,24,100 equity shares in DPSC which will constitute 6.69% of the post amalgamation paid up share capital of DPSC. As the Company has been given to understand, the said allotment of the aforesaid shares of DPSC to the Company will be done in terms of the Scheme sanctioned by the Hon'ble High Court at Calcutta on 17th April, 2013 after certain pending clearance(s) / approval(s) from the Stock Exchanges are obtained by DPSC. Therefore, 10,55,24,100 nos. of shares of DPSC as aforesaid is considered in the investment schedule. As the equity shares of DPSC is listed, closing price is considered for the purpose of valuation as on 31st March, 2021, which was based on price multiple of peer companies under Relative Valuation Method as on 31st March, 2020.

8. Other Financial Assets

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest retained on Pool Assigned	16,245	31,608
Less: Impairment loss allowance for Interest retained on Pool Assigned	(2,604)	(1,300)
Rental accrued but not due	4,984	10,050
Less: Impairment loss allowance for Rental accrued but not due [Refer Note No. 5(i)]	(31)	(117)
Loan to employees	3	3
Security deposits	1,105	1,712
Less: Impairment loss allowance for Security deposits	(184)	-
Advance for Investments	23	24
Claims Receivable (measured at fair value through profit or loss)	65,897	51,015
Other Advances and Receivables [Refer Note No. 8.1]	6,937	475
Contribution to trust fund	1	-
Total	**92,376**	**93,470**

8.1 Includes receivables from the lenders on account of 'interest on interest' charged by the lenders during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the Hon'ble Supreme Court of India's judgement in the matter of Small Scale Industrial Manufacturers Association vs UOI & Ors. and other connected matters on 23 March, 2021 amounting to ₹ 5,671 Lacs (31st March, 2020 : Nil)

9. Other Non-Financial Assets

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital Advances	11	813
Employee Advances	127	305
Amount Lying in Trust Account*	5,024	-
Advance to Vendors for Operating Expenses	2,070	2,956
Advance Rent	-	1
Advance for Investment	18	-
Balances with Government Authorities	2,570	3,581
Repossessed Assets and Assets acquired in satisfaction of debt	38,399	47,663
Prepaid expenses	292	871
Total	**48,511**	**56,190**

* Amount lying in Trust Account for Cash Collateral against Collaterised Borrowings.

10. Current Tax Assets (Net)

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance Tax [(net of provision for tax ₹ 32,835 Lacs 31st March, 2020: ₹ 24,973 Lacs)]	18,690	20,896
Total	**18,690**	**20,896**

The reconciliation of estimated income tax to income tax expense is as below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March, 2021 (Contd.)

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Profit Before Tax	(7,17,881)	14,171
Statutory Income Tax Rate	38.690%	34.944%
Expected income tax expense at statutory income tax rate	(2,77,747)	4,952
(i) Income exempt from tax/Items not deductible (net)	(190)	1,092
(ii) Effect of indexation benefit / different tax rate on certain items	27,997	(96)
(iii) Other differences	2,45,668	(652)
Total Tax Expense recognised in Consolidated Statement of Profit and Loss	**(4,272)**	**5,296**
Total Tax Expense recognised in Other Comprehensive Income	(2,695)	3,701

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

(₹ in Lacs)

Particulars	As at 1st April, 2020	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	Reclassified to Statement of Profit and Loss	As at 31st March, 2021
MAT Credit Entitlement	4,347	(4,347)	-	-	-
Financial Assets and Liabilities at FVTPL	2,289	(2,396)	1,022	-	915
Receivables, Financial Assets and Liabilities at Amortised Cost	34,295	(6,090)	7	-	28,212
Unrealised gain on Investment carried at Fair Value	1,322	5,349	(4,984)	-	1,687
Carried Forward of Losses & Unabsorbed Depreciation	22,263	(3,232)	1,262	-	20,293
Property, Plant and Equipment and Intangible Assets	(41,394)	39,138	-	-	(2,256)
Loss under Income Tax	2,547	-	-	-	2,547
Other Timing Differences	(2,605)	(278)	(7)	-	(2,890)
Disallowances u/s 43B of IT Act	5	1	-	-	6
Provisions	192	(2)	-	-	190
Net Deferred Tax Assets/ (Liabilities)	**23,261**	**28,143**	**(2,700)**	**-**	**48,704**
Net Deferred tax assets charged to Statement of Profit & Loss	-	48,372	-	-	48,372
	23,261	**(20,229)**	**(2,700)**	**-**	**332**

(₹ in Lacs)

Particulars	As at 1st April, 2019	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	Reclassified to Statement of Profit and Loss	As at 31st March, 2020
MAT Credit Entitlement	1,229	3,118	-	-	4,347
Financial Assets and Liabilities at FVTPL	1,743	(403)	(1,249)	2,198	2,289
Receivables, Financial Assets and Liabilities at Amortised Cost	40,907	(6,612)	-	-	34,295
Unrealised gain on Investment carried at Fair Value	(2,413)	(1,059)	4,794	-	1,322
Carried Forward of Losses & Unabsorbed Depreciation	23,031	(768)	-	-	22,263
Property, Plant and Equipment and Intangible Assets	(42,248)	854	-	-	(41,394)
Loss under Income Tax	-	2,547	-	-	2,547
Other Timing Differences	(2,897)	308	(16)	-	(2,605)
Disallowances u/s 43B of IT Act	6	(1)	-	-	5
Provisions	59	(39)	172	-	192
Net Deferred Tax Assets/ (Liabilities)	**19,417**	**(2,055)**	**3,701**	**2,198**	**23,261**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March, 2021 (Contd.)

12. Investment Property

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment				Net Carrying Amount
	As at 1st April, 2020	Additions	Disposals and other adjustments	As at 31st March, 2021	As at 1st April, 2020	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2021	As at 31st March, 2021
Land	9	-	-	9	-	-	-	-	9
Building	1,865	-	-	1,865	109	36	-	145	1,720
Total	**1,874**	**-**	**-**	**1,874**	**109**	**36**	**-**	**145**	**1,729**

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment				Net Carrying Amount
	As at 1st April, 2019	Additions	Disposals and other adjustments	As at 31st March, 2020	As at 1st April, 2019	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2020	As at 31st March, 2020
Land	9	-	-	9	-	-	-	-	9
Building	1,865	-	-	1,865	73	36	-	109	1,756
Total	**1,874**	**-**	**-**	**1,874**	**73**	**36**	**-**	**109**	**1,765**

(i) The Investment Property is valued at cost. Depreciation is charged using the straight- line method based on its estimated useful life of building i.e. 60 years.

(ii) Fair Value of Land and Building as on 31st March, 2021 - ₹ 3,531 Lacs (as on 31st March, 2020 ₹ 3,531 Lacs)

(iii) The amount recognised in the Consolidated Statement of Profit and Loss in relation to Investment Property:-

a) Income for the year 2020-21 is ₹ 312 Lacs (31st March, 2020: ₹ 312 Lacs)

b) Direct operating expenses arising from investment property that generated rental income, for the year 2020-21 ₹ 257 Lacs (31st March, 2020 ₹ 261 Lacs)

c) Building is mortgaged as a collateral security against the allotment of Secured Redeemable Non-Convertible Debentures aggregating to ₹ 70 Lacs by the subsidiary company in favour of the Debenture Trustee, Axis Trustee Services Limited.

(iv) For the purpose of fair valuation, Investment Property has been considered as a Level 3 item. Significant inputs used for the same are rate comparative analysis and rental analysis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

13. Property, Plant and Equipment

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2020	Additions	Disposals and other adjustments	As at 31st March, 2021	As at 1st April, 2020	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2021	As at 31st March, 2021
Assets for Own use										
Freehold Land*	16,060	-	12,753	3,307	-	-	-	-	-	3,307
Buildings*	16,006	17	1,508	14,515	721	306	-	1	1,026	13,489
Plant and Machinery	22,603	10	-	22,613	3,096	1,033	-	-	4,129	18,484
Furniture and Fixtures	3,149	16	(10)	3,175	769	589	-	-	1,358	1,817
Motor Vehicles	378	-	(21)	399	128	73	-	(22)	223	176
Computers & Office Equipments	1,127	12	-	1,139	843	149	-	(14)	1,006	133
Leasehold Improvements	4,356	-	-	4,356	2,366	638	-	-	3,004	1,352
(A)	**63,679**	**55**	**14,230**	**49,504**	**7,923**	**2,788**	**-**	**(35)**	**10,746**	**38,758**
Assets for Operating lease										
Plant and Machinery	1,74,173	212	5,037	1,69,348	43,532	17,570	7,276	2,630	65,748	1,03,600
Earthmoving Equipments	1,53,954	-	19,248	1,34,706	61,810	21,960	-	11,099	72,671	62,035
Furniture and Fixtures	9,229	-	974	8,255	2,889	1,020	-	605	3,304	4,951
Motor Vehicles	97,157	-	8,463	88,694	43,183	13,465	-	6,324	50,324	38,370
Wind Mills	9,968	-	2,147	7,821	2,870	812	-	745	2,937	4,884
Computers	40,452	-	3,896	36,556	20,196	7,039	-	3,158	24,077	12,479
Aircraft	379	-	-	379	122	40	-	-	162	217
(B)	**4,85,312**	**212**	**39,765**	**4,45,759**	**1,74,602**	**61,906**	**7,276**	**24,561**	**2,19,223**	**2,26,536**
Total (C)= (A+B)	**5,48,991**	**267**	**53,995**	**4,95,263**	**1,82,525**	**64,694**	**7,276**	**24,526**	**2,29,969**	**2,65,294**

* Gross Block of Freehold Land and Building amounting to ₹ 12,753 Lacs and ₹ 1,447 Lacs has been transferred to assets acquired in satisfaction of debt.

14. Other Intangible Assets

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2020	Additions	Disposals and other adjustments	As at 31st March, 2021	As at 1st April, 2020	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2021	As at 31st March, 2021
Assets for Own use										
Software	2,222	1,153	-	3,375	1,832	382	-	(4)	2,218	1,157
Assets for Operating lease										
Software	680	-	68	612	618	46	-	72	592	20
Total	**2,902**	**1,153**	**68**	**3,987**	**2,450**	**428**	**-**	**68**	**2,810**	**1,177**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March, 2021 (Contd.)

13. Property, Plant and Equipment

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2019	Additions	Disposals and other adjustments	As at 31st March, 2020	As at 1st April, 2019	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2020	As at 31st March, 2020
Assets for Own use										
Freehold Land	4	16,056	-	16,060	-	-	-	-	-	16,060
Buildings	14,750	1,447	191	16,006	606	306	-	191	721	15,285
Plant and Machinery	22,625	-	22	22,603	2,082	1,036	-	22	3,096	19,507
Furniture and Fixtures	4,346	62	1,259	3,149	1,382	643	-	1,256	769	2,380
Motor Vehicles	356	79	57	378	103	77	-	52	128	250
Computers & Office Equipments	1,534	30	437	1,127	1,074	206	-	437	843	284
Leasehold Improvements	4,313	45	2	4,356	1,711	656	-	1	2,366	1,990
(A)	**47,928**	**17,719**	**1,968**	**63,679**	**6,958**	**2,924**	**-**	**1,959**	**7,923**	**55,756**
Assets for Operating lease										
Plant and Machinery	2,62,927	8,201	96,955	1,74,173	41,790	23,141	-	21,399	43,532	1,30,641
Earthmoving Equipments	1,63,855	757	10,658	1,53,954	41,177	24,673	-	4,040	61,810	92,144
Furniture and Fixtures	10,102	207	1,080	9,229	2,131	1,187	-	429	2,889	6,340
Motor Vehicles	1,00,141	1,533	4,517	97,157	29,105	15,823	-	1,745	43,183	53,974
Wind Mills	9,968	-	-	9,968	1,914	956	-	-	2,870	7,098
Computers	42,381	354	2,283	40,452	13,347	8,211	-	1,362	20,196	20,256
Aircraft	379	-	-	379	81	41	-	-	122	257
(B)	**5,89,753**	**11,052**	**1,15,493**	**4,85,312**	**1,29,545**	**74,032**	**-**	**28,975**	**1,74,602**	**3,10,710**
Total (C)= (A+B)	**6,37,681**	**28,771**	**1,17,461**	**5,48,991**	**1,36,503**	**76,956**	**-**	**30,934**	**1,82,525**	**3,66,466**

14. Other Intangible Assets

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2019	Additions	Disposals and other adjustments	As at 31st March, 2020	As at 1st April, 2019	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2020	As at 31st March, 2020
Assets for Own use										
Software	1,913	317	8	2,222	1,540	300	-	8	1,832	390
Assets for Operating lease										
Software	847	-	167	680	650	108	-	140	618	62
Total	**2,760**	**317**	**175**	**2,902**	**2,190**	**408**	**-**	**148**	**2,450**	**452**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

15. Trade Payables

(i) Total outstanding dues of micro enterprises and small enterprises

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) The principal amount and interest due thereon remaining unpaid to any supplier	14	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day.	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Total	**14**	**-**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

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

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
For Supplies and Services	373	360
Acceptances	-	17,280
Other than Acceptances	8,875	95,851
Total	**9,248**	**1,13,491**

16. Debt Securities

(₹ in Lacs)

Particulars	As at 31st March, 2021				As at 31st March, 2020			
	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total
Non-Convertible Debentures - Secured	2,40,281	-	-	2,40,281	2,58,968	-	-	2,58,968
Non-Convertible Debentures - Unsecured	-	-	-	-	213	-	-	213
Long-Term Infrastructure Bonds	3,867	-	-	3,867	3,544	-	-	3,544
Total	**2,44,148**	**-**	**-**	**2,44,148**	**2,62,725**	**-**	**-**	**2,62,725**
Debt securities in India	2,44,148	-	-	2,44,148	2,62,725	-	-	2,62,725
Debt securities outside India	-	-	-	-	-	-	-	-
Total	**2,44,148**	**-**	**-**	**2,44,148**	**2,62,725**	**-**	**-**	**2,62,725**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

17. Borrowings (Other than Debt Securities)

(₹ in Lacs)

Particulars	As at 31st March, 2021				As at 31st March, 2020			
	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total
Secured								
(a) Term Loans								
From Banks								
- Rupee Loans	2,09,517	-	-	2,09,517	2,62,588	-	-	2,62,588
- Foreign Currency Loans	90,278	-	-	90,278	93,188	-	-	93,188
From Financial Institutions								
- Rupee Loans	1,54,448	-	-	1,54,448	1,66,679	-	-	1,66,679
- Foreign Currency Loans	1,14,605	-	-	1,14,605	1,25,165	-	-	1,25,165
(b) Working Capital Facilities	19,61,033	-	-	19,61,033	18,02,460	-	-	18,02,460
(c) Collateral Borrowings	40,451	-	-	40,451	79,528	-	-	79,528
Unsecured								
(a) Term Loans								
From Banks								
- Foreign Currency Loans	30,582	-	-	30,582	56,002	-	-	56,002
From Others								
- Foreign Currency Loans	23,933	-	-	23,933	8,177	-	-	8,177
(b) Commercial Papers								
- From Others	-	-	-	-	68,602	-	-	68,602
(c) Inter Corporate Deposits	105	-	-	105	22,134	-	-	22,134
(d) Deferred Payment Liabilities	22,601	-	-	22,601	-	-	-	-
Total	**26,47,553**	**-**	**-**	**26,47,553**	**26,84,523**	**-**	**-**	**26,84,523**
Borrowings in India	24,31,607	-	-	24,31,607	24,49,659	-	-	24,49,659
Borrowings outside India	2,15,946	-	-	2,15,946	2,34,864	-	-	2,34,864
Total	**26,47,553**	**-**	**-**	**26,47,553**	**26,84,523**	**-**	**-**	**26,84,523**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

18. Subordinated Liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2021				As at 31st March, 2020			
	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total
Subordinated Perpetual bonds/debentures (Tier I Capital)	47,193	-	-	47,193	50,270	-	-	50,270
Subordinated bonds/debentures (Tier II Capital)	2,14,704	-	-	2,14,704	2,19,487	-		2,19,487
Subordinated Loans - Unsecured	16,634			16,634	15,054	-	-	15,054
Total	**2,78,531**	**-**	**-**	**2,78,531**	**2,84,811**	**-**	**-**	**2,84,811**
Subordinated Liabilities in India	2,78,531	-	-	2,78,531	2,84,811	-	-	2,84,811
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total	**2,78,531**	**-**	**-**	**2,78,531**	**2,84,811**	**-**	**-**	**2,84,811**

19. Other Financial Liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unpaid Dividends (Refer Note No. 19.1)	30	36
Unpaid Matured Debentures and Interest Accrued thereon	361	393
Trade Deposits received	15,384	23,069
Security Deposits & Retentions	529	806
Payable to Employees	1,174	1,154
Liability for Operating Expenses	4,716	3,335
Financial Guarantee Liability	269	356
Adavance from Operating Lease Customers	1,913	-
Advances and Due to Others	110	861
Total	**24,486**	**30,010**

19.1 To be credited to Investor Education and Protection Fund as and when due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

20. Provisions

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits (Refer Note No. 38)		
Provision for Gratuity	359	812
Provision for Unavailed Leave	1,025	1,203
Total	**1,384**	**2,015**

21. Other Non-Financial Liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Sundry liabilities (Interest Capitalisation) Account	1,891	1,443
Advance from Customers	50	4,358
Statutory Liabilities	5,108	1,794
Pre-received Rent	1,473	4,230
Total	**8,522**	**11,825**

22. Equity Share Capital

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Authorised				
Equity Shares, ₹ 10/- par value per share	1000000000	1,00,000	1000000000	1,00,000
Preference Shares, ₹ 100/- par value per share	50000000	50,000	50000000	50,000
		1,50,000		**1,50,000**
Issued and subscribed				
Equity Shares, ₹ 10/- par value per share	503559160	50,356	503559160	50,356
Fully Paid-up				
Equity Shares, ₹ 10/- par value per share	503086333	50,309	503086333	50,309
		50,309		**50,309**

22.1 Reconciliation of the number of equity shares outstanding

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

Equity Shares	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	503086333	50,309	503086333	50,309
Add: Issued during the year	-	-	-	-
At the end of the year	503086333	50,309	503086333	50,309

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

The Group's authorised capital consists of two classes of shares, referred to as Equity Shares and Preference Shares having par value of ₹ 10/- and ₹ 100/- each respectively. Each holder of equity shares is entitled to one vote per share. Preference Shareholder has a preferential right over equity share holders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Group during the year ended 31st March, 2021 and 31st March, 2020.

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

22.3 Shares allotted as fully paid-up without payment being received in cash/by way of bonus shares (during 5 years preceding 31st March, 2021)

The Group has not issued any shares without payment being received in cash/ by way of bonus shares since 2015-16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

22.4 Details of Shareholders holding more than 5% of the equity shares each, are set out below:

Name of the shareholders	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Adisri Commercial Private Limited (Holding Company)	30,36,75,845	60.36	30,36,75,845	60.36
Fidelity Investment Trust Fidelity Series Emerging Markets Opportunities Fund	-	-	2,64,98,940	5.27

22.5 Refer Note No. 33 - for Company's capital management objectives, policies and processes.

23. Other Equity

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Special Reserve (pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	54,904	53,513
Add: Transfer from retained earnings	-	1,391
Closing balance	**54,904**	**54,904**
Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)		
Opening balance	25,834	23,734
Add: Transfer from retained earnings	-	2,100
Closing balance	**25,834**	**25,834**
Capital Reserve		
Opening balance	1,04,744	1,04,729
Add: Addition during the year	-	15
Closing balance	**1,04,744**	**1,04,744**
Securities Premium		
Opening balance	62,441	62,441
Closing balance	**62,441**	**62,441**
Bond/Debenture Redemption Reserve		
Opening balance	11,885	53,620
Less: Transfer to retained earnings, on repayment of Bond/Debenture	(1,663)	41,735
Closing balance	**10,222**	**11,885**
General Reserve		
Opening balance	1,36,801	1,36,801
Closing balance	**1,36,801**	**1,36,801**
Equity Instruments through Other Comprehensive Income		
Opening balance	(6,264)	9,323
Add: Additions during the year	13,836	(15,587)
Less: Reclassification to Retained Earnings (net of tax)	(764)	-
Closing balance	**6,808**	**(6,264)**
Foreign Currency Translation Reserve		
Opening balance	(231)	(231)
Add: Additions during the year	231	-
Closing balance	**-**	**(231)**
Impairment Reserve		
Opening balance	-	-
Add: Additions during the year	4,47,464	-
Closing balance	**4,47,464**	**-**
Debt Instruments through Other Comprehensive Income		
Opening balance	2,511	4,085
Add: Addition during the year	(1,360)	2,518
Less: Reclassified to Consolidated Statement of Profit and Loss	11	(4,092)
Closing balance	**1,162**	**2,511**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March, 2021 (Contd.)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Effective portion of Cash Flow Hedges		
Opening balance	(1,033)	(418)
Add: Additions during the year	1,020	(615)
Closing balance	**(13)**	**(1,033)**
Retained Earnings		
Opening balance	(39,663)	(86,804)
Add: Profit for the year	(7,33,920)	8,884
Add: Other Comprehensive Income (net of tax)	275	13
Add/ Less: Appropriations		
Transferred to Special Reserve	-	(1,391)
Transferred to Income Tax special reserve	-	(2,100)
Transferred to Impairment Reserve	(4,47,464)	-
Transferred to Bond/Debenture Redemption Reserve (Net)	1,663	41,735
Transferred to Foreign Currency Translation Reserve	(231)	-
Reclassification from Other Comprehensive Income	764	-
Total appropriations	**(4,45,268)**	**38,244**
Closing balance	**(12,18,576)**	**(39,663)**
Total	**(3,68,209)**	**3,51,929**

(i) Special Reserve:

Every year the Company and one of the subsidiary i.e. Srei Equipment Finance Limited being the Non-Banking Financial Companies, transfers a sum of not less than twenty percent of net profit after tax of that year as disclosed in the Statement of Profit and Loss to its Statutory Reserve pursuant to Section 45-IC of The Reserve Bank of India Act, 1934.

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

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

(ii) Income Tax Special Reserve:

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

(iii) Capital Reserve:

This reserve represents capital investment subsidy received, amount forfeited towards warrant subscription and amount on cancellation of forfeited equity shares.

(iv) Securities Premium:

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

(v) Bond/Debenture Redemption Reserve:

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

(vi) General Reserve:

This reserve include amount transferred from net profit as per provisions of erstwhile Companies Act, 1956 and Reserves created on Amalgamation.

(vii) Equity Instruments through Other Comprehensive Income:

This Reserve represents the cumulative gains (net of losses) arising on the changes in Fair Value of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed off.

(viii) Foreign Currency Translation Reserve

Exchange differences arising on translation of a foreign associate are recognised in Other Comprehensive Income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to Profit or Loss when the investment is disposed-off.

(ix) Impairment Reserve:

Impairment reserve created pursuant to paragraph 2 (b) of Annex to the guidelines DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 issued by RBI on Implementation of Indian Accounting Standards for Non-Banking Finance Companies and Asset Reconstruction Companies comprises of the excess provision as per Income Recognition, Asset classification and Provisioning norms (IRAC norms) as compared to the provision as per the ECL model adopted by Srei Equipment Finance Limited.

(x) Debt Instruments through Other Comprehensive Income:

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

(xi) Effective portion of Cash Flow Hedges:

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

(xii) Retained Earnings:

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

24. Interest Income

(₹ in Lacs)

Particulars	2020-21			2019-20		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
Interest on Loans	5,993	2,73,689	617	10,180	3,63,922	429
Interest income from investments	-	1	25	-	2,462	1,232
Interest on deposits with Banks	1	4,985	-	-	8,557	-
Other interest Income	-	7	-	-	41	-
Total	**5,994**	**2,78,682**	**642**	**10,180**	**3,74,982**	**1,661**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

25. Net gain on fair value changes

(₹ in Lacs)

Particulars	2020-21	2019-20
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Derivatives *	(10,500)	23,219
- Others	-	-
(ii) Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Derivatives	-	18
- Investments	(2,169)	12,748
- Loans	(23,594)	4,862
- Claims Receivable	(13,604)	(3,739)
Total Net gain/(loss) on fair value changes (A)	**(49,867)**	**37,108**
Fair Value changes:		
-Realised	13,822	8,034
-Unrealised	(63,689)	29,074
Total Net gain/(loss) on fair value changes (B) to tally with (A)	**(49,867)**	**37,108**

* Derivative contracts have been entered to manage foreign currency risk and interest rate risk arising from underlying foreign currency financial liabilities and not for trading purpose.

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

26. Other Income

(₹ in Lacs)

Particulars	2020-21	2019-20
Liability No Longer Required written back	302	2,151
Interest on Income Tax Refund	1,627	869
Net gain /(loss) on Foreign Currency Transactions	3,398	(8,847)
Others	345	159
Total	**5,672**	**(5,668)**

27. Finance Costs

(₹ in Lacs)

Particulars	2020-21		2019-20	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on borrowings	-	2,81,844	-	3,09,737
Interest on debt securities	-	23,901	-	32,695
Interest on subordinated liabilities	-	25,874	-	34,197
Other interest expense	-	1,819	-	14,270
Total	**-**	**3,33,438**	**-**	**3,90,899**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

28. Impairment on Financial Instruments (Net)

(₹ in Lacs)

Particulars	2020-21		2019-20	
	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost
Loans	(644)	5,42,292	1,354	38,810
Investments	-	-	-	2,081
Other financial assets	-	9,664	-	(1,021)
Total	**(644)**	**5,51,956**	**1,354**	**39,870**

29. Employee Benefits Expenses

(₹ in Lacs)

Particulars	2020-21	2019-20
Salaries and wages	13,173	18,089
Contribution to provident and other funds	1,001	1,248
Staff welfare expenses	116	276
Total	**14,290**	**19,613**

30. Administrative and Other Expenses

(₹ in Lacs)

Particulars	2020-21	2019-20
Rent, Taxes and Energy Costs	917	1,380
Repairs and Maintenance	3,420	5,026
Communication Costs	269	464
Printing and Stationery	77	228
Advertisement and Publicity	470	649
Director's Fees, Allowances and Expenses	173	142
Auditor's Fees and Expenses	352	264
Legal and Professional Charges	6,097	6,971
Insurance	184	227
Corporate Social Responsibility Expenses (refer Note No. 30.1)	723	497
Travelling & Conveyance	1,577	3,227
Net loss on derecognition of Property, Plant and Equipment	5,657	2,372
Impairment on capital advance	500	-
Other Expenditure	1,209	3,052
Total	**21,625**	**24,499**

30.1 Corporate Social Responsibility Expenses

(₹ in Lacs)

Particulars	2020-21	2019-20
Gross amount required to be spent during the year	723	933
Amount spent during the year		
- Construction / acquisition of any asset	-	-
- On purposes other than above	673	497
Paid in Cash	150	497
Yet to be paid in cash	573	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

31. Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS

Particulars		2020-21	2019-20
Profit after Tax attributable to the Equity Shareholders (` in Lacs)	**(A)**	(7,33,839)	8,875
Basic and Diluted			
(a) Number of Equity Shares at the beginning of the year		50,30,86,333	50,30,86,333
(b) Number of Equity Shares issued during the year		-	-
(c) Number of Equity Shares at the end of the year		50,30,86,333	50,30,86,333
(d) Weighted average number of Equity Shares outstanding during the year	**(B)**	50,30,86,333	50,30,86,333
(e) Nominal Value of each Equity Share (₹)		10	10
Basic and Diluted Earnings per Equity Share (₹)	**(A/B)**	**(145.87)**	**1.76**

32. Contingent Liabilities and Commitments (To the Extent Not Provided For)

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
A. Contingent Liabilities		
(a) Claims against the Group not acknowledged as debts:		
Disputed Demands:		
Income Tax	14,964	15,179
Service Tax	6,531	6,549
Central Sales Tax	25	30
Entry Tax	67	80
Sales Tax	211	211
Value Added Tax (VAT)	1,538	1,562
ESIC	3	3
(b) Guarantees:		
Corporate Guarantees	5,270	-
Bank Guarantees	47,626	56,342
(c) Uncalled money for paid up capital towards investments	620	-
Total	**76,855**	**79,956**
B. Commitments		
Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)	1	144
Capital Commitments (to the extent not provided for)	-	2,003

33. Capital Management

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

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

34. Regulatory Capital (Capital Adequacy Ratio)

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Tier I capital	12,519	15,301
Tier II capital	6,259	-
Total capital	**18,778**	**15,301**
Risk weighted assets	72,701	71,595
Tier I Ratio (%)	17.22	21.37
Tier II Ratio (%)	8.61	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

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

35. Financial Instruments and Related Disclosures

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note No. 1.19 to the financial statements.

A) Categories of Financial Instruments

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

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
a) Measured at Amortised Cost				
i) Cash and Cash Equivalents	43,511	43,511	38,889	38,889
ii) Bank Balance other than (i) above	1,00,818	1,00,818	1,33,150	1,33,150
iii) Trade Receivables	4,346	4,346	18,148	18,148
iv) Loans	20,56,459	21,46,239	26,87,560	26,91,114
v) Investments	-	-	1,496	1,496
vi) Other Financial Assets	26,479	26,479	42,455	42,455
Sub-total	**22,31,613**	**23,21,393**	**29,21,698**	**29,25,252**
b) Measured at Fair value through Profit or Loss				
i) Derivative Financial Instruments	936	936	29,992	29,992
ii) Loans	51,920	51,920	83,923	83,923
iii) Investments	1,03,295	1,03,295	86,257	86,257
iv) Other financial assets	65,897	65,897	51,015	51,015
Sub-total	**2,22,048**	**2,22,048**	**2,51,187**	**2,51,187**
c) Measured at Fair value through Other Comprehensive Income				
i) Investments	60,955	60,955	42,969	42,969
ii) Loans	46,482	46,482	1,10,097	1,10,097
Sub-total	**1,07,437**	**1,07,437**	**1,53,066**	**1,53,066**
Total Financial Assets	**25,61,098**	**26,50,878**	**33,25,951**	**33,29,505**
Financial Liabilities				
a) Measured at Amortised Cost				
i) Trade Payables	9,248	9,248	1,13,491	1,13,491
ii) Debt Securities	2,44,148	2,62,624	2,62,725	2,61,681
iii) Borrowings (Other than Debt Securities)	26,47,553	26,46,249	26,84,523	26,82,416
iv) Subordinated Liabilities	2,78,531	2,79,202	2,84,811	2,74,958
v) Lease Liabilities	3,136	3,136	3,563	3,563
vi) Other Financial Liabilities	24,486	24,486	30,010	30,010
Sub-total	**32,07,102**	**32,24,945**	**33,79,123**	**33,66,119**
b) Measured at Fair Value through Profit or Loss				
i) Derivative Financial Instruments	1,151	1,151	4,146	4,146
Sub-total	**1,151**	**1,151**	**4,146**	**4,146**
Total Financial Liabilities	**32,08,253**	**32,26,096**	**33,83,269**	**33,70,265**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

Loans measured at amortised cost

The fair values of loan assets are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted at the average lending rate.

Other financial assets measured at amortised cost

Other financial assets have assets with short-term maturity (less than twelve months) as on consolidated balance sheet date and therefore, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

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

The fair values of debts are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted at the average borrowing rate.

Other financial liabilities measured at amortised cost

Other financial liabilities have liability with short-term maturity (less than twelve months) as on consolidated balance sheet date and therefore, the carrying amounts are a reasonable approximation of their fair value.

B) Fair value hierarchy

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

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

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

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

(₹ in Lacs)

Particulars	As at 31st March, 2021			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	936	-	936
Loans	-	-	98,402	98,402
Investments	18,309	623	1,45,318	1,64,250
Other Financial Assets	-	-	65,897	65,897
	18,309	**1,559**	**3,09,617**	**3,29,485**
Financial Liabilities				
Derivative Financial Instruments	-	1,151	-	1,151
	-	**1,151**	**-**	**1,151**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

(₹ in Lacs)

Particulars	As at 31st March, 2020			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	29,992	-	29,992
Loans	-	-	1,94,020	1,94,020
Investments	14,226	10,042	1,04,958	1,29,226
Other Financial Assets	-	-	51,015	51,015
	14,226	**40,034**	**3,49,993**	**4,04,253**
Financial Liabilities				
Derivative Financial Instruments	-	4,146	-	4,146
	-	**4,146**	**-**	**4,146**

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

(₹ in Lacs)

Particulars	Fair Value As at		Fair Value Hierarchy	Valuation Technique and Key Input	Significant Unobservable Input
	31st March, 2021	31st March, 2020			
Financial Assets					
Derivative Financial Instruments	936	29,992	Level 2	Note (i)	Not Applicable
Loans	98,402	1,94,020	Level 3	Note (ii)	Note (vi), (vii) & (ix)
Other Financial Assets	65,897	51,015	Level 3	Note (ii)	Note (x)
Investments	18,309	14,226	Level 1	Note (iii)	Not Applicable
Investments	623	10,042	Level 2	Note (iv) & (v)	Not Applicable
Investments	1,45,318	1,04,958	Level 3	Note (ii) & (vi)	Note (vii) & (viii)
Financial Liabilities					
Derivative Financial Instruments	1,151	4,146	Level 2	Note (i)	Not Applicable

(i) Mark-to-Market

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

(ii) Income Approach

The discounted cash flow method was used to capture the present value of the the expected future benefits (including contractual cash flows) to be derived from the Loans, Investments and Other Financial Assets.

(iii) Quoted Prices

Quoted bid prices of an active market was used.

(iv) Comparable Company Method

Relevant information from companies operating in similar economic environment and industry was used.

(v) Price to Revenue/Earnings Multiple Method

Price was derived as a multiple of revenue/earnings.

(vi) Other Inputs

(a) Market Multiple Method: Relevant information from companies operating in similar economic environment and industry was used.
(b) Discounted Cash Flow Method: Present value of the expected future benefits to be derived from the underlying Assets.
(c) Net Asset Valuation Method: Value of the underlying net assets of the business.

(vii) Discount rate, determined using average lending rate of the company or discount rate considered by the valuer.

(viii) Estimated future cash flows.

(ix) The fair value of loans is derived based on the valuation of the underlying assets.

(x) Probability of recovery and discount rate considered by the Valuer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

Reconciliation of Level 3 fair value measurements

(₹ in Lacs)

Reconciliation	Loans		Investments		Other Financial Assets	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Opening Balance	1,94,020	2,92,681	1,04,958	1,78,704	51,015	21,022
Purchases	34,101	1,55,388	27,114	4,143	28,486	58,195
Sales/ Repayments	(1,06,370)	(2,61,440)	(11,173)	(64,914)	-	(21,022)
Transfers into Level 3	-	-	-	(7,186)	-	-
Transfers from Level 3	-	-	9,660	-	-	-
Net interest income, net trading income and other income	-	-	3	-	-	-
Unrealised income/(loss)	(21,280)	4,874	14,826	(6,850)	(13,604)	(7,180)
Other Comprehensive Income	(2,069)	2,517	(70)	1,061	-	-
Closing Balance	**98,402**	**1,94,020**	**1,45,318**	**1,04,958**	**65,897**	**51,015**

Sensitivity of fair value measurements to changes in unobservable market data

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

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

(₹ in Lacs)

Reconciliation	As at 31st March, 2021		As at 31st March, 2020	
	Favourable Changes	Unfavourable Changes	Favourable Changes	Unfavourable Changes
Loans at FVTOCI	2,643	(1,291)	3,452	(3,295)
Loans at FVTPL	2,299	(2,135)	2,326	(2,176)
Investments	5,327	(4,234)	4,920	(4,414)
Other Financial Assets	2,902	(2,587)	2,067	(1,954)
Total	**13,171**	**(10,247)**	**12,765**	**(11,839)**

C) Financial risk management objectives

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

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

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

a) Market risk

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

i. Foreign Currency Risk

ii. Interest Rate Risk

iii. Other Price Risk

i. Foreign currency risk

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

Foreign Currency Exposure

(₹ in Lacs)

As at 31st March, 2021	USD	Euro	Total
Cash and Cash Equivalents	-	-	-
Borrowings (Other than Debt Securities)	1,82,308	78,030	2,60,338

Foreign Currency Exposure

(₹ in Lacs)

As at 31st March, 2020	USD	Euro	Total
Cash and Cash Equivalents	5	-	5
Borrowings (Other than Debt Securities)	1,97,384	85,612	2,82,996

Hedged Foreign Currency balances (₹ in Lacs):	Currency	As at 31st March, 2021	As at 31st March, 2020
Borrowings (Other than Debt Securities)	USD	20,088	1,97,384
	EUR	25,288	85,612

Unhedged Foreign Currency balances (₹ in Lacs): **	Currency	As at 31st March, 2021	As at 31st March, 2020
Borrowings (Other than Debt Securities)	USD	1,62,220	-
	EURO	52,742	-

** Includes Overdue Principal and Interest.

Foreign currency sensitivity

Foreign Currency Sensitivities (impact on increase in 2%)

(₹ in Lacs)

Currency	As at 31st March, 2021	As at 31st March, 2020
USD	(3,646)	(3,948)
EUR	(1,561)	(1,712)

Figures in brackets indicate decrease in profit

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

Note: If the rate is decreased by 2%, profit of the group will increase by an equal amount.

ii. Interest rate risk

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

Interest Rate Exposure

(₹ in Lacs)

As at 31st March, 2021	INR	EUR	USD	Total
Financial Assets				
Loans	12,25,751	-	-	12,25,751
Financial Liabilities				
Borrowings (Other than Debt Securities)	22,01,336	1,82,308	78,030	24,61,674
Subordinated Liabilities	16,631	-	-	16,631
As at 31st March, 2020	**INR**	**EUR**	**USD**	**Total**
Financial Assets				
Loans	19,41,670	-	-	19,41,670
Financial Liabilities				
Borrowings (Other than Debt Securities)	20,97,662	85,612	1,95,873	23,79,147
Subordinated Liabilities	15,000	-	-	15,000

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

Interest Rate Sensitivities for outstanding exposure (impact on increase in 2%)

(₹ in Lacs)

Currency	As at 31st March, 2021	As at 31st March, 2020
INR	(19,844)	(3,420)
EUR	(1,561)	(1,712)
USD	(3,646)	(3,917)

Figures in brackets indicate decrease in profit

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

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

Note: If the rate is decreased by 2%, profit of the group will increase by an equal amount.

iii. Price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Group. The fair value of quoted investments held by the Group exposes the Group to equity price risks. In general, these investments are not held for trading purposes. The fair value of quoted investments in equity, classified as fair value through Profit and Loss/ fair value through Other Comprehensive Income as at 31st March, 2021 is ₹ 17,435 Lacs (31st March, 2020: ₹ 7,018 Lacs)

A 10% change in equity prices of such securities held as at 31st March, 2021 and 31st March, 2020 would result in an impact of ₹ 1,744 Lacs in 31st March, 2021 (31st March, 2020 ₹ 702 Lacs).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

b) Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Group-specific and market-wide events.

Liquidity risk management :

(₹ in Lacs)

Particulars	As at 31st March, 2021					As at 31st March, 2020				
	On demand	Less than 3 months	3 to 12 months	>12 months	Total	On demand	Less than 3 months	3 to 12 months	>12 months	Total
A: Financial Assets										
i) Cash and Cash Equivalents	1,731	41,780	-	-	43,511	316	38,573	-	-	38,889
ii) Bank Balance other than (i) above	30	12,958	62,109	25,721	1,00,818	36	32,764	94,363	5,987	1,33,150
iii) Derivative Financial Instruments	-	936	-	-	936	-	29,992	-	-	29,992
iv) Trade & Other Receivables	-	6,344	68	50	6,462	-	18,815	21	160	18,996
v) (a) Loans *	-	1,07,773	1,83,169	29,14,717	32,05,659	-	2,97,926	7,43,930	25,49,026	35,90,882
v) (b) Liability towards Assignment	-	(1,48,669)	(1,60,843)	(1,17,955)	(4,27,467)	-	(1,23,783)	(2,10,573)	(2,12,998)	(5,47,354)
vi) Investments	-	159	40,338	4,34,945	4,75,442	-	2,315	5,728	1,22,679	1,30,722
vii) Other Financial Assets	-	34,267	(12,011)	72,939	95,195	4	14,450	10,217	70,218	94,889
Total	**1,761**	**55,548**	**1,12,830**	**33,30,417**	**35,00,556**	**356**	**3,11,052**	**6,43,686**	**25,35,072**	**34,90,166**
B: Financial Liabilities										
i) Derivative Financial Instruments	-	1,151	-	-	1,151	-	4,146	-	-	4,146
ii) Trade Payables	-	4,824	4,438	-	9,262	-	56,911	55,891	689	1,13,491
iii) Borrowings#	-	16,69,304	7,96,532	7,11,436	31,77,272	-	4,77,768	17,19,364	10,45,710	32,42,842
iv) Lease Liability	-	172	572	2,392	3,136	-	173	548	2,842	3,563
v) Other Financial Liabilities	30	12,748	2,076	11,107	25,961	36	7,168	5,294	21,735	34,233
Total	**30**	**16,88,199**	**8,03,618**	**7,24,935**	**32,16,782**	**36**	**5,46,166**	**17,81,097**	**10,70,976**	**33,98,275**

The repayment of Working capital facilities (including WCDL and Cash credit facilities) has been considered based on the renewal date of the respective Working capital facilities. However, working capital facilities for cases where renewal is pending as on 31st March, 2021 amounting to ₹ 10,36,487 Lacs has been considered in Less than 3 months bucket.

* The subsidiary company i.e. Srei Equipment Finance Limited has decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given by the subsidiary company, amounting to Nil as on 31st March, 2021 (Previous year ₹ 3,78,104 Lacs), which have been considered in "Loans" above while arriving at the maturity pattern. Details in respect of the same are as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2021					As at 31st March, 2020				
	On demand	Less than 3 months	3 to 12 months	>12 months	Total	On demand	Less than 3 months	3 to 12 months	>12 months	Total
Loans	-	-	-	-	-	-	-	1,91,131	1,86,973	3,78,104
	-	-	-	-	-	-	-	**1,91,131**	**1,86,973**	**3,78,104**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

c) Credit risk

The principal business of the Group is to provide financing in the form of loans to its clients primarily to acquire assets and infrastructure lending. Credit Risk is the risk of default of the counterparty to repay its obligations in a timely manner resulting in financial loss. The Group also provides Leasing services to its clients which result in accrual of Trade Receivables. The Group is exposed to credit risk to the extent of such Trade Receivables. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. Credit risk is monitored by the credit risk department of the Group's independent Risk Controlling Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The entities under the Group have credit policies approved by the Board of respective entities (wherever applicable) which lays down the credit evaluation and approval process in compliance with regulatory guidelines.

The Group conducts an industry analysis to determine the risk level of each industry which the Group is exposed to.The Group also conducts stress testing at portfolio level to assess the impact on stress situations on the Company. The corrective action taken by the Company includes diversification of its exposure to highly marketable and saleable assets.The Group uses the Expected Credit Loss (ECL) Methodology to assess the impairment on both loan assets and trade receivables as per accounting standards. In addition, the group also assesses impairment on such assets as per RBI guidelines and accounted for in the books as per regulatory guidelines. It maybe noted that credit risk has increased due to the prolonged impact of the COVID 19 pandemic which has impacted the overall economy including the infrastructure sector.

Any concentration breach as per prudential norms are reported as required by RBI.

36. Transfers of financial assets

Transfers of financial assets that are not derecognised in their entirety :

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

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

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Carrying amount of assets	15,515	49,525
Carrying amount of associated liabilities	10,889	52,169
Fair value of assets	15,633	50,181
Fair value of associated liabilities	10,831	52,468

37. Assets obtained by taking possession of collateral

The Group obtained the following non-financial assets during the year by taking possession of assets held as security against loans or third party security and held at the year end. The Group's policy is to determine whether such asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets acquired in satisfaction of debt at their fair value or carrying value, whichever is lower. The Group's policy is to realise collateral on a timely basis.

The table below outlines the nature and values of assets acquired in satisfaction of debt obtained during the year.

(₹ in Lacs)

Particulars	20-21	19-20
Land	-	-
Others	4,822	36,854
Total assets obtained by taking possession of collateral	**4,822**	**36,854**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

38. Disclosure pursuant to Ind AS 19 - Employee Benefits

Defined contribution plans

The Group has recognised, in Consolidated Statement of Profit and Loss for the year ended 31st March, 2021 an amount of ₹ 786 Lacs (Previous year ₹ 943 Lacs) as expenses under defined contribution plans.

Defined benefit plans

(A) Gratuity Fund :-

The Group makes contributions to Defined Benefit Plans for qualifying employees. The scheme is funded by way of separate irrevocable trust. The fund is managed internally by the Group. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable Statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance. The Trustees of the gratuity scheme for the employees of the Group have interested the administration of the scheme to the Life Insurance Corporation of India (LIC).

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method. The Group makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation. Some Group companies also participate in these Plans. These participating Group companies make contributions to the Plans for their respective employees on a uniform basis and each entity ascertains their obligation through actuarial valuation. The net Defined benefit cost is recognised by these companies in their respective Financial Statements.

Under the Gratuity plan, every employee is entitled to gratuity, being higher of the amount, calculated under the Group's plan (based on last monthly salary and number of years of service) or calculations as laid down under the Payment of Gratuity Act, 1972. Gratuity is payable on death / retirement / termination and the benefit vests after 5 year of continuous service.

Risk Management

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

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

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

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at 31st March, 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

38.1 Particulars in respect of employee benefits of the Group are as follows :-

(₹ in Lacs)

Description	Gratuity		Leave	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Change in the defined benefit obligation				
Present Value of Obligation at the Beginning of the Year	1,529	1,676	677	832
Current Service Cost	185	222	87	145
Interest Cost	90	102	41	34
Past Service Cost - Plan Amendments	-	-	-	-
Actuarial (gain)/loss	(46)	(123)	(138)	281
Actuarial (gain)/loss - financial assumptions	-	104	-	46
Benefits paid	(365)	(452)	(96)	(661)
Present Value of Obligation at the end of the Year	**1,393**	**1,529**	**571**	**677**
Change in plan assets				
Fair value of Plan Assets at the Beginning of the Year	717	1,003	NA	NA
Expected return on Plan Assets	5	-	NA	NA
Interest income on Plan Assets	51	57	NA	NA
Contributions by the Employer	607	103	NA	NA
Return on Plan assets greater/(lesser) than discount rate	-	(13)	NA	NA
Benefits paid	(346)	(433)	NA	NA
Fair value of Plan Assets at the end of the Year	**1,034**	**717**	**NA**	**NA**

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

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

(₹ in Lacs)

Description	Gratuity		Leave	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Amount recognised in Consolidated Balance Sheet consists of:				
Fair value of Plan Assets at the end of the Year	1,034	717	-	-
Present Value of Obligation at the end of the Year	1,393	1,529	571	677
Net (Asset)/Liabilities recognised in the Consolidated Balance Sheet in respect of defined benefits	359	812	571	677

(₹ in Lacs)

Description	Gratuity		Leave	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Expenses recognised in the consolidated statement of profit and loss consists of:				
Employee benefits expenses:				
Current Service cost	185	222	87	145
Past Service Cost - Plan Amendments	-	-	-	-
Net Interest cost	33	40	42	34
Net Actuarial (gain)/loss	-	-	(135)	325
Total [A]	**218**	**262**	**(6)**	**504**
Other Comprehensive Income				
Actuarial (Gain) / Loss from experience adjustments	(46)	(84)	(82)	13
Actuarial (Gain) / Loss from financial assumptions	-	65	-	(13)
Return on plan assets (excluding amounts included in net interest cost)	-	18	-	(1)
Total [B]	**(46)**	**(1)**	**(2)**	**(1)**
Expense recognised during the year [A+B]	**172**	**261**	**(8)**	**503**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

38.2 Particulars of Investment Details of Plan Assets are as follows :-

Description	Gratuity % Invested		Leave % Invested	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Investment Details of Plan Assets				
Schemes of insurance- conventional products	100%	100%	100%	100%
Total	**100%**	**100%**	**100%**	**100%**

38.3 Principal Assumptions used are as follows:

Discount rate per annum	6.70%	6.70%	6.70%	6.70%
Salary escalation rate per annum	5.00%	5.00%	5.00%	5.00%

38.4 The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

38.5 Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

Description	As at 31st March, 2021				As at 31st March, 2020			
	Gratuity		Leave		Gratuity		Leave	
	%	₹ (in Lacs)	%	₹ (in Lacs)	%	₹ (in Lacs)	%	₹ (in Lacs)
Discount Rate + 100 basis points	-8.83%	(123)	-8.93%	(51)	-9.37%	(144)	-9.38%	(63)
Discount Rate - 100 basis points	10.19%	142	11.38%	65	10.85%	167	10.97%	74
Salary Increase Rate + 1%	8.90%	124	11.38%	65	9.19%	141	11.04%	75
Salary Increase Rate – 1%	-8.04%	(112)	-9.98%	(57)	-8.26%	(127)	-9.59%	(65)

38.6 Maturity Analysis Of The Benefit Payments

(₹ in Lacs)

Expected payment for future years	As at 31st March, 2021		As at 31st March, 2020	
	Gratuity	Leave	Gratuity	Leave
Year 1	68	23	42	22
Year 2	90	29	83	31
Year 3	116	39	134	73
Year 4	75	23	134	46
Year 5	94	27	112	36
Next 5 Years	901	315	977	344

38.7 Weighted average duration of defined benefit obligations: 7 years (Previous year: 9 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

39. Disclosure pursuant to Indian Accounting Standard 24 - "Related Party Disclosures

Related Parties:

Holding Company:	**Country of Origin**
Adisri Commercial Private Limited	India
Subsidiary of Holding Company:	**Country of Origin**
Srei Factors Private Limited	India
Associates & Related Subsidiaries:	**Country of Origin**
E Village Kendra Limited (formerly Sahaj e-Village Limited) (ceased to be an Associate w.e.f. 01.01.2020)	India
IIS International Infrastructure Services GmbH, Germany (Officially liquidated w.e.f. 29.07.2020)	Germany
AO International Infrastructure Services, Russia, (Subsidiary of IIS International Infrastructure Services GmbH, Germany) ceased to be related party on liquidation of IIS International Infrastructure Services GmbH, Germany.	Russia
Sahaj Retail Limited (Subsidiary of E Village Kendra Limited) ceased w.e.f. 01.01.2020	India
Others :	
Srei Infrastructure Finance Limited Employees Gratuity Fund	
Key Management Personnel (KMP):	
Name	**Designation**
Mr. Hemant Kanoria	Chairman
Mr. Rakesh Kumar Bhutoria	Chief Executive Officer
Mr. Sandeep Lakhotia (ceased w.e.f. close of business hours of 20.03.2021)	Company Secretary
Mr. Manoj Kumar (w.e.f. 01.04.2021)	Company Secretary
Mr. Sandeep Kumar Sultania	Chief Financial Officer
Mr. Sanjeev Sancheti (from 28.04.2018 to 19.05.2019)	Chief Strategy Officer
Mr. Shashi Bhushan Tiwari (from 20.05.2019 to 30.06.2020)	Chief Risk Officer
Mr. Malay Mukherjee	Independent Director
Mr. Srinivasachari Rajagopal	Independent Director
Mr. Shyamalendu Chatterjee	Independent Director
Dr. Punita Kumar Sinha	Independent Director
Mr. Ram Krishna Agarwal	Independent Director
Dr. Tamali Sengupta	Independent Director
Mr. Sunil Kanoria	Vice Chairman (Non Executive Director)
Mr. Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018 upto 13.11.2019)	Additional Director (Category – Non Executive Non Independent)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

Details of Related Party Transactions:

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended 31st March, 2021	Balance As at 31st March, 2021	For the Year ended 31st March, 2020	Balance As at 31st March, 2020
(A) Associates:					
E Village Kendra Limited (formerly Sahaj e-Village Limited) (ceased to be an Associate w.e.f. 01.01.2020)	Refund of Loan Advanced (Unsecured)	-	-	14,878	-
	Purchase of Services (Excluding Tax)	-	-	68	-
	Interest Received on Loan	-	-	323	-
	Financial Guarantee Income	-	-	84	-
	Financial Guarantee Expenses	-	-	4	-
	Margin Deposit Refunded	-	-	152	-
	Guarantee of Put option against Loan facility closed	-	-	1,500	-
	Corporate Guarantee closed	-	-	9,544	-
(B) Remuneration to Key Management Personnel (KMP):					
Mr. Hemant Kanoria	Remuneration	286	54	744	59
Mr. Sandeep Lakhotia (ceased w.e.f. close of business hours of 20.03.2021)	Remuneration	76	12**	94	-
Mr. Rakesh Bhutoria	Remuneration	264	70**	312	-
Mr. Sandeep Kumar Sultania	Remuneration	63	7**	79	-
Mr. Sanjeev Sancheti (from 28.04.2018 to 19.05.2019)	Remuneration	-	-	20	-
Mr. Shashi Bhushan Tiwari (from 20.05.2019 to 30.06.2020)	Consultancy	9	-	53	-
Mr. Sunil Kanoria	Remuneration	192	18	498	30
	Sitting Fees	11	-	11	-
Mr. Malay Mukherjee	Sitting Fees	18	-	8	-
Mr. S.Rajagopal	Sitting Fees	12	-	8	-
Mr. S.Chatterjee	Sitting Fees	24	*	13	-
Dr. Punita Kumar Sinha	Sitting Fees	11	-	7	-
Mr. Ram Krishna Agarwal	Sitting Fees	12	-	7	-
Dr. Tamali Sengupta	Sitting Fees	18	-	9	-
Mr. Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018 upto 13.11.2019)	Sitting Fees	-	-	4	-
	Consultancy	-	-	134	-
	Refund of Loan Advanced	-	-	75	-
	Interest Received on Loan	-	-	9	-

* ₹ 25,000/-

** Balance as at 31st March, 2021 is due to the restrictions imposed by the Lenders wherein the salary of employee was capped to ₹ 50 Lacs p.a. during the period November,2020 to March, 2021. The Company has made provision of arrear salary of those employees as the same is payable as per the contractual obligations. The Company is pursuing with the lenders for approval of the payment.

(C) Others :					
Srei Infrastructure Finance Limited Employees Gratuity Fund	Contribution towards Gratuity	-	-	103	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

(D) Compensation to KMPs:

(₹ in Lacs)

Particulars	2020-21	2019-20
Short-term benefit	1,138	1,853
Other long-term employee benefit	78	38
Post-employment benefit	59	204

(E)

(i) The remuneration paid by the Company to its Chairman during the year is in excess of the limits laid down under Section 197 of the Companies Act, 2013, for which the Company had taken approval from shareholders through a Special Resolution in the last Annual General Meeting held on 19th September, 2020.

(ii) The remuneration paid by one of the subsidiary i.e. Srei Equipment Finance Limited (SEFL) to its Chairman, Vice Chairman and Managing Director during the year is in excess of the limits laid down under sub-section (3) of Section 197 of the Act, for which SEFL had taken approval from shareholders through a Special Resolution in their last Annual General Meeting held on August 25th, 2020.

40. LEASES

a. In the capacity of Lessee

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

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

(i) The Group has certain cancellable operating lease arrangements for office premises, which range between 11 months to 15 years and are usually renewable by mutual consent, on mutually agreeable terms. Some of these lease agreements have rent escalation upto 5% p.a. or 10% p.a. on renewals.

(ii) The Company had no non-cancellable operating lease arrangements for office premises during current and previous year.

(iii) Disclosure in accordance to Ind AS 116 is as below:

(₹ in Lacs)

No.	Particulars	20-21	19-20
a	Short term lease payment	1,846	2,023
b	Expense relating to leases of low-value assets	-	-
c	Variable lease payments not included in the measurement of lease liability	-	-
d	Income from subleasing right of use assets	844	688
e	Total Cash outflow for leases	3,139	3,411
f	Interest expense on Lease liability	447	459

g The future lease payments considered for lease liability on an undiscounted basis are as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2021
Less than one year	1,172
One to five years	2,445
More than five years	164
Total	**3,781**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

h Details of right of use assets and its movement is as below:

(₹ in Lacs)

Particulars	As at 1st April, 2020	Additions	Adjustment	As at 31st March, 2021
Office Premises:				
Right of use Assets	4,471	1,009	599	4,881
Accumulated Depreciation/ Amortisation	1,100	1,021	84	2,037
Net Carrying amount	**3,371**	**(12)**	**515**	**2,844**

b. In the capacity of Lessor

(i) The Group has given assets on Operating lease for periods ranging between 1 to 15 years. Some of the agreements were cancellable. Some of the arrangements have clauses for contingent rent. Total contingent rent recognized as income in the Statement of Profit and Loss for the year ended March 31st, 2021 is amounting to ₹ 253 Lacs (previous year : ₹ 494 Lacs)

(ii) The Group also has cancellable operating lease arrangements for office premises, which range between 1 to 3 years and are usually renewable by mutual consent on mutually agreeable terms.

(iii) Details of rental income towards operating lease for assets and office premises including sublease are as follows:

(₹ in Lacs)

Particulars	20-21	19-20
Rental Income on the basis of earnings of the Lessee	-	456
Others	46,620	1,20,254
Total Rental Income	**46,620**	**1,20,710**

(iv) Details of fixed future lease receivable towards operating lease for assets and office premises are as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Not later than one year	86,412	86,864
Later than one year but not later than five years	49,503	1,20,894
Later than five years	1,200	322
Total	**1,37,115**	**2,08,080**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

41. Maturity analysis of assets and liabilities

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

(₹ in Lacs)

Assets	As at 31st March, 2021			As at 31st March, 2020		
	Upto 12 Months	After 12 Months	Total	Upto 12 Months	After 12 Months	Total
Cash and Cash Equivalents	43,511	-	43,511	38,889	-	38,889
Bank Balance other than above	75,147	25,671	1,00,818	1,27,163	5,987	1,33,150
Derivative Financial Instruments	936	-	936	29,992	-	29,992
Trade Receivables	4,345	1	4,346	18,039	109	18,148
Loans *	2,55,299	23,27,029	25,82,328	10,14,562	24,14,372	34,28,934
Liability towards Assignment	(3,09,512)	(1,17,955)	(4,27,467)	(3,34,355)	(2,12,999)	(5,47,354)
Investments	40,498	1,23,752	1,64,250	8,042	1,22,680	1,30,722
Other Financial Assets	20,528	71,848	92,376	23,991	69,479	93,470
Current Tax Assets (Net)	213	18,477	18,690	2,946	17,950	20,896
Deferred Tax Assets (Net)	29	303	332	-	23,261	23,261
Investment Property	-	1,729	1,729	-	1,765	1,765
Property, Plant and Equipment	3	2,65,291	2,65,294	-	3,66,466	3,66,466
Capital Work-in-Progress	-	-	-	-	233	233
Rights of Use - Assets	81	2,763	2,844	47	3,324	3,371
Other Intangible Assets	-	1,177	1,177	-	452	452
Other Non-Financial Assets	47,049	1,462	48,511	53,591	2,599	56,190

Liabilities	As at 31st March, 2021			As at 31st March, 2020		
	Upto 12 Months	After 12 Months	Total	Upto 12 Months	After 12 Months	Total
Derivative Financial Instruments	1,151	-	1,151	4,146	-	4,146
Trade Payables	9,262	-	9,262	1,12,802	689	1,13,491
Debt Securities	1,22,853	1,21,295	2,44,148	49,749	2,12,976	2,62,725
Borrowings (Other than Debt Securities)	22,81,941	3,65,612	26,47,553	21,18,524	5,65,999	26,84,523
Subordinated Liabilities	60,986	2,17,545	2,78,531	24,950	2,59,861	2,84,811
Lease Liabilities	745	2,391	3,136	720	2,843	3,563
Other Financial Liabilities	14,647	9,839	24,486	12,209	17,801	30,010
Provisions	203	1,181	1,384	331	1,684	2,015
Other Non-Financial Liabilities	5,323	3,199	8,522	6,562	5,263	11,825

* The subsidiary company i.e. Srei Equipment Finance Limited had decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given it, amounting to Nil as at 31st March, 2021 (₹ 3,78,104 Lacs as at 31st March, 2020), which had been considered in "Loans" above while arriving at the maturity pattern. Details in respect of the same are as follows:

(₹ in Lacs)

Assets	As at 31st March, 2021			As at 31st March, 2020		
	Upto 12 Months	After 12 Months	Total	Upto 12 Months	After 12 Months	Total
Loans	-	-	-	1,91,131	1,86,973	3,78,104

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

42. Segment Reporting

The Chief Operating Decision-Maker (CODM) assess the financial performance and position of and makes strategic decisions. Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of services offered.

Segment wise details (information provided in respect of revenue items for the year ended 31st March, 2021 and in respect of assets/ liabilities as at 31st March, 2021 – denoted as "CY" below, previous year denoted as "PY") as required by Ind AS - 108, "Operating Segments" are as under:-

(₹ in Lacs)

Particulars	Financial Services		Others		Total	
	CY	PY	CY	PY	CY	PY
Gross Segment Revenue	3,43,329	6,18,023	316	320	3,43,645	6,18,343
Less: Inter Segment Revenue	251	331	312	312	563	643
Net Segment Revenue	**3,43,078**	**6,17,692**	**4**	**8**	**3,43,082**	**6,17,700**
Interest Income	2,85,314	3,86,817	4	6	2,85,318	3,86,823
Segment Result before Interest & Finance Charges	(3,84,368)	4,05,131	(75)	(61)	(3,84,443)	4,05,070
Interest & Finance Charges	3,33,438	3,90,899	-	-	3,33,438	3,90,899
Tax Expenses					15,958	5,296
Profit After Tax					**(7,33,839)**	**8,875**
Segment Assets	28,79,359	37,76,638	1,947	1,929	28,81,306	37,78,567
Unallocable Assets					19,052	20,758
Total Assets	**28,79,359**	**37,76,638**	**1,947**	**1,929**	**29,00,358**	**37,99,325**
Segment Liabilities	32,18,123	33,97,038	20	9	32,18,143	33,97,047
Unallocable Liabilities					30	36
Total Liabilities	**32,18,123**	**33,97,038**	**20**	**9**	**32,18,173**	**33,97,083**
Capital Expenditures	1,420	29,087	-	-	1,420	29,087
Depreciation, Amortisation and Impairment	73,411	78,457	45	45	73,456	78,502
Other Non-Cash Expenditure	5,51,303	41,224	9	-	5,51,312	41,224

42.1 Adjustment on disposal/cessation of Subsidiaries, Step-down Subsidiaries and Associate is Nil (Previous year: ₹ 1,222 Lacs). It has been accounted for as per Ind AS 110, "Consolidated Financial Statements".

43. Disposal of Subsidiaries and Associate

During the financial year 2020-21, there was no disposal of any Subsidiary or Associate.

The Company disposed its following associate during the financial year 2019-20:

a) E Village Kendra Limited (formerly Sahaj e-Village Limited) on 01.01.2020

i) Gain / (Loss) on disposal of Associate

(₹ in Lacs)

Particulars	2020-21	2019-20
Share of Profit/(Loss) of Associate now reversed as a result of disposal	-	1,222
Gain / (Loss) on disposal of Associate	-	**1,222**

44. Additional Information as per Schedule III of The Companies Act, 2013

(₹ in Lacs)

Sl. No.	Name of the entity	As at 31st March, 2021		2020-21					
		Net Assets, i.e. total assets minus total liabilities		Share in profit or loss (Profit after tax)		Other Comprehensive Income		Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
Parent									
1	Srei Infrastructure Finance Limited	-14.47%	45,987	2.54%	(18,658)	101.12%	13,927	0.66%	(4,731)
Subsidiaries									
Indian:									
1	Srei Capital Markets Limited	-0.21%	671	0.00%	(26)	-0.17%	(24)	0.01%	(50)
2	Srei Equipment Finance Limited	116.88%	(3,71,430)	97.45%	(7,15,031)	-0.73%	(101)	99.31%	(7,15,132)
3	Trinity Alternative Investment Managers Ltd (Formerly Srei Alternative Investment Managers Limited)	-1.27%	4,040	0.02%	(180)	-0.23%	(32)	0.03%	(212)
4	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Trinity Alternative Investment Managers Limited)	-0.02%	48	0.00%	(7)	0.00%	-	0.00%	(7)
5	Cyberabad Trustee Company Pvt. Limited (Subsidiary of Trinity Alternative Investment Managers Limited)	0.00%	7	0.00%	-	0.00%		0.00%	-
6	Bengal Srei Infrastructure Development Limited	-0.02%	54	0.00%	(34)	0.00%	-	0.00%	(34)
7	Controlla Electrotech Private Limited	-0.58%	1,828	0.01%	(67)	0.00%	-	0.01%	(67)
8	Srei Mutual Fund Asset Management Private Limited	-0.01%	36	0.00%	(32)	0.00%	-	0.00%	(32)
9	Srei Mutual Fund Trust Private Limited	0.00%	9	0.00%	(7)	0.00%	-	0.00%	(7)
10	Srei Insurance Broking Private Limited	-0.24%	750	-0.03%	201	0.01%	1	-0.03%	202
11	Srei Mutual Fund Trust	0.00%		0.00%	-	0.00%	-	0.00%	-
12	Srei Finance Limited (Formerly Srei Asset Finance Limited)	-0.03%	100	0.00%	2	0.00%	-	0.00%	2
Adjustment on disposal/cessation of Subsidiaries, Step-down Subsidiaries and Associate		0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-Controlling Interests in all subsidiaries		-0.03%	85	-0.01%	81	0.00%	-	-0.01%	81
Associates (investment as per equity method)									
Foreign:									
1	IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany) (Officially liquidated w.e.f. 29.07.2020)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	TOTAL	**100.00%**	**(3,17,815)**	**100.00%**	**(7,33,839)**	**100.00%**	**13,771**	**100.00%**	**(7,20,068)**

Note: Figures are after elimination of related party transactions between entities considered for consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

44. Additional Information as per Schedule III of The Companies Act, 2013

(₹ in Lacs)

Sl. No.	Name of the entity	As at 31st March, 2020 Net Assets, i.e. total assets minus total liabilities		2019-20 Share in profit or loss (Profit after tax)		2019-20 Other Comprehensive Income		2019-20 Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
Parent									
1	Srei Infrastructure Finance Limited	2.26%	9,106	2.39%	212	115.55%	(15,797)	325.57%	(15,585)
Subsidiaries									
Indian:									
1	Srei Capital Markets Limited	0.18%	721	-2.26%	(201)	-0.10%	14	3.91%	(187)
2	Srei Equipment Finance Limited	96.64%	3,88,705	85.32%	7,581	-19.58%	2,676	-214.27%	10,257
3	Trinity Alternative Investment Managers Ltd (Formerly Srei Alternative Investment Managers Limited)	0.39%	1,558	2.30%	204	4.18%	(572)	7.69%	(368)
4	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Trinity Alternative Investment Managers Limited)	0.01%	28	-0.05%	(4)	0.00%	-	0.08%	(4)
5	Cyberabad Trustee Company Pvt. Limited (Subsidiary of Trinity Alternative Investment Managers Limited)	0.00%	3	0.00%	-	0.00%	-	0.00%	-
6	Bengal Srei Infrastructure Development Limited	0.02%	67	0.08%	7	0.00%	-	-0.15%	7
7	Controlla Electrotech Private Limited	0.47%	1,892	-0.71%	(63)	0.00%	-	1.32%	(63)
8	Srei Mutual Fund Asset Management Private Limited	0.00%	4	-1.92%	(171)	-0.04%	6	3.45%	(165)
9	Srei Mutual Fund Trust Private Limited	0.00%	5	-0.08%	(7)	0.00%	-	0.15%	(7)
10	Srei Insurance Broking Private Limited	0.03%	140	1.09%	97	-0.01%	2	-2.07%	99
11	Srei Mutual Fund Trust	0.00%	1	0.00%	-	0.00%	-	0.00%	-
12	Srei Finance Limited (Formerly Srei Asset Finance Limited)	0.00%	8	-0.02%	(2)	0.00%	-	0.04%	(2)
Adjustment on disposal/cessation of Associate		0.00%	-	13.76%	1,222	0.00%	-	-25.53%	1,222
Non-Controlling Interests in all subsidiaries		0.00%	4	-0.10%	(9)	0.00%	-	0.19%	(9)
Associates (investment as per equity method)									
Indian:									
1	E Village Kendra Limited (formerly Sahaj e-Village Limited) (ceased to be an Associate w.e.f. 01.01.2020)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associates (investment as per equity method)									
Foreign:									
1	IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	TOTAL	**100.00%**	**4,02,242**	**100.00%**	**8,884**	**100.00%**	**(13,671)**	**100.00%**	**(4,787)**

Note: Figures are after elimination of related party transactions between entities considered for consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

45. Impact of Covid-19 pandemic

The outbreak of COVID-19 pandemic followed by lockdown extended from time to time across India caused significant adverse impact due to halt/ slowdown in economic activities during major part of the year and even thereafter.

As a measure for revival of economic activities, Reserve Bank of India (RBI) issued guidelines relating to COVID-19 Regulatory Packages on March 27, 2020, April 17, 2020 and May 23, 2020 as well as resolution framework for Micro, Small and Medium Enterprises (MSME) sector and other eligible borrowers on August 6, 2020. However, NBFCs like Srei Equipment Finance Limited ('SEFL') were not included in the August 6, 2020 guidelines.

In accordance with these guidelines and on the basis of Board approved policy, SEFL offered repayment moratorium/resolution plan to eligible borrowers to whom loan have been granted (including cases of co-lending and loans assigned) (hereinafter referred to as 'borrowers') and to eligible customers to whom assets are given on lease (hereinafter referred to as 'lessees').

Owing to the COVID-19 pandemic (including the ongoing second wave) followed by lockdown extended from time to time, the collection of SEFL from the borrowers and the lessees were severely impacted during the year and which also adversely affected the cash flows of SEFL during the said period and has resulted in the liquidity mismatch. There is still huge uncertainty around Covid-19 pandemic and the extent to which the pandemic may further impact the Group's operational and financial results will depend on future developments, which are still unascertainable at this point in time.

Loan loss provisioning

Owing the adverse impact of Covid-19 pandemic and based on the information available at this point of time, as stated above, based on the overall assessment of financial stress being faced by the borrowers and the lessees and considering the overall economic and business uncertainty due to pandemic, as a prudent measure and out of abundant caution, SEFL has made ECL provision aggregating to ₹ 4,685 crore for year ended March 31, 2021.

Further, in terms of the specific directions from Reserve Bank of India (RBI), SEFL has also considered further provision amounting to ₹ 4,475 crore, for the year ended March 31, 2021, under Income Recognition, Asset Classification and Provisioning Norms. Such provision is also over and above ECL provision as stated above. In terms of paragraph 2 (b) of Annex to the guidelines (DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 issued by RBI on Implementation of Indian Accounting Standards for Non-Banking Finance Companies and Asset Reconstruction Companies, such provision has been accounted as 'Impairment Reserve'.

In respect of borrowers/lessees, where the above provisions have been made, SEFL has adequate assets/collaterals held as securities and it is hopeful of making significant recovery in due course of time.

46. Business Transfer Agreement

During the year 2019-20, the Board of Directors of the Parent and its wholly-owned subsidiary, Srei Equipment Finance Limited ("SEFL") at their respective meetings held on July 4, 2019 had approved the transfer of Lending Business, Interest Earning Business & Lease Business of the Parent together with associated employees, assets & liabilities (including liabilities towards issued & outstanding non - convertible debentures) (Transferred Undertaking), as a going concern by way of slump exchange to SEFL through a Business Transfer Agreement (BTA), subject to all necessary approvals.

The Parent Company signed BTA on August 16, 2019 and an amendment to the aforesaid BTA on November 14, 2019 with SEFL and then pursuant to the same the Parent Company entered into various assignment agreements, in connection with the Transferred Undertaking, with SEFL to give effect of the slump exchange and accordingly the Parent Company and SEFL has passed the relevant accounting entries in their respective books of account effective October 1, 2019, after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks. One of the debenture holders holding debentures amounting to ₹ 75 crores had objected to the slump exchange. The consent, or otherwise, of other lenders is still awaited. Pending the approvals, as stated above, the Parent Company and SEFL has accounted BTA on October 1, 2019, as stated above. The Parent Company and SEFL obtained expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework. As stated in Note No. 47 (Scheme of Arrangement), pending final decision in the matter and further based on a legal opinion, the Parent Company and SEFL has maintained status quo for BTA.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

47. Scheme of Arrangement

During the year, SEFL has filed applications under Sec. 230 of the Companies Act, 2013 ('the Act') before the Hon'ble National Company Law Tribunal, Kolkata Bench (Hon'ble NCLT) proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders (Creditors). BTA, as stated in Note No. 46 (Business Transfer Agreement), constituted integral part of the Schemes.

The Hon'ble NCLT passed interim orders dated October 21, 2020, and December 30, 2020, stating inter alia that Creditors, as mentioned in the Schemes, shall maintain status quo till further orders with respect to their contractual terms dues claims and rights and that the said Creditors and all governmental and regulatory authorities are estopped from taking any coercive steps including reporting in any form and/or changing the account status of SEFL and the Parent Company from being a standard asset, which will prejudicially affect the implementation of the Schemes and render the same ineffective.

Hon'ble NCLT also directed that the meetings of Creditors to be convened in due course to decide on the Schemes. Pursuant to the said order, a meeting of a particular class of creditors (i.e. Creditors like banks/financial institutions as mentioned in Part III of one of the Scheme) was held and convened on December 16, 2020, wherein creditors constituting 86.26% (in value) of the total creditors (i.e. Creditors like banks/financial institutions as mentioned in Part III of one of the Scheme) had voted against the BTA.

In respect of the interim orders of Hon'ble NCLT, Hon'ble National Company Law Appellate Tribunal ('Hon'ble NCLAT') vide its order dated March 2, 2021 granted stay on a particular section of Hon'ble NCLT order which directed the Credit Rating Agencies against considering non-payment by SEFL and the Parent Company as default under the respective debt documents and also to maintain the rating(s) of SEFL and the Parent Company at least that of investment grade. Pursuant to the stay, the Credit Rating Agencies downgraded the rating of SEFL and the Parent Company to 'default' category. The Parent Company and SEFL contested the same as blatantly wrong, misleading and baseless and filed necessary intimation with Stock Exchanges.

Further, Hon'ble NCLAT vide its order dated March 31, 2021 further granted stay on another section of Hon'ble NCLT order which estopped all governmental or regulatory authorities from taking any coercive steps including reporting in any form and/or changing the account status of SEFL and the Parent Company.

The matters covered in the Schemes are pending for final decision before Hon'ble NCLT/NCLAT. Necessary impact/ adjustment, if any, arising in the above matter will be done as and when the matter is finally decided by Hon'ble NCLT/ NCLAT.

48. Payment to lenders

As stated in Note No. 45 (Impact of Covid-19 pandemic), while on one hand SEFL had to offer repayment moratorium/ resolution plan to its borrowers/lessees, on other hand SEFL was not allowed any relief from its lenders. This resulted in huge mismatch in its cash flows. SEFL, then filed Schemes of Arrangement with Hon'ble NCLT (refer Note No.47 - Scheme of Arrangement). The matters covered in the Scheme are pending for final decisions before Hon'ble NCLT/NCLAT.

In the meanwhile, SEFL has obtained legal opinion which states that till the time the above two interim orders dated October 21, 2020, and December 30, 2020 passed by Hon'ble NCLT continues to operate wherein all its secured and unsecured lenders (Creditors) are required to maintain status quo, the covenants/terms of the respective borrowing facilities availed by SEFL cannot trigger an event of default. Considering the Hon'ble NCLT order for status quo and based on legal opinion, non-payment to financial creditors are not considered as an event of default and SEFL borrowings have been reflected in the consolidated books of accounts as per contractual terms.

Necessary impact/adjustments, if any, arising in the above matter will be done as and when the matter is finally decided by Hon'ble NCLT/NCLAT.

49. Unhedged Foreign Currency Exposure

As per the requirements of RBI notification RBI/FED/2018-19/67 FED Master Direction No.5/2018-19 dated March 26, 2019, entities raising External Commercial Borrowings ('ECB') are required to mandatorily hedge 70 per cent of their ECB exposure in case the average maturity of ECB is less than 5 years, which SEFL complied on an ongoing basis till nine months ended 31st December 2020. However, as at 31st March, 2021, SEFL was not able to meet the requirements of the aforesaid RBI notification as domestic lenders of SEFL have stipulated Trust and Retention Account (TRA) mechanism effective November 24, 2020, pursuant to which all the payments being made by SEFL were being approved/released based on the TRA mechanism. This resulted in a lot

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

of operational challenges including non-approval or delayed approval of various expenditure being incurred by SEFL. Hence, SEFL was not able to make payment of the hedging premium/cost to the concerned banks for keeping the ECB exposures hedged, as aforesaid. Therefore, the concerned banks have unilaterally unwound the currency risk hedges. This has resulted in ECB exposures amounting to ₹ 230 crores being not hedged, in terms of the aforesaid RBI notification, as at 31st March, 2021.

50. Going Concern

Owing to the impact of Covid-19 pandemic, as explained in Note No. 45 (Impact of Covid-19 pandemic), the Group has reported net loss after tax of ₹ 3,555 crores for the quarter ended March 31, 2021 and ₹ 7,338 crores for the year ended March 31, 2021 and due to which the net worth of the Group has eroded.

The Group's ability to meet its financial commitments is dependent on the final outcome of the Schemes pending before Hon'ble NCLT/NCLAT (refer Note No. 47 - Scheme of Arrangement)). The Group is also in active discussions with its Creditors for the Schemes and is hopeful for viable resolution of the matter.

Considering the underlying strength of its business and future business outlook and with time bound recovery of its due from borrowers/lessees and monetization of assets/securities, the Group is very hopeful of significant improvement in its cash flows in due course of time.

The Group is also exploring the infusion of equity capital and has received expressions of interest from certain potential investors with some of whom, non-disclosure agreements have also been signed.

In view of all of the above, the Group is of the opinion that it would be able to manage its business operations as usual in future and would be able to meet its financial commitments in due course of time. Hence, in the opinion of the Board of the Parent Company, the going concern assumption of the Group is appropriate and the financial results/statements have been prepared accordingly.

51. Probable Connected / Related Companies

The Reserve Bank of India (RBI) in its inspection report and risk assessment report for the year ended March 31, 2020 has identified 'certain parties' as probable connected/ related companies.

RBI has directed the Parent Company and SEFL to reassess and factor the impact of certain parties during the finalisation of balance sheet for FY 2020-21 and to ensure that relevant accounting treatment and appropriate disclosures is done in Annual Accounts of March 31, 2021.

In view of the observations and directions of RBI as stated in the inspection report and risk assessment report (the directions), the Parent Companny and SEFL has been advised to reassess and re-evaluate the relationship with the said parties to assess whether they are related parties to the Parent Company or to SEFL and also whether these are on arm's length basis.

In view of the directions, the Parent Company and SEFL has taken legal view to determine whether such parties are related parties to the Parent Company or SEFL. Based on the legal view, the Parent Company and SEFL is advised and has therefore come to conclusion that the Parent Company or SEFL have no direct or indirect control or significant influence (as per Companies Act, 2013, Ind AS 24) over such parties and are not under common control and accordingly, are not a related party of the Parent Company or SEFL.

The total exposure (net of impairment) of SEFL towards such borrowers is ₹ 8,576 crores as on March 31, 2021.

Further, in view of the directions, in line with arm's length principles, SEFL is in the process of re-assessing & re-negotiating terms and conditions with the aforesaid borrowers and all other borrowers, who have been granted loans with moratorium period and at interest rate which is linked with the cash flows of the project while ensuring that the overall yield is maintained. Necessary disclosures/adjustments, if any, will be done upon completion of the re-assessment of and the re-negotiations with the respective borrowers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March, 2021 (Contd.)

52. Disclosures as required by RBI circular dated April 17, 2020 'COVID-19 Regulatory Package- Asset Classification and Provisioning' in respect of SEFL is given below:

(₹ in crores)

Particulars	As at 31st March, 2021
i. Amounts in SMA/overdue categories where moratorium/deferment was extended *	18,331
ii. Respective amount where asset classification benefit is extended **	Nil
iii. Provisions made in terms of paragraph 5 of the above circular	Nil
iv. Provisions adjusted against the respective accounting periods for slippages and residual provisions in terms of paragraph 6 of the above circular	Nil

*Outstanding as on March 31, 2021 on account of all cases where moratorium benefits is extended by the Company up to August 31, 2020.

** There are nil accounts as on March 31, 2021, where this asset classification benefit is extended for cases which were entitled to a moratorium until August, 31 2020, as the asset classification is based on the actual performance of the account post moratorium period is over.

*** The company had made adequate provision for Impairment loss under ECL model for the year ended March 31, 2021.

53. Disclosures on MSME – Restructuring of Advances (RBI/2018-19/10 DBR.No.BP.BC.18/ 21.04.048/2018-19) dated 01.01.2019 and subsequent amendment thereto dated 11.02.2020 as required by RBI guidelines on Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances in respect of SEFL:

(₹ in crores)

No of accounts restructured	Amount outstanding As at March 31, 2021
1	1

54. Disclosures as required by RBI circular dated August 6, 2020 'Resolution Framework for COVID 19- related Stress' in respect of SEFL are as below:

(₹ in crores)

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate persons*	2	326	200	-	31
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	2	326	200	-	31

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

55. The Honourable Supreme Court of India (Hon'ble SC), in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr.) vide an interim order dated September 3, 2020 ("Interim Order"), had directed banks and NBFC's that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders.

Basis the said interim order, until December 31, 2020, SEFL did not classify any additional borrower account as NPA as per the Reserve Bank of India or other regulatory prescribed norms after August 31, 2020 which were not NPA as of August 31, 2020, However during such period SEFL has classified those accounts as stage 3 and provision has been made accordingly as per the ECL policy.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of small scale industrial manufacturers Association vs UOI & Ors and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17DOR STR REC 4/21.04.048/2021-22 dated April 7, 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2021 (Contd.)

issued in this connection, SEFL was already classifying the NPA accounts as stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

56. In accordance with the instructions in the aforementioned RBI circular dated April 07, 2021, SEFL has put in place a Board approved policy to refund/ adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to the eligible borrowers under the above mentioned circular and advisory. SEFL has estimated the benefit to be extended to the eligible borrowers and credited the Borrower's account by ₹ 15 crores towards the estimated interest relief and reduced the same from the interest income.

57. Considering the significant impact of COVID-19 on business activity, the Parent Company had approached Non-convertible Perpetual Bond holders for waiver of interest for F.Y. 2020-21. The Parent Company has received their consent. Accordingly, the Parent Company has not accrued interest on such bonds for year ended 31st March, 2021 totalling to ₹ 3,294 Lacs.

58. Figures pertaining to the previous year have been rearranged / regrouped, wherever necessary, to make them comparable with those of current year.

For D. K. Chhajer & Co.
Chartered Accountants
ICAI Firm Registration No. 304138E

Niraj K Jhunjhunwala
Partner
Membership No. 057170

Place : Kolkata
Date: 30th June, 2021

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Malay Mukherjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Manoj Kumar
Company Secretary

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures under section 129(3) read with rule 5 of the Companies (Accounts) Rules, 2014

Part "A" : Subsidiaries

(₹ In Lacs)

Names of Companies	Srei Capital Markets Limited	Trinity Alternative Investment Managers Limited[3]	Bengal Srei Infrastructure Development Limited	Controlla Electrotech Private Limited	Srei Mutual Fund Asset Management Private Limited	Srei Mutual Fund Trust Private Limited	Srei Insurance Broking Private Limited	Hyderabad Information Technology Venture Enterprises Limited	Cyberabad Trustee Company Private Limited	Srei Equipment Finance Limited	Srei Asset Leasing Limited[4]
Sl. No.	1	2	3	4	5	6	7	8	9	10	11
The date since when the subsidiary was acquired	26.12.1998	25.12.1997	25.09.2008	06.06.2008	27.11.2009	27.11.2009	31.03.2012	29.08.2007	29.08.2007	17.06.2016	31.03.2015
Reporting period	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Exchange rate on last day of reporting year (In INR)											
Share Capital	505.00	25.00	5.00	3.53	1,850.00	15.00	500.00	25.00	5.00	7,902	100.00
Reserves & Surplus	165.74	279.20	(103.56)	(458.72)	(670.25)	(6.22)	250.05	22.80	1.47	(3,29,593)	(0.35)
Total Assets	739.45	4,312.76	7.48	2,031.73	1,187.77	9.23	880.91	48.22	6.63	28,72,647	100.06
Total Liabilities	739.45	4,312.76	7.48	2,031.73	1,187.77	9.23	880.91	48.22	6.63	28,72,647	100.06
Investments	648.96	2,445.97	2.04	26.93	29.10	-	442.03	-	-	1,02,018	90.83
Turnover	156.45	1,333.90	1.57	319.07	82.03	0.02	882.56	2.42	0.42	3,45,509	2.81
Profit/(Loss) before Tax	(18.08)	(526.86)	(20.86)	10.11	46.26	(7.12)	259.00	(7.11)	0.20	(7,14,089)	1.76
Provision for Taxation	7.77	(83.58)	25.85	0.57	-	-	64.68	-	0.04	(478)	-
Profit/(Loss) after Tax	(25.85)	(443.28)	(46.71)	9.54	46.26	(7.12)	194.32	(7.11)	0.16	(7,13,611)	1.76
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
Extent of shareholding (effective) - in percentage	100%	51%	51%	100%	100%	100%	100%	26.01%	26.01%	100%	100%

Notes:
1. Names of subsidiaries which are yet to commence operations: None
2. Names of subsidiaries which have been liquidated or sold during the current reporting year: None
3. Formerly known as Srei Alternative Investment Managers Limited
4. Formerly known as Srei Finance Limited

Part "B": Associates and Joint Ventures

An Associate namely IIS International Infrastructure Services, Gmbh, was liquidated on 29.07.2020. The Company does not have any Associate or Joint Venture for the year ended as on 31.03.2021, therefore Part B of Form AOC-1 is Not Applicable.

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Malay Mukherjee
Director

Place : Kolkata
Date: 30th June, 2021

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Manoj Kumar
Company Secretary

NOTE

Corporate Information

(Annual Report 2020-21)

Board of Directors

Mr. Hemant Kanoria	Chairman
Mr. Sunil Kanoria	Vice Chairman
Mr. Shyamalendu Chatterjee	
Dr. (Mrs.) Punita Kumar Sinha	
Mr. Ram Krishna Agarwal	
Mr. Malay Mukherjee	
Dr. (Mrs.) Tamali Sengupta	
Dr. (Mrs.) Deepali Pant Rajeev Joshi (W.e.f. 30th June, 2021)	

Chief Executive Officer

Mr. Rakesh Kumar Bhutoria

Chief Financial Officer

Mr. Sandeep Kumar Sultania

Company Secretary

Mr. Manoj Kumar
(W.e.f. 1st April, 2021)

Auditors

D. K. Chhajer & Co.
Chartered Accountants

Secretarial Auditor

MR & Associates
Practising Company Secretary

Audit Committee

Mr. Malay Mukherjee	Chairman
Mr. Ram Krishna Agarwal	
Dr. (Mrs.) Tamali Sengupta	
Mr. Manoj Kumar (Non Member)	Secretary

Committee of Directors

Mr. Shyamalendu Chatterjee	Chairman
Dr. (Mrs.) Tamali Sengupta	
Dr. (Mrs.) Deepali Pant Rajeev Joshi	
Mr. Manoj Kumar (Non Member)	Secretary

Stakeholders Relationship Committee

Mr. Ram Krishna Agarwal	Chairman
Mr. Malay Mukherjee	
Mr. Shyamalendu Chatterjee	
Mr. Manoj Kumar (Non Member)	Secretary

Asset Liability Management Committee

Mr. Hemant Kanoria	Chairman
Mr. Malay Mukherjee	
Mr. Ram Krishna Agarwal	
Dr. (Mrs.) Punita Kumar Sinha	
Mr. Sandeep Kumar Sultania (Non Member)	Secretary

Credit and Investment Committee

Mr. Malay Mukherjee	Chairman
Mr. Shyamalendu Chatterjee	
Dr. (Mrs.) Tamali Sengupta	
Mr. Sandeep Kumar Sultania (Non Member)	Secretary

Risk Committee

Dr. (Mrs.) Deepali Pant Rajeev Joshi	Chairman
Mr. Malay Mukherjee	
Dr. (Mrs.) Punita Kumar Sinha	
Mr. Souren Mukhopadhyay (Non Member)	Secretary

Nomination and Remuneration Committee

Mr. Malay Mukherjee	Chairman
Dr. (Mrs.) Punita Kumar Sinha	
Mr. Shyamalendu Chatterjee	
Mr. Manoj Kumar (Non Member)	Secretary

Corporate Social Responsibility Committee

Mr. Ram Krishna Agarwal	Chairman
Dr. (Mrs.) Punita Kumar Sinha	
Dr. (Mrs.) Tamali Sengupta	
Mr. Manoj Kumar (Non Member)	Secretary

Business Responsibility Committee

Mr. Ram Krishna Agarwal	Chairman
Mr. Malay Mukherjee	
Mr. Rakesh Kumar Bhutoria	
Mr. Sandeep Kumar Sultania	
Mr. Manoj Kumar (Non Member)	Secretary

Governance Committee

Dr. (Mrs.) Punita Kumar Sinha	
Dr. (Mrs.) Tamali Sengupta	
Mr. Malay Mukherjee	
Mr. Manoj Kumar (Non Member)	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

BSE Limited
National Stock Exchange of India Limited

Depositories

National Securities Depository Limited
Central Depository Services (India) Limited

Registrar and Share Transfer Agents (RTA)

KFin Technologies Private Limited

Srei Infrastructure Finance Limited

CIN: L29219WB1985PLC055352

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

srei.com

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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 - sixth Annual General Meeting (AGM) of the Members of Srei Infrastructure Finance Limited will be held on **Saturday, September 25, 2021 at 11:00 A.M. (IST)** through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt -

   a) The Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2021, and the Report of the Directors and Auditors thereon.

   b) The Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2021, and the Report of the Auditors thereon.

2. To elect a Director in place of Mr. Sunil Kanoria, (holding DIN: 00421564) who retires by rotation and being eligible, seeks re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160, 161 and 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 thereof for the time being in force), Srei Nomination and Remuneration Policy, Policy on Board Diversity and Policy on 'Fit and Proper' criteria for Directors and upon the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, Dr. (Mrs.) Deepali Pant Rajeev Joshi (holding DIN: 07139051), who was appointed as an Additional Director (Category – Independent Director) of the Company with effect from June 30, 2021 and who holds office upto the date of this Annual General Meeting and in respect of whom Notice has been received from a Member of the Company under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 (five) consecutive years w.e.f. June 30, 2021;

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 read with Schedule V of the Companies Act, 2013 ('Act') and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder 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(s) thereof, for the time being in force), Dr. (Mrs.) Deepali Pant Rajeev Joshi be paid such fees, remuneration and commission as the Board of Directors of the Company (including any Committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time;

   RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and give such directions as it may in its sole discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to delegate to the extent permitted by law, all or any of the powers herein conferred to any Director(s) or any Key Managerial Personnel (KMPs) of the Company."

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and rules made thereunder and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Articles of Association of the Company and other applicable laws, if any, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such other permissions, sanctions and approvals as may be necessary, consent, authority and approval of the Members of the Company be and is hereby accorded for payment of Commission to Non-Executive Directors of the Company, including Independent Directors annually for 3 (three) financial years commencing from the financial year 2021-22, in the event of absence or inadequacy of profits in compliance with and subject to limits prescribed under Schedule V of the Act or upto an aggregate amount not exceeding ₹ 1 Crore (Rupees One Crore only) in each financial year as may be approved by the Board of Directors, to be divided amongst the Non-Executive Directors in such proportions and/or in such manner as the Board of Directors of the Company may from time to time determine and in default of such determination equally;

RESOLVED FURTHER THAT the payment of the sum in the above manner shall be in addition to the sitting fee payable to such Non-Executive Directors for each meeting 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;

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, matters and things and give such directions as it may in its sole discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to delegate to the extent permitted by law, all or any of the powers herein conferred to any Director(s) or any Key Managerial Personnel (KMPs) of the Company."

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

"**RESOLVED THAT** pursuant to the provisions of Regulation 24 and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), provisions of Section 180(1)(a) and 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), the Memorandum and Articles of Association of the Company and subject to requisite statutory and other approvals, if any, as may be required, the consent of the Members be and is hereby accorded to divest, in one or more tranches, by way of sale, transfer, lease, assign or hive off, dispose, create pledge (including disposal upon invocation of pledge) / lien or any type of encumbrance with or without any change in control of, or otherwise deal directly or indirectly, either in the entire or any substantial part of the investment made by the Company in Srei Equipment Finance Limited (SEFL), material wholly owned subsidiary of the Company, in present or future, resulting in reduction of the Company's shareholding in SEFL to 50 (fifty) per cent or less;

RESOLVED FURTHER THAT consent of the Members be and is hereby accorded for sale/ disposal/ lease of assets amounting to more than 20 (twenty) per cent of the assets of SEFL, on an aggregate basis during any financial year, to investors/ lenders/ third-parties through various modes including by way of slump sale, asset sale or through other contractual arrangements, for any purpose in connection with the business activities of the Company or SEFL including but not limited to the borrowing proposed to be availed by or investment to be made in SEFL, in one or more tranches, subject to such other approvals and conditions, as may be applicable, on such terms and conditions and in such manner as the Board may in its absolute discretion decide or as it may deem fit in the best interests of the Company;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things including deciding on the timing, manner and extent of carrying out the aforesaid activities and to negotiate, finalise and execute agreement(s), such other document(s), by whatever name called, to appear and represent the Company before any authority and to do all acts, matters and things as may be necessary in this regard and to settle any questions or difficulties that may arise in this regard and incidental thereto, and to delegate to the extent permitted by law, all or any of the powers herein conferred to any Committee of Directors or to any Director(s) or any Key Managerial Personnel (KMPs) of the Company without being required to seek any further consent or approval of the Members and to engage any advisor, consultant, agent or intermediary, as may be deemed necessary."

NOTES:

1. In view of the continuing Covid-19 Pandemic, social distancing norms to be followed and pursuant to General circular nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020 and 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ('MCA Circulars'), the 36th Annual General Meeting (AGM) of the Members of the Company shall be held through Video Conferencing (VC) or other Audio Visual Means (OAVM), which does not require physical presence of Members at a common venue, in compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015') and aforesaid MCA Circulars. The deemed venue for the 36th AGM shall be the Registered Office of the Company.

2. The Company has engaged the services of KFin Technologies Private Limited (KFintech), Registrar and Share Transfer Agents of the Company to provide VC/OAVM facility for the 36th AGM.

3. The Helpline number regarding any query/assistance for participation in the said AGM through VC/OAVM is 1800-309-4001 (toll free).

4. **Proxies:** Since the 36th AGM of the Company will be held through VC/OAVM, physical attendance of the Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility of appointment of proxies by the Members under Section 105 of the Act will not be available for the 36th AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

   However, Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are entitled to appoint authorised representatives to attend the 36th AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

   In case of joint holders attending the meeting, only such joint holder whose name appears first in the Register of Members will be entitled to vote.

5. Members attending the 36th AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

6. **Instructions to the Members for attending the 36th AGM through Video Conferencing:**

   i. **Attending the 36th AGM:** Member will be provided with a facility to attend the AGM through video conferencing platform provided by KFin Technologies Private Limited (KFintech). Members may access the same at https://emeetings.kfintech.com and login by using the remote e-voting credentials and click on "video conference". The link for AGM will be available in 'members' login where the EVENT and the Name of the Company can be selected.

   ii. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the other instructions provided in remote e-voting in Note No. 18 below.

   iii. Members are requested to participate on first come first serve basis, as participation through video conferencing is limited and will be closed on expiry of 15 (fifteen) minutes from the schedule time of the AGM. However, the participation of Members holding 2% (two per cent) or more shareholding of the Company, promoters, institutional investors, Directors and Key Managerial Personnel (KMPs), Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company, Auditors etc. is not restricted on first come first serve basis. Members can login and join 15 (fifteen) minutes prior to the scheduled time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

   iv. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

   v. Further, Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.

   vi. Please note that Members using Mobile Devices or Tablets or Laptops and accessing the internet via 'Mobile Hotspot' may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wifi or LAN connection to mitigate any kind of aforesaid glitches.

   vii. **Speaker Registration before 36th AGM:** Members who would like to express their views or ask questions during the AGM may register themselves by logging on to https://emeetings.kfintech.com and clicking on 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during Tuesday, September 21, 2021 (9.00 a.m. IST) to Thursday, September 23, 2021 (5.00 p.m. IST).

   Those Members who have registered themselves as a Speaker will only be allowed to express their views/ask questions during the AGM relating to the business matter being transacted at the 36th AGM. The Company reserves the right to restrict the number of questions and number of Speakers, depending upon the availability of time for smooth conduct of the AGM.

7. **Statement pursuant to Section 102 of the Companies Act, 2013:** 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, which are considered to be unavoidable by the Board of Directors of the Company, is annexed hereto and forms part of the Notice.

8. **Communication:** In compliance with applicable MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, electronic copy of the Notice of the Annual General Meeting (AGM) of the Company, inter alia, indicating the process and manner of Electronic Voting along with the Annual Report is being sent only in electronic mode to all concerned including the Members whose email IDs are registered with the Company's Registrar and Share Transfer Agents/Depositories for communication purposes. A copy of this Notice along with the Annual Report of the Company is displayed on the website of the Company www.srei.com. The same is also being made available on

the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of KFintech at https://evoting.kfintech.com.

9. **Manner of updation of E-mail ID:** Members holding shares in physical mode and who have not registered /updated their email IDs, are requested to register/update the same with the Company's Registrar & Share Transfer Agents, KFin Technologies Private Limited (KFintech) by clicking the link https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Alternatively, Members may send an email request along with signed scanned request letter mentioning their folio no. and the email ID that is to be registered along with the self-attested copy of the PAN card and self-attested copy of any document (i.e. Driving License, Passport, Aadhar card etc.) in support of the address of the Member to the Company's email ID investor.relations@srei.com and/or to the email id of KFintech einward.ris@kfintech.com. Members holding shares in dematerialized mode are requested to register/update their email IDs with the Depository Participant(s) with whom they maintain their demat account.

10. **Registrar & Share Transfer Agents and Depository Participant:** Members holding Shares in physical mode are requested to intimate changes in their address to KFin Technologies Private Limited, Registrar and Share Transfer Agents (RTA) of the Company located at Selenium Building, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. Members holding Shares in electronic mode are requested to send the intimation for change of address to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.

11. **Nomination Facility:** Members holding shares in the physical form and desirous of making/changing nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit the prescribed Form No. SH-13 and SH-14, as applicable for this purpose to the Company's Registrar and Share Transfer Agents (RTA), KFin Technologies Private Limited. In respect of shares held in electronic/demat form, the Members may please contact their respective depository participant.

12. **IEPF related Information:**

I. **Unclaimed Dividend:** The Company has transferred the unpaid or unclaimed dividends declared upto financial years 2012-13, from time to time, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link www.iepf.gov.in. Dividends for the financial year ended March 31, 2014, which remain unpaid or unclaimed for a period of 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to IEPF within statutory timelines. Members who have not encashed the dividend warrant(s), so far for the financial year ended March 31, 2014, or any subsequent financial years are requested to make their claim to the Company at its Registered Office. The details of unpaid and unclaimed dividends lying with the Company as on March 31, 2021 and March 31, 2020 are uploaded on the website of the Company www.srei.com.

II. **Transfer of Unclaimed Shares:** Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), as amended, the Company has during the financial year 2020-21 transferred to the IEPF Authority 38,679 (thirty eight thousand six hundred and seventy nine) equity shares held by 187 (one hundred and eighty seven) shareholders w.r.t. financial year 2012-13 in respect of which dividend has remained unpaid/unclaimed for 7 (seven) consecutive years or more, within stipulated timelines. Details of shares so far transferred to IEPF Authority have been uploaded on the website of the Company www.srei.com. The said details have also been uploaded on the website of IEPF Authority and the same can be accessed through the link www.iepf.gov.in.

Further, upon application by shareholder claiming refund of equity shares which were transferred to IEPF Authority as per IEPF Rules, the IEPF Authority has settled application pertaining to 100 (hundred) equity shares to a shareholder of the Company during the financial year 2020-21. Accordingly, total number of equity shares lying in IEPF Account as on the date of this notice is 4,20,000 (four lacs twenty thousand) equity shares.

Further, shares in respect of which dividend will remain unclaimed progressively for 7 (seven) consecutive years, will be reviewed for transfer to the Investor Education and Protection Fund as required by law. The Company will transfer the said shares, adhering to the various requirements set out in the IEPF Rules.

It may please be noted that once the unclaimed dividend and shares are transferred to IEPF, as above, no claims shall lie against the Company. However, claim can be made from IEPF Authority by making an application in Form no. IEPF-5 which is available at www.iepf.gov.in in accordance with the IEPF Rules.

13. **Dematerialisation of Shareholding:** Pursuant to the proviso to Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except in the case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository w.e.f. April 01, 2019.

    The amendment does not prohibit the shareholders from holding the shares in physical form. The Shareholders have an option of holding shares in physical form even after April 01, 2019. However, any shareholder who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialised.

    Further, SEBI vide Press Release No. 12/2019 dated March 27, 2019 clarified that the transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 01, 2019. Further, SEBI vide its circular SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 07, 2020, had stipulated March 31, 2021 as the cut-off date for re-lodgement of transfer deeds. Further, the shares that are re-lodged for transfer (including those requests that are pending with the listed company / RTA, as on the date of the Circular) shall henceforth be issued only in dematerialised mode. The operational guidelines for transfer and dematerialization of re-lodged physical shares have been stipulated by SEBI vide Circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020.

    Accordingly, in view of the above and the inherent benefits of holding shares in electronic form, Members holding share in physical form are requested to dematerialise their shareholding at the earliest to avoid inconvenience.

14. **Consolidation of Multiple Folios:** Members who hold Shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's Registrar and Share Transfer Agents, KFin Technologies Private Limited, enclosing their Share Certificates to enable the Company to consolidate their holdings into a single folio.

15. **New Certificates:** Members who have not yet surrendered their old Share Certificate(s) for exchange with new Certificate(s) bearing hologram, logo and barcoding are requested to surrender the same to the Company's Registrar and Share Transfer Agents, KFin Technologies Private Limited.

16. **Mandatory PAN Submission:** The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, KFin Technologies Private Limited.

17. **Inspection by Members:** All relevant documents referred to in the Notice and the Statement pursuant to Section 102 of the Companies Act, 2013 are available electronically for inspection without any fee by the Members from the date of circulation of this Notice upto the date of the 36th AGM. Members seeking to inspect such documents can send an email to investor.relations@srei.com.

    The Register of Directors and Key Managerial Personnel (KMPs) and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the 36th AGM.

    Members desirous of obtaining any relevant information with regard to the accounts of the Company or any other matter placed at the Meeting are requested to send their requests in writing at investor.relations@srei.com to the Company at least 7 (seven) days before the 36th AGM, so as to enable the Company to keep the information ready.

18. **Voting through electronic means (Electronic Voting):**

    Members may cast their votes remotely, using an electronic voting system during the remote e-voting period. In addition, the facility for voting through electronic voting system shall also be made available during the 36th AGM. Members attending the 36th AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM.

    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 and in terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on "e-Voting facility provided by Listed Companies", the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFin Technologies Private Limited (KFintech) on all resolutions set forth in this Notice.

    The Procedure and instructions for remote e-voting facility are as follows:

    A. Information and instructions for remote e-voting by an individual shareholder, holding shares in electronic / demat mode

Pursuant to SEBI Circular no. SEBI/HO/CFD/ CMD/ CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process. Individual Demat account holders would be able to cast their vote without having to register again with the e-voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process. Members are advised to update their mobile number and email Id with their Depositories in order to access e-voting facility.

The procedure to login and access the remote e-voting, as devised by the Depositories /Depository Participant(s) is given below:

Type of shareholders	Login method
Individual shareholders holding shares in demat mode with NSDL	**1. User already registered for IDeAS facility:** i) Visit URL: https://eservices.nsdl.com. ii) Click on the '**Beneficial Owner**' icon under '**IDeAS**' section. iii) On the new page, enter existing User ID and Password. Post successful authentication, click on "Access to e-Voting". iv) Click on company name or e-voting service provider (i.e. KFintech) and you will be re-directed to KFintech e-voting website for casting the vote during the remote e-voting period. **2. User not registered for IDeAS e-Services:** i) To register click on link: https://eservices.nsdl.com. ii) Select 'Register Online for IDeAS' or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. iii) Proceed with completing the required fields. iv) Post registration is completed, follow the process as stated in point no.1 above. **3. First time users can visit the e-voting website directly and follow the process below:** i) URL: https://www.evoting.nsdl.com/ ii) Click on the icon '**Login**' which is available under '**Shareholder/Member**' section. iii) A new screen will open. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. iv) Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. v) Click on company name or e-voting service provider name (i.e. KFintech) and you will be redirected to KFintech e-voting website for casting your vote during the remote e-voting period.
Individual shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest:** i) Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com. ii) Click on New System Myeasi. iii) Login with user id and password. iv) Option will be made available to reach e-voting page without any further authentication. v) Click on e-voting service provider name (i.e. KFintech) to cast your vote. **2. User not registered for Easi/Easiest:** i) Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. ii) Proceed with completing the required fields. iii) Post registration is completed, follow the process as stated in point no.1 above **3. First time users can visit the e-Voting website directly and follow the process below:** i) Visit URL: www.cdslindia.com. ii) Provide demat Account Number and PAN No. iii) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. iv) After successful authentication, user will be provided links for the respective ESP i.e. KFintech where the e- voting is in progress. v) Click on company name and you will be redirected to KFintech e-voting website for casting your vote during the remote e-voting period.
Individual shareholders (holding securities in demat mode) logging in through their depository participants	1. Individual Shareholders (holding securities in demat mode) can access e-voting facility provided by the Company using login credentials of their demat accounts (online accounts) through their demat accounts / websites of Depository Participants registered with NSDL / CDSL for e-voting facility. 2. Once logged in, you will be able to see e-voting option. Click on e-voting option and you will be redirected to NSDL/ CDSL Depository site after successful authentication wherein you can see e-voting feature. 3. Click on Company name or e-voting service provider name (i.e. KFintech) and you will be redirected to KFintech e-voting website for casting your vote during the remote e-voting period.

Note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available on the websites of Depositories / Depository Participants.

In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned above under 'Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode'.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Members facing any technical issue – NSDL website	Members facing any technical issue – CDSL website
Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43

B. Information and instructions for remote e-voting by shareholders other than individual shareholders, holding shares in electronic / demat mode and all shareholders holding shares in physical mode

(A) In case a Member receives an email from KFintech [for Members whose email IDs are registered with the Company/Depositories]:

i. Visit the voting website of KFintech by opening your web browser and typing the URL https://evoting.kfintech.com.

ii. Once the homepage of the voting system is launched, enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on 'LOGIN'.

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, $, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the 'EVENT' i.e., 'Srei Infrastructure Finance Limited'.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under 'FOR / AGAINST' or alternatively, you may partially enter any number in 'FOR' and partially 'AGAINST' but the total number in 'FOR / AGAINST' taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either 'FOR' or 'AGAINST' it will be treated as 'ABSTAIN' and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on 'Submit'.

xi. A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at email scrutiniser.mra@gmail.com with a copy marked to evoting@kfintech.com and einward.ris@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format 'Srei Infrastructure Finance Limited 36th AGM'.

(B) In case of Members who have not registered/ updated their email IDs (including Members holding shares in physical form):

i. Please follow the steps for registration / updation of e-mail ID and obtaining User ID and Password for e-voting as mentioned in para 9 of the 'Notes' and para (e) under the 'Other Instructions' section below. After due verification, KFintech will forward your login credentials to your registered email address.

ii. Please follow all steps from Sl. No. (i) to (xii) above mentioned in IB(A) to cast your vote by electronic means.

II. Voting during 36th AGM:

i. The Members, who will be attending the 36th AGM through VC/OAVM and who have not cast their vote through Remote e-voting can exercise their voting rights at the said AGM.

ii. The facility for voting through electronic voting system ('Insta Poll') shall be made available during the Meeting through e-voting system provided by KFin Technologies Private Limited in the Video Conferencing Platform.

iii. The 'Vote Now Thumb sign' on the left hand corner of the video screen shall be activated upon instructions of the Chairperson during the AGM proceedings. Members shall click on the same to take them to the 'Insta-poll' page and Members to click on the 'Insta-poll' icon to reach the resolution page and follow the instructions to vote on the resolutions.

iv. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the AGM.

v. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting through VC/OAVM; however those Members are not entitled to cast their vote again during the Meeting.

vi. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting during the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote during the AGM shall be treated as invalid.

vii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting and through E-voting on the email id scrutinizer.mra@gmail.com with a copy marked to evoting@kfintech.com.

Other Instructions:

a) In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact Mr. S. V. Raju, Deputy General Manager (Unit: Srei Infrastructure Finance Limited) of KFin Technologies Private Limited, Selenium Building, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032 or at einward.ris@kfintech.com or KFintech's toll free No. 1800-309-4001 for any further clarifications.

b) Members are requested to update their mobile numbers and email IDs in the user profile details of the folio, which may be used by the Company for sending future communication(s) to them.

c) The remote e-voting period commences on Tuesday, September 21, 2021 (9.00 a.m. IST) and ends on Friday, September 24, 2021 (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, September 18, 2021 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, September 18, 2021.

e) Any person who acquires shares of the Company and becomes a Member of the Company after sending of AGM Notice and holding shares as on the cut-off date for e-voting i.e., Saturday, September 18, 2021, he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the Member is registered against Folio No./DP ID and Client ID, the Member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID and Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the Member is not registered against Folio No. / DP ID and Client ID, then on the home page of https://evoting.kfintech.com, the Member may click "Forgot Password" and enter Folio No. or DP ID and Client ID and PAN to generate a password.

iii. Member may call KFintech's toll free number 1800-309-4001.

iv. Member may send an e-mail request to evoting@kfintech.com. KFintech shall endeavour to send User ID and Password to those new Members whose mail ids are available.

19. **Scrutiniser:** The Company has appointed Mr. Mohan Ram Goenka, Practicing Company Secretary, Kolkata (FCS No. 4515, CP No. 2551) as Scrutiniser for conducting the electronic voting process (both remote e-voting and voting at the AGM through Insta Poll) in a fair and transparent manner.

20. **Declaration of Results:** The Scrutiniser shall after the conclusion of voting at the Meeting count the votes cast at the meeting and votes cast through remote e-voting, make a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, and submit the same to the Chairman or person authorized by the Chairman for counter signature.

The Results shall be declared either by the Chairman or by any person authorized by the Chairman and the resolution will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).

Further, in accordance with Regulation 44(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall submit to the Stock Exchange, details of the Voting results in the prescribed format within 2 (two) working days of conclusion of the Annual General Meeting (AGM). The results shall also be uploaded on the NEAPS (NSE Electronic Application Processing System) and BSE Listing Centre.

Immediately after declaration of results, the same shall be placed along with the Scrutiniser's Report on the Company's website www.srei.com and on the website of KFin Technologies Private Limited https://evoting.kfintech.com and communicated to BSE Limited and National Stock Exchange of India Limited, where the Equity Shares of the Company are listed for placing the same on their website. The results shall also be placed on the notice board of the Company at its Registered Office as well as Corporate Office.

21. **Route Map:** Since the AGM is being held through VC/OAVM, Route Map is not annexed to this Notice.

22. **Information of Directors pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings:** At the ensuing Meeting of the Company, Mr. Sunil Kanoria (holding DIN: 00421564), Vice Chairman, retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 ("Act") read with the 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, Dr. (Mrs.) Deepali Pant Rajeev Joshi (holding DIN: 07139051), is being proposed to be appointed as an Independent Director of the Company.

Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard – 2 on General Meetings, the particulars of the aforesaid Directors seeking appointment/re-appointment at the AGM are given below:

Name of Director	**Mr. Sunil Kanoria (DIN: 00421564)**	**Dr. (Mrs.) Deepali Pant Rajeev Joshi (DIN: 07139051)**
Date of Birth	04.05.1965 (56 Years)	12.12.1957 (63 Years)
Date of Appointment	05.07.1989 (Vice Chairman w.e.f. 20.09.2008)	30.06.2021 (Additional Director, Category - Independent)

Name of Director	Mr. Sunil Kanoria (DIN: 00421564)	Dr. (Mrs.) Deepali Pant Rajeev Joshi (DIN: 07139051)
Brief Resume of the Director / Expertise in specific functional areas	He has more than 31 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 (CIDC) and is a council member of The Institute of Chartered Accountants of India (ICAI). He is also presently the honorary consul of Spain in Kolkata, with jurisdiction over the State of West Bengal.	She holds a Ph.D. degree in Politics, B.A from University of Allahabad, L.L.B. from University of Lucknow, Diploma in Management from I.G.N.O.U., Delhi. She has done Masters of Arts (MA) in Political Science and International relations. She has also done postdoctoral work in Finance and Economics from the University of Harvard and is a fellow of the Harvard University Asia Centre. She was associated with the Reserve Bank of India (RBI) since 1981 and has served at the Central Office/ Regional Offices of the RBI. She has headed as Executive Director Position in RBI. She has over 42 years of experience in macro-economic policies with regard to Banking Services.
Qualification	FCA	Ph.D. degree in Politics, B.A from University of Allahabad, L.L.B. from University of Lucknow, Diploma in Management from I.G.N.O.U., Delhi, Masters of Arts (MA) in Political Science and International relations.
List of outside Directorships held	• Srei Equipment Finance Limited	• Multi Commodity Exchange of India Limited • NABFINS Limited
Chairman/Member of the Committees of Board of Directors of the Company	NIL	Chairman - Risk Committee Member - Committee of Directors
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
b) Stakeholders Relationship Committee	NIL	NIL
Shareholding in the Company	18,02,714 (eighteen lacs two thousand seven hundred and fourteen) Equity shares	NIL
Relationship with other Directors, Managers and KMPs	Mr. Hemant Kanoria (Brother)	-
No. of Board Meetings attended during Financial Year 2020-21 [out of 7 (Seven) held]	7 (Seven)	Not Applicable
Terms and conditions of Appointment or Re-appointment	Liable to retire by rotation	Not liable to retire by rotation
Details of Remuneration (Salary, Sitting fees, Commission) sought to be paid and the Remuneration last drawn		
- FY 2020-21 (₹)	11,35,000/- (Sitting Fees)	Not Applicable
- FY 2019-20 (₹)	10,50,000/- (Sitting Fees) Mr. Sunil Kanoria shall be entitled to sitting fees for attending meetings of the Board and Committees thereof and annual commission as may be approved by the Nomination and Remuneration Committee and / or the Board of Directors of the Company, from time to time.	Not Applicable Dr. (Mrs.) Deepali Pant Rajeev Joshi shall be entitled to sitting fees for attending meetings of the Board and Committees thereof and annual commission 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**

Manoj Kumar
Company Secretary
FCS 6698

Place: Kolkata
Date: June 30, 2021

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS)

Item No. 3

Dr. (Mrs.) Deepali Pant Rajeev Joshi holds a Ph.D. degree in Politics, B.A from University of Allahabad, L.L.B. from University of Lucknow, Diploma in Management from I.G.N.O.U., Delhi. She has done Masters of Arts (MA) in Political Science and International relations. She has also done postdoctoral work in Finance and Economics from the University of Harvard and is a fellow of the Harvard University Asia Centre. She was associated with the Reserve Bank of India (RBI) since 1981 and has served at the Central Office/ Regional Offices of the RBI. She has headed as Executive Director Position in RBI. She has over 42 years of experience in macro-economic policies with regard to Banking Services.

Dr. (Mrs.) Deepali Pant Rajeev Joshi was appointed as an Additional Director (Category: Non-Executive and Independent) of the Company w.e.f. June 30, 2021, 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.

Accordingly, in view of the extensive & rich experience of Dr. (Mrs.) Deepali Pant Rajeev Joshi, and considering the best interests of the Company, it is proposed to appoint her as an Independent Director of the Company for a term of 5 (five) consecutive years w.e.f. June 30, 2021.

The Company has received from Dr. (Mrs.) Deepali Pant Rajeev Joshi (i) Consent in writing to act as Director in Form DIR-2 pursuant to Section 152(5) of the Companies Act, 2013 ("Act") read with Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) Disclosure of interest in Form MBP-1 pursuant to Section 184(1) of the Act read with Rule 9 of the Companies (Meeting of Board and its Powers) Rules, 2014; (iii) Form DIR-8 pursuant to Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirming her eligibility for such appointment and that she is not disqualified from being appointed as Director under Section 164 of the Act; (iv) A declaration pursuant to Regulation 25(8) of SEBI Listing Regulations, 2015 including a declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, 2015; (v) A declaration to the effect that she has registered with the data bank maintained by the Indian Institute of Corporate Affairs (IICA) as per Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and that her Registration No. is IDDB-DI-202002-006886 and that she has successfully qualified the Online Proficiency Self-Assessment Test conducted by the Indian Institute of Corporate Affairs (IICA); (vi) Disclosure of Committee positions occupied by her pursuant to SEBI Listing Regulations; (vii) Deed of Covenant as well as Declaration and Undertaking in prescribed form pursuant to the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India (RBI) ('RBI Directions'); (viii) Disclosure in Form B pursuant to Regulation 7(1)(b) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Srei Code of Conduct for Prohibition of Insider Trading; (ix) Declaration of Information on the Management as per format prescribed by the Reserve Bank of India (RBI); (x) Declaration that she is not debarred from holding the office of Director by virtue of any order of Securities and Exchange Board of India (SEBI) or any other such authority, in accordance with the provisions of the circular LIST/COMP/14/2018-19 issued by BSE Limited and circular NSE/CML/2018/24 issued by National Stock Exchange of India Limited, both dated June 20, 2018.

The Company has also received notice in writing from a Member under Section 160 of the Companies Act, 2013 (the Act) proposing the candidature of Dr. (Mrs.) Deepali Pant Rajeev Joshi for appointment as an Independent Director of the Company.

In the opinion of the Nomination and Remuneration Committee and the Board of Directors of the Company, Dr. (Mrs.) Deepali Pant Rajeev Joshi fulfils the conditions specified in the Companies Act, 2013 & rules made thereunder and applicable provisions of the SEBI Listing Regulations, 2015, for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of (Dr.) Mrs. Deepali Pant Rajeev Joshi as an Independent Director setting out the terms and conditions is available for inspection, in electronic mode, without payment of any fee by the Members upto the date of the AGM and can also be viewed on the website of the Company www.srei.com.

Under the Companies Act, 2013 and the Rules framed thereunder, Independent Directors can only receive sitting fees and commission as may be approved by the Members and in accordance with regulatory provisions. Further, if a company has no profits or its profits are inadequate, an Independent Director may receive remuneration, exclusive of any fees payable under sub-section (5) of Section 197, in accordance with the provisions of Schedule V of the Companies Act, 2013. Further, SEBI Listing 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 commission, which amount may be decided by the Board / Nomination and Remuneration Committee of the Company from time to time, subject to the limits prescribed under the Companies Act, 2013 and SEBI Listing Regulations, 2015.

The Board of Directors is of the opinion that the professional expertise and vast experience of Dr. (Mrs.) Deepali Pant Rajeev Joshi will be of significant value to the Company.

The Directors, therefore, recommend the Resolution to be passed as an Ordinary Resolution by the Members.

Dr. (Mrs.) Deepali Pant Rajeev Joshi and her relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to her own appointment.

Pursuant to Regulation 36(3) of SEBI Listing Regulations, 2015 and Para 1.2.5 of Secretarial Standard – 2 on General Meetings, requisite particulars for Dr. (Mrs.) Deepali Pant Rajeev Joshi are given at Note 22 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. 4

The Non-Executive Directors extensively help in bringing judgment on the Board of Directors' deliberations especially on issues of strategy, technology, industry, board service and governance, performance, risk management, resources, key appointments and standards of conduct. They participate constructively and actively in the meetings of the Board / Committees of the Board in which they are a member. They apply their independent judgement and effectively deploy their expertise and knowledge in Board/Committee proceedings, while keeping the interest of all the Stakeholders at the fore-front. They have upheld ethical standards of integrity and rectitude, maintained confidentiality and have also abstained from performing any action that would lead to loss of their independence. The Board of Directors of the Company is of the opinion that it is necessary that adequate remuneration should be given to the Non-Executive Directors so as to compensate them for their time, attention and effort and also to retain and attract the pool of talent for the growth and prosperity of the Company.

At the Annual General Meeting of the Company held on July 27, 2019, an Ordinary Resolution pursuant to Section 197 of the Companies Act, 2013 was passed by the Members approving the payment of Commission to the Directors (other than Directors who are either in whole time employment of the Company or Managing Director of the Company) annually for each of the 5 (five) financial years commencing from Financial Year 2019-20, an amount not exceeding 1 (one) per cent of the net profits of the Company. The said resolution shall continue to be effective till financial year 2023-24.

In view of the recent amendments in Section 197(3) of the Act notified by the Ministry of Corporate Affairs' (MCA) vide Notification dated March 18, 2021 which states that notwithstanding anything contained in sub-sections (1) and (2) of Section 197 of the Act, but subject to the provisions of Schedule V, if in any financial year, a company has no profits or its profits are inadequate, the company shall not pay to its directors, including any managing or whole time director or manager or any other non-executive director, including an independent director, by way of remuneration any sum exclusive of any fees payable to directors under sub-section (5) of Section 197 of the Act except in accordance with the provisions of Schedule V. Accordingly, by virtue of the said amendment, the Non-Executive Directors (including Independent Directors) can be paid remuneration in case where the Company is having inadequate or no profits and the same shall be governed by the limits prescribed under Part II of Schedule V of the Companies Act, 2013.

Further, pursuant to Section II of Part II of Schedule V of the Act, where in any financial year during the currency of tenure of a managerial person or other director, a company has no profits or its profits are inadequate, it may pay remuneration to the managerial person or other director not exceeding the limits under (A) and (B) given in the table therein whereby the limit of yearly remuneration is determined based on the Company's effective capital.

Further, pursuant to Section II of Part II of Schedule V of the Act, remuneration in excess of the limits prescribed under para (A) of Section II of Part II of Schedule V of the Act may be paid if the shareholders approve the same thru' a special resolution.

It is possible that there could be a situation of absence or inadequacy of profits computed in the manner prescribed under Section 198 read with Section 197 of the Act in any subsequent financial years. Accordingly, approval of the Members is being sought for 3 (three) financial years i.e. Financial Years 2021-22, 2022-23 and 2023-24 for payment of Commission to Directors (other than Directors who are either in whole time employment of the Company or Managing Director of the Company), in situation of absence or inadequacy of profits.

The payment of commission will be in addition to the sitting fees payable to such Directors for attending meetings of the Board and/or Committee(s) thereof as prescribed under Section 195(5) of the Act 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.

Further, Regulation 17(6)(a) of 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.

Further, Section II of Part II of Schedule V of the Act requires disclosure of various information to be made in the statement of the Notice calling the general meeting seeking approval of the Members for payment of remuneration by companies having no or inadequate profits.

Further, Part III of Schedule V provides that remuneration referred to in Part II of this Schedule shall be subject to approval by a resolution of the shareholders in general meeting.

The Nomination and Remuneration Committee, Audit Committee and the Board of Directors of the Company, at their respective meetings held on June 30, 2021 have recommended / approved payment of Commission to Non-Executive Directors, including Independent Directors , in situation of absence or inadequacy of profits for the 3 (three) financial years i.e. Financial Years 2021-22, 2022-23 and 2023-24.

The Directors, therefore, recommend the Resolution to be passed as a Special Resolution by the Members.

All the Non-Executive Directors of the Company and their relatives, including the Chairman being a relative of one of a Non-Executive Director, are deemed to be concerned or interested in the proposed Resolution to the extent of the remuneration that may be received by them.

None of the other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution, except to the extent of their shareholding, if any, in the Company.

Information pursuant to Section II of Part II of Schedule V of the Companies Act, 2013:

A. Disclosure in terms of Section 197 read with Schedule V to the Companies Act, 2013, applicable Rules thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as the case may be:

I. **General Information:**

1. **Nature of industry:** The Company is a Systemically Important Non-Deposit taking under Section 45-IA of the RBI Act, 1934.

2. **Date or expected date of commencement of commercial production:** Not Applicable.

3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable.

4. **Financial and Operating performance based on given indicators:** The Financial and Operating performance of the Company during the 3 (three) preceding financial years is as under:

(Amount in Lacs)

Particulars	Consolidated			Standalone		
	FY 2020-21	FY 2019-20	FY 2018-19	FY 2020-21	FY 2019-20	FY 2018-19
Revenue from Operations	3,43,082	6,17,700	6,47,336	4,190	8,921	1,87,843
Total Income	3,48,754	6,12,032	6,46,970	5,001	11,446	1,88,957
Total Expenses (including impairment on financial instruments, bad debts, provisions, contingencies & diminutions, depreciation, etc.)	10,66,635	5,99,083	5,88,267	8,518	13,222	1,76,696
Profit Before Exceptional Items & Tax	**(7,17,881)**	**12,949**	**58,703**	**(3,517)**	**(1,776)**	**12,261**
Exceptional Items	-	-	-	(3,10,455)	-	-
Adjustment on disposal/cessation of Subsidiaries and Associate	-	1,222	8,085	-	-	-
Profit Before Tax from continued operations	**(7,17,881)**	**14,171**	**66,788**	**(3,13,972)**	**(1,776)**	**12,261**
Profit Before Tax from discontinued operations	-	-	-	-	3,769	-
Profit Before Tax	**(,717,881)**	**14,171**	**66,788**	**(3,13,972)**	**1,993**	**12,261**
Current Tax	115	4,347	15,158	-	-	-
Deferred Tax	20,230	949	2,924	(19,446)	637	2,794
Income Tax in respect of earlier year	(4,387)	-	-	(54)	-	-
Share of Profit/(Loss) of Associate	-	-	(28)	-	-	-
Profit After Tax	**(7,33,839)**	**8,875**	**48,678**	**(2,94,472)**	**1,356**	**9,467**
Other Comprehensive Income (net of tax)	13,771	(13,671)	(8,994)	13,927	(15,797)	(12,672)
Total Comprehensive Income/(Expense) for the period	**(7,20,068)**	**(4,796)**	**39,684**	**(2,80,545)**	**(14,441)**	**(3,205)**
Paid up Equity Share Capital	50,309	50,309	50,324	50,309	50,309	50,324
Earning Per Share (₹)*	(145.87)	1.76	9.68	(58.53)	0.27	1.88

*Standalone figure for the year ended March 31, 2020 is from continuing and discontinued operations

5. **Foreign investments or collaborations, if any:** The Company has no foreign collaborators and hence there is no equity participation by foreign collaborators in the Company.

II. Information about the Non-Executive Directors, including Independent Directors:

Particulars	Mr. Sunil Kanoria	Mr. Shyamalendu Chatterjee	Dr. (Mrs.) Punita Kumar Sinha	Mr. R.K. Agarwal	Mr. Malay Mukherjee	Dr. (Mrs.) Tamali Sengupta	Dr. (Mrs.) Deepali Pant Rajeev Joshi
1. Details of background, recognition or awards, job profile and suitability thereof:	He has more than 31 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 (CIDC) and is a council member of The Institute of Chartered Accountants of India (ICAI). He is also presently the honorary consul of Spain in Kolkata, with jurisdiction over the State of West Bengal.	He has over 47 years of experience in Retail, Commercial, Investment Banking and NBFC. Associated with the State Bank of India for 26 years, he has extensive exposure in the area of International Banking at SBI, London and as the Chief Representative in Washington DC having worked closely with IFC, World Bank and IMF. He was the Executive Director with Axis Bank (formerly UTI Bank) wherein he was instrumental in developing the bank's business model and strong business processes enabling it to evolve into a leading player in the industry. He has been associated with Srei in various capacities for developing business, audit, compliance, HR & IT processes as well as risk management. In addition, he has also served as a Member of the Board of Directors of Nabil Bank, Nepal.	During her 31 years of career, she has gained significant governance and Board experience across India and North America. She has also been investing in emerging markets since the late 1980s and pioneered some of the first foreign investments into the Indian subcontinent in the early 1990s. Currently, she is the Founding Partner, Pacific Paradigm Advisors, an independent investment advisory and management firm focused on Asia. She is also a Senior Advisor and serves as an Independent Director for several companies. She is also on the Board of Governors of CFA Institute, USA. Prior to this, she was a Senior Managing Director of Blackstone and the Chief Investment Officer of Blackstone Asia Advisors. She is a Doctorate from the Wharton School of University of Pennsylvania.	He has over 46 years of experience in various fields like Audit, Taxation, Company Law, Consultancy etc. He has been a Partner with S. R. Batliboi & Co. (Member firm of Ernst & Young in India) since 1978 and was the Managing Partner of the Firm at the time of his retirement in June, 2013. Mr. Agarwal is the past President of The Institute of Internal Auditors, India and was a member of the Central Council of The Institute of Chartered Accountants of India during 1991-97. Mr. Agarwal is connected with various Chambers of Commerce and is a past Chairman of CII (Eastern Region). He was the National Chairman of Direct Tax Sub – Committee of CII in the year 2013-14.	He has over 42 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.	She has over 35 years of experience in the legal field and is a specialist in transnational legal transactions in media, real estate development, insurance and infrastructure. She is a widely published author and is a Fellow of the Centre of International Legal Studies at Salzburg. She has a Phd from Stanford University USA. She is the Principal of T. Sen Gupta & Associates, a corporate law practice based in New Delhi, which provides advice on corporate law, entertainment law, intellectual property, insurance, project finance, corporate governance, and privatization. Dr. Sengupta has extensive experience in international joint-ventures, collaboration and licensing agreements, mergers and acquisitions. She has represented multinational corporations relation to joint-ventures in India and represented Indian companies in joint-ventures overseas and with foreign investors.	She holds a Ph.D. degree in Politics, B.A. from University of Allahabad, L.L.B. from University of Lucknow, Diploma in Management from I.G.N.O.U., Delhi. She has done Masters of Arts (MA) in Political Science and International relations. She has also done postdoctoral work in Finance and Economics from the University of Harvard and is a fellow of the Harvard University Asia Centre. She was associated with the Reserve Bank of India (RBI) since 1981 and has served at the Central Office/ Regional Offices of the RBI. She has headed as Executive Director Position in RBI. She has over 42 years of experience in macro-economic policies with regard to Banking Services.

Particulars	Mr. Sunil Kanoria	Mr. Shyamalendu Chatterjee	Dr. (Mrs.) Punita Kumar Sinha	Mr. R.K. Agarwal	Mr. Malay Mukherjee	Dr. (Mrs.) Tamali Sengupta	Dr. (Mrs.) Deepali Pant Rajeev Joshi
2. Past remuneration (commission):	FY 2018-19: Pursuant to Regulation 17(6)(a) of SEBI Listing Regulations, 2015 and Section 197 of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, the Company made payment of remuneration of ₹ 48 (Forty Eight) Lacs by way of commission on net profits computed under Section 198 of the Act to Non-Executive Directors of the Company for the financial year 2018-19 which was divided in equal proportions amongst the following Non-Executive Directors, namely, Mr. Sunil Kanoria, Mr. S. Rajagopal, Mr. S. Chatterjee, Dr. (Mrs.) Punita Kumar Sinha, Mr. R. K. Agarwal and Mr. Malay Mukherjee. FY 2019-20: Considering the difficult environment for NBFCs and prevailing Covid-19 pandemic, no Commission was paid to Non-Executive Directors of the Company for the Financial Year 2019-20. FY 2020-21: Considering the difficult environment for NBFCs and prevailing Covid-19 pandemic, no Commission is being paid to Non-Executive Directors of the Company for the Financial Year 2020-21.						
3. Remuneration (commission) proposed:	Approval of the Members is being sought for payment of commission to Non-Executive Directors of the Company in case of absence / inadequcy of profits for Financial Years 2021-22, 2022-23 and 2023-24 in compliance with and subject to limits prescribed under Schedule V of the Companies Act, 2013 or upto an aggregate amount not exceeding ₹ 1 Crore (Rupees One Crore only), in one financial year. The proposed Commission shall be divided amongst the Directors in such amounts or proportions and/or in such manner as the Board of Directors of the Company may from time to time determine and in default of such determination equally.						
4. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:	The amount shall be commensurate with industry standards and Board level positions held in similar sized companies and similarly positioned businesses.						
5. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any:	The Non-Executive Directors have pecuniary relationship with the Company so far as it relates to their own remuneration. However, Mr. Sunil Kanoria, Vice Chairman (Non-Executive Director) of the Company, is brother of Mr. Hemant Kanoria, Chairman (Executive) of the Company. Mr. Hemant Kanoria is the Promoter and a Key Managerial Personnel (KMP) of the Company and Mr. Sunil Kanoria is part of the Promoter Group of the Company. Mr. Hemant Kanoria and Mr. Sunil Kanoria hold 1,80,000 and 18,02,714 Equity shares of the Company, respectively.						

III. Other information:

1. **Reasons of loss or inadequate profits:** Pursuant to the transfer of the Lending Business, Interest Earning Business & Lease Business of the Company, together with associated employees, assets and liabilities (including liabilities towards issued and outstanding non-convertible debentures), ("Transferred Undertaking") as a going concern by way of slump exchange to Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of the Company, the business and balance sheet of the Company have significantly narrowed down. This development of hiving off & transfer of lending business is the main cause for reduced profits or loss of the Company on a standalone basis. Further, the Company has high interest costs which might also result in reduced profitability of the Company.

2. **Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:** The Company has embarked on a series of strategic and operational measures that is expected to result in the improvement in the present position. Further, going forward, the business activities of the Company will be Fee based activities primarily focussed on Infrastructure Project Advisory and Financial Solutions Advisory. The Company will position itself as an integrated solutions provider. Considering its financing and operating experience, the Company endeavours to differentiate itself by providing higher value added services i.e. advisory services. The Company is looking to diversify into other upcoming geographies with South East Asia and the African region and is actively pursuing multi-lateral funded projects – both in Urban, Industrial as well as Social Infrastructure. The Financial Solutions Advisory is working closely with equipment finance clients to provide array of services ranging from transaction advisory, investment support both debt and equity and capital market services. For further details, Members may please refer to the Directors' Report which forms part of the Annual Report of the Company.

3. **Details of stock options:** No stock options have been issued to the Non-Executive Directors, including Independent Directors.

IV. Disclosures

The information and disclosures as required under Schedule V of the Companies Act, 2013 have been mentioned in the Annual Report under the heading ‘Corporate Governance’.

B. Other parameters under Section 200 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. **Financial and operating performance of the Company during the three preceding financial years:** Details provided in para A(I)(4) above.

2. **Remuneration or Commission drawn by individual concerned in any other capacity from the Company:** The Non-Executive Directors are paid sitting fees for attending the meetings of the Board and/or Committee(s) thereof. The Non-Executive Directors are also paid commission in their capacity as Non-Executive Directors of the Company as determined by then Board of Directors from time to time. However, no commission was paid for Financial Year 2019-20 and no commission is recommended to be paid for Financial Year 2020-21.

3. **Remuneration or Commission drawn by individual concerned from any other company:** Mr. Shyamalendu Chatterjee, Independent Director of the Company is also a Non–Executive Director (Chairman) of Srei Capital Markets Limited and Independent Director of Srei Equipment Finance Limited (SEFL), both wholly owned subsidiaries of the Company. Dr. (Mrs.) Tamali Sengupta and Mr. Malay Mukherjee, Independent Directors of the Company are also Independent Directors of SEFL. Mr. Chatterjee, Dr. (Mrs.) Sengupta and Mr. Mukherjee are in receipt of sitting fees from the respective subsidiary companies in which they are Directors. Details of remuneration paid to the Directors during the Financial Year 2020-21 are as follows:

Name of Director	Name of Company	Sitting Fees (Amount in ₹)
Mr. Shyamalendu Chatterjee	Srei Capital Markets Limited	1,00,000
	Srei Equipment Finance Limited	13,15,000
Dr. (Mrs.) Tamali Sengupta	Srei Equipment Finance Limited	9,70,000
Mr. Malay Mukherjee	Srei Equipment Finance Limited	2,50,000

Further, Mr. Sunil Kanoria, Vice Chairman (Non-Executive Director) of the Company, is also the Vice Chairman (Executive) of SEFL and is in receipt of remuneration of ₹ 192.28 Lacs for the Financial Year 2020-21 from SEFL.

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

5. **Relationship between remuneration and performance:** The Board of Directors of the Company is of the opinion that it is necessary that adequate remuneration should be given to the Non-Executive Directors so as to compensate them for their time, attention and effort and also to retain and attract the pool of talent for the growth and prosperity of the Company.

6. **The principle of proportionality of remuneration within the Company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the Company:** The Company has a strong performance management culture. Remuneration of Whole-time Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) are governed by the Company’s Board approved Nomination and Remuneration Policy. The Non-Executive Directors of the Company are paid remuneration by way of Commission, if any, in addition to sitting fees for attending the meetings of the Board of Directors and its Committees which is within the limit prescribed under the Companies Act, 2013.

   Further, every employee based on declared performance appraisal timelines undergoes appraisal of his/her performance. The Company decides on annual rewards approach of fixed and variable pay linked to the evaluation of individual’s and Company’s performance. Additionally, industry reward benchmarks are used as reference points to determine the appropriate level of remuneration, from time to time.

7. **Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference:** The Company has a clearly laid out Nomination and Remuneration Policy. This Policy ensures that remuneration to Directors, Key Managerial Personnel (KMPs) and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

8. **Securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year:** Mr. Sunil Kanoria, Non-Executive Director holds 18,02,714 Equity shares of the Company, constituting to 0.36% of the total paid up share capital of the Company as on March 31, 2021. Further, none of the shares held by Mr. Sunil Kanoria is under pledge. None of the other Non-Executive Directors hold any securities in the Company.

Item No. 5

Srei Equipment Finance Limited (SEFL), material wholly owned subsidiary of the Company is presently exploring opportunities to raise fresh funds. Accordingly, SEFL may raise funds by way of issuance of one or more instruments in permitted modes under applicable laws and regulations to potential investors. This may result in dilution of the Company's equity stake in SEFL from existing 100 (hundred) per cent to below 50 (fifty) per cent.

In terms of Regulation 24(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations, 2015"), a listed company shall not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50 (fifty) per cent or cease the exercise of control over the material subsidiary without passing a special resolution except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal, or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved. Further, in terms of Regulation 24(6) of the SEBI Listing Regulations 2015, selling, disposing and leasing of assets amounting to more than 20 (twenty) per cent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of the Members by way of a special resolution unless the sale/ disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal, or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Therefore, approval of the Members of the Company is required for proposed dilution of the Company's stake in Srei Equipment Finance Limited (SEFL), material subsidiary company from the existing 100 (hundred) per cent to 50 (fifty) per cent or less through various modes in one or tranches as the Board of Directors may in its absolute discretion decide or deem fit in the best interest of the Company and / or for selling, disposing and leasing of assets amounting to more than 20 (twenty) per cent of the assets of SEFL.

Further, Section 180(1)(a) of the Companies Act, 2013 ("the Act") inter alia provides that the Board of Directors of a company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking (as defined under the Act) of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings without the consent of the company by a special resolution.

For the purpose of Section 180(1)(a) of the Act, "undertaking" means an undertaking in which the investment of the company exceeds 20 (twenty) per cent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20 (twenty) per cent of the total income of the company during the previous financial year.

The Audit Committee and the Board of Directors at their respective meetings held on June 30, 2021, approved, subject to shareholder's approval, the proposal to divest by various modes in compliance with the provisions of Regulation 24 of the SEBI Listing Regulations, 2015 with or without any change in control of, or otherwise deal, either in the entire or any substantial part of the investment made by the Company, directly or indirectly, in SEFL, material subsidiary of the Company, in present or future, or dispose off more than 20 (twenty) per cent of the assets of SEFL, for any purpose in connection with the business activities of the Company or SEFL on such terms and conditions and in such manner as the Board may in its absolute discretion decide or as it may deem fit in the best interest of the Company.

The Directors, therefore, recommend the Resolution to be passed as a Special Resolution by the Members.

Other than Mr. Hemant Kanoria, Chairman of the Company who is also the Chairman (Executive) of SEFL, Mr. Sunil Kanoria, Vice Chairman (Non-Executive Director) of the Company who is also the Vice Chairman (Executive) of SEFL, Mr. Shyamalendu Chatterjee, Dr. (Mrs.) Tamali Sengupta and Mr. Malay Mukherjee, Independent Directors of the Company, who are also Independent Directors of Srei Equipment Finance Limited (SEFL), material wholly owned subsidiary of the Company and their respective relatives, none of the other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution, except to the extent of their shareholding, if any, in the Company.

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

Manoj Kumar
Company Secretary
FCS 6698

Place: Kolkata
Date: June 30, 2021