Together We Make Tomorrow Happen

Srei Equipment Finance Limited

Annual Report 2020-21

RISING ABOVE CHALLENGES

Debenture Trustees

Catalyst Trusteeship Limited
(Erstwhile GDA Trusteeship Limited)
GDA House, Plot No. 85
Paud Road,
Pune 411038
Tel.: +91 22 4922 0555
Fax: +91 22-4922 0505
Email.: ComplianceCTL-Mumbai@ctltrustee.com
Website: www.catalysttrustee.com

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate
Mumbai – 400 001
Tel.: +91 22-4080 7068
Fax: +91 22 6631 1776
Email: naresh.sachwani@idbitrustee.com
Website: www.idbitrustee.com

Axis Trustee Services Limited
Registered Office: Axis House,
Wadia International Centre,
Pandurang Budhkar Marg, Worli,
Mumbai – 400 025
Corporate Office: The Ruby, 2nd Floor,
SW, 29 Senapati Bapat Marg,
Dadar West, Mumbai - 400028
Tel.: 022-62300451
Email: Debenturetrustee@Axistrustee.in
Website: www.axistrustee.in

Board of Directors

Hemant Kanoria
Chairman
(DIN: 00193015)

Sunil Kanoria
Vice Chairman
(DIN: 00421564)

Devendra Kumar Vyas
Managing Director
(DIN: 00651362)

Indranil Sengupta
Whole-time Director
(DIN: 08807005)

Suresh Kumar Jain
Independent Director
(DIN: 05103064)

Uma Shankar Paliwal
Independent Director
(DIN: 06907963)

Tamali Sengupta
Independent Director
(DIN: 00358658)

Shyamalendu Chatterjee
Independent Director
(DIN: 00048249)

Malay Mukherjee
Independent Director
(DIN: 02272425)

Deepak Verma
ndependent Director
(DIN: 07489985)

Chief Financial Officer

Manoj Kumar Beriwala

Auditors

Haribhakti & Co. LLP
Chartered Accountants
Statutory Auditors

Registrar and Share Transfer Agents

KFin Technologies Private Limited
(erstwhile Karvy Fintech Private Limited)
Karvy Selenium Tower B, Plot 31-32
Financial District, Nanakramguda,
Serilingampally Mandal
Hyderabad-500 032
Website: www.kfintech.com
Email: einward.ris@karvy.com
Tel.: 040-67161500/2222, 1800-345-4001
Fax: 040-23420814

Registered Office:

"Vishwakarma"
86C, Topsia Road (South)
Kolkata 700046
Tel: +91 33 6160 7734
Fax: +91 33 228 57542

Head Office:

Plot: Y-10, Block EP
Sector V, Salt Lake City
Kolkata 700091
Tel: +91 33 6639 4700
Fax: +91 33 6602 2600

Corporate Office:

6A, Kiran Shankar Roy Road
Kolkata 700001

Corporate Identification Number U70101WB2006PLC109898

CONTENTS

DIRECTORS' REPORT

Dear Members,

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

FINANCIAL SUMMARY & STATE OF COMPANY'S AFFAIRS

(₹ in Lacs)

Particulars	Year ended	
	March 31st, 2021	March 31st, 2020
Total Income	3,45,509	5,20,161
Total expenditure (including depreciation and other expenses etc.)	1,05,95,98	5,10,127
Profit/(Loss) Before Tax	(7,14,089)	10,034
Net Tax expense	(478)	4,443
Profit/(Loss) After Tax	(7,13,611)	5,591
Other Comprehensive Income	(102)	2,677
Total Comprehensive Income	(7,13,713)	8,268
Profit brought forward from earlier year	84,256	62,848
Retained Earnings amount available for Appropriation	(6,29,364)	68,399
Paid up Equity Share Capital	7,902	7,902
Amount transferred to/(from) Reserves	4,45,801	(15,857)
Net Worth	(7,72,829)	3,86,603

Note: The above figures are extracted from the financial statements for the financial year ended on March 31, 2021

OPERATIONAL REVIEW

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

- The gross profit/loss (before depreciation, amortisation, impairment, Net loss on derecognition of financial instruments under amortised cost category, Impairment on financial instruments (Net), Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt and net tax expenses for the year was ₹ (75,491) Lacs as against ₹ 1,58,924 Lacs last year.
- Profit/loss before taxation for the year was ₹ (7,14,089) Lacs as against ₹ 10,034 Lacs in the last year.
- Net profit after taxation for the year was ₹ (7,13,611) Lacs as against ₹ 5,591 Lacs in the last year.
- The total asset under management was ₹ 33,001 Crores as against ₹ 42,628 Crores last year.

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

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

DIVIDEND

With a view to conserve capital, given the challenging situation caused by the ongoing Covid-19 pandemic and ongoing realignment of cash flows with Lenders, the Board of Directors has not recommended any dividend on Equity Shares of your Company for the financial year ended March 31, 2021.

TRANSFER TO RESERVES

Your Company proposes to transfer an amount of ₹ 16.63 Crores from the Debt redemption reserve.

PUBLIC DEPOSITS

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

DETAILS OF SUBSIDIARY/ASSOCIATES/JOINT VENTURE COMPANY

Your Company does not have any subsidiary/associates/joint venture company as on March 31, 2021.

RESERVE BANK OF INDIA (RBI) CLASSIFICATION

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

SHARE CAPITAL

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

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

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

During the Financial Year 2019-20, the Board of Directors of your Company and Srei Infrastructure Finance Limited (SIFL), Holding Company 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 SIFL together with associated employees, assets and liabilities (including liabilities towards issued and outstanding non-convertible debentures), ("Transferred Undertaking") as a going concern by way of slump exchange to your Company through a Business Transfer Agreement (BTA), in exchange of fully paid up equity shares to be issued and allotted by your Company, subject to all necessary approvals.

Pursuant to the aforesaid, BTA was signed and executed by your Company and SIFL on August 16, 2019. Pursuant to the said BTA, the entire fund-based business division of your Company alongwith all its assets and liabilities has been transferred to your Company with effect from October 01, 2019. Further, an amendment to the aforesaid BTA was executed on 14th November, 2019 with your Company. Pursuant to this SIFL has entered into various assignment agreements, in connection with the Transferred Undertaking, with your Company to give effect of the slump exchange and accordingly your Company and SIFL has passed the relevant accounting entries in their respective books of account effective 1st October, 2019, after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks. One of debenture holders of your Company holding debentures amounting to ₹ 75 crores has objected to the slump exchange.

The consent or otherwise of other lenders is still awaited. Pending the approvals as stated above, your Company had accounted for the slump exchange transaction on 1st October, 2019, as stated above. 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, your Company 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, your Company and SIFL has maintained status quo for BTA as per the directions of Hon'ble NCLT.

ORDER PASSED BY THE NATIONAL COMPANY LAW TRIBUNAL (NCLT), KOLKATA BENCH AND THE NATIONAL COMPANY LAW APPELLATE TRIBUNAL, NEW DELHI (NCLAT)

During the year under review, an application being Company Application (CAA) No. 1106/KB/2020 was filed by your Company, for approval of a proposed Scheme of Arrangement with the Creditors (being the banks and financial institutions) and your Company ("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 21st October, 2020 wherein it was directed that the Creditors of your Company 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 your Company and Srei Infrastructure Finance Limited (SIFL), Holding Company of your Company . Further, pursuant to the aforesaid Order of the NCLT, a meeting of the Part III Creditors of your Company (under the First Scheme) for approval of the proposed Scheme of Arrangement with the Creditors covered under the First Scheme and your Company was held on 16th December, 2020 and was declared lost by the Chairperson of the Meeting. The meeting of the Part IV Creditors covered under the First Scheme of your Company is scheduled to be held on 26th July, 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 your Company had sought a one-time restructuring of their loans, which had resulted in a cash flow mismatch in your Company. Following the asset-liability mismatch and the fact that the cash flows of your Company were currently being controlled by lender banks by way of the TRA led your Company 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 your Company ("Second Scheme"). The Second Scheme in conjunction with the First Scheme shall ensure an orderly payment structure to the Creditors of your Company in consonance with the cash flows of your Company. 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 had further directed that no meeting of the Equity Shareholders of your Company is required to be held. The NCLT further directed that till further orders, the Other Creditors (including representative security or debenture trustees) of your Company 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 your Company from being a standard asset which will prejudicially affect your Company 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 your Company at least that of Investment grade.

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

Further, as per the advise of the lead bankers, your Company and SIFL had opened the respective Trust and Retention Accounts (TRA) whereby all business and operational expenses of your Company and SIFL are routed through TRA.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC REVIEW

a. Global Outlook

According to the International Monetary Fund (IMF), the global economy is set to grow by 6.0 per cent in 2021 and then by 4.4 per cent in 2022 after experiencing a contraction of 3.3 per cent in 2020 because of the COVID-19 induced 'Great Lockdown'. Although a globally coordinated vaccination drive is in progress, the pandemic's second wave is spreading fast, forcing governments to implement lockdowns once again, although in a much localised manner. Thus, a full-fledged economic recovery may be some time away, and therefore any projection of future growth at this stage can prove to be premature.

The fight against the pandemic is topmost on every government's agenda. A global initiative of 190 countries, COVAX (abbreviation for COVID-19 Vaccines Global Access), has been launched to ensure rapid and equitable access to COVID-19 vaccines for all countries, regardless of income level. COVAX has lined up almost 2 billion doses of existing and candidate COVID-19 vaccines for use worldwide, including delivery of at least 1.3 billion donor-funded doses of approved vaccines in 2021 to the 92 low and middle income economies. Although COVAX is principally funded by the developed countries, it has also received private sector and philanthropic contributions. Such co-ordinated global action is a welcome change with respect to the 'each country for itself' mindset that was prevalent in the last few years.

While countries have joined hands in their fight against COVID-19, the ongoing second wave has witnessed the emergence of new variants of the virus, some of which are more infectious than the original. As there is little medical evidence on how effective the present vaccines are against the new variants of the virus, there is little clarity on to what extent would the vaccination drive be able to contain the spread of the pandemic.

The global recovery in the year ahead is expected to be driven by China and the US. In fact, a broad-based recovery was visible in the last two quarters of FY21 in several countries, but the second wave has halted it somewhat. This can have economic consequences. To avoid any economic crisis, most central banks are likely to continue the accommodative monetary policies they have followed throughout FY21. During the first wave, following the example of the U.S. Federal Reserve, most central banks adopted ultra-accommodative monetary policies by reducing interest rates to historic lows. Unprecedented liquidity infusions by the central banks in the developed nations were aimed at fuelling debt-financed economic activity. Liquidity worth more than USD 12 trillion had been printed in a matter of few months. The objective has been to enable debt-fuelled demand at both individual and corporate levels.

Even before the pandemic, there was a significant build-up in indebtedness of the non-financial private sector since 2016. With the pandemic, the total global debt stood at USD 277 trillion at the end of 2020, which is 365 per cent of world GDP. The IMF pointed out that such massive recourse to debt was necessary to protect the global economy in the short term. However, a further debt overhang from continued accommodative monetary policies aimed at countering the second wave can have long term ramifications on the global economy.

The World Trade Organization (WTO) has predicted an uneven recovery for global trade. As per WTO estimates, the world trade in merchandise, or goods, will grow 8 per cent in volume in 2021 and by 4 per cent in 2022, after falling 5.3 per cent in 2020. A surge in demand for merchandise during the final half of 2020 helped counterbalance the pandemic's initial disruption to global trade and produced more muted annual decline. The WTO believes that economic recovery across the globe will be dependent on the ramping up of production of vaccines.

The year under review was a turbulent one for most commodities. The widespread global shutdown of economic activity depressed demand and disrupted supply chains for commodities in virtually all sectors – energy, base metals, agricultural products and even the odd precious metals. The price of crude oil, for the first time in history, entered into negative territory. But during the latter half of the year, the prices of several commodities rallied spectacularly and, in certain cases, reached multi-year highs. A combination of expansionary monetary policy and a growing demand for commodities with more and more countries taking the infrastructure road to economic recovery, has been largely responsible for this.

A new world order with multiple protocols related to health, socializing, work culture and others will emerge. As each country comes up with its own protocols, going forward, trade and commerce, travel and tourism, movement of individuals among countries will increasingly be determined by bilateral deals and limited regional co-operations. These "new normal"-s will fundamentally change certain industries and they would need to re-engineer their business models in order to survive. Adapting to these "new normal"-s will have to be the focus in the short to medium term.

b. Indian Scenario

During the year under review, because of the impact of the pandemic, the Indian economy contracted by 7.3 per cent after growing at a rate of 4 per cent in FY20. The country went into a brief recession as the first two quarters of FY21 registered negative GDP growth, however it came out of the recession in the third quarter as the Q3 GDP expanded by 0.5 per cent. The GDP growth predictions for India are quite varied. While the IMF projects a more optimistic growth rate of 12.5 per cent for India in 2021 and a follow-up growth of 6.9 per cent growth in 2022, the United Nations, taking note of the impact of the second wave, has predicted a more conservative growth rate of 7.5 per cent in 2021 followed by a 10.1 per cent growth in 2022. The Reserve Bank of India (RBI) has predicted a 9.5 per cent GDP growth for India in FY22.

After recording a total FDI (equity + re-invested earnings + other capital) of USD 74.39 billion in FY20, India was able to attract FDI worth USD 81.72 billion in FY21. The disruption in global trade due to the pandemic was reflected in India's trade figures too. Total exports (goods and services combined) in FY21 stood at USD 493.19 billion and total imports stood at USD 505.94 billion (much lower than the USD 544.7 billion and USD 645.6 billion figures respectively in FY20). However, in spite of all these, 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 FY21.

The economy was steadily losing momentum in the pre-pandemic phase. The national lockdown brought economic activity to a virtual standstill for a couple of months at the start of the year under review. The composite index of 8 core industries (namely coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity) contracted by 7 per cent during FY21 after a marginal growth of 0.4 per cent in FY20. The Index for Industrial Production (IIP) shrunk by 8.6 per cent in FY21 compared to a 0.8 per cent contraction in FY20. Capital goods output contracted by 19.2 per cent, infrastructure and construction goods by 9.1 per cent and consumer durables by 15.2 per cent in FY21. Sales of vehicles continued to decline second year in a row – passenger vehicles by 2.24 per cent and commercial vehicles by 20.77 per cent. Bank credit growth decelerated to an over five-decade low of 5.56 per cent in FY21. The prolonged slowdown has severely curbed consumption which, in turn, has slowed down considerably investments for fresh capacity creation.

Because of a prolonged period of slow growth, a stressed financial system and other downside risks, India's sovereign credit rating was downgraded by credit rating agency Moody's to "Baa3" with a negative outlook. Meanwhile, Fitch Ratings retained "BBB-" sovereign rating for India with a negative outlook and S&P Global Ratings also kept India's sovereign rating unchanged at "BBB-" for the next two years.

The government tried to address the urgent needs of the most vulnerable segments of the society and announced a number of initiatives aimed at reviving growth. At the same time the RBI reduced the policy rates and had taken a number of measures to preserve financial stability. During the last two quarters, a nascent recovery was visible with mixed signals emerging from a number of high frequency indicators. However, supply-side disruptions had started pushing up inflation despite a lack of consumption demand. Now with localised lockdowns and containment measures on account of the second wave, there can be a further rise in inflation, as evident from the April 2021 Wholesale Price Index (WPI) inflation (or factory-gate price inflation) figure overshooting the Consumer Price Index (CPI) inflation (or retail inflation) figure by a wide margin. Early signs of renewed stress are once again visible in the economy. In this backdrop, the RBI is likely to continue its accommodative stance, but chances of further reduction in policy interest rates are minimal now as inflationary trends are already visible.

The second wave has been more virulent with increased cases of fatalities. But, despite that, the shock to economic activity is likely to be less severe than what it was in 2020. Equipped with the experience of the first wave, the authorities are resorting to more narrow lockdowns. While the year under review has been a struggle for survival and stabilization for most enterprises, the year ahead is likely to be a phase of cautious growth.

NBFCs IN INDIA

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

As on January 2021, there were 9,507 NBFCs registered with the RBI. This was a second consecutive challenging year for the NBFC sector. While the flow of funds to NBFCs from the institutional sources had significantly dried up in FY20, there was a drastic fall in revenues in FY21 as the RBI actively intervened to alleviate the problems of the borrower community.

The following regulatory amendments were made by the RBI during the year under review which had a significant impact on the NBFC sector :

- NBFCs were allowed to extend to their stressed borrowers a moratorium on loan payment of all installments in respect of term loans, for six months.
- NBFCs figured among the targeted pandemic-affected entities which were to receive liquidity support from the RBI under the Targeted Long-Term Repo Operations (TLTRO) 2.0. A total of up to ₹ 500 billion was to be availed under the scheme at the policy repo rate for tenors up to three years and the amount had to be deployed in investment grade bonds, Commercial Papers and Non-Convertible Debentures of NBFCs. Subsequently, on-tap TLTRO with tenors of up to three years for a total of up to ₹ 1 trillion was announced. The scheme was made available at a floating rate linked to the policy repo rate and was available up to end-FY21 with an in-built flexibility to enhance the amount and period, if required.
- 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.
- NBFCs were instructed to allow a one-time restructuring

of the stressed loan accounts of those borrowers who have been affected due to the pandemic.

- A co-lending model aimed at meeting the credit needs of priority sectors was introduced with a funding ratio of 80:20 between banks and NBFCs. The intent was to make both banks and NBFCs to benefit from each other's core strengths.
- 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 a given 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 SARFAESI Act, 2002

A special liquidity scheme with an allocation of ₹ 300 billion was announced enabling investments in both primary and secondary market transactions in investment grade debt paper of NBFCs, housing finance companies (HFCs) and micro-finance institutions (MFIs), the securities being fully guaranteed by Government of India. In addition, ₹ 450 billion was allocated for a Partial Credit Guarantee Scheme 2.0 to cover borrowings such as primary issuance of bonds and commercial papers of NBFCs, HFCs and MFIs, which involve sub-AA ratings and even unrated papers. Government agreed to guarantee the first 20 per cent of the losses. These schemes were routed through the banks, but a reluctant approach on part of the banks ensured that not enough liquidity was available for all categories of NBFCs. Without a steady access to liquidity, several NBFCs, especially the small and medium sized NBFCs, found the operating environment extremely difficult.

The second wave being more pervasive and having 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 thwart fund-raising for NBFCs, at least in the near term. The fragile recovery that was visible in the sector is likely to get delayed.

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.

BUSINESS OUTLOOK AND FUTURE PLANS

As the pandemic has stretched for more than a year, the government strategies at both the Centre and State levels, must aim to strike a fine balance so that neither life nor livelihood is threatened. The central government is clearly working towards scripting an infrastructure driven economic recovery. The multiplier impact of building infrastructure is manifold in terms of generating new employment, creating entrepreneurship opportunities and fuelling demand through upstream and downstream linkages.

In Union Budget 2021-22, notwithstanding its impact on pushing up the fiscal deficit, a record allocation of ₹ 5.54 trillion was made for capital expenditure, 25 per cent higher than last year. To attract more global funds for infrastructure development, a review has been undertaken to ease the investment norms by foreign funds in sovereign wealth funds. The government has allocated ₹ 200 billion to set up and capitalise a development financial institution for financing infrastructure projects. A special purpose vehicle will also be formed to monetise brownfield infrastructure assets.

The National Infrastructure Pipeline (NIP) of projects which envisages investments of ₹ 111 trillion over five years up to 2025, has been expanded to 7,400 projects.

- The budget has allocated ₹ 1.18 trillion, the highest ever outlay, for Ministry of Road Transport and Highways, of which ₹ 1.08 trillion is for capital expenditure. A total investment of ₹ 15 trillion has been envisaged for road construction in the next two years. After building 13,298 km of highways in 2020-21 despite pandemic disruptions, i.e. about 37 km per day, a target of 40 km per day of highways construction has been set for 2021-22.
- The budget has allocated ₹ 1.1 trillion for the Railways, of which ₹ 1.07 trillion is for capital expenditure with a promise to complete 100 per cent electrification of broad gauge routes by December 2023. A major capacity expansion has been undertaken to equip rail infrastructure

to handle increased traffic. The objective is to increase the modal share of rail in total traffic from the present 27 per cent to 45 per cent.

- The budget has emphasised development of metro rails in public-private partnership (PPP) mode in different parts of the country. Metro Lite and Metro Neo technologies are being adapted to provide metro rail systems at much lesser cost with similar experience in tier-2 cities and peripheral areas of tier-1 cities.
- For ramping up the port infrastructure, a compendium of 400 investable maritime projects with an investment potential of ₹ 2.24 trillion has been drawn up. The budget has promised 7 projects worth ₹ 20 billion to be offered in PPP mode for managing operations at major ports.
- A revamped reforms-based result linked power distribution scheme will be launched with an outlay of ₹ 3.06 trillion over 5 years.
- With entry of commercial miners into the mining scene and India's aim to get rid of coal imports, mining activity will only increase. India has set for itself a production target of 1 billion tonne coal domestically by 2023-24.
- The budget has announced the Jal Jeevan Mission (Urban) which will enable water supply in all 4,378 urban local bodies with 28.6 million household tap connections, as well as liquid waste management in 500 AMRUT cities.

All these projects will generate significant demand for equipment required in construction and mining, and so will the financing for these equipment.

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 months of FY21 and registered a volume growth of 9% YoY in FY20-21. In the last 6 months of the financial year, industry has grown by ~35% (YoY). Overall construction equipment sales in FY21 was 91,808 units with exports driving a ~5% share in the overall sales. Even though there are signs of stability post the COVID period, the total sales are yet to reach FY19 levels. 'Earthmoving equipment' category continues to be the most dominant driver for overall sales while 'Concrete equipment' category has seen an industry highest growth of 62% over last year.

According to a recent estimate published by ICRA, the construction and mining equipment industry is likely to grow by 15-20% in the calendar year 2021, supported by the fact that the government is continuing its 'Build India' momentum to counter the economic slowdown and creating the impetus to deploy ample liquidity in the ecosystem. ICRA has estimated a strong equipment demand growth of 45-50% in the first quarter of CY'21. However, it also warned that due to the second wave of the pandemic, the entire economy is under a stress and this could throw up sudden negative surprises.

The second wave has highlighted the inadequacies of India's health sector, both in terms of medical facilities and manpower. Revamping India's health infrastructure should be the government's top priority along with creation of other infrastructure. Already the government has allocated ₹ 2.24 trillion for the health sector in the budget. Recently the RBI Governor has announced the opening of an on-tap liquidity window of ₹ 500 billion with tenors of up to three years at the repo rate till March 31, 2022 to boost provision of immediate liquidity for ramping up COVID-related healthcare infrastructure and services. Under the scheme, the banks are expected to create a COVID loan book and have been incentivised to deliver credit quickly, either directly or through intermediaries, under priority sector lending (PSL) classification, up to March 31, 2022. These loans will continue to be classified under PSL till repayment/maturity, whichever is earlier.

The budget allocation of ₹ 400 billion to the Rural Infrastructure Development Fund (RIDF) and the forecast of a normal monsoon augur well for the rural economy. This was one sector which had emerged relatively unscathed during the first wave. However, the second wave, unlike the first one, has spread into the rural hinterland as well. For this, manpower availability may become a challenge for the Kharif harvest. This is likely to encourage further mechanisation of farm operations.

Technology has taken centre-stage in this pandemic. Be it in the area of governance or working or even socialising and entertainment, technology is the key today. Organisations and individuals who had proactively invested in technology and tech-training, have handled the crisis much better. Just like investing in technology is becoming a way of life, so will be investments for strengthening cyber-security. A number of new business opportunities will emerge in technology services.

The management of your Company is closely tracking these developments in order to source new business opportunities. Our immediate priority is to guide the fully owned operating subsidiary, namely Srei Equipment Finance Limited, to a stronger financial footing and to come out of the pandemic-induced stress unscathed. On its part, the parent, Srei Infrastructure Finance Limited, is determined to make an impact in the Infrastructure Advisory business which is bound to see a huge uptick with the government's infra spend as outlined above.

BUSINESS REVIEW

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

Infrastructure sector 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 percent 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 7600 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 percent more (budgeted estimate to budgeted estimate) than last year to infrastructure development amounting to ₹ 5.54 lacs crore, 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 crore to set up and capitalize a Development Financial Institution (DFI)—to act as a provider, enabler and catalyst for infrastructure financing and a ₹ 5 lacs crore lending portfolio will be created under the proposed DFI in 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 crore, 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 lacs crore, already 13,000 km of roads worth ₹ 3.3 lacs 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 percent 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 digitalization and intelligentization of manufacturing for rolling out highly advanced equipment. In view of the projected growth and government's 'Make in India' initiative, most Original Equipment Manufacturer (OEMs) are upgrading their manufacturing facilities in an intelligent and innovative way by using automation, robotic, and advanced technologies; producing high-tech machines that meet global quality standards.

The NBFC sector was moving towards a silent recovery when the Covid-19 pandemic struck in the last quarter of FY 2020 and stalled its recovery. The consolidated balance sheet of NBFCs decelerated in 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. Having said that, 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 months of FY21 and registered a volume growth of 9% YoY in FY20-21. In the last 6 months of the financial year, industry has grown by ~35% (YoY). However, it is to be noted that the 9% growth was mainly due to a lower base of the previous financial year since due to the aforementioned economic scenario, in FY'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 the company. In FY2021, your Company's total income decreased by 34% to ₹ 3,455 crores and your company 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 ₹ 36,000 crores. In this challenging environment, your Company has focused on recovery of dues to improve the collection and has directed all its efforts in reducing the NPA of the company. Your company is re-engineering the business model through multiple stakeholder partnerships with an endeavor 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, your Company will enhance its focus on recovery of dues from customers, stabilization of its operations, facilitating the ongoing debt resolution process and the capital raising process through investor engagement.

RESOURCES

The year under review was very critical & challenging for the treasury department of your Company. Given the overall Covid-19 scenario and lockdowns fund raising has been a challenge.

Loans from Banks

The tied-up Cash Credit limits of your Company stood at ₹ 17,852 Crores constituting, ₹ 10,428 Crores from a consortium of banks and ₹ 7,424 Crores from transferred portfolio during the FY 2020-21. During the year, no fresh term facilities were raised.

Securitisation / Assignment of Loan Portfolio

During the year under review your Company has not securitized/ assigned any fresh loans. The loan assets assigned have been de-recognized in the books of your Company as per extant RBI guidelines on securitization of standard assets and applicable accounting standards. Total direct assignment outstanding is ₹ 4,274.68 Crores and total securitization outstanding is ₹ 111.74 Crores as on 31st March, 2021.

Short Term Loans & Commercial Paper

During the year under review your Company has not issued any Commercial Papers to Mutual Funds, Banks and other investors and has not raised short term loans from banks by earmarking of cash credit limits.

International Borrowings

In FY 2020-21, Foreign Currency loans to the equivalent of US$ 3.78 Million amounting to ₹ 27.59 Crores was drawn down. The cost of this loan including the hedge cost helped in bringing down the overall cost of funds.

RISK MANAGEMENT

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

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

a) To identify and assess various risks;

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

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

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

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

Governance Structure

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

Credit Risk

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

Asset Risk

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

Portfolio Risk

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

Treasury Risk

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

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

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

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

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

Operational Risk

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

Your Company ensures that the anti money laundering procedures are implemented, effective and compliant with the latest statutory regulations. It involves in setting up of a consistent system throughout your Company, with an adequate level of formalization and traceability that will serve to provide management, the Board of Directors, and regulatory bodies with reasonable assurance of risk control.

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

IT Risk

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 we expect to kick start the project by end of July. In regard to DR, SIFL/ SEFL servers are entirely hosted on our AWS Cloud Data Centers 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 99.9999999% durability and 99.99% availability by redundantly storing objects on multiple devices across multiple Availability Zones (Data Centres).

Regulatory Risk

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

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

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

HUMAN RESOURCES ACTIVITIES

The Covid-19 crisis has been one of the biggest business disrupters, and as an organization your Company needed to respond in many ways that demonstrated future readiness.

Your Company needed to become a leaner, flatter organization in order to have the agility and quick response time that the current environment, with all its technological breakthroughs demands. This also involved bringing in technology and transforming processes. In order to become flatter, and more responsive your Company needed to empower larger numbers of people to make good decisions while still effectively managing risk which is paramount in the financial sector. People needed to have the skill and expertise in order to be able to take on greater responsibility for decision making so as to allow for shorter response times as well as greater accountability.

The key business issue that needed to be addressed was operational efficiency and execution excellence. Remote Working was a new reality that had to be leveraged. With the advent of new technology and the ready availability of information, the customer has come to expect a very quick turn-around time. The organization therefore needed to revamp itself and introduce technology both into customer facing and back-office processes that would allow it to build the operational efficiency it needed to maintain its competitive edge. Innovation was therefore required throughout the organization. As was skills in managing change in order to bring about the business transformation.

A significant transformation introduced by the Senior Leadership Team, was moving towards a non-restrictive approach called "WFA" or "work from anywhere" from the binary concept of work from home or work from office. This has resulted in the "never seen before efficiency" at workplace.

Significant realigning of roles was done in order to implement about the digital strategy.

The organization recognized that learning interventions were key in order to prepare employees to adopt the new digital platform and business model.

Your Company had to tackle several challenges. These included:

- Equipping all 1200 employees spread across the country with the skills that they need to do their jobs with skill and proficiency.
- Teach people the domain skills that would allow them to evaluate information effectively and make good decisions so as to allow for de-centralized decision making without increasing the risk for the organization- a key parameter for any financial institution.
- Quickly upskilling people in order to be able to roll out and use technology effectively as an organization.

It was quickly realized that as the organization evolved, the way learning and development was delivered would also need to radically change. In order to support the business, the Learning and Development (L and D) initiatives too would need to adopt technology and increasing the scope, speed and the extent of its reach in order to be able to help the organization achieve the operational efficiency required. In order to help the organization to adopt new technology the L and D platform itself needed to be re-engineered and transformed.

A new learning strategy, "Reboot.Relearn" was devised that was built on just in time learning and was delivered through the various online meeting platforms. Business leaders were deployed to spearhead the training in their respective areas of expertise. Learning was built into every day work through Action Learning in partnership with Zones. In addition to upskill and reskill employees and building organizational capability and completing compliance standards, Learning became a key driver to constantly engage with employees across the country and strengthen the collaborative culture during the entire lockdown period. Moreover, continuous efforts were made to encourage wellness in mind, body and spirit amongst employees. Further, L and D organised various programs on Wellness, Mental Health, Meditation as well as Financial Wellness sessions to help employees reduce anxiety, stress and build resilience.

The business continues to work on adoption of a digital platform and bringing customers, as well as other stakeholders better services through the use of the platform. Training continues to be a key factor in developing agility, adaptability and engage with employees.

Some of the innovations pioneered by your Company with Covid-19 revolutionising the way we work, working remote and virtual is the new age mantra and is set to become intrinsic to our business model, rom Virtual On Boarding to Attendance on the Go, from digitized approvals to a Just in Time Learning, from adapting crowd sourcing to flattening the structure; these strategic shifts paved the path for the Newer Normal.

Developing quicker prototypes, adopting to technology overnight and by rearranging the team structures basis talent and capability gave us the push and made the organisation plunge five years/ folds ahead in no time.

Engagement using technology platforms was one of the key adaptations that was made during the lockdown which included engagement with employees, customers and other stakeholders. Your Company became adept at using virtual platforms to conduct business, learn, connect and operate.

Supporting each employee through the difficult times, finding ways to build resilience and harness positivity, and creating a feeling of belonging and togetherness was another key feature of your Company through this period. This was communicated in myriad and varied ways using technology platforms. Celebrating small successes and coming together in support during the many tragedies both have been a hallmark of the organization in the past one year. All of this has been enabled through technology.

True to its ethos the organization has maintained its philanthropy throughout the crisis and has reached out to help those who were most in need. It therefore has consistently demonstrated that your Company is an organization with a purpose that is beyond just financial goals but instead is committed to the well-being of all stakeholders, including that of the wider society and people around us. Many drives were done to deliver food and essential commodities to the villages and poorer neighborhoods around our offices. All of this was communicated using different technological platforms to inspire and give hope and a sense of purpose to all employees and customers and create a feeling of pride and belonging to the organization.

In addition to being amongst top 100 companies in Great Place to Work® Institute's Best Workplaces Lists in 2020, your Company has also been recognised among the Top 30 organizations among 'India's Best Workplaces in BFSI 2021'.

On 31st March, 2021 the headcount of your Company was 1250.

INFORMATION TECHNOLOGY

Adjusting to the new realities created by Covid-19 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 the Company, cyber-security risk is a priority and the 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. The 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, analyzing 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 as well as revised standard operating procedures.

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

The Corporate Social Responsibility (CSR) Committee constituted in terms of Section 135 of the Companies Act, 2013 (the Act) and the rules thereon is established with primary function of the Committee to undertake activities mandated by the Act. The terms of reference of the Committee was last revised on February 11, 2021. The Board of Directors of your Company, at its meeting held on July 27, 2020, reconstituted the Corporate Social Responsibility Committee consequent to induction of Mr. Shyamalendu Chatterjee as Member in place of Mr. Sunil Kanoria. Further, the Board of Directors, at its meeting held on April 23, 2021 reconstituted the CSR Committee, consequent to induction of Dr. (Mrs.) Tamali Sen Gupta in place of Mr. Hemant Kanoria as Member and Chairperson. The Committee presently comprises of Dr. (Mrs.) Tamali Sengupta, Mr. Suresh Kumar Jain and Mr. Shyamalendu Chatterjee, Non-Executive & Independent Directors as Members. Dr. (Mrs.) Tamali Sengupta acts as the Chairman of the Committee and the Company Secretary acts as the Secretary to the CSR Committee.

During the year under review, the CSR Committee met 3 (Three) times on June 27, 2020, October 28, 2020 and February 17, 2021.

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

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 ₹ 6,47,75,332/- (Rupees Six Crore Forty Seven Lacs Seventy Five Thousand Three Hundred and Thirty Two Only).

During the year under review, your Company could disburse only an amount of ₹ 1,25,25,000/- (Rupees One Crore Twenty Five Lacs and Twenty Five Thousand Only), being 0.39 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 Rs. 52,250,332/- (Rupees Five Crore Twenty Two Lacs Fifty Thousand Three Hundred and Thirty Two 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 has supported Srei Foundation towards educating deserving and talented candidates through scholarships and grants, setting up of schools, colleges, medical and scientific research institutions by contributing ₹ 50,00,000/- (Rupees Fifty Lacs only) during the financial year 2020-21. Contributions to Srei Foundation qualify for deduction under Section 80G of the Income Tax Act, 1961.

Apart from Srei Foundation, your Company supported a variety of other charitable projects and social welfare activities also and contributed an aggregate sum of ₹ 75,25,000 (Rupees Seventy Five Lacs Twenty Five Thousand Only) as CSR to several welfare and charitable organisations.

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 utilize 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. However, during the year, disbursement of the entire amount committed to CSR recipients could not be done before 31st March, 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. However, your Company remains committed to identify suitable CSR projects for fulfilling its CSR commitment and spend atleast 2 (two) per cent of the Profits on CSR activities.

WEBSITE

The website of your Company www.srei.com has been developed on the new responsive technology based platform known as 'Laravel', ensuring uniform display across all devices like mobile, tablet, desktop etc. and all the operating systems. The website has an inbuilt sophisticated and customized content management system for easy change in content. A simple, improved navigation system needs a lesser number of clicks to reach the information available in the different sections of the website. The contemporary and smart look of the website ensures a customer centric approach catering to the requirements of prospective customers, investors and employees. The website carries a comprehensive database of information of interest to the investors including the financial results, financial products, corporate codes and policies, corporate presentations, stock exchange intimation, media coverage and business activities of your Company and the services rendered by your Company. Some useful features like credit ratings and active and mature NCDs, registrar point, NCDs touch points, 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 organisations 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.

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

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

KEY MANAGERIAL PERSONNEL (KMPs)

During the year under review, the tenure of Mr. Indranil Sengupta as the Chief Risk Officer (CRO), being an Additional KMP, expired on June 30, 2020.

However, Mr. Indranil Sengupta was appointed as a Whole-time Director and a Key Managerial Personnel (KMP) for a period of 1 (one) year w.e.f. August 01, 2020 pursuant to the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 ('Act') and rules made thereunder .

Further, during the year under review, Mr. Pavan Trivedi ceased to be a Key Managerial Personnel (KMP) w.e.f. March 31, 2021.

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

Name	Designation
Mr. Hemant Kanoria	Chairman
Mr. Sunil Kanoria	Vice Chairman
Mr. Devendra Kumar Vyas	Managing Director
Mr. Indranil Sengupta	Whole-time Director
Mr. Manoj Kumar Beriwala	Chief Financial Officer
Ms. Ritu Bhojak	Company Secretary
Mr. Pulak Bagchi	General Counsel

Further, Ms. Ritu Bhojak ceased to be a Company Secretary and Key Managerial Personnel (KMP) w.e.f. May 10, 2021 and Mr. Pulak Bagchi ceased to be a General Counsel and Key Managerial Personnel (KMP) w.e.f. May 31, 2021

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

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

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

During the year under review, the total foreign exchange expenditure of your Company was ₹ 21,416 Lacs (previous year ₹ 26,634 Lacs) and has not earned any foreign exchange (Previous Year - Nil).

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

Your Company transferred a sum of ₹ 1,81,811 (Rupees One Lac Eighty One Thousand Eight Hundred and Eleven only) to IEPF, being the unpaid amount of Interest on Application money on Non-Convertible Debentures (NCDs) due for refund, as provided in Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules).

MEETINGS OF THE BOARD

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

9 (Nine) Board meetings were held during the year 2020-21 on June 27, 2020, July 27, 2020, September 12, 2020, November 07, 2020, December 02, 2020, January 07, 2021, February 11, 2021, March 19, 2021 & March 30, 2021. The maximum time gap between any two consecutive meetings did not exceed 120 (one hundred and twenty) days.

DIRECTORS

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

Further, the Board of Directors of your Company appointed Mr. Indranil Sengupta (DIN: 08807005), as an Additional Director (Category – Executive Director) of your Company with effect from August 01, 2020 to hold office as such upto the date of the 14th (Fourteenth) Annual General Meeting (AGM) of your Company which was held on August 25, 2020. Mr. Indranil Sengupta was also appointed as a Whole-time Director of your Company, liable to retirement by rotation, for a period of 1 (one) year from August 01, 2020 till July 31, 2021, based on the recommendation of the Nomination and Remuneration Committee and subject to approval of Members at the 14th Annual General Meeting (AGM) of your Company.

During the year under review, Mr. Ashwani Kumar (DIN: 02870681) resigned as Director of your Company w.e.f. March 03, 2021 in terms of Section 168 of the Companies Act, 2013 due to personal pre-occupations.

Further, the Board of Directors of your Company appointed Mr. Malay Mukherjee (DIN: 02272425), as an Additional Director (Category – Independent Director) of your Company with effect from March 06, 2021 to hold office as such upto the date of the ensuing Annual General Meeting (AGM) of your Company. Mr. Malay Mukherjee was also appointed as an Independent Director of your Company for a term of 5 (five) consecutive years w.e.f. 6th March, 2021 in the Extra ordinary General Meeting of your Company held on 15th March, 2021.

Further, the Board of Directors of your Company appointed Mr. Deepak Verma (DIN: 07489985), as an Additional Director (Category – Independent Director) of your Company with effect from April 23, 2021 to hold office as such upto the date of the ensuing Annual General Meeting (AGM) of your Company. Mr. Deepak Verma was also appointed as an Independent Director of your Company for a term of 5 (five) consecutive years w.e.f. April 23, 2021 in the Extra ordinary General Meeting of your Company held on 10th May, 2021.

The Board is of the opinion that Mr. Shyamalendu Chatterjee, Mr. Malay Mukherjee and Mr. Deepak Verma, Independent Directors of your Company appointed during the year possess the requisite expertise, experience and proficiency in their field and are the persons of high integrity and repute. They fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are independent of the management.

In accordance with the provisions of Section 152 of the Companies Act, 2013 (Act) and the relevant Rules and your Company's Articles of Association, Mr. Devendra Kumar Vyas (DIN: 00651362), Managing Director retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

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

Further, 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. Based on the declarations received, it was noted that Mr. Shyamalendu Chatterjee and Mr. Deepak Verma are exempted from undertaking the Online Proficiency Self Assessment Test. Further, Mr. Suresh Kumar Jain, Dr. (Mrs.) Tamali Sengupta, Mr. Uma Shankar Paliwal and Mr. Malay Mukherjee have successfully qualified the test.

Further, 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.

Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman of your Company are each entitled to a remuneration as approved by the Members of your Company at the 12th AGM of your Company held on 10th May, 2018 and thereafter at the 13th AGM of your Company held on 20th June, 2019 and 14th AGM of your Company held on 25th August, 2020.

Further, Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman had voluntarily reduced his pay by 30% (thirty per cent) during the Financial Year 2020-21. Your Company received letters dated 1st December, 2020 from Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman informing the Board of Directors of your Company about their desire to voluntarily, for the time being, relinquish the remuneration payable to them w.e.f. 1st November, 2020 in view of the present situation. Further, your Company received letters dated 5th May, 2021 from Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman informing the Board of Directors of your Company about their desire to voluntarily relinquish the remuneration payable to them for the Financial Year 2021-22.

Further, Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman (Executive Directors) of your Company, are also the Chairman (Executive) and Vice Chairman (Non Executive), respectively, of Srei Infrastructure Finance Limited (SIFL), the holding company of your Company and are in receipt of remuneration during the Financial Year 2020-21 from SIFL as per the details given below:

Name of Director	Remuneration (Rs. in Lacs)
Hemant Kanoria	89.77
Sunil Kanoria	11.35*

*Remuneration paid by way of sitting fees

Dr. (Mrs.) Tamali Sengupta, Mr. Shyamalendu Chatterjee and Mr. Malay Mukherjee, Independent Directors of your Company, are Independent Directors of Srei Infrastructure Finance Limited (SIFL), holding company of your Company and are in receipt of remuneration during the Financial Year 2020-21 from SIFL as per the details given below:

Name of Director	Remuneration (Rs. in Lacs)*
Tamali Sengupta	8.5
Shyamalendu Chatterjee	10.25
Malay Mukherjee	15.25

*Remuneration paid by way of sitting fees

AUDIT COMMITTEE

The Audit Committee of your Company has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 and Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014. The Board of Directors of your Company, at its meeting held on July 27, 2020, reconstituted the Audit Committee, consequent to the induction of Mr. Indranil Sengupta, Whole-time Director as a Member of the Committee. Further, the Board of Director vide a resolution passed by circulation dated March 06, 2021 reconstituted the Audit Committee, consequent to the cessation of Mr. Ashwani Kumar as a member and induction of Mr. Malay Mukherjee as a Member of the Committee. Further, the Board of Director, at its meeting held on April 23, 2021 reconstituted the Audit Committee, consequent to the cessation of Mr. Sunil Kanoria as a Member of the Committee. The Committee presently comprises Mr. Suresh Kumar Jain, Mr. Malay Mukherjee, Independent Directors and Mr. Indranil Sengupta, Whole-time Director as Members. Mr. Suresh Kumar Jain, Independent Director of your Company is the Chairman of the Audit Committee. The Company Secretary of your Company acts as the Secretary to the Audit Committee.

5 (Five) meetings of the Audit Committee were held during the year 2020-21 on June 27, 2020, July 27, 2020, September 12, 2020, November 07, 2020 and February 11, 2021.

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

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of your Company has constituted a

Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013. The Board of Directors of your Company, at its meeting held on July 27, 2020, reconstituted the Nomination & Remuneration Committee, consequent to the induction of Mr. Uma Shankar Paliwal, Independent Director as a Member in place of Mr. Ashwani Kumar, Independent Directors and designation of Mr. Suresh Kumar Jain, Independent Director as the Chairman of the Committee. The Committee presently comprises of Mr. Suresh Kumar Jain, Dr. (Mrs.) Tamali Sengupta and Mr. Uma Shankar Paliwal, Independent Directors as Members. Mr. Suresh Kumar Jain, Independent Director of your Company is the Chairman of the Nomination and Remuneration Committee. The Company Secretary of your Company acts as the Secretary to the Nomination and Remuneration Committee.

3 (Three) meetings of the Nomination and Remuneration Committee of your Company were held during the year 2020-21 on June 27, 2020, July 27, 2020 and October 29, 2020. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

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

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors of your Company have constituted a Stakeholders Relationship Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014. The Board of Directors of your Company, at its meeting held on July 27, 2020, reconstituted the Stakeholders Relationship Committee, consequent to induction of Mr. Shyamalendu Chatterjee and Mr. Uma Shankar Paliwal, Independent Directors as Members in place of Mr. Sunil Kanoria, Vice Chairman and Mr. Devendra Kumar Vyas, Managing Director. The Committee presently comprises of Mr. Suresh Kumar Jain, Mr. Shyamalendu Chatterjee and Mr. Uma Shankar Paliwal, Independent Directors as Members. Mr. Suresh Kumar Jain, Independent Director of your Company is the Chairman of the Stakeholders Relationship Committee. The Company Secretary of your Company acts as the Secretary to the Stakeholders Relationship Committee.

4 (Four) meetings of the Stakeholders Relationship Committee were held during the year 2020-21 on June 27, 2020, August 17, 2020, October 29, 2020 and January 18, 2021.

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

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

Owing to Covid-19 pandemic, extended lockdown, extension of moratorium to the borrowers and operating lessees, non-availability of moratorium from lenders and substantial loan loss provision, your Company has incurred loss and cash flow mismatch during the year ended March 31, 2021 and its net worth has reduced. This may impact your Company's ability to meet its financial commitments in foreseeable future. Considering the overall situation, it seems that there is a material uncertainty which casts significant doubt about your Company's ability to continue as a 'going concern'. Your Company has filed applications under Sec. 230 of the Companies Act, 2013 before the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench (Hon'ble NCLT) proposing Schemes of Arrangement (Schemes) with all its secured and unsecured lenders (Creditors). The Hon'ble NCLT has passed 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 your Company from being a standard asset, which will prejudicially affect the implementation of the Schemes and render the same ineffective. Your Company's ability to meet its financial commitments is dependent on the final outcome of the aforesaid Schemes. Your Company is in active discussions with the Creditors for the proposed Schemes and is hopeful of proper resolution of the matter. In view of the same and further considering the underlying strength of your Company's business and its future growth outlook and with time bound monetization of assets, your Company is of the opinion that it will be able to meet its financial commitments in due course of time. Accordingly, your Company has considered it appropriate to prepare these financial results on a going concern basis.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) in the preparation of the annual accounts for the year ended March 31, 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/loss of your Company for the year;

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

(iv) they have prepared the annual accounts for the year ended March 31, 2021 on a going concern basis;

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

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

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

AUDITORS

At the 14th (Fourteenth) Annual General Meeting (AGM) of your Company held on 25th August, 2020, M/s. Haribhakti & Co. LLP, Chartered Accountants having registration No. 103523W/W100048 allotted by The Institute of Chartered Accountants of India were appointed as the Statutory Auditors of your Company to hold office for a term of 5 (Five) years from the conclusion of the 14th (Fourteenth) AGM till the conclusion of the 19th (Nineteenth) AGM of your Company.

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

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

SECRETARIAL AUDIT REPORT

Your Company appointed Mr. Mohan Ram Goenka, Practising Company Secretary, holding membership of The Institute of Company Secretaries of India (Membership No. FCS 4515; Certificate of Practice No. 2551) as the Secretarial Auditor of your Company for the financial year 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, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, The Foreign Exchange Management Act, 1999, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2)), SEBI (Prohibition of Insider Trading) Regulations, 2015, Securities Contracts (Regulation) Act, 1956, all the Regulations and Guidelines of SEBI as applicable to your Company, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the Reserve Bank of India Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC – ND – SI).

The Secretarial Audit Report for the financial year ended March 31, 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.

PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions of your Company are entered in the ordinary course of business and conducted on arm's length basis wherever applicable and on commercially reasonable terms and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant transactions entered into by your Company with Promoters, Directors or Key Managerial Personnel (KMPs), which have potential conflict with the interest of your Company at large. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and your Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements and liquidity.

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

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

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

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

PARTICULARS OF EMPLOYEES

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

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/sefl-financial-reports.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

PERFORMANCE EVALUATION

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

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

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

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

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

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

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

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

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

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

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

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

POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT

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

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

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

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

GENERAL DISCLOSURES

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

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

ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

Sd/-
Hemant Kanoria
Chairman
DIN: 00193015

Place : Kolkata
Date : June 29, 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 2020-21:

Sl. No.	Name of the Director	Remuneration (₹)*	Median Remuneration of employees (₹)	Ratio (In times)
1.	Mr. Hemant Kanoria	1,95,81,466	4,77,996	40.97x
2.	Mr. Sunil Kanoria	1,92,27,989		40.23x
3.	Mr. Devendra Kumar Vyas	2,34,57,720		49.08x
4.	Mr. Indranil Sengupta **	35,99,753		7.53x
5.	Mr. Shyamalendu Chatterjee#*	13,15,000		2.75x
6.	Mr. Suresh Kumar Jain	15,40,000		3.22x
7.	Mr. Ashwani Kumar#	14,40,000		3.01x
8.	Dr. (Mrs.) Tamali Sengupta	9,70,000		2.03x
9.	Mr. Uma Shankar Paliwal	14,50,000		3.03x
10.	Mr. Malay Mukherjee##	2,50,000		0.53x

* Remuneration includes sitting fees paid to Independent Directors for attending meetings of Board and various committees thereof
** Appointed as a Whole-time Director w.e.f. 01.08.2020
#*Appointed for a second term of 5 (five) years as an Independent Director w.e.f. 02.04.2020
#Resigned w.e.f. 03.03.2021
##Appointed as an Independent Director w.e.f. 06.03.2020

Note: Due to the restrictions imposed by Bankers, 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 amounting to ₹ 2.19 crores as on 31st March, 2021 as the same is payable as per the contractual obligations of the Company. The Company is pursuing with the Banks for the aforesaid payments.

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 2020-21:

Sl. No.	Name	Designation	Remuneration of previous year* (₹)	Remuneration of Current year* (₹)	% increase/ (decrease)
1.	Mr. Hemant Kanoria	Chairman	4,97,19,880	1,95,81,466	Refer Note (a)
2.	Mr. Sunil Kanoria	Vice Chairman	4,97,85,767	1,92,27,989	Refer Note (a)
3.	Mr. Devendra Kumar Vyas	Managing Director	4,11,33,970	2,34,57,720	(43%)
4.	Mr. Indranil Sengupta**	Whole-time Director	1,67,22,212	76,02,580	(55%)
5.	Mr. Shyamalendu Chatterjee#*	Independent Directors	2,45,000	13,15,000	Refer Note (b)
6.	Mr. Suresh Kumar Jain		19,55,000	15,40,000	(21%)
7.	Mr. Ashwani Kumar#		18,95,000	14,40,000	Refer Note (c)
8.	Dr. (Mrs.) Tamali Sengupta		4,20,000	9,70,000	Refer Note (d)
9.	Mr. Uma Shankar Paliwal		10,00,000	14,50,000	45%
10.	Mr. Malay Mukherjee##		-	2,50,000	-
11.	Mr. Manoj Kumar Beriwala	Chief Financial Officer	8,085,551	86,78,345	7%
12.	Ms. Ritu Bhojak***	Company Secretary	4,512,077	36,58,760	(19%)

* Remuneration includes sitting fees paid to Independent Directors for attending meetings of Board and various committees thereof
** He ceased to be Chief Risk Officer (CRO) w.e.f. June 30, 2020. He was further appointed as a Whole-time Director of the Company w.e.f. August 01, 2020.
#*Appointed for a second term of 5 (five) years as an Independent Director w.e.f. 02.04.2020
Resigned w.e.f. 03.03.2021
##Appointed as an Independent Director w.e.f. 06.03.2020
***Resigned w.e.f. 10.05.2021

Note:

(a) Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman have voluntarily decided to relinquish the remuneration payable to them w.e.f. 1st November, 2020, for the time being, in view of present current situation of the Covid-19 pandemic. Further, Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman had voluntarily reduced his pay by 30% (thirty per cent) till 31st October, 2020. Accordingly, the percentage change is in negative.
(b) Mr. Shyamalendu Chatterjee was in office only for part of the last year and hence the percentage of decrease of remuneration in his case is not comparable with that of the previous year.
(c) Mr. Ashwani Kumar was in office only for part of the year and hence the percentage of decrease of remuneration in his case is not comparable with that of the previous year.
(d) Dr. (Mrs.) Tamali Sengupta was in office only for part of the last year and hence the percentage of decrease of remuneration in her case is not comparable with that of the previous year.

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

iii. The percentage increase in the median remuneration of employees in the financial year 2020-21:

Median remuneration of previous year (₹)	Median remuneration of current year (₹)	% increase
4,92,291	4,77,996	(3%)

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

There were 1250 (One Thousand Two Hundred and Fifty Only) employees as on 31st March, 2021.

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

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

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

Yes, it is confirmed.

For and on behalf of the Board of Directors

Sd/-
Hemant Kanoria
Chairman
DIN: 00193015

Place: Kolkata
Date: June 29, 2021

PARTICULARS OF EMPLOYEES

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

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

Sl. No.	Name	Designation	Remuneration Received [Rs.]	Qualification	Experience in years	Age in years	Date of commence-ment of employment	Last employment held by the employee before joining the Company	Percentage of equity shares held by the employee in the Company
1.	Mr. Devendra Kumar Vyas	Managing Director	2,34,57,720	B. Com, CA	29	52	01.04.1997	G P Agrawal & Co., Chartered Accountants (Partner)	NIL
2.	Mr. Hemant Kanoria	Chairman	1,95,81,466	B. Com (Hons)	41	58	02.04.2008	-	*Negligible
3.	Mr. Sunil Kanoria	Vice Chairman	1,92,27,989	B. Com (Hons), CA	36	56	02.04.2008	-	*Negligible
4.	Mr. Amit Dang	President	1,05,69,192	M.Com, FCMA	26	50	30-08-2019	Edelweiss Financial Services - COO Corporate Leading Business	NIL
5.	Mr. Pavan Trivedi	Chief of Operations	89,62,464	CA , ICWA	24	50	09.05.2016	Usha Martin Ltd. (President)	NIL
6.	Mr. Manoj Kumar Beriwal	Chief Financial Officer	86,78,345	FCA	26	49	05-12-1995	G.P Agarwal & Co (Manager)	NIL
7.	Mr. Pradip Agarwal	Senior Vice President - Treasury Front Office (DCM, Syndication & Structuring)	82,88,511	B. Com , CA	21	44	25.06.2018	J. P. Morgan (Vice President - Fixed Income & Structured Finance)	NIL
8.	Mr. Indranil Sengupta**	Whole-time Director	76,02,580	B. Com, CAIIB	36	59	01.04.2014	BNP Paribas, Bahrain (Director & Senior Banker, Corporate & Investment Banking)	NIL
9.	Mr. Pulak Bagchi	General Counsel	75,38,820	B.Com , LLB	22	48	03.07.2017	Star India Private Limited (Senior Vice President - Legal & Regulatory)	NIL
10.	Mr. Pratap Paode	Head	64,83,221	B.Tech.	30	53	07.11.2016	Sriram Equipment Finance Company Limited (CEO & Wholetime Director)	NIL
11.	Mr. Ritesh Taparia***	Senior Vice President	9,35,864	CA	18	42	10.07.2017	Edelweiss - Associate Director	NIL

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

**Mr. Indranil Sengupta ceased to be Chief Risk Officer (CRO) w.e.f. June 30, 2020. He was further appointed as a Whole-time Director of the Company w.e.f. August 01, 2020.

***Employed for part of the year

Notes:

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

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

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

(d) Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman have voluntarily decided to relinquish the remuneration payable to them w.e.f. 1st November, 2020, for the time being, in view of present current situation of the Covid-19 pandemic. Further, Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman had voluntarily reduced their pay by 30% (thirty per cent) till 31st October, 2020.

(e) Due to the restrictions imposed by Bankers, 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 amounting to ₹ 2.19 crores as on 31st March, 2021 as the same is payable as per the contractual obligations of the Company. The Company is pursuing with the Banks for the aforesaid payments.

For and on behalf of the Board of Directors

Sd/-
Hemant Kanoria
Chairman
DIN: 00193015

Place: Kolkata
Date: June 29, 2021

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

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

1. Brief outline on CSR Policy of the Company

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

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

Our activities are carried out along with the following thrust areas:

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

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

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

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

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

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	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 (Executive Director)	1	1
3.	Mr. Shyamalendu Chatterjee**	Non-Executive and Independent Director	2	2
4.	Mr. Suresh Kumar Jain	Non-Executive and Independent Director	3	3

*Ceased to be Member w.e.f. 01.08.2020
**Inducted as Member w.e.f. 01.08.2020
Further, Dr. (Mrs.) Tamali Sen Gupta was inducted in place of Mr. Hemant Kanoria as Member and Chairperson in the CSR Committee w.e.f. 23rd April, 2021. Ms. Ritu Bhojak resigned as the Company Secretary w.e.f close of business hours of 10th May, 2021 and consequently she ceased to be the Secretary of the CSR Committee.

3. The Composition of CSR committee, CSR Policy and CSR projects approved by the board:

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

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

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

4. **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:** 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:** Not Applicable

6. **Average net profit of the company for last three financial years as per Section 135(5) of the Companies Act, 2013 - ₹** 3,23,87,66,593/-

7. **(a) Two percent of average net profit of the company as per Section 135(5) of the Companies Act, 2013 - ₹** 6,47,75,332/-

   (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: Not Applicable

   (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 6,47,75,332/-

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	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
1,25,25,000	Not Applicable	Not Applicable	-	-	-

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

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

(Amount in ₹)

Sl. 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 Reg. No.
1.	Promoting Healthcare education, animal welfare and helping in social upliftment	Cl.(i) Promoting Healthcare Cl.(ii) Promoting education, Cl.(iii) Promoting gender equality, empowering women Cl.(iv) Promoting environmental sustainability ecological balance animal welfare agroforestry	Yes	West Bengal Tamil Nadu, Delhi Uttar Pradesh Bihar	Kolkata Chennai Delhi Vrindavan Siwan, Barahiya Aurangabad	50,00,000	No	Srei Foundation*	CSR00005928
2.	Promoting Healthcare	Cl.(i) Promoting Healthcare	Yes	West Bengal Tamil Nadu Odisha Uttar Pradesh Maharashtra	Kolkata Chennai Bhubaneshwar Meerut Mumbai	25,00,000	Yes	Direct - Acid Survivors Foundation India	CSR00005920
3.	Providing Education & Vocational Training to underprivileged students	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women	Yes	West Bengal Bihar	Kolkata Barahiya	40,00,000	No	Srihari Global IISD Foundation**	CSR00005917
4.	Animal Welfare	Cl.(iv) Promoting animal welfare, agroforestry.	Yes	West Bengal	Kolkata	2,75,000	No	Sonata Foundation#	CSR00009707
5.	Promoting Education	Cl.(ii) Promoting Education	Yes	West Bengal	Kolkata	7,50,000	Yes	Direct - Indian Institute of Cerebral Palsy (IICP)	CSR00001730
	TOTAL					**1,25,25,000**			

*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.

**Srihari Global IISD Foundation (erstwhile IISD Edu World), is an institute formed with the object of imparting, promoting and spreading education for underprivileged children and weaker sections of the society. IISD Edu World has an established track record of more than 3 (three) years.

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.

(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): ₹ 1,25,25,000/-

(g) Excess amount for set off, if any – N.A.

Sl. No.	Particulars	Amount (in ₹)
i.	Two percent of average net profit of the company as per section 135(5)	-
ii.	Total amount spent for the Financial Year	
iii.	Excess amount spent for the financial year [(ii)-(i)]	
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, 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: - N.A.

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 Rs).	Date of transfer	
				-			

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

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 Rs).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
					-			

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). Not Applicable

(a) Date of creation or acquisition of the capital asset(s). NIL

(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. NIL

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NIL

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) of the Companies Act, 2013.

The Company considers social responsibility an integral part of its business activities and endeavours to utilize 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. However, during the year, disbursement of the entire amount committed to CSR recipients could not be done before 31st March, 2021 due to the establishment of Trust and Retention Account (TRA) which had operational challenges. The amount committed to CSR has been sent to the TRA account established by the Bankers, the same is pending approval of the Bankers. The amount will be disbursed as per the applicable laws. 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. However, your Company remains committed to identify suitable CSR projects for fulfilling its CSR commitment and spend atleast 2 (two) per cent of the Profits on CSR activities.

For and on behalf of Corporate Social Responsibility Committee

Sd/-
Dr. (Mrs.) Tamali Sengupta
DIN: 00358658
Chairperson – CSR Committee

Sd/-
Mr. Devendra Kumar Vyas
DIN: 00651362
Managing Director

Place: Kolkata
Date: June 29, 2021

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 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 Equipment Finance Limited
'Vishwakarma', 86C, Topsia Road,
Kolkata- 700046,
West Bengal

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

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of following Acts as amended from time to time alongwith the rules and regulations made thereunder:

i) The Companies Act, 2013 (the Act) and the rules made thereunder read with the Companies (Amendment) Act, 2017 to the extent notified as on Financial year ended 31st March, 2021;

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

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

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

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

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

   b) 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;

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

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

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

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

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

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

   e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

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

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

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

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

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

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. Due to the spread of Covid-19 pandemic, compliances had been made considering the various relaxations granted, from time to time, by the Securities and Exchange Board of India and the Ministry of Corporate Affairs and other Regulatory authorities, as applicable. Further, the Company has applied for extension for filing RBI returns for the quarter ended 31.03.2021 due to Covid-19.

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally 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 the business of Lending, Interest Earning & Leasing along with associated employees, assets & liabilities of the Holding Company, Srei Infrastructure Finance Limited, is transferred to the Company Srei Equipment Finance Limited (SEFL) by way of slump exchange pursuant to a Business Transfer Agreement ("BTA") with effect from October 01, 2019 after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks. The consent, or otherwise, of other lenders are still awaited. Further, the Company has proposed Schemes under section 230 of the Act with its Creditors including Bankers, Non-Convertible Debenture-holder, Perpetual Debenture-holder and Foreign Lenders. through approval from relevant authorities 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. Pending final decision in the matter, SEFL and the Company has maintained status quo for BTA as per the directions of Hon'ble NCLT.

We further report that owing to Covid-19 pandemic, extended lockdown, extension of moratorium to the borrowers and operating lessees, non-availability of Moratorium from lenders and substantial loan loss provision, SEFL has incurred loss and liquidity mismatch during the F.Y. 2020-21. As a result, the Company's net-worth has eroded and it has not been able to comply with various regulatory ratios/limits. All these may impact the company's ability to continue its operations in normal course in future and to meet its financial commitments as and when due. Considering overall situation, it seems that there is a material uncertainty which casts significant doubt about the company's ability to continue as a Going Concern in foreseeable future. Further, due to non-payment of dues to the creditors, all funds of the company is in control of the bankers in the Trust and Retention Account (TRA) since 27th November, 2020. Considering the interim orders of the Hon'ble NCLT and based on a legal opinion, non-payment to Creditors is not considered as an event of default. The Company'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 Company is also exploring infusion of equity capital from prospective investors from whom it has received expression of Interest/ term sheets.

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 audit period specific event/ action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above is that the company filed application under Section 230 of Companies Act 2013 Hon'ble National Company Law Tribunal, Kolkata Bench proposing a schemes of arrangement with all its secured and unsecured lenders including Non-Convertible Debenture-holder, Perpetual Debenture-holder and Foreign Lenders.

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

For MR & Associates
Company Secretaries

[M R Goenka]
Partner
FCS No.:4515
C P No.:2551
UDIN: F004515C000527345

Place: Kolkata
Date: June 29, 2021

ANNEXURE – A

(TO THE SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021)

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

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

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

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

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

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

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

7. 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.

For MR & Associates
Company Secretaries

Sd/-
[M R Goenka]
Partner
FCS No.:4515
C P No.:2551
UDIN: F004515C000527345

Place: Kolkata
Date: June 29, 2021

SREI EQUIPMENT FINANCE LIMITED CORPORATE CODES & POLICIES – KEY CHANGES FY 2020-21

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

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2020-21
1.	Related Party Transactions Policy	The policy provides a framework to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations.	https://www.srei.com/pdf/SEFL-Related-Party-Transactions-(RPTs)-Policy.pdf	There has been no change to the Policy during the year.
2.	Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/ non-executive) and also the criteria for determining the remuneration of the Directors, Key Managerial Personnel (KMPs) and other employees.	https://www.srei.com/pdf/SEFL-Nomination-and-Remuneration-Policy.pdf	There has been no change to the Policy during the year.
3.	Corporate Governance Framework	The policy provides the framework for Corporate Governance so that executives act in accordance with the highest standards of governance while working for and on behalf of the Company.	https://www.srei.com/storage/app/uploads/public/5de/101/335/5de1013351e94110243492.pdf	There has been no change to the Policy during the year.
4.	Code of Conduct for Board of Directors and Senior Executives	To deter wrongdoing and promote ethical conduct in the Company.	https://www.srei.com/storage/app/uploads/public/5de/101/14a/5de10114ac4a1005946948.pdf	There has been no change to the Policy during the year.
5.	Policy on Board Diversity	The Policy sets out the approach to diversity on the Board of Directors of the Company.	https://www.srei.com/storage/app/uploads/public/5de/101/7a5/5de1017a56fc7959671328.pdf	There has been no change to the Policy during the year.
6.	Policy on "Fit and Proper" Criteria for Directors	The Policy sets a framework to determine whether a Director is fit and proper to hold such position in the Company.	–	There has been no change to the Policy during the year.
7.	Code of Conduct for Prohibition of Insider Trading (SEFL Insider Code)	To regulate, monitor and report trading by Insiders.	–	Changes made – • to incorporate provisions of Clause 4(3) of Schedule B of SEBI (Prohibition of Insider Trading) Regulations, 2015 as suggested by the Secretarial Auditor; and • to incorporate provisions of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2020 dated 17th July, 2020.
8.	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (SEFL Fair Disclosure Code)	The policy provides the framework for following the best practices, duly compliant with Applicable Law, in the matter of disclosure of UPSI.	https://www.srei.com/storage/app/uploads/public/5de/100/e6a/5de100e6a959d347921042.pdf	There has been no change to the Policy during the year.
9.	Corporate Social Responsibility Policy	To regulate, monitor and report Corporate Social Responsibility activities of the Company.	https://www.srei.com/pdf/SEFL-Corporate-Social-Responsibility-Policy.pdf	There has been no change to the Policy during the year.

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2020-21
10.	Whistle Blower Policy	The Company has adopted a whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics.	https://www.srei.com/pdf/SEFL-Whistle-blower-policy.pdf	There has been no change to the Policy during the year.
11.	Fair Practice Code	To provide all stakeholders, especially customers effective overview of practices followed by the Company in respect of the financial facilities and services offered by the Company to its customers.	https://www.srei.com/storage/app/uploads/public/5de/100/d07/5de100d0713f0714333331.pdf	There has been no change to the Policy during the year.
12.	Grievance Redressal Policy	To minimize instances of customer complaints and grievances.	–	There has been no change to the Policy during the year.
13.	Investment Policy	The Policy lays down, inter alia, the guidelines to be followed by the Credit and Investment Committee to approve investments.	–	Changes made to include the compliance with RBI Guidelines relating to liquidity Risk Management Framework, specially w.r.t. High Quality Liquid Assets (HQLA) and Liquidity Coverage Ratio.
14.	Policy for Preservation of Documents	The Policy integrates, harmonizes and standardizes the procedure and manner for preservation and destruction of documents which are required to be prepared or maintained under the SEBI laws and the Act. This Policy also contains guidelines to identify documents that are required to be maintained and the period for which those documents should be retained.	–	There has been no change to the Policy during the year.
15.	Archival Policy	Part of Policy for preservation of documents.	https://www.srei.com/storage/app/uploads/public/5de/100/ff2/5de100ff2ab26480432407.pdf	There has been no change to the Policy during the year.
16.	Policy on Prevention of Sexual Harassment	This policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at their workplace and what conduct constitutes sexual harassment.	https://www.srei.com/pdf/SEFL-Policy-on-prevention-of-sexual-harassment.pdf	There has been no change to the Policy during the year.
17.	Environmental and Social Management System Policy	This policy provides a framework to facilitate the implementation of appropriate Environmental and Social Management System (ESMS) in the Company with the prime objective of reducing Environmental and Social impacts of its portfolio.	–	There has been no change to the Policy during the year.
18.	Credit Policy	The policy details the guidelines to be followed in terms of credit assessment standards, eligibility criteria for borrowers, funding norms, documents and monitoring mechanism.	–	All the credit policies of the Company for various types of funding like Construction & Mining, IT, Healthcare, Other Assets, etc., have been merged into this comprehensive credit policy.
19.	Risk Management Policy	The Policy aims at outlining the various types of Risk faced by the Company as a Systematically Important NBFC and the policy seeks to set out the guidelines, principles and approach for risk management in the company and put in place a robust framework to identify, assess, measure, control and monitor various risks in a timely, efficient and an effective manner.	–	The Policy was revised to cover the aspects of Enterprise Risk Management and the Risk Governance Structure and Framework.

INDEPENDENT AUDITORS' REPORT

To the Members of Srei Equipment Finance Limited

Report on the Audit of the Ind ASFinancial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Srei Equipment Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note No. 56 to the Ind AS financial statements which indicates the factors that have resulted into net loss and liquidity mismatch during the year ended March 31, 2021. As a result, the Company'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 Company'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 Company'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 Company 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 Company's ability to continue as a 'going concern' in foreseeable future. However, for the reasons stated in the said note, the Company has considered it appropriate to prepare the Statement 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 Ind AS financial statements:

1. Note No. 51 which explains the extent to which COVID-19 pandemic has impacted the operations of the Company, owing to which and based on the information available at this point of time, as stated in the note, the Company has made ECL provision aggregating to INR 4,68,523 lacs for year ended March 31, 2021.The extent to which the pandemic may further impact the operations and financial results of the Company is dependent on future developments, which are highly uncertain at this point of time.

   The note further explains that the Company 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 INR 4,47,464 lacs which is over and above ECL provision of INR 6,24,042 lacs.

2. Note No. 52 which explains that during the financial year 2019-20, the Company 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 its Holding Company, Srei Infrastructure Finance Limited ('SIFL'), with effect from 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. On the date of giving effect to BTA, the consent or otherwise, of other lenders was awaited. 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. The note also

explains that the Company 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. 53, and based on a legal opinion, the Company has maintained status quo for BTA.

3. Note No. 53 which explains that the Company 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.

4. Note No. 54 which explains that the Company 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 the Company'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.

5. Note No. 55 to the IndAS Financial Statement which explains the reasons owing to which the Company was not able to comply with guidelines of RBI in relation to mandatory hedging of exposure in External Commercial Borrowings amounting to INR 23,028 lacs as at March 31, 2021. The material impact of such non-compliance, if any, on the Statement is unascertainable.

6. Note No. 57 which explains that the Company, as per the specific directions from Reserve Bank of India (RBI) in relation to certain borrowers referred to as 'connected parties/related parties', based on the assessment, re-evaluation and legal opinions obtained, has 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 has disclosed the total exposures (net of impairment) with such parties in the said note. The note also explains that, the Company is 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-negotiation 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 Company as per the aforesaid note. Any further comment/s in the matter will be done upon completion of re-assessment and re-negotiations 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 Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key audit matters	How our audit addressed the key audit matter:
1.	**Impairment loss allowance of loans to customers:** Impairment loss allowance of loans and advances ("Impairment loss allowance") is a key audit matter as the Company has significant credit risk exposure 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 Company 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 Company. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the three-stage impairment model ("ECL Model"), including the selection and input of forward-looking information. ECL provision calculations require the use of large volumes of data. The completeness and reliability of data can significantly impact the accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.	**Principal Audit Procedures:** In response to the identified key audit matter, we carried out the following audit 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 Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company, which is based on and in compliance with Ind AS 109, "Financial Instruments". • Assessing the approach of the Company regarding the definition of Default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL. • Testing the reliability of key data inputs and related management controls. • Checking the stage classification as at the balance sheet date as per definition of Default. • Validating the ECL Model and 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 Board approved policy for ECL provisioning and stage classification with respect to such accounts. Further, verifying whether ECL provision is made in accordance with the Board approved policy in this regards. • Calculating the ECL provision manually for a selected sample. • Reviewing the process of the Company 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.

		• 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 Company. • Checking the provision on Loan Assets as per Income Recognition, Asset Classification and Presentation ("IRACP") norms as required under RBI circular dated March 13, 2020. 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 March 27, 2020 and May 23, 2020 and RBI circular dated April 17, 2020. • For loans and advances which are written off during the year under audit, reading and understanding the methodology and policy laid down and implemented by the Company in this regard along with its compliance on sample basis.
2.	**Key Information Technology (IT) systems with impact on financial reporting process:** The IT systems within the Company form a critical component of the Company's financial reporting activities. It impacts account balances, certain operational and financial processes like revenue recognition on Loans. There is a high dependence on the IT systems due to large volume of transactions that are processed daily.	**Principal Audit Procedures:** Our approach of testing IT General Controls (ITGC) and IT Automated Controls (ITAC) is risk based and business centric. Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting including: • Testing the ITGC based on the parameters such as Completeness, Validity, Identification / Authentication and Authorisation, Accuracy, Integrity and Accountability. • Reviewing control areas such as User Management, Change Management, Incident Management, Direct Database Update, Job Scheduling, Anti-Virus, Interfaces, Master Maintenance, Job Scheduling, Backup and Restoration, Business Continuity and Disaster Recovery, Capacity Monitoring and Service Level Agreement etc. • Performing tests of controls on sample basis (including other compensatory controls wherever applicable) on the IT application controls and IT Department manual controls in the system. • Testing the control environment using various techniques such as inquiry, review of documentation/ record/ reports, observation and re-performance. • Testing few controls using negative testing technique. We took adequate samples of instances for our tests.

Key Audit Matter	Principal Audit Procedures
3. Fair Valuation of Claims Receivables (*Refer Note No. 9 to the Ind AS financial statements*) Claims Receivables amount to INR 65,897 Lacs as at March 31, 2021 and has been recognised as financial assets measured at Fair Value through Profit or Loss in the Company'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:** Our audit approach consist of the test of design and operating effectiveness of internal controls and substantive testing as follows: • Obtaining audit evidence in respect of key controls over the management judgments and the assumptions-setting processes including judgments regarding expected realization date and value. • 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 investments held at fair value The impairment review of unquoted investments, with a carrying value of INR 1,01,888 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 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 :** In response to the identified key audit matter, besides obtaining an understanding of 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: • Reviewing the management's underlying assumptions and appropriateness of the valuation model used. • Comparing the Company's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates, on a sample basis. • Assessing the appropriateness of the forecast cash flows within the budgeted period based on their understanding of the business and sector experience. • Obtaining Valuation Reports from independent valuers on sample basis.

Other Information

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities;

selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

The audit of Ind AS financial statements for the year ended March 31, 2020, was carried out by us jointly with L.B. Jha & Co. where we expressed unmodified opinion vide our report dated July 27, 2020.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in

"Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

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

e. The matters described under the Material Uncertainty Related to Going Concern and Emphasis of Matter section above, in our opinion, may have an adverse effect on the functioning of the Company;

f. On the basis of the written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 2";

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

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

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

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

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

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

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

Manoj Daga
Partner
Membership No. 048523
UDIN: 21048523AAAAA12579

Place: Mumbai
Date: June 29, 2021

ANNEXURE 1

TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Srei Equipment Finance Limited ('the Company') on the Ind AS financial statements for the year ended March 31, 2021]Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

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

(b) The Company has a program of physical verification of fixed assets to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, due to COVID -19 pandemic, fixed assets were not physically verified by the management during the year. As informed to us by the management this being the 1st year (of the phased manner of 3 years, as aforesaid), the necessary physical verification and coverage will be done next year.

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

Land/ Building	Total number of cases	Leasehold/ Freehold	Gross Block as on March 31, 2021 (INR in Lacs)	Net Block as on March 31, 2021 (INR in Lacs)	Remarks
Building	2	Not Applicable	3,895	3,782	Refer Note below

Note :- These immovable properties were transferred to the Company pursuant to the Business Transfer Agreement ('BTA') (Refer Note No. 52 to the Ind AS financial statements) entered by the Company with its Holding Company, Srei Infrastructure Finance Limited ('SIFL'). These immovable properties are still in the name of SIFL.

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

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

(iv) The Company has complied with the provisions of sections 185 and 186(1) of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable. Further, the provisions of Section 186, except for Section 186(1), of the Act are not applicable to the Company as it is engaged in the business of financing.

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

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

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

The Company has not been regular in depositing with appropriate authorities, amounts deducted/ accrued in the books in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax and GST, and there have been significant delay in a large number of cases.

No undisputed amounts payable in respect of income tax, provident fund, employees' state insurance, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable. However, undisputed dues in respect of GST which were outstanding, at the year end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount INR	Period to which the amount relates	Date of Payment	Remarks
Goods and Services Tax*	Goods and Services Tax liability	5,56,32,840	April, 20 to August, 20	Refer Comment below **	

*Under various Goods and Services Tax Act enacted by the Central Government and State Governments

** Note No. 55 to the Ind AS financial statements explains that TRA mechanism is stipulated effective November 24, 2020, pursuant to which all payments are being approved/ released based on the TRA mechanism. As informed, the Company has requested for release of funds under the TRA mechanism and is awaiting the necessary approvals/ release of funds for making payment towards aforesaid dues.

(b) There are no dues with respect to GST, customs duty and duty of excise which have not been deposited on account of any dispute. The dues outstanding as at March 31, 2021 with respect to income tax, sales tax, service tax and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (INR in Lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	1,873^	Financial Year 2002-03 to 2013-14	Commissioner of Service Tax; Customs, Excise and Service Tax Appellate Tribunal
The Central Sales Tax Act, 1956 and VAT Laws	Central Sales Tax and VAT	1,382@	Various Financial Years from 2008-09 to 2017-18	At various levels from Commissioner to High Court
The Income Tax Act, 1961	Income Tax	6,259#	Financial Year 2011-12 to 2012-13	Commissioner of Income -Tax (Appeals)
Finance Act, 1994 *	Service Tax	4,641^^	Financial Year 2008-09, 2009-10 and 2011-12 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal; CGST & CX Commissioner; CGST & CX Commissioner Appeal -1
The Central Sales Tax Act, 1956 *	Central Sales Tax	211	Financial Year 2010-11	West Bengal Sales Tax Appellate and Revisional Board
The Income Tax Act, 1961 *	Income Tax	7,755	Financial Year 2005-06 to 2008-09, 2010-11, 2011-12 and 2013-14 to 2015-16	At various levels from Commissioner of Income -Tax (Appeals) to Supreme Court of India
The Income Tax Act, 1961 *	Income Tax on Fringe Benefits	226	Financial Year 2005-06 to 2008-09	Calcutta High Court

^Net of INR 455 Lacs paid under protest

@Net of INR 181 Lacs paid under protest

#Net of INR 672 Lacs paid under protest

^^Net of INR 4 Lacs paid under protest

*In terms of BTA (Refer Note No. 52 to the Ind AS financial statements), entered by the Company with its Holding Company, SIFL, the Company is liable to pay any future liability arising in relation to these dues, which are being held by SIFL, in its books of account, on behalf of the Company. Hence, these dues have been reported above.

(viii) During the year, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or dues to debenture holders except for the details given below:

Particulars	Aggregate amount during the year ended March 31st, 2021 (INR In Lacs) *	Period
Name of the Lenders :		
Domestic Banks:		
Axis Bank Ltd.	1,750	10 days
ICICI Bank Ltd.	833	2 days
Domestic Financial Institutions:		
NABARD	30,678	26 to 32 days
SIDBI	15,589	17 to 80 days

*As explained to us by the Management, the Company had applied for seeking moratorium under various RBI regulatory package and hence, the aforesaid payment were kept in abeyance. As the moratorium was not granted, the Company made the payment to respective lenders with delays as stated above. Further, for the purpose of arriving at above, the cases where the Company has delayed after 31st August, 2020 has not been considered. (Refer Note No. 53 to the Ind AS financial statements).

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

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

(xi) Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act. Also refer point 2(h) under 'Report on Other Legal and Regulatory Requirements' section of our Independents Auditor's Report of even date.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, 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 Ind AS financial statements as required by the applicable accounting standards.

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

(xv) 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. Also refer 'Material Uncertainty Related to Going Concern' section of our Independents Auditor's Report of even date.

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

Manoj Daga
Partner
Membership No. 048523
UDIN: 21048523AAAAA12579

Place: Mumbai
Date: June 29, 2021

ANNEXURE 2
TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Srei Equipment Finance Limited ('the Company') on the Ind AS financial statements for the year ended March 31, 2021]

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

We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

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

Manoj Daga
Partner
Membership No. 048523
UDIN: 21048523AAAAA12579

Place: Mumbai
Date: June 29, 2021

BALANCE SHEET as at March 31, 2021

(₹ in Lacs)

	Particulars	Note No.	As at March 31st, 2021	As at March 31st, 2020
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and Cash Equivalents	3	41,642	37,393
(b)	Bank Balance other than (a) above	4	98,657	1,32,730
(c)	Derivative Financial Instruments	5	936	29,992
(d)	Receivables			
	(I) Trade Receivables	6	2,712	15,321
(e)	Loans	7	21,85,791	28,82,497
(f)	Investments	8	1,02,018	87,751
(g)	Other Financial Assets	9	1,10,794	95,325
(2)	**Non-Financial Assets**			
(a)	Current Tax Assets (Net)	10	24,068	17,347
(b)	Deferred Tax Assets (Net)	11	-	2,833
(c)	Property, Plant and Equipment	13	2,55,620	3,56,574
(d)	Right-of-use Assets	14	1,069	1,210
(e)	Capital Work-in-Progress		-	233
(f)	Other Intangible Assets	15	1,173	445
(g)	Other Non-Financial Assets	12	48,167	55,757
	Total Assets		**28,72,647**	**37,15,408**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
(a)	Derivative Financial Instruments	5	1,151	4,146
(b)	Payables	16		
	(I) Trade Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		8,875	1,13,130
(c)	Debt Securities	17	2,44,148	2,62,725
(d)	Borrowings (Other than Debt Securities)	18	26,47,553	26,40,762
(e)	Subordinated Liabilities	19	2,45,531	2,48,736
(f)	Lease Liabilities	14	1,142	1,292
(g)	Other Financial Liabilities	20	23,218	32,440
(2)	**Non-Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	21	13,337	11,508
(b)	Provisions	22	1,243	1,775
(c)	Other Non-Financial Liabilities	23	8,140	6,872
(3)	**EQUITY**			
(a)	Equity Share Capital	24	7,902	7,902
(b)	Other Equity	25	(3,29,593)	3,84,120
	Total Liabilities and Equity		**28,72,647**	**37,15,408**

Significant Accounting Policies and Notes to Financial Statements 1 to 60

The Notes referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

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

Manoj Daga
Partner
Membership no. 048523

Place : Mumbai
Date: June 29th, 2021

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman
(DIN: 00193015)

Devendra Kumar Vyas
Managing Director
(DIN: 00651362)

Manoj Kumar Beriwala
Chief Financial Officer

Place : Kolkata
Date: June 29th, 2021

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2021

(₹ in Lacs)

	Particulars	Note No.	Year ended March 31st, 2021	Year ended March 31st, 2020
	Revenue from Operations			
	Interest Income	26	2,87,948	3,24,252
	Rental Income		46,419	1,20,042
	Fees and Commission Income		1,682	5,189
	Net gain on fair value changes	27	-	35,828
	Net gain on derecognition of financial instruments		-	30,370
	Others	28	4,679	12,769
(I)	**Total Revenue from Operations**		**3,40,728**	**5,28,450**
(II)	**Other Income**	29	**4,781**	**(8,289)**
(III)	**Total Income (I+II)**		**3,45,509**	**5,20,161**
	Expenses			
	Finance Costs	30	3,32,639	3,13,907
	Fees and Commission Expense		4,283	3,736
	Net loss on fair value changes	27	49,905	3,739
	Net loss on derecognition of financial instruments under amortised cost category		3,635	17,607
	Impairment on Financial Instruments (Net)	31	5,49,876	33,560
	Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt		12,451	21,833
	Employee Benefits Expenses	32	12,821	16,634
	Depreciation, Amortisation and Impairment	13 to 15	72,636	75,890
	Other Expenses	33	21,352	23,221
(IV)	**Total Expenses**		**10,59,598**	**5,10,127**
(V)	**Profit/(Loss) Before Tax (III- IV)**		(7,14,089)	10,034
(VI)	**Tax Expense:**			
	(1) Current Tax		-	4,333
	(2) Income Tax in respect of earlier year		(4,333)	-
	(3) Deferred Tax		3,855	110
(VII)	**Profit/(Loss) After Tax (V-VI)**		**(7,13,611)**	**5,591**
(VIII)	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to Profit or Loss			
	(a) Remeasurements Gains/(Losses) on Defined Benefit Plan		16	(61)
	(b) Gains/(Losses) on fair valuation of Equity Instruments		-	1,061
	(c) Income tax relating to items that will not be reclassified to Profit or Loss		222	(226)
	SUBTOTAL (a+b+c)		**238**	**774**
	B (i) Items that will be reclassified to Profit or Loss			
	(a) Effective portion of gains and losses on hedging instruments in a cash flow hedge		1,573	(945)
	(b) Gains/(Losses) on fair valuation of Loans		(2,713)	3,871
	(c) Income tax relating to items that will be reclassified to Profit or Loss		800	(1,023)
	SUBTOTAL (a+b+c)		(340)	1,903
	Other Comprehensive Income [A+B]		**(102)**	**2,677**
(IX)	**Total Comprehensive Income (VII+VIII)**		(7,13,713)	8,268
(X)	**Earnings per Equity Share (Face value of ₹ 10/- each)**	34		
	Basic (in ₹)		(903.08)	8.06
	Diluted (in ₹)		(903.08)	8.06

Significant Accounting Policies and Notes to Financial Statements 1 to 60

The Notes referred to above form an integral part of the Statement of Profit and Loss.

This is the Statement of Profit and Loss referred to in our report of even date.

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

Manoj Daga
Partner
Membership no. 048523

Place : Mumbai
Date: June 29th, 2021

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman
(DIN: 00193015)

Devendra Kumar Vyas
Managing Director
(DIN: 00651362)

Manoj Kumar Beriwala
Chief Financial Officer

Place : Kolkata
Date: June 29th, 2021

STATEMENT OF CASH FLOWS for the year ended 31st March, 2021

(₹ in Lacs)

Particulars	Year ended March 31st, 2021	Year ended March 31st, 2020
A. Cash Flows from Operating Activities		
Profit/(Loss) Before Tax	(714,089)	10,034
Adjustments for:		
Depreciation, Amortisation and Impairment	72,636	75,890
Impairment on Financial Instruments (Net)	549,876	33,560
Impairment loss on capital advance	500	-
Net (gain)/loss on derecognition of Financial Instruments	3,635	(12,763)
Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt	12,451	21,833
Net loss on derecognition of Property, Plant and Equipment	5,657	2,574
Liabilities no longer required written back	(271)	(5,985)
Net unrealised (gain)/ loss on foreign currency transaction and translation	(8,098)	21,141
Net unrealised fair value gain	66,005	(29,081)
Operating profit/(loss) before working capital changes	**(11,698)**	**117,203**
Changes in working capital:		
Adjustments for:		
(Increase)/Decrease in Trade Receivables and Others Assets	(11,522)	69,244
(Increase)/Decrease in Loans Assets	96,843	1,785
Increase/(Decrease) in Trade Payables and Others Liabilities	(112,621)	(72,696)
(Increase)/Decrease in Other Bank Balances	34,073	46,024
Cash generated / (used) in operations	**(4,925)**	**161,560**
Advance taxes paid (including Tax deducted at Source)	(559)	(10,265)
Net Cash generated / (used) in Operating Activities	**(5,484)**	**151,295**
B. Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(1,100)	(10,669)
Sale/(Purchase) of Investments (Net)	8,112	9,694
Proceeds from Sale of Property, Plant and Equipment	9,614	83,976
Net Cash generated / (used) in Investing Activities	**16,626**	**83,001**
C. Cash Flows from Financing Activities		
Proceeds from issuance of Debt securities (including subordinated debt securities)	-	236,968
Repayment on redemption of Debt securities (including subordinated debt securities)	(23,362)	(284,917)
Increase/(Decrease) in Working Capital facilities (Net)	158,573	98,208
Proceeds from Other Borrowings	79,750	672,149
Repayments of Other Borrowings	(221,854)	(943,546)
Net Cash generated / (used) in Financing Activities	**(6,893)**	**(221,138)**
Net Increase in Cash and Cash Equivalents (A+B+C)	**4,249**	**13,158**
Cash and Cash Equivalents at the beginning of the year	**37,393**	**21,882**
Cash and Cash Equivalents transferred under slump exchange (Refer Note No. 52)	**-**	**2,353**
Cash and Cash Equivalents at the end of the year (Refer Note No. 3)	**41,642**	**37,393**

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

Particulars	As at March 31st, 2021	As at March 31st, 2020
Cash on hand	30	14
Balances with Banks - in Current Account	41,576	37,379
Balances with Banks - in Fixed Deposit Accounts (less than 3 months)	36	-
	41,642	37,393

Explanations:

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

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

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

Manoj Daga
Partner
Membership no. 048523

Place : Mumbai
Date: June 29th, 2021

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman
(DIN: 00193015)

Devendra Kumar Vyas
Managing Director
(DIN: 00651362)

Manoj Kumar Beriwala
Chief Financial Officer

Place : Kolkata
Date: June 29th, 2021

STATEMENT OF CHANGES IN EQUITY as at March 31, 2021

a. Equity Share Capital

(₹ in Lacs)

	Balance as at April 1st, 2019	Issued during the year	Reductions during the year	Balance as at March 31st, 2020	Issued during the year	Reductions during the year	Balance as at March 31st, 2021
	5,966	1,936	-	7,902	-	-	7,902

b. Other Equity

(₹ in Lacs)

Particulars	Reserves and Surplus							Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Total
	Special Reserve (created pursuant to Section 45-IC of The Reserve Bank of India Act, 1934)	Income Tax Special Reserve (created pursuant to Section 36(1) (viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	Impairment Reserve				
Balance as at the April 1st, 2019	**39,704**	**13,670**	**31**	**1,03,980**	**60,562**	**62,848**	**-**	**4,092**	**-**	**(419)**	**2,84,468**
Profit/(Loss) after tax for the year	-	-	-	-	-	5,591	-	-	-	-	5,591
Other comprehensive income (net of tax)	-	-	-	-	-	(40)	-	2,518	814	(615)	2,677
Reclassified to the Statement of Profit and Loss	-	-	-	-	-	-	-	(4,092)	-	-	(4,092)
Transferred (from)/to retained earnings	1,118	2,100	-	-	(19,075)	15,857	-	-	-	-	-
Issuance of equity shares at premium for net assets acquired under slump exchange transaction (refer Note No. 52)	-	-	2,372	93,104	-	-	-	-	-	-	95,476
Balance as at March 31st, 2020	**40,822**	**15,770**	**2,403**	**1,97,084**	**41,487**	**84,256**	**-**	**2,518**	**814**	**(1,034)**	**3,84,120**
Profit/(Loss) after tax for the year	-	-	-	-	-	(7,13,611)	-	-	-	-	(7,13,611)
Other comprehensive income (net of tax)	-	-	-	-	-	(9)	-	(1,360)	247	1,020	(102)
Transferred (from)/to retained earnings	-	-	-	-	(1,663)	(4,45,801)	4,47,464	-	-	-	-
Balance as at March 31st, 2021	**40,822**	**15,770**	**2,403**	**1,97,084**	**39,824**	**(10,75,165)**	**4,47,464**	**1,158**	**1,061**	**(14)**	**(3,29,593)**

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

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

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

For and on behalf of the Board of Directors

Manoj Daga
Partner
Membership no. 048523

Hemant Kanoria
Chairman
(DIN: 00193015)

Devendra Kumar Vyas
Managing Director
(DIN: 00651362)

Manoj Kumar Beriwala
Chief Financial Officer

Place : Mumbai
Date: June 29th, 2021

Place : Kolkata
Date: June 29th, 2021

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Srei Equipment Finance Limited ('the Company'), a wholly owned subsidiary of Srei Infrastructure Finance Limited, is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's non-convertible debentures are listed on either Bombay Stock Exchange Limited (BSE) or both BSE and National Stock Exchange of India Limited (NSE). The Company had received a Certificate of Registration from the Reserve Bank of India ('RBI') on September 3, 2008 to commence / carry on the business of Non-Banking Financial Company ('NBFC') without accepting public deposits, classified as Systemically Important NBFC (NBFC-NDSI). Subsequently, the Company has been issued a new certificate by the RBI dated February 19, 2014 consequent to conversion from Private Limited Company to Public Limited Company. The principal business of the Company is financial services. The registration details are as follows:

RBI	N.05.06694
Corporate Identity Number (CIN)	U70101WB2006PLC109898

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

These financial statements were approved for issue by the Board of Directors of the Company on June 29, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

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

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

The preparation of these financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity or areas where assumptions are significant to the Company are discussed in Note No. 2.23 'Significant accounting judgements, estimates and assumptions'.

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

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

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

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

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

2.2 Revenue recognition

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

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

(a) Interest income for financial assets other than those financial assets classified as at Fair value through profit or loss ("FVTPL") is recognised based on the effective interest rate method. Income from Credit Impaired Financial Assets is recognised on net basis i.e. after considering Impairment Loss Allowance.

(b) Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

(c) Income or net gain on fair value changes for financial assets classified as measured at FVTPL and Fair value through Other Comprehensive Income ("FVTOCI") is recognised as discussed in Note No. 2.3.3.

(d) 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.

(e) Interest income on fixed deposits/margin money/pass through certificates is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(f) 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.

(g) Referral income is recognised when it becomes due under the terms of the relevant mutually agreed arrangement.

(h) Fees and Commission Income other than those forming part of Interest income are recognised as revenue in the Statement of Profit and Loss, when the performance obligations are satisfied.

(i) 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.

(j) 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.

(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 recognised in the Statement of Profit and Loss.

2.3 Financial Instruments

Classification of Financial Instruments

The Company classifies its Financial Assets into the following measurement categories:

1. Financial Assets to be measured at amortised cost

2. Financial Assets to be measured at FVTOCI

3. Financial Assets to be measured at FVTPL

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 FVTPL.

The Company classifies its financial liabilities at amortised cost unless it has designated liabilities at FVTPL or is required to measure liabilities at FVTPL such as derivative liabilities.

2.3.1 Recognition of Financial Instruments:

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

2.3.2 Initial Measurement of Financial Instruments:

Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) 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 FTVPL are recognised immediately in the Statement of Profit and Loss.

2.3.3 Subsequent Measurement:

(A) Financial Assets

Financial Assets carried at Amortised Cost:

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

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

Financial Assets at Fair Value through FVTOCI:

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

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

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

Financial Assets at FVTPL:

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

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

Effective Interest Rate (EIR) Method:

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

Impairment of Financial Assets:

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

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

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

In case of debt instruments measured at FVTOCI, the loss allowance measured in accordance with the above requirements is recognised in OCI with a corresponding effect to the Statement of Profit and Loss but is not reduced from the carrying amount of the financial asset in the Balance Sheet; so the financial asset continues to be presented in the Balance Sheet at its fair value.

No Expected Credit Loss is recognised on equity investments.

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

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

Derecognition of Financial Assets:

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

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

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

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

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

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

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

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

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

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

(B) Financial Liabilities and Equity Instruments:

Classification as Debt or Equity:

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

Equity Instruments:

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

Financial Liabilities:

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

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. 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 liabilities measured at amortised cost

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

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

Trade and other payables

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

Financial Guarantee Contracts

Financial guarantees issued by the Company are those guarantees that require a payment to be made to reimburse the holder of the guarantee for a loss incurred by the holder because the specified debtor fails to make a payment, when due, to the holder in accordance with the terms of a debt instrument.

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

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

Derecognition of financial liabilities:

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

2.4 Fair value Measurement

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

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

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

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

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

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

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

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

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

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

2.5 Overview of the Expected Credit Loss (ECL) principles

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

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

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

Unsegmented portfolio for ECL

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

Staging:

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

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

Methodology:

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

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 Company reduces the gross carrying amount of a financial asset when the Company 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.

2.6 Leasing

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

The Company as lessor

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

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

For the revenue recognition policy on Lease Contracts, refer Note No. 2.2.

The Company as lessee

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

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

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities excludes these options as there is no reasonable certainty that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

2.7 Foreign Currency Transactions

The financial statements are presented in INR in lacs, being the functional currency of the Company. Functional currency is the currency of the primary economic environment in which the Company operates.

- Initial recognition of all transactions :

  Recorded at the rates of exchange prevailing at the dates of the respective transactions.

- Conversion :

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

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

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

Foreign Exchange Gains and Losses:

Financial Assets:

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

- For monetary financial assets measured at amortised cost, FVTOCI or FVTPL and non-monetary financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in the Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

- Foreign currency changes for non-monetary financial assets measured at FVTOCI are recognised in 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.

2.8 Borrowing costs

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

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

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

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.9 Employee Benefits

(A) Retirement benefit costs and other termination benefits

Defined Contribution Plans:

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

Defined Benefit Plans:

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

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

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

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

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

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

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

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

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

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

2.10 Taxation

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

Current tax

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

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

Deferred tax

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

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

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

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

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

Current and deferred tax for the year

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

2.11 Property, Plant and Equipment

Property, Plant and Equipment shown in the Balance Sheet consist of assets used in operations. Assets used in operations are those used in the provision of services or for administrative purposes, and include assets leased by the Company as lessor under operating leases.

a) Initial and subsequent recognition

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

Subsequent to initial recognition, Property, Plant and Equipment are measured at cost less accumulated depreciation and any impairment losses.

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

b) De-recognition

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

c) Depreciation

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

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

Average useful life of the assets determined is as under:

Operating lease Assets

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

Own Use Assets

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

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

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

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

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

2.12 Intangible Assets

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

Useful life of 5 years is used in the calculation of amortisation for Software.

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

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

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

2.13 Impairment of tangible and intangible assets

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

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

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

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

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

2.14 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

Contingent Liabilities

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

Contingent Assets

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

2.15 Cash and Cash Equivalents

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

2.16 Segment Reporting

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

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

2.17 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.18 Repossessed Assets and Assets Acquired in Satisfaction of Debt

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

2.19 Offsetting Financial Instruments

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

2.20 Derivative Financial Instruments

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

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

2.21 Embedded derivatives

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

2.22 Hedge Accounting

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

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

Cash flow hedges

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in OCI 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 Statement of Profit and Loss, and is included in the 'Net gain on fair value changes' or 'Net loss on fair value changes' line item.

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.

2.23 Significant accounting judgements, estimates and assumptions

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

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

2.23.1. Expected credit loss on loans and advances

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

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

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

2.23.2. Business Model Assessment

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

2.23.3. Hedge Designation

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

2.23.4. Provisions other than ECL on loans and advances

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

2.23.5. Fair value measurement

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

2.23.6. 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.

2.24 Recent 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 are applicable from April 1, 2021. The Company is evaluating the effect of the amendments on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

3. Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Cash on hand	30	14
Balances with Banks - in Current Account	41,576	37,379
Balances with Banks - in Fixed Deposit Accounts having original maturity of upto 3 months	36	-
Total	**41,642**	**37,393**

4. Bank Balance other than above

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Balance with Banks - in Fixed Deposit Accounts having original maturity of more than 3 months* (Including accrued interest)	89,137	1,27,066
Earmarked Balances	9,520	5,664
Total	**98,657**	**1,32,730**

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
*Under lien:		
- Letter of Credit/Bank guarantee	44,659	56,463
- Cash collateral for securitisation and assignment of receivables under partial credit guarantee scheme	40,165	56,574
- Borrowings	35	35
- Others	2,888	3,152

(i) Changes in Cash Flows from Financing Activities

(₹ in Lacs)

Particulars	As at March 31st, 2020	Movement*		As at March 31st, 2021
		Cash	Non-Cash	
Debt Securities	2,62,725	(18,577)	-	2,44,148
Borrowings (Other than Debt Securities)	26,40,762	14,889	(8,098)	26,47,553
Subordinated Liabilities	2,48,736	(3,205)	-	2,45,531
Total	**31,52,223**	**(6,893)**	**(8,098)**	**31,37,232**

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

(₹ in Lacs)

Particulars	As at March 31st, 2019	Movement*		As at March 31st, 2020
		Cash	Non-Cash	
Debt Securities	1,94,243	(89,374)	1,57,856	2,62,725
Borrowings (Other than Debt Securities)	17,33,794	(83,589)	9,90,557	26,40,762
Subordinated Liabilities	1,91,373	(48,175)	1,05,538	2,48,736
Total	**21,19,410**	**(2,21,138)**	**12,53,951**	**31,52,223**

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

5. Derivative Financial Instruments

(₹ in Lacs)

Particulars	As at March 31st, 2021			As at March 31st, 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**
Undesignated Derivatives (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**

(₹ in Lacs)

Particulars	As at March 31st, 2021			As at March 31st, 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 Company's risk management strategy and how it is applied to manage risk are explained in Note No. 39.

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

Outstanding Contracts	Notional amounts (₹ in Lacs)	Timing				Average Exchange Rate #
	As at March 31st, 2021	Less than 3 months	3 to 6 months	6 months to 1 year	More than 1 year	
Spot and forwards - USD	222	222	-	-	-	78

Average exchange rate includes forward premium charge.

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

Average exchange rate includes forward premium charge.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

Spots and Forwards

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

Interest Rate Swaps

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

6. Receivables:

(I) Trade Receivables

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
(a) Considered good - Secured	-	-
Less: Allowance for impairment loss allowance	-	-
	-	-
(b) Considered good - Unsecured	2,696	13,663
Less: Allowance for impairment loss allowance	26	102
	2,670	13,561
(c) Trade Receivables which have significant increase in credit risk	43	1,869
Less: Allowance for impairment loss allowance	1	109
	42	1,760
(d) Credit impaired	-	-
Less: Allowance for impairment loss allowance	-	-
	-	-
Total	**2,712**	**15,321**

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

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

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Balance at the beginning of the year	211	11,419
Charge in Statement of Profit and Loss	4	204
Utilized during the year	(188)	(11,412)
Balance at the end of the year	**27**	**211**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

(₹ in Lacs)

Particulars	As at March 31st, 2021		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	2,739	27	2,712
Overdue between three to six months	-	-	-
Overdue between six months to one year	-	-	-
More than 1 year overdue	-	-	-
	2,739	**27**	**2,712**

(₹ in Lacs)

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

The contractual amount outstanding on financial assets that were written off during the reporting period but are still subject to enforcement activity is ₹ Nil (March 31st, 2020 ₹ Nil).

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

7. Loans

(₹ in Lacs)

Particulars	As at March 31st, 2021						As at March 31st, 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	
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)=(1)+(5)	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)=(1)+(5)
Loans												
(A)												
(i) Term Loans	26,74,026	46,482	51,920	-	98,402	27,72,428	28,25,575	1,10,097	83,923	-	1,94,020	30,19,595
(ii) Leasing (Refer Note No. 7.1)	8,476	-	-	-	-	8,476	6,129	-	-	-	-	6,129
(iii) Others												
Inter-Corporate Deposits	28,218	-	-	-	-	28,218	199	-	-	-	-	199
Letter of credit	-	-	-	-	-	-	17,098	-	-	-	-	17,098
Total (A) Gross	**27,10,720**	**46,482**	**51,920**	**-**	**98,402**	**28,09,122**	**28,49,001**	**1,10,097**	**83,923**	**-**	**1,94,020**	**30,43,021**
Less: Impairment loss allowance	6,23,331	-	-	-	-	6,23,331	1,60,524	-	-	-	-	1,60,524
Total (A) Net	**20,87,389**	**46,482**	**51,920**	**-**	**98,402**	**21,85,791**	**26,88,477**	**1,10,097**	**83,923**	**-**	**1,94,020**	**28,82,497**
(B)												
(i) Secured by tangible assets/ cash flows*	25,40,685	46,482	51,920	-	98,402	26,39,087	27,57,988	1,10,097	83,923	-	1,94,020	29,52,008
(ii) Unsecured	1,70,035	-	-	-	-	1,70,035	91,013	-	-	-	-	91,013
Total (B) Gross	**27,10,720**	**46,482**	**51,920**	**-**	**98,402**	**28,09,122**	**28,49,001**	**1,10,097**	**83,923**	**-**	**1,94,020**	**30,43,021**
Less: Impairment loss allowance	6,23,331	-	-	-	-	6,23,331	1,60,524	-	-	-	-	1,60,524
Total (B) Net	**20,87,389**	**46,482**	**51,920**	**-**	**98,402**	**21,85,791**	**26,88,477**	**1,10,097**	**83,923**	**-**	**1,94,020**	**28,82,497**
(C)												
In India												
(i) Public Sector	1,533	-	-	-	-	1,533	2,096	-	-	-	-	2,096
(ii) Others	27,09,187	46,482	51,920	-	98,402	28,07,589	28,46,905	1,10,097	83,923	-	1,94,020	30,40,925
Total (C) Gross	**27,10,720**	**46,482**	**51,920**	**-**	**98,402**	**28,09,122**	**28,49,001**	**1,10,097**	**83,923**	**-**	**1,94,020**	**30,43,021**
Less: Impairment loss allowance	6,23,331	-	-	-	-	6,23,331	1,60,524	-	-	-	-	1,60,524
Total (C) Net	**20,87,389**	**46,482**	**51,920**	**-**	**98,402**	**21,85,791**	**26,88,477**	**1,10,097**	**83,923**	**-**	**1,94,020**	**28,82,497**

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

7. Loans (continued)

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

(₹ in Lacs)

Particulars	As at March 31st, 2021				As at March 31st, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	**24,36,943**	**1,89,689**	**3,32,466**	**29,59,098**	**14,84,826**	**2,27,885**	**1,66,742**	**18,79,453**
Assets Transferred pursuant to Slump Exchange (refer Note No. 52)	-	-	-	-	8,38,978	11,250	2,27,458	10,77,686
New assets originated or purchased / net disbursement	1,92,869	-	-	1,92,869	13,54,892	1,250	2,500	13,58,642
Assets derecognised or repaid (excluding write offs) #	(2,52,743)	(58,679)	(7,741)	(3,19,163)	(11,54,623)	(1,04,102)	(81,492)	(13,40,217)
Transfers to Stage 1	13,237	(13,030)	(207)	-	89,839	(67,629)	(22,210)	-
Transfers to Stage 2	(94,078)	94,122	(44)	-	(1,04,044)	1,37,571	(33,527)	-
Transfers to Stage 3	(14,52,348)	(1,14,857)	15,67,205	-	(72,925)	(16,536)	89,461	-
Amounts written off	(34,055)	(1,393)	(40,154)	(75,602)	-	-	(16,466)	(16,466)
Gross carrying amount - closing balance	**8,09,825**	**95,852**	**18,51,525**	**27,57,202**	**24,36,943**	**1,89,689**	**3,32,466**	**29,59,098**

ii. Reconciliation of ECL balance is given below: *

(₹ in Lacs)

Particulars	As at March 31st, 2021				As at March 31st, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**27,048**	**21,581**	**1,13,249**	**1,61,878**	**12,626**	**13,065**	**35,904**	**61,595**
Assets Transferred pursuant to Slump Exchange (refer Note No. 52)	-	-	-	-	23,291	460	53,096	76,847
New assets originated or purchased / net disbursement	1,528	-	-	1,528	17,917	47	737	18,701
Impact on year end ECL of Exposures transferred between stages during the year and reversal of ECL on account of Recovery #	20,041	2,576	4,57,903	4,80,520	(29,460)	8,120	36,025	14,685
Transfers to Stage 1	2,330	(1,690)	(640)	-	13,595	(5,692)	(7,903)	-
Transfers to Stage 2	(1,089)	1,143	(54)	-	(1,415)	6,915	(5,500)	-
Transfers to Stage 3	(12,496)	(19,078)	31,574	-	(9,506)	(1,334)	10,840	-
Amounts written off	(1,313)	(137)	(18,434)	(19,884)	-	-	(9,950)	(9,950)
ECL allowance - closing balance	**36,049**	**4,395**	**5,83,598**	**6,24,042**	**27,048**	**21,581**	**1,13,249**	**1,61,878**

* Includes ECL allowance of ₹ 5,880 Lacs (March 31st, 2020 ₹ 848 Lacs) on off balance sheet exposure.

* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹711 Lacs (March 31st, 2020 ₹ 1,354 Lacs).

Represents balancing figure.

iii. The contractual amount outstanding on loan assets that were written off during the reporting period but are still subject to enforcement activity is ₹ 16,457 Lacs (March 31st, 2020 ₹ 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 FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

7.1 In the capacity of lessor (Finance Lease)

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

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

Gross Investments

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
i. not later than one year	5,609	2,686
ii. later than one year and not later than five years	4,117	6,964
iii. later than five years	-	-
Total	**9,726**	**9,650**

Unearned finance Income

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
i. not later than one year	876	2,075
ii. later than one year and not later than five years	374	1,446
iii. later than five years	-	-
Total	**1,250**	**3,521**

Minimum lease payments

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
i. not later than one year	4,733	611
ii. later than one year and not later than five years	3,743	5,518
iii. later than five years	-	-
Total	**8,476**	**6,129**

8. Investments

(₹ in Lacs)

Particulars	As at March 31st, 2021							As at March 31st, 2020						
		At Fair Value							At Fair Value					
	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Others	Total	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Others	Total
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
Debt Securities *	9,590	-	25,288	-	25,288	-	34,878	11,086	-	33,491	-	33,491	-	44,577
Equity Instruments	-	-	76,730	-	76,730	-	76,730	-	-	52,764	-	52,764	-	52,764
Total Gross (A)	**9,590**	**-**	**1,02,018**	**-**	**1,02,018**	**-**	**1,11,608**	**11,086**	**-**	**86,255**	**-**	**86,255**	**-**	**97,341**
(i) Overseas Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	9,590	-	1,02,018	-	1,02,018	-	1,11,608	11,086	-	86,255	-	86,255	-	97,341
Total (B)	**9,590**	**-**	**1,02,018**	**-**	**1,02,018**	**-**	**1,11,608**	**11,086**	**-**	**86,255**	**-**	**86,255**	**-**	**97,341**
Less: Impairment loss allowance (C)	9,590	-	-	-	-	-	9,590	9,590	-	-	-	-	-	9,590
Total - Net D= (A)-(C)	**-**	**-**	**1,02,018**	**-**	**1,02,018**	**-**	**1,02,018**	**1,496**	**-**	**86,255**	**-**	**86,255**	**-**	**87,751**

* 950 nos. Non-Convertible Debentures (NCD's) having face value ₹ 10,00,000 each issued by Fortis Healthcare Holdings Private Ltd were received from Srei Infrastructure Finance Limited (SIFL) by way of slump exchange to the Company through a Business Transfer Agreement ("BTA") (refer Note No. 52). Since these NCD's are matured, the depository has rejected the transfer request given by SIFL in favor of the company. Therefore, these NCD's are being held by the SIFL for the benefit of the company.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

9. Other Financial Assets

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Security Deposits		
To Related Parties	17,350	2,400
To Others	1,018	1,245
Less: Impairment loss allowance on Security Deposits	(184)	-
Rental accrued but not due	4,984	10,050
Less: Impairment loss allowance for Rental accrued but not due [Refer Note No. 6(I)(a)]	(31)	(117)
Interest retained on Pool Assigned	16,245	31,608
Less: Impairment loss allowance for Interest retained on Pool Assigned	(2,604)	(1,300)
Claims Receivable (measured at fair value through profit or loss)	65,897	51,015
Others *	8,119	424
Total	**1,10,794**	**95,325**

* 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 March 23, 2021 amounting to ₹ 5,671 Lacs (March 31st, 2020 : ₹ Nil) and also includes amount receivable from holding company, Srei Infrastructure Finance Limited (SIFL) in Trust and Retention Account (TRA) amounting to ₹ 1,756 Lacs (March 31st, 2020 : ₹ Nil).

10. Current Tax Assets (Net)

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Advance income tax [net of Income tax provision of ₹ 32,596 Lacs (March 31st, 2020 : ₹ 24,745 Lacs)]	24,068	17,347
Total	**24,068**	**17,347**

10 (i). Income Tax Expense

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

(₹ in Lacs)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Profit/(Loss) Before Tax	**(7,14,089)**	**10,034**
Statutory Income Tax Rate	25.168%	34.944%
Expected income tax expense at statutory income tax rate	(1,79,722)	3,506
Adjustments for :		
(i) Income exempt from tax/Items not deductible	-	937
(ii) Reversal of MAT Credit Entitlement due to adoption of new tax regime	(4,333)	-
(iii) Deferred Tax Asset not recognised on loss under Income Tax	1,61,360	-
(iv) Other adjustments	22,217	-
Total Tax Expense recognised in the Statement of Profit and Loss	**(478)**	**4,443**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

(₹ in Lacs)

Particulars	Balance as at March 31st, 2021	Balance as at March 31st, 2020
Deferred Tax Liabilities on		
Property, plant and equipment and intangible assets	19,188	39,118
Gross deferred tax liabilities	**19,188**	**39,118**
Deferred Tax asset on		
Financial assets and liabilities at fair value	13,389	1,375
Financial assets and liabilities at amortised cost	27,693	33,440
Loss under Income Tax	1,61,360	-
Other timing differences	697	2,803
Gross deferred tax assets	**2,03,139**	**37,618**
Net deferred tax liabilities before MAT Credit Entitlement	**(1,83,951)**	**1,500**
Less: Minimum alternate tax (MAT) Credit Entitlement	-	(4,333)
Deferred tax liabilities/(Assets) (Net) *	**(1,83,951)**	**(2,833)**

* The Company as a matter of prudence has not recognized deferred tax assets as at March 31, 2021.

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(₹ in Lacs)

Particulars	Balance as at April 1st, 2020	Recognised/ (reversed) in the Statement of Profit and Loss	Recognised/ (reversed) in Other Comprehensive Income	Reclassified to the Statement of Profit and Loss/adjusted with current tax liabilities	Balance as at March 31st, 2021
Deferred Tax Liabilities on					
Property, Plant and Equipment and Intangible Assets	39,118	(39,118)	-	-	-
Gross Deferred Tax Liabilities	**39,118**	**(39,118)**	**-**	**-**	**-**
Deferred Tax Assets on					
Financial Assets and Liabilities at fair value	1,374	(2,396)	1,022	-	-
Financial Assets and Liabilities at amortised cost	33,440	(33,440)	-	-	-
Loss under Income Tax	2,547	(2,547)			-
Other timing differences	257	(257)	-	-	-
Gross Deferred Tax Assets	**37,618**	**(38,640)**	**1,022**	**-**	**-**
Net Deferred Tax Liabilities before MAT Credit Entitlement	**1,500**	**(478)**	**(1,022)**	**-**	**-**
Less: MAT Credit Entitlement	(4,333)	4,333	-	-	-
Deferred Tax Liabilities/(Assets) (Net)	**(2,833)**	**3,855**	**(1,022)**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

(₹ in Lacs)

Particulars	Balance as at April 1st, 2019	Recognised/ (reversed) in the Statement of Profit and Loss	Recognised/ (reversed) in Other Comprehensive Income	Reclassified to the Statement of Profit and Loss/adjusted with current tax liabilities	Recognised in Balance Sheet on account of slump exchange (Refer Note no. 52)	Balance as at March 31st, 2020
Deferred Tax Liabilities on						
Property, Plant and Equipment and Intangible Assets	31,160	(408)	-	-	8,366	39,118
Gross Deferred Tax Liabilities	**31,160**	**(408)**	**-**	**-**	**8,366**	**39,118**
Deferred Tax Assets on						
Financial Assets and Liabilities at fair value	1,146	241	(1,249)	2,199	(963)	1,374
Financial Assets and Liabilities at amortised cost	11,414	(7,662)	-	-	29,688	33,440
Loss under Income Tax	-	2,547	-	-	-	2,547
Other timing differences	110	23	-	-	124	257
Gross Deferred Tax Assets	**12,670**	**(4,851)**	**(1,249)**	**2,199**	**28,849**	**37,618**
Net Deferred Tax Liabilities before MAT Credit Entitlement	**18,490**	**4,443**	**1,249**	**(2,199)**	**(20,483)**	**1,500**
Less: MAT Credit Entitlement	-	(4,333)	-	-	-	(4,333)
Deferred Tax Liabilities/(Assets) (Net)	**18,490**	**110**	**1,249**	**(2,199)**	**(20,483)**	**(2,833)**

12. Other Non-Financial Assets

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Capital Advances	11	802
Repossessed Assets and Assets acquired in satisfaction of debt*	38,399	47,663
Advance to Vendors	2,025	2,770
Advances to Employees	114	282
Amount Lying in Trust Account **	5,024	-
Balances with Service Tax/VAT/GST authorities	2,467	3,420
Prepaid Expenses	127	820
Total	**48,167**	**55,757**

* Includes repossessed assets amounting to ₹ 19,919 Lacs (March 31st, 2020: ₹ 43,383 Lacs) and also includes assets/collaterals acquired in satisfaction of debt amounting to ₹ 18,480 Lacs (March 31st, 2020: ₹ 4,280 Lacs).

** Amount lying in Trust Account for Cash Collateral against Collaterised Borrowings.

13. Property, Plant and Equipment

(₹ in Lacs)

Particulars	Gross block					Depreciation/amortisation/ impairment						Net book value
	As at April 1st, 2020	Additions	Adjustment*	Disposals	As at 31st Mar,2021	As at April 1st, 2020	Depreciation/ amortisation Charge	Impairment Charge	Adjustment	Disposals	As at 31st Mar,2021	As at 31st Mar,2021
Assets for Own use												
Land- Freehold	16,060	-	(12,753)	-	3,307	-	-	-	-	-	-	3,307
Buildings **	5,481	-	(1,445)	63	3,973	43	77	-	-	1	119	3,854
Furniture and fixtures	3,165	16	14	4	3,191	737	584	-	2	2	1,321	1,870
Plant and Machinery	22,474	-	-	-	22,474	3,069	1,023	-	-	-	4,092	18,382
Motor vehicles	380	-	30	8	402	126	73	-	30	8	221	181
Leasehold Improvements	2,324	-	-	-	2,324	328	638	-	-	-	966	1,358
Computers and office equipment	1,090	12	6	6	1,102	810	145	-	20	6	969	133
(A)	**50,974**	**28**	**(14,148)**	**81**	**36,773**	**5,113**	**2,540**	**-**	**52**	**17**	**7,688**	**29,085**
Assets for Operating lease												
Aircrafts	379	-	-	-	379	122	40	-	-	-	162	217
Earthmoving Equipment	1,53,954	-	-	19,248	1,34,706	61,809	21,960	-	-	11,098	72,671	62,035
Motor vehicles	97,157	-	-	8,463	88,694	43,183	13,465	-	-	6,324	50,324	38,370
Plant and Machinery	1,74,172	212	-	5,037	1,69,347	43,530	17,570	7,276	-	2,629	65,747	1,03,600
Wind Mills	9,968	-	-	2,147	7,821	2,869	812	-	-	744	2,937	4,884
Computers	40,452	-	-	3,896	36,556	20,196	7,040	-	-	3,158	24,078	12,478
Furniture and fixtures	9,229	-	-	974	8,255	2,889	1,020	-	-	605	3,304	4,951
(B)	**4,85,311**	**212**	**-**	**39,765**	**4,45,758**	**1,74,598**	**61,907**	**7,276**	**-**	**24,558**	**2,19,223**	**2,26,535**
Total for Tangible assets (C)= (A+B)	**5,36,285**	**240**	**(14,148)**	**39,846**	**4,82,531**	**1,79,711**	**64,447**	**7,276**	**52**	**24,575**	**2,26,910**	**2,55,620**

* 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.

** Buildings includes ₹ 3,895 Lacs (Net book value of ₹ 3,782 Lacs) in respect of which conveyance is pending. These immovable properties were transferred to the Company pursuant to Business Transfer Agreement ("BTA") (Refer Note No. 52).

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

(₹ in Lacs)

Particulars	Gross block					Depreciation/amortisation/ impairment					Net book value
	As at April 1st, 2019	Assets acquired under slump exchange transaction (refer Note No. 52)	Additions	Disposals and other adjustments	As at March 31st, 2020	As at April 1st, 2019	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2020	As at March 31st, 2020
Assets for Own use											
Land- Freehold	4	-	16,056	-	16,060	-	-	-	-	-	16,060
Buildings	76	3,958	1,447	-	5,481	3	40	-	-	43	5,438
Furniture and fixtures	674	2,493	13	15	3,165	369	380	-	12	737	2,428
Plant and Machinery	22,474	-	-	-	22,474	2,046	1,023	-	-	3,069	19,405
Motor vehicles	301	24	79	24	380	75	71	-	19	126	254
Leasehold Improvements	-	2,320	4	-	2,324	-	328	-	-	328	1,996
Computers and office equipment	901	162	30	3	1,090	662	151	-	3	810	280
(A)	**24,430**	**8,957**	**17,629**	**42**	**50,974**	**3,155**	**1,993**	**-**	**34**	**5,113**	**45,861**
Assets for Operating lease											
Aircrafts	379	-	-	-	379	81	41	-	-	122	257
Earthmoving Equipment	1,63,855	-	757	10,658	1,53,954	41,176	24,673	-	4,040	61,809	92,145
Motor vehicles	1,00,141	-	1,533	4,517	97,157	29,105	15,823	-	1,745	43,183	53,974
Plant and Machinery	2,27,715	29,161	8,201	90,905	1,74,172	36,825	22,054	-	15,349	43,530	1,30,642
Wind Mills	9,968	-	-	-	9,968	1,913	956	-	-	2,869	7,099
Computers	42,381	-	354	2,283	40,452	13,347	8,211	-	1,362	20,196	20,256
Furniture and fixtures	10,102	-	207	1,080	9,229	2,131	1,187	-	429	2,889	6,340
(B)	**5,54,541**	**29,161**	**11,052**	**1,09,443**	**4,85,311**	**1,24,578**	**72,945**	**-**	**22,925**	**1,74,598**	**3,10,713**
Total for Tangible assets (C)= (A+B)	**5,78,971**	**38,118**	**28,681**	**1,09,485**	**5,36,285**	**1,27,733**	**74,938**	**-**	**22,959**	**1,79,711**	**3,56,574**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

14. Leases

a) In the capacity of Lessee

Following are the changes in the carrying value of right of use assets for the year ended March 31st, 2021:

(₹ in Lacs)

Particulars	As at March 31st, 2021
Balance as of April 1st, 2020	**1,210**
Addition	860
Deletion	511
Depreciation	490
Balance as of March 31st, 2021	**1,069**

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

The following is the movement in lease liabilities during the year ended March 31st, 2021:

(₹ in Lacs)

Particulars	As at March 31st, 2021
Balance as of April 1st, 2020	**1,292**
Addition	762
Deletion	537
Finance cost accrued during the year	173
Payment of lease liabilities	548
Balance as of March 31st, 2021	**1,142**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31st, 2021 on an undiscounted basis:

(₹ in Lacs)

Particulars	As at March 31st, 2021
Less than one year	502
One to five years	818
More than five years	17
Total	**1,337**

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

Rental expense recorded for short-term leases was ₹ 1,846 Lacs for the year ended March 31st, 2021.

b) In the capacity of Lessor (Operating lease)

The Company has given assets on operating lease arrangements (refer Note No. 13) for periods ranging between 1 to 15 years. Some of the arrangements have clauses for contingent rent. Total contingent rent recognized as income in the Statement of Profit and Loss for the year ended March 31st, 2021 is amounting to ₹ 253 Lacs (As at March 31st, 2020 : ₹ 494 Lacs).

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

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Not later than one year	86,057	85,879
Later than one year but not later than five years	48,348	1,20,477
Later than five years	8	322
Total	**1,34,413**	**2,06,678**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

15. Other Intangible Assets

(₹ in Lacs)

Particulars	Gross block				Depreciation/amortisation/ impairment					Net book value
	As at April 1st, 2020	Additions	Disposals and other adjustments	As at March 31st, 2021	As at April 1st, 2020	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2021	As at March 31st, 2021
Assets for Own use										
Softwares	2,050	1,150	-	3,200	1,671	376	-	-	2,047	1,153
(A)	**2,050**	**1,150**	**-**	**3,200**	**1,671**	**376**	**-**	**-**	**2,047**	**1,153**
Assets for Operating lease										
Softwares	682	-	68	614	616	46	-	68	594	20
(B)	**682**	**-**	**68**	**614**	**616**	**46**	**-**	**68**	**594**	**20**
Total for Other Intangible assets (A+B)	**2,732**	**1,150**	**68**	**3,814**	**2,287**	**422**	**-**	**68**	**2,641**	**1,173**

Particulars	Gross block					Depreciation/amortisation/ impairment					Net book value
	As at April 1st, 2019	Assets acquired under slump exchange transaction (refer Note No. 52)	Additions	Disposals and other adjustments	As at March 31st, 2020	As at April 1st, 2019	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2020	As at March 31st, 2020
Assets for Own use											
Softwares	1,732	7	311	-	2,050	1,394	277	-	-	1,671	379
(A)	**1,732**	**7**	**311**	**-**	**2,050**	**1,394**	**277**	**-**	**-**	**1,671**	**379**
Assets for Operating lease											
Softwares	847	-	-	165	682	650	107	-	141	616	66
(B)	**847**	**-**	**-**	**165**	**682**	**650**	**107**	**-**	**141**	**616**	**66**
Total for Other Intangible assets (A+B)	**2,579**	**7**	**311**	**165**	**2,732**	**2,044**	**384**	**-**	**141**	**2,287**	**445**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

16. Payables

I Trade Payables

(i) Total outstanding dues of micro enterprises and small enterprises

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day.	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Total	**-**	**-**

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

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

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Due to others		
Acceptances	-	17,280
Other than Acceptance	8,875	95,850
Total	**8,875**	**1,13,130**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

17. Debt Securities

(₹ in Lacs)

Particulars	As at March 31st, 2021				As at March 31st, 2020			
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(1)	(2)	(3)	(4)=(1)+(2)+(3)
A. Secured								
Non-convertible debentures (Refer Note No. 17.1)	2,40,281	-	-	2,40,281	2,58,968	-	-	2,58,968
Long Term Infrastructure Bond (Refer Note No. 17.2)	3,867	-	-	3,867	3,544	-	-	3,544
B. Unsecured								
Non-convertible debentures (Refer Note No. 17.3)	-	-	-	-	213	-	-	213
Total (A+B)	**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 FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

17.1 Secured Non-convertible debentures

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in Lacs) ##		Interest rate (%)	Earliest redemption date (refer Note no. 53)
		As at March 31st, 2021	As at March 31st, 2020		
18 January, 2018	10,00,000	1,000	1,000	9%	18 January, 2028
20 December, 2016	10,00,000	1,000	1,000	9%	20 December, 2026
26 March, 2018	10,00,000	1,650	1,650	9%	26 March, 2025
09 December, 2014	10,00,000	1,900	1,900	10%	09 December, 2024
03 October, 2017	10,00,000	600	600	9%	03 October, 2024
15 September, 2017	10,00,000	2,350	2,350	9%	15 September, 2024
22 June, 2017	10,00,000	2,000	2,000	9%	22 June, 2024
20 June, 2014 $$	10,00,000	1,000	1,000	11%	20 June, 2024
13 June, 2014 $$	10,00,000	1,000	1,000	11%	13 June, 2024
10 June, 2014	10,00,000	1,000	1,000	11%	10 June, 2024
31 May, 2017	10,00,000	1,000	1,000	9%	31 May, 2024
26 May, 2017	10,00,000	2,000	2,000	9%	26 May, 2024
30 January, 2019	10,00,000	30,000	30,000	11%	30 January, 2024
02 December, 2016	10,00,000	500	500	9%	02 December, 2023
29 November, 2013	10,00,000	450	450	11%	29 November, 2023
04 April, 2018	10,00,000	1,400	1,400	8%	04 April, 2023
14 March, 2018	10,00,000	500	500	8%	14 March, 2023
24 January, 2013	10,00,000	110	110	12%	24 January, 2023
05 October, 2012	10,00,000	2,000	2,000	11%	05 October, 2022
31 July, 2012	10,00,000	130	130	11%	31 July, 2022
8 June 2012 $	10,00,000	70	70	11%	08 June, 2022
29 October, 2011	10,00,000	3,000	3,000	12%	29 October, 2021
06 October, 2016	10,00,000	500	500	10%	06 October, 2021
09 September, 2011	10,00,000	1,000	1,000	12%	09 September, 2021
28 December, 2017	10,00,000	-	500	9%	28 December, 2020
16 October, 2017 $$	10,00,000	-	15,000	9%	16 October, 2020
11 May, 2015 #	1,000	3,215	6,386	*	*
17 January, 2017 #	1,000	33,842	33,842	**	**
25 May 2018	1,000	41,598	41,598	***	***
24 January 2019	1,000	14,005	14,005	****	****
28 July 2015	1,000	-	8,834	@	@
06 October 2016	1,000	15,585	15,585	@@	@@
27 February 2017	1,000	17,547	17,547	@@@	@@@
16 March 2018	1,000	15,830	27,110	@@@@	@@@@
15 May 2019	1,000	9,363	10,576	@@@@@	@@@@@
Total		**2,07,145**	**2,47,143**		

* The above debenture are allotted through public issue of Secured Non-Convertible Debentures and are redeemable over a tenure of 5 - 7 Years having rate of interest ranging from 9.75% to 10.50%.

** The above debenture are allotted through public issue of Secured Non-convertible debentures and are redeemable over a tenure of 5 Years having rate of interest ranging from 9.11% to 9.76%.

*** The above debenture are allotted through public issue of Secured Non-convertible debentures and are redeemable over a tenure of 3 - 10 Years having rate of interest ranging from 8.75% to 9.61%.

**** The above debenture are allotted through public issue of Secured Non-Convertible Debentures and are redeemable over a tenure of 3 - 5 Years having rate of interest ranging from 9.81% to 10.78%.

@ The above debenture are allotted through public issue of Secured Non-Convertible Debentures and are redeemable over a tenure of 5 Years having rate of interest ranging from 10.25% to 11.25%.

@@ The above debenture are allotted through public issue of Secured Non-Convertible Debentures and are redeemable over a tenure of 5 Years having rate of interest ranging from 9.60% to 10%.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

@@@ The above debenture are allotted through public issue of Secured Non-Convertible Debentures and are redeemable over a tenure of 5 Years having rate of interest ranging from 9.12% to 9.75%.

@@@@ The above debenture are allotted through public issue of Secured Non-Convertible Debentures and are redeemable over a tenure of 3 - 5 Years having rate of interest ranging from 8.43% to 9.25%.

@@@@@ The above debenture are allotted through public issue of Secured Non-Convertible Debentures and are redeemable over a tenure of 1 - 5 Years having rate of interest ranging from 9.75% to 11%.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 1,586 Lacs (March 31st, 2020: ₹ 2,694 Lacs). Does not includes Interest Accrued and not due in accordance with IndAS 109 ₹ 13,112 Lacs (31st March, 2020: ₹ 14,523 Lacs). Does not include discounting on face value impact of ₹ 3 Lacs (31st March, 2020: ₹ 4 Lacs). Does not include overdue principal and overdue interest ₹ 21,612 Lacs (31st March, 2020: ₹ Nil).

Security:

$ The secured Non-Convertible Debentures are secured by way of pari passu charge on the company immovable property located at West Bengal/New Delhi.

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

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

All the above Non-Convertible Debentures except those marked #,$,$$ are secured by way of an exclusive first charge on the specific receivables / assets of the Company.

17.2 Long Term Infrastructure Bond

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in Lacs) *		Coupon rate (%)	Earliest redemption date (refer Note no. 53)
		As at March 31st, 2021	As at March 31st, 2020		
22 March, 2012	1,000	967	967	9%	22 March, 2027
22 March, 2012	1,000	1,055	1,055	9%	22 March, 2022
Total		**2,022**	**2,022**		

* Does not includes Interest Accrued and not due in accordance with IndAS 109 ₹ 1,799 Lacs (31st March, 2020: ₹ 1,523). Does not include interest overdue ₹ 46 Lacs (31st March, 2020: ₹ Nil).

Security:

Long term infrastructure bonds are secured by way of pari-passu mortgage/charge on immovable properties located at West Bengal and exclusive charge on specific receivables of the Company.

17.3 Unsecured Non-convertible debentures

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in Lacs) *		Coupon rate (%)	Earliest redemption date
		As at March 31st, 2021	As at March 31st, 2020		
28 October, 2016	10,00,000	-	100	10%	28 April, 2020
28 April, 2016	10,00,000	-	100	10%	28 April, 2020
Total		-	**200**		

The above debentures are redeemable at par in single instalment.

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ Nil (31st March, 2020: ₹ 0.01 Lacs). Does not includes Interest Accrued and not due in accordance with IndAS 109 ₹ Nil (31st March, 2020: ₹ 13 Lacs)

18. Borrowings (Other than Debt Securities)

(₹ in Lacs)

Particulars	As at March 31st, 2021				As at March 31st, 2020			
	Amortised cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total	Amortised cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(1)	(2)	(3)	(4)=(1)+(2)+(3)
SECURED								
(a) Term loans (Refer Note No. 18.1)								
(i) From Banks								
Rupee loans	2,09,517	-	-	2,09,517	2,62,588	-	-	2,62,588
Foreign currency loans	90,278	-	-	90,278	93,188	-	-	93,188
(ii) From Others								
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 (Refer Note No. 18.2)								
(i) From Banks								
Rupee loans	19,61,033	-	-	19,61,033	18,02,460	-	-	18,02,460
(c) Collateralised borrowings (Refer Note No. 18.3)	40,451	-	-	40,451	79,529	-	-	79,529
UNSECURED								
(a) Term loans (Refer Note No. 18.4)								
(i) From Banks								
Foreign currency loans	30,582	-	-	30,582	56,002	-	-	56,002
(ii) From Others								-
Foreign currency loans	23,933	-	-	23,933	8,177	-	-	8,177
(b) Deferred payment liabilities (Refer Note No. 18.5)	22,601	-	-	22,601	-	-	-	-
(c) Commercial paper (Refer Note No. 18.6)	-	-	-	-	29,339	-	-	29,339
(d) Inter-corporate deposit (Refer Note No. 18.7)	105	-	-	105	17,635	-	-	17,635
Total	**26,47,553**	**-**	**-**	**26,47,553**	**26,40,762**	**-**	**-**	**26,40,762**
Borrowings in India	24,31,607	-	-	24,31,607	24,05,898	-	-	24,05,898
Borrowings outside India	2,15,946	-	-	2,15,946	2,34,864	-	-	2,34,864
Total	**26,47,553**	**-**	**-**	**26,47,553**	**26,40,762**	**-**	**-**	**26,40,762**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

18.1 Secured Term loans

Particulars	Outstanding (₹ in Lacs) As at March 31st, 2021	Repayment terms (refer Note no. 53) (₹ in Lacs) Overdue @	Monthly	Quarterly	Half yearly	Single instalment	Balance tenure (years)	Rate of Interest per annum	Nature of security
Rupee Term loans									
From Banks *	2,09,604	64,734	7,087	1,37,783	-	-	0 - 5	8%-13%	Hypothecation of specific assets covered by hypothecation loan agreements and lease agreements with customers and receivables arising there from.
From Financial institutions **	1,54,110	24,651	50	57,375	72,034	-	0 - 4	8%-13%	
Total	**3,63,714**	**89,385**	**7,137**	**1,95,158**	**72,034**	**-**			
Foreign currency term loans									
From Banks #	90,557	1,569	-	-	88,988	-	2 - 4	<10%	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and / or receivables arising there from.
From Financial institutions ##	1,14,687	15,680	-	-	89,869	9,138	0 - 8	<10%	
Total	**2,05,244**	**17,249**	**-**	**-**	**1,78,857**	**9,138**			

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 199 Lacs. Does not includes Interest Accrued and not due in accordance with IndAS 109 ₹ 112 Lacs.

** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 13 Lacs. Does not includes Interest Accrued and not due in accordance with IndAS 109 ₹ 351 Lacs.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 879 Lacs. Does not includes Interest Accrued and not due in accordance with IndAS 109 ₹ 600 Lacs.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 592 Lacs. Does not includes Interest Accrued and not due in accordance with IndAS 109 ₹ 510 Lacs.

@ It includes interest overdue.

Particulars	Outstanding (₹ in Lacs) As at March 31st, 2020	Repayment terms (₹ in Lacs) Overdue	Monthly	Quarterly	Half yearly	Single instalment	Balance tenure (years)	Rate of Interest per annum	Nature of security
Rupee Term loans									
From Banks *	2,62,986	-	11,570	1,90,189	61,227	-	0 - 6	8%-13%	Hypothecation of specific assets covered by hypothecation loan agreements and lease agreements with customers and receivables arising there from.
From Financial institutions **	1,64,882	-	69	80,625	84,188	-	1 - 5	8%-13%	
Total	**4,27,868**	**-**	**11,639**	**2,70,814**	**1,45,415**	**-**			
Foreign currency term loans									
From Banks #	93,523	-	-	-	93,523	-	4 - 5	<10%	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and / or receivables arising there from.
From Financial institutions ##	1,25,120	-	-	-	1,15,676	9,444	0 - 9	<10%	
Total	**2,18,643**	**-**	**-**	**-**	**2,09,199**	**9,444**			

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

** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 22 Lacs. Does not includes Interest Accrued and not due in accordance with IndAS 109 ₹ 1,819 Lacs.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 1,229 Lacs. Does not includes Interest Accrued and not due in accordance with IndAS 109 ₹ 893 Lacs.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 702 Lacs. Does not includes Interest Accrued and not due in accordance with IndAS 109 ₹ 747 Lacs.

18.2 Secured Working capital facilities (Refer Note no. 53)

Working capital facilities (earmarked against cash credit limits) from banks are secured by hypothecation of underlying assets covered by respective hypothecation loan agreements and lease agreements with customers and receivables arising therefrom ranking pari passu (excluding assets specifically charged to others).

a) As at March 31st, 2021 Working capital facilities from banks include Working capital demand loans (WCDL) aggregating to ₹ 6,56,526 Lacs (March 31st, 2020: ₹ 6,88,156 Lacs). Does not includes Interest accrued and not due in accordance with IndAS 109 ₹ 46 Lacs (March 31st, 2020 : ₹ 1,821 Lacs). Rate of interest for Working capital demand loans ranges from 7% to 14% per annum (March 31st, 2020 : from 8% to 14% per annum). The above WCDL includes interest overdue.

b) As at March 31st, 2021 Working capital facilities from banks includes Funded Interest Term Loan (FITL) ₹ 94,027 Lacs (March 31st, 2020: ₹ Nil). Does not includes Interest accrued and not due in accordance with IndAS 109 ₹ Nil Lacs (March 31st, 2020 : ₹ Nil). Rate of interest for FITL ranges from 7% to 16% per annum. The above FITL amount includes principal and interest overdue.

c) As at March 31st, 2021 Other working capital facilities (Cash credits) including overdue interest, ranges from 8% to 14% per annum (March 31st, 2020 : from 9% to 14% per annum). The above Cash credit amount includes interest overdue.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

18.3 Secured Collateralised borrowings

Particulars	Outstanding (₹ in Lacs) As at March 31st, 2021	Repayment terms (refer Note no. 53) (₹ in Lacs) Overdue @#	Monthly	Quarterly	Single instalment	Balance tenure (years)	Rate of Interest per annum	Nature of security
Collateralised borrowings *	41,032	5,919	29,063	6,050	-	0-5	7%-13%	This represent amount received against securitisation of hypothecation loan, which does not qualify for derecognition, and assignment of future lease rentals.
Total	**41,032**	**5,919**	**29,063**	**6,050**	-			

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 821 Lacs. Does not includes Interest accrued and not due in accordance with IndAS 109 ₹ 240 Lacs

@ It includes interest overdue.

The overdue is due to outstanding receivables from the customers.

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

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

18.4 Unsecured Term loans

Particulars	Outstanding (₹ in Lacs) As at March 31st, 2021	Repayment terms (refer Note no. 53) (₹ in Lacs) Overdue@	Monthly	Quarterly	Half yearly	Yearly	Balance tenure (years)	Rate of Interest per annum
Foreign currency term loan from bank *	30,972	1,076	-	-	29,896	-	5-8	<10%
Foreign currency term loan from financial institutions **	24,123	5,377	-	8,773	9,973	-	0-7	<10%
Total	**55,095**	**6,453**	-	**8,773**	**39,869**	-		

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 544 Lacs. Does not includes Interest accrued and not due in accordance with IndAS 109 ₹ 154 Lacs.

** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 300 Lacs. Does not includes Interest accrued and not due in accordance with IndAS 109 ₹ 110 Lacs.

@ It includes interest overdue.

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

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

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

18.5 Unsecured Deferred payment liabilities

Particulars	Outstanding (₹ in Lacs) As at March 31st, 2021	Repayment terms (refer Note no. 53) (₹ in Lacs)					Balance tenure (years)	Rate of Interest per annum
		Overdue @	Monthly	Quarterly	Half yearly	Yearly		
Deferred payment liabilities *	22,600	8,449	14,151	-	-	-	0-3	0%-10%
Total	**22,600**	**8,449**	**14,151**	**-**	**-**	**-**		

* It includes overdue principal and interest (31st March, 2020: ₹ Nil).

@ It includes interest overdue.

18.6 Commercial paper

Rate of Interest ranges from Nil (March 31st, 2020 : 7% to 10% per annum). The maximum amount outstanding during the year was ₹ 30,000 Lacs (March 31st, 2020 : ₹ 52,100 Lacs). Includes Unamortised Discounting Charges on Commercial Paper amounting to ₹ Nil (March 31st, 2020 : ₹ 661 Lacs)

18.7 Inter-corporate deposits

Rate of Interest ranges from 7% to 11% per annum (March 31st, 2020 : 9% to 11% per annum).

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

19. Subordinated liabilities

(₹ in Lacs)

Particulars	As at March 31st, 2021				As at March 31st, 2020			
	Amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(1)	(2)	(3)	(4)=(1)+(2)+(3)
UNSECURED								
Subordinated perpetual debentures (Tier I Capital) (Refer Note No. 19.1)	14,193	-	-	14,193	14,195	-	-	14,195
- Rupee subordinated loans (Tier II Capital) (Refer Note No. 19.2)	16,634	-	-	16,634	15,054	-	-	15,054
Subordinated redeemable non convertible debentures (Tier II Capital) (Refer Note No. 19.3)	2,14,704	-	-	2,14,704	2,19,487	-	-	2,19,487
Total	**2,45,531**	**-**	**-**	**2,45,531**	**2,48,736**	**-**	**-**	**2,48,736**
Subordinated liabilities in India	2,45,531	-	-	2,45,531	2,48,736	-	-	2,48,736
Subordinated liabilities outside India	-	-	-	-	-	-	-	-
Total	**2,45,531**	**-**	**-**	**2,45,531**	**2,48,736**	**-**	**-**	**2,48,736**

19.1 Unsecured Subordinated perpetual debentures *

During the year ended March 31st, 2021, the Company raised Unsecured subordinated perpetual debentures amounting ₹ Nil (March 31st, 2020 : ₹ Nil). As at March 31st 2021, the amount outstanding in respect of unsecured subordinated perpetual debentures is ₹ 13,750 Lacs (March 31st, 2020 : ₹ 13,750 Lacs). These perpetual debentures have call option which is exercisable with prior approval of RBI. These perpetual debentures have a step up coupon rate of 100 basis points per annum for subsequent years, if Call Option is not exercised by the Company at the end of 10th year from the date of allotment.

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in Lacs)		Coupon rate (%)	Earliest call option date
		As at March 31st, 2021	As at March 31st, 2020		
13 December, 2018	10,00,000	10,000	10,000	11%	13 December, 2028
30 December, 2011	10,00,000	3,750	3,750	13%	30 December, 2021
Total		**13,750**	**13,750**		

* Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 4 Lacs (March 31st, 2020: ₹ 4 Lacs). Does not include Interest accrued and not due in accordance with IndAS 109 ₹ 447 Lacs (March 31st, 2020: ₹ 450 Lacs).

19.2 Unsecured Rupee subordinated loans (Tier II Capital)

Particulars	Outstanding (₹ in Lacs)	Repayment terms (refer Note no. 53) (₹ in Lacs)				Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2021	Overdue @	Quarterly	Half yearly	Single instalment		
Rupee subordinated term loans (Tier II Capital) *	16,631	1,631	-	-	15,000	0 - 2	10%-11%
Total	**16,631**	**1,631**	**-**	**-**	**15,000**		

* Does not include effective interest rate adjustment in accordance with Ind AS 109 ₹ 41 Lacs. Does not include Interest accrued and not due in accordance with Ind AS 109 ₹ 44 Lacs.

@ It includes interest overdue.

Particulars	Outstanding (₹ in Lacs)	Repayment terms (refer Note no. 53) (₹ in Lacs)				Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2020	Overdue @	Quarterly	Half yearly	Single instalment		
Rupee subordinated term loans (Tier II Capital) *	15,092	-	-	-	15,092	1 - 3	10%-11%
Total	**15,092**	**-**	**-**	**-**	**15,092**		

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

During the year ended March 31st, 2021, the Company raised subordinated redeemable non-convertible debentures qualifying for Tier II Capital amounting ₹ Nil (March 31st, 2020 ₹ Nil). The following table sets forth, the detail of the bonds outstanding as at the Balance Sheet date:

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in Lacs) #		Coupon rate (%)	Earliest redemption date (refer Note no. 53)
		As at March 31st, 2021	As at March 31st, 2020		
24 January, 2019	1,000	1,428	1,428	*	*
08 August, 2017	1,000	56,199	56,199	**	**
16 March, 2018	1,000	2,702	2,702	***	***
10 October, 2018	10,00,000	500	500	10%	10 October, 2028
23 June, 2017	10,00,000	4,500	4,500	9%	23 June, 2027
30 March, 2017	10,00,000	5,000	5,000	10%	30 March, 2027
04 November, 2016	10,00,000	1,000	1,000	10%	04 November, 2026
07 October, 2016	10,00,000	4,000	4,000	11%	07 October, 2026
04 October, 2016	10,00,000	1,500	1,500	11%	04 October, 2026
24 August, 2016	10,00,000	3,000	3,000	10%	24 August, 2026
26 May, 2016	10,00,000	350	350	10%	26 May, 2026
25 May, 2016	10,00,000	2,000	2,000	11%	25 May, 2026
31 March, 2016	10,00,000	2,000	2,000	10%	31 March, 2026
18 March, 2016	10,00,000	500	500	11%	18 March, 2026
05 February, 2016	10,00,000	500	500	11%	05 February, 2026
20 January, 2016	10,00,000	500	500	11%	20 January, 2026
11 January, 2016	10,00,000	1,500	1,500	11%	11 January, 2026
24 September, 2015	10,00,000	500	500	11%	24 September, 2025
20 August, 2015	10,00,000	1,000	1,000	11%	20 August, 2025
13 August, 2015	10,00,000	15,000	15,000	11%	13 August, 2025
16 March, 2015	10,00,000	500	500	11%	16 March, 2025
01 March, 2017	10,00,000	500	500	10%	01 June, 2024
03 July, 2018	10,00,000	5,000	5,000	10%	03 May, 2024
25 October, 2016	10,00,000	5,000	5,000	10%	25 April, 2024
10 March, 2017	10,00,000	7,500	7,500	11%	10 March, 2024
17 July, 2013	10,00,000	2,300	2,300	11%	17 July, 2023
29 June, 2013	10,00,000	3,540	3,540	11%	29 June, 2023
07 May, 2013	10,00,000	2,080	2,080	11%	07 May, 2023
24 September, 2015	10,00,000	1,200	1,200	10%	24 April, 2023
29 March, 2016	10,00,000	200	200	11%	29 March, 2023
28 March, 2013	10,00,000	1,650	1,650	11%	28 March, 2023
01 March, 2013	10,00,000	1,750	1,750	11%	01 March, 2023
28 January, 2013	10,00,000	700	700	12%	28 January, 2023
24 January, 2013	10,00,000	900	900	11%	24 January, 2023
24 January, 2013	10,00,000	6,070	6,070	12%	24 January, 2023
16 January, 2013	10,00,000	250	250	12%	16 January, 2023
16 January, 2013	10,00,000	7,000	7,000	12%	16 January, 2023
17 December, 2012	10,00,000	1,700	1,700	12%	17 December, 2022
31 October, 2012	10,00,000	490	490	12%	31 October, 2022
18 October, 2012	10,00,000	1,060	1,060	12%	18 October, 2022
28 September, 2012	10,00,000	2,890	2,890	12%	28 September, 2022
13 August, 2015	10,00,000	5,000	5,000	11%	13 August, 2022
31 July, 2012	1,00,000	1,206	1,206	12%	31 July, 2022
09 March, 2017	10,00,000	500	500	10%	09 June, 2022
01 June, 2012	1,00,000	1,130	1,130	12%	01 June, 2022
30 March, 2012	10,00,000	10,000	10,000	11%	30 March, 2022
12 January, 2012	1,00,000	8,410	8,410	12%	12 January, 2022
11 January, 2012	1,00,000	6,600	6,600	12%	11 January, 2022

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in Lacs) #		Coupon rate (%)	Earliest redemption date (refer Note no. 53)
		As at March 31st, 2021	As at March 31st, 2020		
23 December, 2011	1,00,000	6,905	6,905	12%	23 December, 2021
01 February, 2016	10,00,000	700	700	10%	01 May, 2021
24 September, 2015	10,00,000	2,360	2,360	10%	24 April, 2021
20 December, 2013	10,00,000	-	1,000	11%	20 December, 2020
10 November, 2010	10,00,000	-	5,000	11%	10 November, 2020
27 September, 2013	10,00,000	-	1,600	11%	27 September, 2020
17 July, 2013	10,00,000	-	500	11%	17 July, 2020
31 March, 2015	10,00,000	-	3,600	11%	30 June, 2020
29 June, 2013	10,00,000	-	1,000	11%	29 June, 2020
29 June, 2013	10,00,000	-	1,160	11%	29 June, 2020
Total		**1,98,770**	**2,12,630**		

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

* The above debenture are allotted through public issue of Unsecured Subordinated non-convertible debentures and are redeemable over a tenure of 10 years having rate of interest ranging from 10.75% per annum to 11.00% per annum.

** The above debenture are allotted through public issue of Unsecured Subordinated non-convertible debentures and are redeemable over a tenure of 5-10 years having rate of interest ranging from 9.25% per annum to 9.70% per annum.

*** The above debenture are allotted through public issue of Unsecured Subordinated non-convertible debentures and are redeemable over a tenure of 10 years having rate of interest ranging from 9.12% per annum to 9.75% per annum.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 1,941 Lacs (31st March, 2020: ₹ 2,704 Lacs). Does not include Interest Accrued and not due in accordance with IndAS 109 ₹ 9,814 Lacs (31st March, 2020: ₹ 9,704 Lacs). Does not include discounting on face value impact of ₹ 124 Lacs (31st March, 2020: ₹ 141 Lacs). Does not include interest overdue ₹ 8,183 Lacs (31st March, 2020: ₹ Nil).

20. Other Financial Liabilities

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Trade deposits received	15,384	23,069
Advance From Operating Lease customer	1,913	4,256
Payable to Employees	999	965
Liability for Operating Expenses	4,451	3,068
Financial Guarantee Contract Liability	110	315
Unclaimed debentures and interest accrued thereon	361	393
Others	-	374
Total	**23,218**	**32,440**

21. Current Tax Liabilities (Net)

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Current Tax Liabilities [net of advance income tax of ₹ 24,274 Lacs (March 31st, 2020 : 38,288 Lacs)]	13,337	11,508
Total	**13,337**	**11,508**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

22. Provisions

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Provision for Gratuity	298	730
Provision for compensated absence	945	1,045
Total	**1,243**	**1,775**

23. Other Non-Financial Liabilities

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Pre-received amount for lease contracts	1,473	4,230
Interest Capitalisation Account	1,891	1,443
Statutory dues payable	4,776	1,199
Total	**8,140**	**6,872**

24. Equity Share Capital

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Authorised		
Equity shares, ₹ 10/- face value		
50,00,00,000 (March 31st, 2020 : 50,00,00,000) Equity shares	50,000	50,000
Preference shares, ₹ 100/- face value		
5,00,00,000 (March 31st, 2020 : 5,00,00,000) Preference shares	50,000	50,000
	1,00,000	1,00,000
Issued, Subscribed and fully paid-up		
Equity shares, ₹ 10/- face value		
7,90,16,415 (March 31st, 2020 : 7,90,16,415) Equity shares	7,902	7,902
Total	**7,902**	**7,902**

24.1.1 Reconciliation of the number of Equity Shares outstanding

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

Equity Shares	As at March 31st, 2021		As at March 31st, 2020	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
At the beginning of the year	7,90,16,415	7,902	5,96,60,000	5,966
Add: Issued as fully paid during the year (refer Note No. 52)	-	-	1,93,56,415	1,936
At the end of the year	**7,90,16,415**	**7,902**	**7,90,16,415**	**7,902**

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

Class of shares and names of shareholders	As at March 31st, 2021		As at March 31st, 2020	
Equity shares, ₹ 10/- face value	No. of shares	% held	No. of shares	% held
Srei Infrastructure Finance Limited (Holding Company) *	7,90,16,415	100	7,90,16,415	100

* Including nominee shareholders

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

In the previous year, the Company has given the effect of the Business Transfer Agreement with its Holding Company, Srei Infrastructure Finance Limited (SIFL) with effect from October 1st, 2019. Accordingly, the Company has allotted 1,93,56,415 equity shares of ₹ 10/- each to SIFL at a premium of ₹ 481/- per share thereby increasing the share capital by ₹ 1,936 Lacs and securities premium by ₹ 93,104 Lacs. The Company has not issued any shares without payment being received in cash from financial year 2015-16 to financial year 2018-19.

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

25. Other Equity

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Special Reserve (created pursuant to Section 45-IC of The Reserve Bank of India Act, 1934)		
Opening balance	40,822	39,704
Add: Transferred from Retained Earnings	-	1,118
Closing balance	**40,822**	**40,822**
Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)		
Opening balance	15,770	13,670
Add: Transferred from Retained Earnings	-	2,100
Closing balance	**15,770**	**15,770**
Capital Reserve		
Opening balance	2,403	31
Add: On account of slump exchange (refer Note No. 52)	-	2,372
Closing balance	**2,403**	**2,403**
Securities Premium		
Opening balance	1,97,084	1,03,980
Add: Received on issue of equity shares for the year (refer Note No. 52)	-	93,104
Closing balance	**1,97,084**	**1,97,084**
Debenture Redemption Reserve		
Opening balance	41,487	60,562
Add: Transferred from Retained Earnings	-	-
Less: Transferred to Retained Earnings on redemption	(1,663)	(19,075)
Closing balance	**39,824**	**41,487**
Retained Earnings		
Opening balance	84,256	62,848
Add: Profit/(Loss) after tax for the year	(7,13,611)	5,591
Add: Other Comprehensive Income (net of tax)	(9)	(40)
Amount available for appropriation	**(6,29,364)**	**68,399**
Appropriations:		
Less: Amount transferred to Special Reserve	-	1,118
Less: Amount transferred to Income Tax Special Reserve	-	2,100
Less: Amount transferred to Impairment Reserve (Refer Note No. 51)	(4,47,464)	-
Less: Amount transferred to Debt Redemption Reserve	-	-
Add: Amount transferred from Debt Redemption Reserve on Redemption	1,663	19,075
Closing balance	**(10,75,165)**	**84,256**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

Particulars	As at March 31st, 2021	As at March 31st, 2020
Impairment Reserve		
Opening balance	-	-
Add: Transferred from Retained Earnings (Refer Note No. 51)	4,47,464	-
Closing balance	**4,47,464**	**-**
Debt Instruments through Other Comprehensive Income		
Opening balance	2,518	4,092
Add: Addition during the year	(1,360)	2,518
Less: Reclassified to the Statement of Profit and Loss	-	(4,092)
Closing balance	**1,158**	**2,518**
Equity Instruments through Other Comprehensive Income		
Opening balance	814	-
Add: Addition during the year	247	814
Closing balance	**1,061**	**814**
Effective portion of Cash Flow Hedges		
Opening balance	(1,034)	(419)
Add: Addition during the year	1,020	(615)
Less: Utilised during the year	-	-
Closing balance	**(14)**	**(1,034)**
Total	**(3,29,593)**	**3,84,120**

Nature and purpose of Reserves

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

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

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

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

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

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

Capital Reserve:

Pursuant to the scheme of arrangement ('the Scheme) between BNP Paribas Lease Group (BPLG) and Srei Infrastructure Finance Limited (SIFL), approved by shareholders and sanctioned by Hon'ble High Court of Calcutta vide order of 28th January 2008, and further in the previous year, the Company has given the effect of the Business Transfer Agreement with its Holding Company, Srei Infrastructure Finance Limited (SIFL) with effect from 1st October, 2019. The surplus, being the difference between the net book value of assets and liabilities taken over and shares issued as consideration has been accounted for as Capital Reserve in the books of the Company.

Securities Premium:

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

Debenture Redemption Reserve (DRR):

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

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

Retained Earnings:

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

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 the Company.

Debt Instruments through Other Comprehensive Income:

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

Equity Instruments through Other Comprehensive Income:

This Reserve represents the cumulative gains (net of losses) arising on account of change in Fair Value of Equity Instruments measured at FVTOCI, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed off.

Effective portion of Cash Flow Hedges:

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

26. Interest Income

(₹ in Lacs)

Particulars	For the year ended March 31st, 2021				For the year ended March 31st, 2020			
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total
Interest on Loans	5,969	2,76,382	617	2,82,968	10,170	3,03,985	429	3,14,584
Interest income from Investment	-	-	25	25	-	1,209	619	1,828
Interest on Fixed Deposits with Banks	-	4,955	-	4,955	-	7,840	-	7,840
Total	**5,969**	**2,81,337**	**642**	**2,87,948**	**10,170**	**3,13,034**	**1,048**	**3,24,252**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

(₹ in Lacs)

Particulars	For the year ended March 31st, 2021			For the year ended March 31st, 2020		
	Net Gain	Net Loss	Total	Net Gain	Net Loss	Total
Net gain/ (loss) on financial instruments at fair value through profit or loss						
(i) Trading Portfolio						
- Derivatives	-	(10,500)	(10,500)	23,219	-	23,219
(ii) Others	-					
- Investments	-	(2,207)	(2,207)	7,735	-	7,735
- Loan	-	(23,594)	(23,594)	4,874	-	4,874
- Claims Receivable	-	(13,604)	(13,604)	-	(3,739)	(3,739)
Total Net gain/(loss) on fair value changes	**-**	**(49,905)**	**(49,905)**	**35,828**	**(3,739)**	**32,089**
Fair Value changes:						
-Realised	-	13,784	13,784	-	3,008	3,008
-Unrealised	-	(63,689)	(63,689)	35,839	(6,747)	29,092
Total Net gain/(loss) on fair value changes	**-**	**(49,905)**	**(49,905)**	**35,839**	**(3,739)**	**32,100**

28. Others

(₹ in Lacs)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Liabilities no longer required written back	271	5,985
Income from joint controlled operation	1,889	1,878
Referral Income	68	2,141
Others	2,451	2,765
Total	**4,679**	**12,769**

29. Other Income

(₹ in Lacs)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Net gain or (loss) on foreign currency transaction and translation (other than considered as finance cost)	3,398	(8,845)
Others	1,383	556
Total	**4,781**	**(8,289)**

30. Finance Costs

(₹ in Lacs)

Particulars	For the year ended March 31st, 2021			For the year ended March 31st, 2020		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest on Borrowings	-	2,81,336	2,81,336	-	2,63,906	2,63,906
Interest on Debt Securities	-	23,901	23,901	-	24,406	24,406
Interest on Subordinated Liabilities	-	25,874	25,874	-	24,740	24,740
Other Interest Expense	-	1,528	1,528	-	855	855
Total	**-**	**3,32,639**	**3,32,639**	**-**	**3,13,907**	**3,13,907**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

31. Impairment on Financial Instruments (Net)

(₹ in Lacs)

Particulars	For the year ended March 31st, 2021			For the year ended March 31st, 2020		
	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total
Loans	(644)	5,42,291	5,41,647	1,354	31,751	33,105
Others	-	8,229	8,229	-	455	455
Total	**(644)**	**5,50,520**	**5,49,876**	**1,354**	**32,206**	**33,560**

32. Employee Benefits Expenses

(₹ in Lacs)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Salaries and Wages	11,833	15,318
Contribution to provident and other funds*	890	1,092
Staff Welfare Expenses	98	224
Total	**12,821**	**16,634**

* This includes amount expended under defined contribution plans of ₹ 698 Lacs (March 31st, 2020: ₹ 839 Lacs).

33. Other Expenses

(₹ in Lacs)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Rates & Taxes	68	299
Rent	1,885	2,023
Electricity charges	319	432
Repairs and Maintenance - Machinery	1,910	2,916
- Others	1,393	1,908
Communication Costs	261	366
Printing and Stationery	67	170
Advertisement and Subscription	383	483
Director's fees, Allowances and Expenses	76	61
Auditor's Fees and Expenses (refer Note No. 33.1)	293	155
Legal and Professional charges	5,399	5,674
Insurance	151	187
Travelling and Conveyance	1,412	2,712
Net loss on derecognition of Property, Plant and Equipment	5,657	2,574
Repossession Expenses	823	1,826
Corporate Social Responsibility Expenses (refer Note No. 33.2)	648	339
Charity and Donations	5	36
Conference and Seminar	25	240
Exchange Fluctuations (Net)	1	3
Impairment loss on capital advance	500	-
Other Expenditure	76	817
Total	**21,352**	**23,221**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

33.1 Payments to the Auditor (including GST)

(₹ in Lacs)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
As Auditor - Statutory Audit & Limited Reviews	225	99
Others Services (Certification etc.)	67	55
For Reimbursement Expenses	1	1
Total	**293**	**155**

33.2 Corporate Social Responsibility Expenses

(₹ in Lacs)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
a) Gross amount required to be spent by the Company during the year	648	778
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in Cash	125	339
Yet to be paid in cash	523	-

34. Earnings Per Share

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Net Profit attributable to Equity Shareholders (₹ in Lacs)	(7,13,611)	5,591
Weighted average number of Equity Shares Basic (Nos.)	7,90,16,415	6,93,38,208
Nominal Value of Equity per share (in ₹)	10	10
Basic and Diluted Earnings per share (in ₹)	(903.08)	8.06

35. Contingent Liabilities and Commitments (to the extent not provided for)

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Contingent liabilities		
Claims against the company not acknowledged as debt		
Disputed demands *		
-Entry Tax	67	80
- Value Added Tax (VAT) [deposits made under protest March 31st, 2021: ₹ 180 Lacs (March 31st, 2020 : ₹ 181 Lacs)]	1,538	1,562
- Central Sales Tax [deposits made under protest March 31st, 2021: ₹ 1 Lacs (March 31st, 2020 : ₹ 1 Lacs)]	25	30
- Service tax [deposits made under protest March 31st, 2021: ₹ 455 Lacs (March 31st, 2020 : ₹ 455 Lacs)] #	1,810	1,828
- Income Tax [deposits made under protest March 31st, 2021: ₹ 672 Lacs (March 31st, 2020 : ₹ 672 Lacs)]	6,931	6,931
(A)	**10,371**	**10,431**
Disputed demands **		
- Sales Tax	211	211
- Service Tax [deposits made under protest March 31st, 2021: ₹ 4 Lacs (March 31st, 2020: ₹ Nil)]	4,645	4,645
- Income Tax	7,981	7,905
(B)	**12,837**	**12,761**
Bank guarantees @	45,882	54,919
(C)	**45,882**	**54,919**
Total (A+B+C)	**69,090**	**78,111**
Commitments		
Estimated amount of capital contracts remaining to be executed [Net of advances of ₹ 10 Lacs (March 31st, 2020: ₹ 658 Lacs)]	**1**	**143**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

Net of ₹ 518 Lacs (March 31st, 2020: ₹ 500 Lacs) already provided for in the books of accounts.

** During the year ended March 31st, 2020, the Company has given the effect of the Business Transfer Agreement (BTA) with its Holding Company, Srei Infrastructure Finance Limited (SIFL) with effect from October 1st, 2019, by virtue of which the Company has undersigned to repay any liability with respect to disputed demands for the Transferred Undertaking (refer Note No. 52), if any arising in future. Accordingly the same has been shown as contingent liability.

@ Includes ₹ 45,794 Lacs (March 31st, 2020 : ₹ 54,851 Lacs) being the bank guarantee issued on behalf of the customer and other parties.Includes ₹ 504 Lacs (March 31st, 2020 : ₹ 1,045 Lacs) issued on behalf of its holding company and includes Bank Guarantees issued out of banks credit line which was transferred to the company as part of BTA.

36. Disclosure pursuant to Ind AS 19 - Employee Benefits

I. Defined Contribution Plan

Contributions under Defined Contribution Plan as recognised in the Statement of Profit and Loss by the Company are as follows:

(₹ in Lacs)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Employer contribution towards:		
- Provident Fund	683	819
- Employee State Insurance	15	21

II. Defined Benefit Plan

(A) Gratuity Fund :-

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

(B) Long-term Compensated Absence :

The employees' long-term compensated absence scheme, which is a Defined Benefit Plan is unfunded.

Risk Management

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

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

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

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at March 31st, 2021.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

(₹ in Lacs)

Description	Gratuity (Funded)		Compensated absence (Unfunded)	
	As at March 31st, 2021	As at March 31st, 2020	As at March 31st, 2021	As at March 31st, 2020
1. Change in the defined benefit obligation (DBO)				
Present value of obligation at the beginning of the year	1,346	1,264	576	573
Current Service Cost	163	165	72	93
Interest Cost	80	80	36	22
Past Service Costs - plan amendments	-	-	-	-
Acquisitions Cost/(Credit)	-	165	-	88
Actuarial (gain)/loss - experience	(17)	(55)	(80)	310
Actuarial (gain)/loss - demographic assumptions	-	-	-	-
Actuarial (gain)/loss - financial assumptions	-	104	-	46
Benefits paid	(307)	(377)	(87)	(556)
Present value of obligation at the end of the year	**1,265**	**1,346**	**517**	**576**
2. Change in plan assets				
Fair value of Plan Assets at the beginning of the year	616	949	-	-
Acquisitions adjustment	-	-	-	-
Interest income on plan assets	51	57		
Contributions by the employer	607	*	-	-
Return on Plan assets greater/(lesser) than discount rate	**	(13)		
Benefits paid	(307)	(377)	-	-
Fair value of Plan Assets at the end of the year	**967**	**616**	**-**	**-**

* ₹ 31,732/- & ** ₹ (-) 17,100/-

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

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

(₹ in Lacs)

Description	Gratuity (Funded)		Compensated absence (Unfunded)	
	As at March 31st, 2021	As at March 31st, 2020	As at March 31st, 2021	As at March 31st, 2020
3. Amount recognised in Balance Sheet consists of:				
Fair value of Plan Assets at the end of the year	967	616	-	-
Present Value of Obligation at the end of the year	1,265	1,346	517	576
Funded status [surplus/(deficit)]	(298)	(730)	(517)	(576)
Net defined benefit Asset/(Liabilities)	(298)	(730)	(517)	(576)

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

(₹ in Lacs)

Description	Gratuity (Funded)		Compensated absence (Unfunded)	
	For the year ended March 31st, 2021	For the year ended March 31st, 2020	For the year ended March 31st, 2021	For the year ended March 31st, 2020
4. Expenses recognised in the Statement of Profit and Loss consists of:				
Employee benefits expenses:				
Current Service cost	163	165	72	93
Net Interest cost	29	24	36	22
Actuarial (Gain) / Loss due to DBO experience	-	-	(80)	309
Actuarial (Gain) / Loss due to DBO assumptions changes	-	-	-	45
Total [A]	**192**	**189**	**28**	**469**
Other Comprehensive Income				
Actuarial (Gain) / Loss due to DBO experience	(17)	(55)	(80)	309
Actuarial (Gain) / Loss due to DBO assumptions changes	-	104	-	45
Actuarial (Gain) / Loss during the period	(17)	49	(80)	354
Return on Plan assets (greater)/lesser than discount rate	***	12	-	-
Actuarial (Gains) / Losses recognised in OCI [B]	**(17)**	**61**	**-**	**-**
Adjustment for limit on net asset	-	-	-	-
Expense recognised during the year [A+B]	**175**	**250**	**28**	**469**

*** ₹ 17,100/-

The expense for the Defined Benefits (referred to in note no. 36.1 above) are included in the line item under 'Contribution to Provident and other Funds' in Note No. 32.

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

Description	Gratuity (Funded)		Compensated absence (Unfunded)	
	% Invested		% Invested	
	As at March 31st, 2021	As at March 31st, 2020	As at March 31st, 2021	As at March 31st, 2020
5. Investment Details of Plan Assets				
Schemes of insurance- conventional products	100%	100%	0%	0%
6. Principle assumptions at the Balance Sheet date 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%
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
Method used	Projected Unit Credit Method		Projected Unit Credit Method	

36.3. The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employee market.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

36.4. Sensitivity Analysis

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

Description		As at March 31st, 2021				As at March 31st, 2020			
		Gratuity (Funded)		Compensated absence (Unfunded)		Gratuity (Funded)		Compensated absence (Unfunded)	
		%	(₹ in Lacs)	%	(₹ in Lacs)	%	(₹ in Lacs)	%	(₹ in Lacs)
1.	Discount Rate + 100 basis points	-9.00%	(114)	-9.30%	(48)	-9.50%	(128)	-9.70%	(56)
2.	Discount Rate - 100 basis points	10.40%	132	10.80%	56	11.10%	149	11.40%	65
3.	Salary Increase Rate + 1%	9.20%	116	10.90%	56	9.60%	129	11.40%	66
4.	Salary Increase Rate – 1%	-8.30%	(105)	-9.50%	(49)	-8.60%	(116)	-10.00%	(57)

36.5. Maturity analysis of the defined benefit obligation are as follows:

(₹ in Lacs)

	As at March 31st, 2021		As at March 31st, 2020	
	Gratuity (Funded)	Compensated absence (Unfunded)	Gratuity (Funded)	Compensated absence (Unfunded)
Within 1 year	64	22	37	19
1-2 year	63	21	75	27
2-3 year	102	34	106	40
3-4 year	70	22	118	40
4-5 year	89	25	104	33
5-10 year	812	290	838	292

36.6. Weighted average duration of the defined benefit obligation is 10 years (Previous year: 11 years)

37. Disclosure pursuant to Ind AS 24, Related Party Disclosures

List of Related Parties

Enterprises related to the Company	Nature of Relationship
Adisri Commercial Private Limited	Ultimate Parent Company
Srei Infrastructure Finance Limited	Parent Company
Controlla Electrotech Private Limited	Fellow Subsidiary
Bengal Srei Infrastructure Development Limited	Fellow Subsidiary
Srei Capital Markets Limited	Fellow Subsidiary
Trinity Alternative Investment Managers Ltd (erstwhile Srei Alternative Investment Managers Limited)	Fellow Subsidiary

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

Key Management Personnel (KMP)

Name	Designation
Mr. Hemant Kanoria	Chairman
Mr. Sunil Kanoria	Vice Chairman
Mr. Devendra Kumar Vyas	Managing Director
Mr. Indranil Sengupta (with effect from August 1st, 2020)	Whole Time Director
Mr. Manoj Kumar Beriwala	Chief Financial Officer
Ms. Ritu Bhojak *	Company Secretary
Mr. Ashwani Kumar (till March 3rd, 2021)	Independent Director
Mr. Suresh Kumar Jain	Independent Director
Dr. Tamali Sengupta (with effect from August 13th, 2019)	Independent Director
Mr. Uma Shankar Paliwal (with effect from February 12th, 2020)	Independent Director
Mr. Shyamalendu Chatterjee (till May 16th, 2019 and re-appointment with effect from April 2nd, 2020)	Independent Director
Ms. Supriya Prakash Sen (till May 16th, 2019)	Independent Director
Mr. Malay Mukherjee (with effect from March 6th, 2021)	Independent Director

* Resigned as Company Secretary on May 10th, 2021.

Relative of KMP	Nature of Relationship
Manoj Kumar Beriwala - HUF	KMP is Karta

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

37(a) Summary of Transactions/Balance Outstanding

(₹ in Lacs)

Name of the Related Party	Nature of relationship	Nature of transactions	For the year ended March 31st, 2021	Balance as at March 31st, 2021	For the year ended March 31st, 2020	Balance as at March 31st, 2020
Srei Infrastructure Finance Limited	Parent Company	Rent Payment	1,172	229	1,240	-
		Security Deposit paid for Leased Premises	15,000	15,000	5,000	-
		Security Deposit Refund for Leased Premises	-	-	5,000	-
		Sale of Property	17	-	-	-
		Intercorporate Deposit Given (on maximum outstanding basis)	33,355	25,669	-	-
		Interest earned on Intercorporate Deposit Given	2,428	-	76	-
		Interest Accrued and Due on Intercorporate Deposit Given	-	2,386	-	-
		Intercorporate Deposit Given	-	-	30,014	-
		Repayment of Intercorporate Deposit Given	-	-	30,014	-
		Intercorporate Deposit Received	-	-	31,408	-
		Repayment of Intercorporate Deposit Received	-	-	31,408	-
		Interest paid on Intercorporate Deposit received	-	-	254	-
		Advisory Services availed	-	-	900	-
		Net assets taken over under slump exchanges in consideration of Equity Shares including Securities Premium. # (refer Note No. 52)	-	-	97,412	-
		Purchase of Investment	641	-	-	-
		Other Receivables ##	1,756	1,756	-	-
		Reimbursement of Expenses	246	-	299	-
Bengal Srei Infrastructure Development Limited	Fellow Subsidiary	Loan Given (Secured) (refer Note No. 52)	-	106	-	99
		Interest Income on Loan Given	13	-	9	-
Trinity Alternative Investment Managers Ltd (erstwhile Srei Alternative Investment Managers Limited)	Fellow Subsidiary	Loan Given (Secured)	2,600	2,780	200	818
		Interest Income on Loan Given	216	-	40	-
Srei Capital Markets Limited	Fellow Subsidiary	Advisory Services Availed	-	-	200	-
Mr. Hemant Kanoria	Chairman	Short-term employee benefits	178	54	454	59
		Post-employment benefits	18	-	43	-
Mr. Sunil Kanoria	Vice Chairman	Short-term employee benefits	175	18	455	30
		Post-employment benefits	18	-	43	-

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

Name of the Related Party	Nature of relationship	Nature of transactions	For the year ended March 31st, 2021	Balance as at March 31st, 2021	For the year ended March 31st, 2020	Balance as at March 31st, 2020
Mr. Devendra Kumar Vyas	Managing Director	Short-term employee benefits	217	82	394	12
		Post-employment benefits	17	5	17	-
		Rent paid for leased premise	11	-	11	-
		Repayment of loan given	-	-	24	-
		Interest Income on Loan Given	-	-	**	-
Mr. Indranil Sengupta	Whole Time Director (with effect from August 1st, 2020)	Short-term employee benefits	35	3	-	-
		Post-employment benefits	1	-	-	-
Mr. Manoj Kumar Beriwala	Chief Financial Officer	Short-term employee benefits	83	7	77	5
		Post-employment benefits	4	-	4	-
Ms. Ritu Bhojak *	Company Secretary	Short-term employee benefits	35	4	43	3
		Post-employment benefits	2	-	2	-
Mr. Shyamalendu Chatterjee	Independent Director (till May 16th, 2019 and re-appointment with effect from April 2nd, 2020)	Sitting Fees	13	***	2	-
Ms. Supriya Prakash Sen	Independent Director (till May 16th, 2019)	Sitting Fees	-	-	2	-
Mr. Suresh Kumar Jain	Independent Director	Sitting Fees	15	-	20	-
Dr. Tamali Sengupta	Independent Director (with effect from August 13th, 2019)	Sitting Fees	10	-	4	-
Mr. Ashwani Kumar	Independent Director (till March 3rd, 2021)	Sitting Fees	14	-	19	-
Mr. Uma Shankar Paliwal	Independent Director (with effect from February 12th, 2020)	Sitting Fees	15	-	10	-
Mr. Malay Mukherjee	Independent Director (with effect from March 6th, 2021)	Sitting Fees	3	-	-	-
Controlla Electrotech Private Limited	Fellow Subsidiary	Rent paid for Leased Premises	312	156	312	-
		Security Deposit paid for Leased Premises	-	2,350	-	2,400
		Security Deposit refund for Leased Premises	50	-	-	-
		Interest Received on Security Deposit	237	113	240	-
Manoj Kumar Beriwala - HUF	KMP is Karta	Car Hire Charges	6	3	6	-

* Resigned as Company Secretary on May 10th, 2021.

** ₹ 47,547/-

*** ₹ 25,000/-

This represents net assets taken over under slump exchange which is settled by issue of Equity Shares amounting to ₹ 95,040 Lacs (including Securities premium amounting to ₹ 93,104 Lacs) and the balance amounting to ₹ 2,372 Lacs is credited to Capital Reserve.

This represents amount receivable from holding company, Srei Infrastructure Finance Limited (SIFL) in Trust and Retention Account (TRA)

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

37(b) The remuneration paid by the Company to its Chairman, Vice Chairman and Managing Director during the year is in excess of the limits laid down under sub-section (3) of Section 197 of the Act, for which the Company had taken approval from shareholders through a Special Resolution in the last Annual General Meeting held on August 25th, 2020.

37(c) Compensation to KMPs

(₹ in Lacs)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Short-term employee benefits	792	1,480
Other long-term employee benefits	-	5
Post-employment benefits	33	196

38. Capital Management

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

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board. In view of present situation, the Company is pursuing capital raising initiative to augment additional capital. Also refer Note No. 51, Note No. 53 and Note No. 56.

(₹ in Lacs)

	As at March 31st, 2021	As at March 31st, 2020
Tier I capital	(7,91,385)	3,98,269
Tier II capital	27,566	1,49,396
Total capital *	(7,91,385)	5,47,665
Risk weighted assets	22,72,337	34,76,455
Tier I Ratio	(34.83)%	11.46%
Tier II Ratio	1.21%	4.30%

* If Tier II capital exceeds Tier I capital, amount exceeding Tier I capital is not considered for Total capital funds & if Tier I capital is negative, Tier II capital is ignored. Further, as at March 31st, 2021 subordinated debts have not been considered in Tier II capital as Tier I capital is negative.

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

39. Financial Instruments and Related Disclosures

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note No. 2 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

39. Financial Instruments and Related Disclosures (continued)

A) Categories of Financial Instruments

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

(₹ in Lacs)

Particulars	As at March 31st, 2021		As at March 31st, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
a) Measured at Amortised Cost				
i) Cash and Cash Equivalents	41,642	41,642	37,393	37,393
ii) Bank Balance other than (i) above	98,657	98,657	1,32,730	1,32,730
iii) Trade Receivables	2,712	2,712	15,321	15,321
iv) Loans	20,87,389	21,77,168	26,88,477	26,92,032
v) Investments	-	-	1,496	1,496
vi) Other Financial Assets	44,897	44,897	44,310	44,310
Sub-total	**22,75,297**	**23,65,076**	**29,19,727**	**29,23,282**
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	1,02,018	1,02,018	86,255	86,255
iv) Other Financial Assets	65,897	65,897	51,015	51,015
Sub-total	**2,20,771**	**2,20,771**	**2,51,185**	**2,51,185**
c) Measured at Fair value through Other Comprehensive Income				
i) Loans	46,482	46,482	1,10,097	1,10,097
Sub-total	**46,482**	**46,482**	**1,10,097**	**1,10,097**
Total Financial Assets	**25,42,550**	**26,32,329**	**32,81,009**	**32,84,564**
Financial Liabilities				
a) Measured at Amortised Cost				
i) Payables	8,875	8,875	1,13,130	1,13,130
ii) Debt Securities	2,44,148	2,62,624	2,62,725	2,61,682
iii) Borrowings (Other than Debt Securities)	26,47,553	26,46,248	26,40,762	26,38,811
iv) Subordinated Liabilities	2,45,531	2,46,202	2,48,736	2,39,331
v) Lease Liabilities	1,142	1,142	1,292	1,292
vi) Other Financial Liabilities	23,218	23,218	32,440	32,440
Sub-total	**31,70,467**	**31,88,309**	**32,99,085**	**32,86,685**
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	**31,71,618**	**31,89,460**	**33,03,231**	**32,90,831**

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

Loans measured at amortised cost

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

Other Financial Assets measured at amortised cost

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

Such instruments majorly include: Cash and Cash Equivalents, Other Bank Balances, Trade and Other Receivables, Investments and Security Deposits.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

39. Financial Instruments and Related Disclosures (continued)

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

The fair values of debts are estimated using a discounted cash flow model based on contractual future cash flows based on terms, discounted at average borrowing rate.

Other Financial Liabilities measured at amortised cost

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

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

B) Fair value hierarchy

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

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

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

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

(₹ in Lacs)

	As at March 31st, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial Assets				
Derivative Financial Instruments	-	936	-	936
Loans	-	-	98,402	98,402
Investments	130	623	1,01,265	1,02,018
Other Financial Assets	-	-	65,897	65,897
	130	**1,559**	**2,65,564**	**2,67,253**
Financial Liabilities				
Derivative Financial Instruments	-	1,151	-	1,151
	-	**1,151**	**-**	**1,151**

(₹ in Lacs)

	As at March 31st, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial Assets				
Derivative Financial Instruments	-	29,992	-	29,992
Loans	-	-	1,94,020	1,94,020
Investments	97	10,042	76,116	86,255
Other Financial Assets	-	-	51,015	51,015
	97	**40,034**	**3,21,151**	**3,61,282**
Financial Liabilities				
Derivative Financial Instruments	-	4,146	-	4,146
	-	**4,146**	**-**	**4,146**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

39. Financial Instruments and Related Disclosures (continued)

Fair value of the Company's assets and 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 Inputs	Significant Unobservable Inputs
	March 31st, 2021	March 31st, 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 (v) and (vi)
Investments	130	97	Level 1	Note (iii)	Not applicable
Investments	623	10,042	Level 2	Note (iv)	Not applicable
Investments	1,01,265	76,116	Level 3	Note (ii)	Note (v)
Other Financial Assets	65,897	51,015	Level 3	Note (ii)	Note (vii)
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 expected future benefits (including contractual cash flows) to be derived from the Loans, Investments and Other Financial Assets.

(iii) Quoted Prices

Quoted bid prices of an active market was used.

(iv) Price to Revenue/Earnings Multiple Method

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

(v) Discount rate, determined using average lending rate of the company or discount rate considered by the valuer.

(vi) The fair value of loans is derived based on the valuation of the underlying assets.

(vii) Probability of recovery and discount rate considered by the Valuer.

Reconciliation of Level 3 fair value measurements

(₹ in Lacs)

Reconciliation	Investments		Loans		Other Financial Assets	
	March 31st, 2021	March 31st, 2020	March 31st, 2021	March 31st, 2020	March 31st, 2021	March 31st, 2020
Opening Balance	**76,116**	**-**	**1,94,020**	**2,92,629**	**51,015**	**21,022**
Addition/transferred from loan to investments and claim receivables *	24,906	1,35,678	34,101	1,55,440	28,486	58,195
Repayment	(8,373)	(63,386)	(1,06,370)	(2,61,440)	-	(21,022)
Transfers into Level 3	9,660	-	-	-	-	-
Transfers from Level 3	-	-	-	-	-	-
Unrealised income/(loss)	(1,044)	2,763	(21,280)	4,874	(13,604)	(7,180)
Other Comprehensive Income	-	1,061	(2,069)	2,517	-	-
Closing Balance	**1,01,265**	**76,116**	**98,402**	**1,94,020**	**65,897**	**51,015**

* previous year represents transferred pursuant to slump exchange (refer Note No. 52)

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

39. Financial Instruments and Related Disclosures (continued)

Sensitivity of fair value measurements to changes in unobservable market data

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

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

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

(₹ in Lacs)

Particulars	As at March 31st, 2021		As at March 31st, 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 at FVTPL	4,461	(3,368)	4,211	(3,705)
Other Financial Assets at FVTPL	2,902	(2,587)	2,067	(1,954)
Total	**12,305**	**(9,381)**	**12,056**	**(11,130)**

C) Financial risk management objectives

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

The Company has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks. The Board has approved the Asset Liability Management Policy and the formation of Asset Liability Management Committee (ALCO). The ALCO includes the Company's senior management. It defines the strategy for managing liquidity and interest rate risks in the business.

a) Market risk

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

i. Foreign Currency Risk

ii. Interest Rate Risk

iii. Price Risk

i. Foreign currency risk

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

During the year certain derivative contracts were unwound for the reasons stated in Note No. 55, As a result of which the Company has been exposed to foreign currency risk.

Foreign Currency Exposure

(₹ in Lacs)

As at March 31st, 2021	USD	EURO	Others	Total
Borrowings (Other than Debt Securities)	1,82,308	78,030	-	2,60,338
As at March 31st, 2020	**USD**	**EURO**	**Others**	**Total**
Borrowings (Other than Debt Securities)	1,97,384	85,612	-	2,82,996

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

39. Financial Instruments and Related Disclosures (continued)

(₹ in Lacs)

Hedged Foreign Currency balances * :		As at March 31st, 2021	As at March 31st, 2020
Borrowings (Other than Debt Securities)	USD	20,088	1,97,384
	EURO	25,288	85,612

* The same does not meet hedge documentation criteria as per Ind AS 109.

(₹ in Lacs)

Unhedged Foreign Currency balances : *		As at March 31st, 2021	As at March 31st, 2020
Borrowings (Other than Debt Securities)	USD	1,62,220	-
	EURO	52,742	-

* Includes Overdue Principal and Interest.

Foreign currency sensitivity

Impact on increase in 2%

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
USD	(3,646)	(3,948)
EURO	(1,561)	(1,712)

Impact on decrease in 2%

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
USD	3,646	3,948
EURO	1,561	1,712

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

ii. Interest rate risk

The Company is exposed to interest rate risk as the Company borrows foreign currency funds at fixed plus floating interest rate benchmarks. The Company manages this risk by maintaining an appropriate mix between fixed and floating rate borrowings, and by use of derivative hedging products like interest rate swaps and cross currency interest rate swaps. It is pertinent to note that the company is absolutely dependent on banks for such hedging limits.

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

Interest Rate Exposure [Financial Instruments at variable interest rates]

(₹ in Lacs)

As at March 31st, 2021	INR	USD	EURO	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 March 31st, 2020	**INR**	**USD**	**EURO**	**Total**
Financial Assets				
Loans	19,41,670	-	-	19,41,670
Financial Liabilities				

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

39. Financial Instruments and Related Disclosures (continued)

Borrowings (Other than Debt Securities)	20,97,662	1,95,873	85,612	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 Company's profit and loss and equity.

Interest Rate sensitivity

Impact on increase in 2%

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
INR	(19,844)	(3,420)
USD	(3,646)	(3,917)
EURO	(1,561)	(1,712)

Impact on decrease in 2%

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
INR	19,844	3,420
USD	3,646	3,917
EURO	1,561	1,712

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

iii. Price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes. The fair value of quoted investments in equity, classified as fair value through profit or loss as at March 31st, 2021 is ₹ 130 Lacs (March 31st, 2020 ₹ 97 Lacs).

A 10% change in equity prices of such securities held as at March 31st, 2021 and March 31st, 2020, would result in an impact of ₹ 13 Lacs (March 31st, 2020 ₹ 10 Lacs) respectively.

b) Liquidity risk

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

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

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

39. Financial Instruments and Related Disclosures (continued)

The company is currently facing liquidity issues due to the pandemic scenario (Refer Note No. 51, Note No. 53 and Note no. 54). Accordingly, the Company has not been able to comply with the Liquidity Risk Management Framework as required by regulatory guidelines.

(I) Liquidity risk management :

(₹ in Lacs)

Particulars	As at March 31st, 2021								
	Upto 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
A: Financial Assets									
i) Cash and Cash Equivalents	41,642	-	-	-	-	-	-	-	41,642
ii) Bank Balance other than above	9,744	289	1,333	11,736	49,958	25,126	471	-	98,657
iii) Derivative Financial Instruments	936	-	-	-	-	-	-	-	936
iv) Trade Receivables	913	913	913	-	-	-	-	-	2,739
v) (a) Loans	48,313	29,911	29,549	72,439	1,10,729	3,16,776	9,83,876	16,45,069	32,36,662
v) (b) Liability towards Assignment	(1,01,398)	(23,244)	(24,027)	(65,799)	(95,044)	(1,17,955)	-	-	(4,27,467)
vi) Investments	-	-	130	-	34,517	25,011	39,648	2,712	1,02,018
vii) Other Financial Assets	28,806	1,765	3,377	2,377	4,427	72,757	100	4	1,13,613
Total	**28,956**	**9,634**	**11,275**	**20,753**	**1,04,587**	**3,21,715**	**10,24,095**	**16,47,785**	**31,68,800**
B: Financial Liabilities									
i) Derivative Financial Instruments	1,151	-	-	-	-	-	-	-	1,151
ii) Trade Payables	1,479	1,479	1,479	4,438	-	-	-	-	8,875
iiii) Debt Securities *	27,255	10,816	414	1,185	84,003	82,270	19,418	20,374	2,45,735
iv) Borrowings (Other than Debt Securities) # *	14,60,706	12,659	1,41,135	5,04,025	1,61,904	3,14,600	38,516	17,354	26,50,899
v) Subordinated Liabilities *	14,473	1,136	709	7,511	37,905	96,096	34,974	54,834	2,47,638
vi) Lease Liabilities	2	-	2	12	71	428	547	80	1,142
vii) Other Financial Liabilities	12,246	387	149	1,062	2,752	7,312	783	-	24,691
Total	**15,17,312**	**26,477**	**1,43,888**	**5,18,233**	**2,86,635**	**5,00,706**	**94,238**	**92,642**	**31,80,131**

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 March 31st, 2021 amounting to ₹ 10,36,487 Lacs has been considered in the first bucket i.e. Upto 30/31 days.

* Repayment of overdue amount is based on contractual terms has been considered in the first bucket i.e. Upto 30/31 days.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

39. Financial Instruments and Related Disclosures (continued)

(₹ in Lacs)

Particulars	As at March 31st, 2020								
	Upto 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
A: Financial Assets									
i) Cash and Cash Equivalents	37,393	-	-	-	-	-	-	-	37,393
ii) Bank Balance other than above	6,252	4,725	21,633	17,607	76,526	5,984	-	3	1,32,730
iii) Derivative Financial Instruments	29,992	-	-	-	-	-	-	-	29,992
iv) Trade Receivables	5,178	5,177	5,177	-	-	-	-	-	15,532
v) (a) Loans *	1,12,121	1,03,015	82,791	2,57,790	4,86,140	9,27,225	6,78,186	9,44,532	35,91,800
v) (b) Liability towards Assignment	(42,376)	(41,325)	(40,082)	(80,073)	(1,30,500)	(2,06,003)	(6,995)	-	(5,47,354)
vi) Investments	249	-	-	-	231	57,105	5,672	24,494	87,751
vii) Other Financial Assets	11,904	1,083	1,126	5,884	6,684	68,408	788	865	96,742
Total	**1,60,713**	**72,675**	**70,645**	**2,01,208**	**4,39,081**	**8,52,719**	**6,77,651**	**9,69,894**	**34,44,586**
B: Financial Liabilities									
i) Derivative Financial Instruments	4,146	-	-	-	-	-	-	-	4,146
ii) Trade Payables	18,850	18,850	18,850	18,860	37,031	689			1,13,130
iiii) Debt Securities	22,156	3,410	1,676	9,697	14,008	1,20,379	73,933	20,165	2,65,424
iv) Borrowings (Other than Debt Securities) #	1,55,530	1,15,398	1,35,461	4,32,503	12,37,762	3,71,328	1,48,205	49,721	26,45,908
v) Subordinated Liabilities	2,160	425	6,647	4,962	8,501	1,22,837	30,061	76,079	2,51,672
vi) Lease Liabilities	-	-	-	-	49	920	257	66	1,292
vii) Other Financial Liabilities	6,929	1,701	1,540	1,719	3,405	15,655	5,480	241	36,670
Total	**2,09,771**	**1,39,784**	**1,64,174**	**4,67,741**	**13,00,756**	**6,31,808**	**2,57,936**	**1,46,272**	**33,18,242**

* During the previous year the Company has decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given by the Company, amounting to ₹ 3,78,104 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	Upto 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Loans (As at March 31st, 2020)	-	-	-	74,432	1,16,699	1,61,694	25,279	-	3,78,104

This includes Working capital facilities considered in over 6 months and upto 1 year bucket based on contractual terms.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

39. Financial Instruments and Related Disclosures (continued)

(II) Public disclosure on Liquidity Risk

Disclosure on liquidity risk under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4th, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

As at March 31st, 2021

Sr. No.	Number of Significant Counterparties	Amount (₹ in Lacs) *	% of Total deposits	% of Total Liabilities
1	16	24,32,399	Not applicable	76%

* Amount is as per commercial terms

As at March 31st, 2020

Sr. No.	Number of Significant Counterparties	Amount (₹ in Lacs) *	% of Total deposits	% of Total Liabilities
1	24	23,80,272	Not applicable	72%

* Amount is as per commercial terms

(ii) Top 20 large deposits (amount in ₹ in Lacs and % of total deposits) - Not applicable (March 31st, 2020: Not applicable)

(iii) Top 10 borrowings (amount in ₹ in Lacs and % of total borrowings)

As at March 31st, 2021		As at March 31st, 2020	
Amount (₹ in Lacs) *	% of Total Borrowings	Amount (₹ in Lacs) *	% of Total Borrowings
20,09,794	64%	14,45,214	46%

* Amount is as per commercial terms

(iv) Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	As at March 31st, 2021		As at March 31st, 2020	
		Amount (₹ in Lacs) *	% of Total Liabilities	Amount (₹ in Lacs) *	% of Total Liabilities
1	**Term Loan from Banks**				
a.	Rupee Term loans - Secured	2,09,605	7%	2,62,900	8%
b.	Foreign currency Term loans - Secured	90,557	3%	93,523	3%
c.	Foreign currency Term loans - Unsecured	30,972	1%	56,108	2%
2	**Working capital facilities**	19,60,988	61%	18,00,637	54%
3	**Term Loan from Others**				
a.	Rupee Term loans - Secured	1,54,110	5%	1,64,813	5%
b.	Foreign currency Term loans - Secured	1,14,686	4%	1,25,120	4%
4	Non-convertible debentures - Secured	2,28,757	7%	2,47,143	7%
5	Subordinated Non convertible debentures (Tier II Capital)	2,06,953	6%	2,12,630	6%

* Amount is as per commercial terms

(v) Stock Ratios:

Sr. No.	Particulars	As at March 31st, 2021	As at March 31st, 2020
1	Commercial Papers to Total Public Funds	-	0.95%
2	Commercial Papers to Total Liabilities	-	0.91%
3	Commercial Papers to Total Assets	-	0.81%
4	NCDs (Original Maturity < 1 yrs.) to Total Public Funds	-	-
5	NCDs (Original Maturity < 1 yrs.) to Total Liabilities	-	-
6	NCDs (Original Maturity < 1 yrs.) to Total Assets	-	-
7	Other Short Term Liabilities to Total Public Funds *	1.01%	4.60%
8	Other Short Term Liabilities to Total Liabilities *	0.99%	4.36%
9	Other Short Term Liabilities to Total Asset *	1.10%	3.90%

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

39. Financial Instruments and Related Disclosures (continued)

* Other Short Term Liabilities represents Total of Balance Sheet excluding total equity, Debt Securities, Borrowings (Other than Debt Securities) and Subordinated Liabilities for maturity falling within 12 months.

(vi) Institutional set-up for liquidity risk management:

The Company has an Asset Liability Management Committee (ALCO), a sub-committee of the Board of Directors of the Company, oversees the liquidity risk management. The ALCO meetings are held at periodic intervals.

Notes:

1. Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DOR. NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

2. Significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR. NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

3. Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).

4. Public funds includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

5. The amount stated in this disclosure is based on the audited financial statements for the year ended March 31st, 2021.

c) Credit risk

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

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on both loan assets and trade receivables as per accounting standards. In addition, the company 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.

d) Operational Risk

The company is exposed to operational risk in view of the nature of its business. In the light of the evolving business scenario, the IT systems of the company are being reviewed periodically to identify improvement areas and put in place enhanced controls to minimise operational risk.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

39. Financial Instruments and Related Disclosures (continued)

(III) Statement on Liquidity Coverage Ratio (LCR)

Disclosure on liquidity risk under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4th, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(₹ in Lacs)

	Particulars	As at March 31st, 2021		As at December 31st, 2020 ##	
		Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#
	HIGH QUALITY LIQUID ASSETS				
1	Total High Quality Liquid Assets (HQLA)	53,944	53,944	23,374	23,374
	CASH OUTFLOWS				
2	Deposits (for deposit taking companies)	-	-	-	-
3	Unsecured wholesale funding	30,962	35,606	6,337	7,288
4	Secured wholesale funding	14,71,472	16,92,193	7,24,538	8,33,219
5	Additional requirements, of which	14,876	17,108	10,739	12,349
6	Other contractual funding obligations	1,01,398	1,16,608	90,292	1,03,836
7	Other contingent funding obligations	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	**16,18,708**	**18,61,515**	**8,31,906**	**9,56,692**
	CASH INFLOWS				
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	49,226	36,919	1,81,310	1,35,982
11	Other cash inflows	29,742	22,307	22,537	16,903
12	**TOTAL CASH INFLOWS**	**78,968**	**59,226**	**2,03,847**	**1,52,885**
			Total Adjusted Value		**Total Adjusted Value**
13	TOTAL HQLA		53,944		23,374
14	TOTAL NET CASH OUTFLOWS OVER THE NEXT 30 DAYS (Weighted value of Total Cash Outflows – Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows))		18,02,289		8,03,807
15	LIQUIDITY COVERAGE RATIO (%)		3%		3%

* Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
# Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.
The figures pertaining to December 31st, 2020 are unaudited and are as represented by the management, which have been relied upon by the auditors.

Classification of inflows and outflows for determining the run off factors is based on the management estimates and assumptions, which has been relied upon by the auditors.

The figures as at January 31st, 2021 and February 28th, 2021 used in the computation of Total High Quality Liquid Assets (HQLA) as at March 31st, 2021, are as represented by the management, which have been relied upon by the auditors.

Qualitative disclosure around Liquidity Coverage Ratio (LCR)

The Reserve Bank of India has prescribed Guidelines on Maintenance of Liquidity Coverage Ratio (LCR). All non-deposit taking NBFCs with asset size of ₹ 10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, is required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days.

The LCR requirement was applicable from December 1st, 2020 with the minimum HQLA s to be held being 50% of the LCR, progressively reaching a level upto 60%, 70%, 85% and 100% by December 1st, 2021, December 1st, 2022, December 1st, 2023, December 1st, 2024 respectively.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

39. Financial Instruments and Related Disclosures (continued)

Liquidity Coverage Ratio (LCR) ratio comprises of high quality liquid assets (HQLA s) as numerator and net cash outflows in 30 days as denominator.

The Company, during the quarter ended March 31st, 2021, had maintained average HQLA (after haircut) of ₹ 53,944 Lacs against ₹ 23,374 Lacs for the quarter ended December 31st, 2020. HQLA primarily includes cash on hand, bank balances in current account and non-lien demand deposits with Scheduled Commercial Banks.

The Company had submitted a letter dated November 30th, 2020 to RBI seeking forbearance of complaince with LCR till the scheme of arrangement (as stated in Note No. 53) is implemented. Further the Company has not been able to meet the regulatory requirement of the LCR framework for the reason stated in Note No. 51, 53 & 54.

40. Transfers of Financial Assets

Transfers of financial assets that are not derecognised in their entirety

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

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 March 31st, 2021	As at March 31st, 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

41. Assets obtained by taking possession of collateral/assets

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

The table below outlines the nature and values of Repossessed Assets and Assets acquired in satisfaction of debt obtained during the year and where still lying with the company as at the year end:

(₹ in Lacs)

Particular	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Land	-	-
Other	4,822	36,854
Total	**4,822**	**36,854**

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	41,642	-	41,642	37,393	-	37,393
Bank Balance other than above	73,060	25,597	98,657	1,26,743	5,987	1,32,730
Derivative Financial Instruments	936	-	936	29,992	-	29,992
Trade Receivables	2,712	-	2,712	15,321	-	15,321
Loans *	2,55,299	23,57,959	26,13,258	10,14,562	24,15,289	34,29,851
Liability towards Assignment	(3,09,512)	(1,17,955)	(4,27,467)	(3,34,355)	(2,12,999)	(5,47,354)
Investments	34,647	67,371	1,02,018	480	87,271	87,751
Other Financial Assets	39,025	71,769	1,10,794	26,005	69,320	95,325
Current Tax Assets (Net)	-	24,068	24,068	-	17,347	17,347
Deferred Tax Assets (Net)	-	-	-	-	2,833	2,833
Property, Plant and Equipment	-	2,55,620	2,55,620	-	3,56,574	3,56,574
Right-of-use Assets	81	988	1,069	47	1,163	1,210
Capital Work-in-Progress	-	-	-	-	233	233
Other Intangible Assets	-	1,173	1,173	-	445	445
Other Non-Financial Assets	46,831	1,336	48,167	53,209	2,548	55,757
Total	**1,84,721**	**26,87,926**	**28,72,647**	**9,69,397**	**27,46,011**	**37,15,408**

(₹ in Lacs)

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	1,151	-	1,151	4,146	-	4,146
Trade Payables	8,875	-	8,875	1,12,441	689	1,13,130
Debt Securities **	1,22,853	1,21,295	2,44,148	49,748	2,12,977	2,62,725
Borrowings (Other than Debt Securities) # **	22,79,385	3,68,168	26,47,553	20,74,764	5,65,998	26,40,762
Subordinated Liabilities **	60,986	1,84,545	2,45,531	21,875	2,26,861	2,48,736
Lease Liabilities	88	1,054	1,142	49	1,243	1,292
Other Financial Liabilities	16,391	6,827	23,218	14,997	17,443	32,440
Current Tax Liabilities (Net)	-	13,337	13,337	11,508	-	11,508
Provisions	103	1,140	1,243	110	1,665	1,775
Other Non-Financial Liabilities	4,981	3,159	8,140	1,609	5,263	6,872
Total	**24,94,813**	**6,99,525**	**31,94,338**	**22,91,247**	**10,32,139**	**33,23,386**

This includes working capital facilities including working capital demand loans considered in over 6 months and upto 1 year bucket in the previous year ended March 31st, 2020 based on contractual terms.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

** Refer Note No. 54

* During the previous year the Company has decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given by the Company, amounting to ₹ 3,78,104 lakh), which have 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 March 31st, 2021			As at March 31st, 2020		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Loans	-	-	-	1,91,131	1,86,973	3,78,104

43. Disclosure of Joint Controlled Operation as on March 31st, 2021

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

Accordingly, an amount of ₹ 1,889 Lacs (March 31st, 2020 : ₹ 1,878 Lacs) has been recognized as "Income from joint controlled operation" under the head ""Revenue from Operations"". None of the Company's assets has been transferred to the Joint Venture and there is no liability incurred in this respect.

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

44. Segment Reporting

The Company is primarily engaged in financial services to its customers across India. Consequently, there are no separate reportable segments as per 'Ind AS 108'.

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

45. (ii) Securitisation and Assignment of Receivables

45. (ii)(a) Securitisation of receivables

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

(₹ in Lacs unless otherwise stated)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Total number of contracts securitised (Nos.)	-	-
Book Value of contracts securitised	-	-
Sales consideration*	-	-
Gain/(Loss) (net) on securitisation	-	-
Subordinated assets as on Balance Sheet date	-	-

*excludes unmatured finance charges thereon.

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

(₹ in Lacs)

Particulars	As at March 31st, 2021	As at March 31st, 2020
Bank/Other deposits provided as collateral as on Balance Sheet date	815	24,995
Credit enhancements provided by third parties;		
-First loss facility	5,024	-
-Second loss facility	-	-

45. (ii)(b) Assignment of receivables

In terms of Reserve Bank of India guidelines on securitisation of assets issued on August 21st, 2012, during the year ended March 31st, 2021, the Company has assigned financial assets to the extent of Nil (March 31st, 2020: ₹ 3,14,407 Lacs) for purchase consideration of ₹ Nil (March 31st, 2020 : ₹ 3,14,407 Lacs). The total amount of exposures retained by the Company on such assignment to comply with the Minimum Retention Requirement (MRR) is ₹ Nil (March 31st, 2020: ₹ 32,895 Lacs). Assets assigned are derecognised from the books of account to the extent assigned.

As at March 31st, 2021 the Company has lodged bank deposits of ₹ 39,350 Lacs (March 31st, 2020: ₹ 31,579 Lacs) as collateral or assignment of financial assets under partial credit guarantee scheme/others against total assigned contracts outstanding at the year ended March 31st, 2021.

45. (ii)(c) The aggregate amount of assets derecognised/loans originated till date in terms of note no. 45. (ii)(a) to 45. (ii)(b) above in respect of which outstanding as at year end are as under:

(₹ in Lacs)

Particulars	Amount outstanding as at	
	March 31st, 2021	March 31st, 2020
Securitisation	11,174	52,496
Assignment of Receivables	4,27,468	5,47,354
Total	**4,38,642**	**5,99,850**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

45. (ii) Securitisation and Assignment of Receivables (continued)

45. (ii)(d) In terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time, details of contracts securitised by the Company and outstanding as at the year ended March 31st, 2021 are as under:

Sl. No	Particulars	As at March 31st, 2021 #	As at March 31st, 2020 #
		No. / (₹ in Lacs)	No. / (₹ in Lacs)
1	No of SPVs sponsored by the NBFC for securitisation transactions	6	9
2	Total amount of securitised assets as per books of the SPVs sponsored	11,174	52,496
3	Total amount of exposures retained by the NBFC to comply with Minimum Retention Ratio (MRR) as on the date of Balance Sheet		
	a) Off-balance sheet exposures		
	* First loss	-	-
	* Others	-	-
	b) On-balance sheet exposures		
	* First loss	5,839	24,995
	* Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	-	-
	* Loss	-	-
	ii) Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	-	-
	* Others	-	-
	ii) Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

45. (ii) Securitisation and Assignment of Receivables (continued)

45. (ii)(e) In terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time, details of contracts directly assigned by the Company and outstanding as at the year ended March 31st, 2021 are as under:

Sl. No	Particulars	As at March 31st, 2021 No. / (₹ in Lacs)	As at March 31st, 2020 No. / (₹ in Lacs)
1	No of transactions assigned by the Company	74	74
2	Total amount outstanding	4,27,468	5,47,354
3	Total amount of exposures retained by the NBFC to comply with Minimum Retention Requirement (MRR) as on the date of Balance Sheet		
	a) Off-balance sheet exposures		
	* First loss	-	-
	* Others	-	-
	b) On-balance sheet exposures		
	* First loss	39,350	31,579
	* Others	47,195	55,875
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	-	-
	* Loss	-	-
	ii) Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	-	-
	* Others	-	-
	ii) Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

Disclosure of Restructured Accounts

(₹ in Lacs)

Sl. No.	Type of Restructuring / Asset Classification / Details		Under CDR Mechanism			Others			Total		
			Standard	Sub-Standard	Doubtful	Standard	Sub-Standard	Doubtful	Standard	Sub-Standard	Doubtful
1	Restructured Accounts on April 1st, 2020	No. of Borrowers	1	1	-	-	1	-	1	2	-
			(1)	(1)	(-)	(-)	(-)	(-)	(1)	(1)	(-)
		Amount Outstanding	592	2,183	-	-	6,611	-	592	8,794	-
			(2,494)	(679)	(-)	(-)	(-)	(-)	(2,494)	(679)	(-)
		Provision thereon	1	323	-	-	1,983	-	1	2,306	-
			(168)	(136)	(-)	(-)	(-)	(-)	(168)	(136)	(-)
2	Fresh restructuring during the year	No. of Borrowers	-	-	-	8	44	2	8	44	2
			(-)	(1)	(-)	(-)	(1)	(-)	(-)	(2)	(-)
		Amount Outstanding	-	-	-	4,178	1,12,085	9,499	4,178	1,12,085	9,499
			(-)	(1,749)	(-)	(-)	(6,611)	(-)	(-)	(8,360)	(-)
		Provision thereon	-	-	-	61	31,880	2,856	61	31,880	2,856
			(-)	(1,542)	(-)	(-)	(1,983)	(-)	(-)	(3,525)	(-)
3	Upgradation to restructured Standard category during the year	No. of Borrowers	-	-	-	-	-	-	-	-	-
			(1)	(-1)	(-)	(-)	(-)	(-)	(1)	(-1)	(-)
		Amount Outstanding	-	-	-	-	-	-	-	-	-
			(592)	(-679)	(-)	(-)	(-)	(-)	(592)	(-679)	(-)
		Provision thereon	-	-	-	-	-	-	-	-	-
			(1)	(-136)	(-)	(-)	(-)	(-)	(1)	(-136)	(-)
4	Restructured Standard advances which cease to attract higher provisioning and/ or additional risk weight and hence need not be shown as restructured standard advances at the beginning of the next year	No. of Borrowers	-	-	-	-	-	-	-	-	-
			(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		Amount Outstanding	-	-	-	-	-	-	-	-	-
			(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		Provision thereon	-	-	-	-	-	-	-	-	-
			(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
5	Downgradations of restructured accounts during the year	No. of Borrowers	-	-1	1	-	-1	1	-	-2	2
			(-1)	(1)	(-)	(-)	(-)	(-)	(-1)	(1)	(-)
		Amount Outstanding	-	-2,183	2,321	-	-6,611	7,404	-	-8,794	9,725
			(-2494)	(2,183)	(-)	(-)	(-)	(-)	(-2494)	(2,183)	(-)
		Provision thereon	-	-323	1,160	-	-1,983	3,834	-	-2,306	4,994
			(-168)	(323)	(-)	(-)	(-)	(-)	(-168)	(323)	(-)

Sl. No.	Type of Restructuring / Asset Classification / Details		Under CDR Mechanism			Others			Total		
			Standard	Sub-Standard	Doubtful	Standard	Sub-Standard	Doubtful	Standard	Sub-Standard	Doubtful
6	Write-Offs of restructured accounts during the year	No. of Borrowers	-	-	-	-	-	-	-	-	-
			(-)	(-1)	(-)	(-)	(-)	(-)	(-)	(-1)	(-)
		Amount Outstanding	-	-	-	-	-	-	-	-	-
			(-)	(-1749)	(-)	(-)	(-)	(-)	(-)	(-1749)	(-)
		Provision thereon	-	-	-	-	-	-	-	-	-
			(-)	(-1542)	(-)	(-)	(-)	(-)	(-)	(-1542)	(-)
7	Restructured Accounts as on March 31st, 2021	No. of Borrowers	1	-	1	8	45	3	9	45	4
			(1)	(1)	(-)	(-)	(1)	(-)	(1)	(2)	(-)
		Amount Outstanding	119	-	2,321	4,178	1,12,085	16,903	4,297	1,12,085	19,224
			(592)	(2,183)	(-)	(-)	(6,611)	(-)	(592)	(8,794)	(-)
		Provision thereon	-	-	1,160	61	31,880	6,690	62	31,880	7,850
			(1)	(323)	(-)	(-)	(1,983)	(-)	(1)	(2,306)	(-)

Figures in the bracket indicates figures for the previous year.

45. (iv) Disclosure on Strategic Debt Restructuring (SDR) Scheme as at March 31st, 2021

(₹ in Lacs)

No. of accounts where SDR has been invoked	Amount outstanding		Amount outstanding with respect to accounts where conversion of debt to equity is pending		Amount outstanding with respect to accounts where conversion of debt to equity has taken place	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
Nil number of Account	-	-	-	-	-	-
One number of Account	-	(170)	-	-	-	(170)

Figures in the bracket indicates figures for the previous year.

45. (v) Disclosures on The Scheme for Sustainable Structuring of Stressed Assets (S4A), as at March 31st, 2021

(₹ in Lacs)

No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision held
		In part A	In part B *	
One number of account classified as Doubtful	8,182	4,884	3,298	870
One number of account classified as Substandard	956	-	956	-
Three number of accounts classified as Standard	(7,483)	(3,439)	(4,044)	(17)

Figures in the bracket indicates figures for the previous year.

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

46. Disclosure as per the RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13th, 2020 on 'Implementation of Indian Accounting Standards'.
A comparison between provisions required under Income Recognition, Asset Classification and Provisioning ('IRACP') Norms and impairment allowances made under Ind AS 109 as on 31st March 2021 is given below:

(₹ in Lacs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per Income Recognition, Asset Classification and Provisioning (IRACP) norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	8,61,744	35,736	8,26,008	40,453	(4,717)
Standard	Stage 2	95,852	4,395	91,457	21,722	(17,327)
Subtotal for Standard		**9,57,596**	**40,131**	**9,17,465**	**62,175**	**(22,044)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	10,36,079	2,67,717	7,68,362	3,86,770	(1,19,053)
Subtotal for Substandard		**10,36,079**	**2,67,717**	**7,68,362**	**3,86,770**	**(1,19,053)**
Doubtful - up to 1 year	Stage 3	4,10,402	1,22,065	2,88,337	2,22,700	(1,00,635)
1 to 3 years	Stage 3	3,53,606	1,70,336	1,83,270	2,81,885	(1,11,549)
More than 3 years #	Stage 3	75,981	17,912	58,068	57,942	(40,029)
Subtotal for doubtful		**8,39,989**	**3,10,313**	**5,29,675**	**5,62,527**	**(2,52,214)**
Loss @	Stage 3	60,034	-	60,034	60,034	(60,034)
Subtotal for NPA		**19,36,102**	**5,78,031**	**13,58,071**	**10,09,331**	**(4,31,300)**
Other items such as guarantees, loan commitments etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage 1	-	313	(313)	-	313
	Stage 2	-	-	-	-	-
	Stage 3	-	5,567	(5,567)	-	5,567
Subtotal		**-**	**5,880**	**(5,880)**	**-**	**5,880**
Total	**Stage 1**	**8,61,744**	**36,049**	**8,25,695**	**40,453**	**(4,404)**
	Stage 2	**95,852**	**4,395**	**91,457**	**21,722**	**(17,327)**
	Stage 3	**19,36,102**	**5,83,598**	**13,52,504**	**10,09,331**	**(4,25,734)**
	Total	**28,93,699**	**6,24,042**	**22,69,656**	**10,71,506**	**(4,47,464)**
# Doubtful - More than 3 years includes :						
Claims Receivable (measured at fair value through profit or loss)	Stage 3	24,543	-	24,543	12,372	(12,372)
@ Loss includes :						
Claims Receivable (measured at fair value through profit or loss)	Stage 3	41,354	-	41,354	41,354	(41,354)
Assets acquired in satisfaction of debt	Stage 3	18,680	-	18,680	18,680	(18,680)

The above table excludes Loss Allowances (Provisions) towards Trade Receivables (refer Note No. 6) , Rental accrued but not due (refer Note No. 9) and Interest retained on Pool Assigned (refer Note No. 9)

46. Disclosure as per the RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13th, 2020 on 'Implementation of Indian Accounting Standards'.

A comparison between provisions required under Income Recognition, Asset Classification and Provisioning ('IRACP') Norms and impairment allowances made under Ind AS 109 as on 31st March 2020 is given below:

(₹ in Lacs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per Income Recognition, Asset Classification and Provisioning (IRACP) norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	25,13,815	26,093	24,87,722	13,019	13,074
Standard	Stage 2	1,46,203	14,820	1,31,383	10,932	3,888
Subtotal for Standard		**26,60,018**	**40,913**	**26,19,105**	**23,951**	**16,962**
Non-Performing Assets (NPA)						
Substandard *	Stage 1	4,734	34	4,700	474	(440)
Substandard	Stage 3	1,43,276	53,599	89,677	38,308	15,291
Subtotal for Substandard		**1,48,010**	**53,633**	**94,377**	**38,782**	**14,851**
Doubtful - up to 1 year *	Stage 1	2,317	371	1,946	522	(151)
Doubtful - up to 1 year *	Stage 2	33,311	1,363	31,948	7,676	(6,313)
Doubtful - up to 1 year	Stage 3	1,36,731	40,611	96,120	38,637	1,974
1 to 3 years	Stage 3	40,784	13,627	27,157	15,492	(1,865)
More than 3 years *	Stage 2	10,175	5,100	5,075	5,088	12
More than 3 years	Stage 3	11,675	5,412	6,263	5,984	(572)
Subtotal for doubtful		**2,34,993**	**66,484**	**1,68,509**	**73,399**	**(6,915)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**3,83,003**	**1,20,117**	**2,62,886**	**1,12,181**	**7,936**
Other items such as guarantees, loan commitments etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage 1	-	550	(550)	-	550
	Stage 2	-	298	(298)	-	298
	Stage 3	-	-	-	-	-
Subtotal		**-**	**848**	**(848)**	**-**	**848**
Total	**Stage 1**	**25,20,866**	**27,048**	**24,93,818**	**14,015**	**13,033**
	Stage 2	**1,89,689**	**21,581**	**1,68,108**	**23,696**	**(2,115)**
	Stage 3	**3,32,466**	**1,13,249**	**2,19,217**	**98,421**	**14,828**
	Total	**30,43,021**	**1,61,878**	**28,81,143**	**1,36,132**	**25,746**

* There are three number of customers with total amount outstanding is ₹ 50,537 Lacs and the overdue amount is ₹ 13,759 Lacs.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

47. Disclosure as per the RBI circular no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17th, 2020 on "COVID 19 Regulatory Package - Asset Classification and Provisioning"

(₹ in Lacs)

Particulars	As at Mar 31, 2021
i. Amounts in SMA/overdue categories where moratorium/deferment was extended *	18,33,125
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 benefit 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

(i) Amounts in SMA/overdue categories where moratorium/deferment was extended, in terms of paragraph 2 and 3 of the above circular:

(₹ in Lacs)

SMA category	As at March 31st, 2020
SMA 0	1,874
SMA 1	319
SMA 2	7,668
Total	**9,861**

(ii) Respective amount as at March 31st, 2020, where asset classification benefit is extended : ₹ 8,456 Lacs.

(iii) Provisions made during quarter ended March 31st, 2020 in terms of paragraph 5 of the above circular :

The company has made a provision of 5% as per the above circular, amounting to ₹ 423 Lacs.

(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6 of the above circular : Not applicable

48. 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 Lacs)

No. of accounts restructured	Amount outstanding As at March 31, 2021
1	106

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

49. Disclosures as required by RBI circular dated August 6, 2020 'Resolution Framework for COVID 19- related Stress' are as below:

(₹ in Lacs)

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	32,558	20,000	-	3,065
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**2**	**32,558**	**20,000**	**-**	**3,065**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

50. Disclosure as per the RBI circular no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package"

In accordance with the instructions in the aforementioned RBI circular dated April 07, 2021, the Company 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 abovementioned circular and advisory. The Company has estimated the benefit to be extended to the eligible borrowers and credited the Borrower's account by ₹ 1,508 Lacs towards the estimated interest relief and reduced the same from the interest income.

51. 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 were not included in the August 6, 2020 guidelines.

In accordance with these guidelines and on the basis of Board approved policy, the Company 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 from the borrowers and the lessees were severely impacted and which also adversely affected the cash flows of the Company during the year 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 operations, financial results of the Company and asset quality 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, the Company has made ECL provision aggregating to ₹ 4,68,523 Lacs for year ended March 31, 2021.

Further, in terms of the specific directions from Reserve Bank of India (RBI), the Company has also considered further provision amounting to ₹ 4,47,464 Lacs, 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, the Company has adequate assets/collaterals held as securities and it is hopeful of making significant recovery in due course of time.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

52. Business Transfer Agreement

During the year 2019-20, the Board of Directors of the Company and its holding company, Srei Infrastructure Finance Limited (SIFL) at their respective meetings held on July 4, 2019 had approved the transfer of Lending Business, Interest Earning Business & Lease Business of SIFL together with associated employees, assets & liabilities (including liabilities towards issued & outstanding non-convertible debentures) (Transferred Undertaking), as a going concern by way of slump exchange to the Company through a Business Transfer Agreement (BTA), subject to all necessary approvals.

The Company signed BTA on August 16, 2019 and an amendment to the aforesaid BTA on November 14, 2019 with SIFL and then pursuant to the same the Company entered into various assignment agreements, in connection with the Transferred Undertaking, with SIFL to give effect of the slump exchange and accordingly the Company and SIFL has passed the relevant accounting entries in their respective books of account effective October 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 ₹ 7,500 Lacs had 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 October 1, 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.53 (Scheme of Arrangement), pending final decision in the matter and further based on a legal opinion, the Company has maintained status quo for BTA.

53. Scheme of Arrangement

During the year, the Company 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. 52 (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 the 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 the Company as default under the respective debt documents and also to maintain the rating(s) of the Company at least that of investment grade. Pursuant to the stay, the Credit Rating Agencies downgraded the rating of the Company to 'default' category. The Company 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 the Company.

The matters covered in the Schemes are pending for final decision before Hon'ble NCLT/NCLAT.

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.

54. Payment to lenders

As stated in Note No. 51 (Impact of Covid-19 pandemic), while on one hand the Company had to offer repayment moratorium/ resolution plan to its borrowers/lessees, on other hand the Company was not allowed any relief from its lenders. This resulted in huge mismatch in its cash flows. The Company, then filed Schemes of Arrangement with Hon'ble NCLT (refer Note No. 53 - Scheme of Arrangement). The matters covered in the Scheme are pending for final decisions before Hon'ble NCLT/NCLAT.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

In the meanwhile, the Company 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 the Company 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 the Company's borrowings have been reflected in the 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.

55. 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 the Company complied on an ongoing basis till nine months ended December 31, 2020. However, as at March 31, 2021, the Company was not able to meet the requirements of the aforesaid RBI notification as domestic lenders of the Company have stipulated Trust and Retention Account (TRA) mechanism effective November 24, 2020, pursuant to which all the payments being made by the Company were being approved/released based on the TRA mechanism. This resulted in a lot of operational challenges including non-approval or delayed approval of various expenditure being incurred by the Company. Hence, the Company 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 ₹ 23,028 Lacs being not hedged, in terms of the aforesaid RBI notification, as at March 31, 2021.

56. Going Concern

Owing to the impact of Covid-19 pandemic, as explained in Note No. 51 (Impact of Covid-19 pandemic), the Company has reported net loss after tax of ₹ 7,13,611 Lacs for the year ended March 31, 2021 and due to which the net worth of the Company has eroded.

The Company's ability to meet its financial commitments is dependent on the final outcome of the Schemes pending before Hon'ble NCLT/NCLAT (Note No. 53 - Scheme of Arrangement). The Company 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 Company is very hopeful of significant improvement in its cash flows in due course of time.

The Company 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 Company 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 Company, the going concern assumption is appropriate and accordingly the financial statements have been prepared.

57. 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 borrowers' as probable connected/ related companies which are categorised as (a) Borrowers who are Investee Companies of the Alternative Investment Fund (AIF) (b) Borrowers where investment is done by investee companies of AIF (c) Power Trust and its Investee Companies (d) Shristi and its Investee Companies.

RBI has directed the company to reassess and factor the impact of certain borrowers 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 has been advised to reassess and re-evaluate the relationship with the said borrowers to assess whether they are related parties to the Company or to Srei Infrastructure Finance Limited ('SIFL' or 'Holding Company') and also whether these are on arm's

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

length basis. Transactions with these borrowers have been done in the ordinary course of business after due diligence and as per the process and policies adopted by the Company. These borrowers have been granted loans following the laid down credit and risk process applicable to all customers on arm's length basis and approved by its respective committee. The loans to these borrowers are secured against the assets / cash flows of the borrowers and are dependent on recovery/monetisation of underlying assets. Further, SIFL/SEFL has no benefits in such borrowers other than the lending to such companies in ordinary course of business and related income.

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

The total exposure (net of impairment) towards such borrowers is ₹ 8,57,565 Lacs as on March 31, 2021. The details of the same are as follows:

Categories	₹ in Lacs
Borrowers who are Investee Companies of the Alternative Investment Fund (AIF)	4,15,666
Borrowers where investment is done by investee companies of AIF	3,21,697
Power Trust and its Investee Companies	81,076
Shristi and its Investee Companies	39,126
Total	**8,57,565**

Further, in view of the directions, in line with arm's length principles, the Company 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.

58. 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, the Company 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 the Company 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 issued in this connection, the Company 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.

59. In view of slump exchange transaction as stated in Note. 52 above, the figures for the year ended March 31st, 2021 are thus not comparable with those of the previous year.

60. Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification of the current year.

Signatories to Notes 1to 60

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

Manoj Daga
Partner
Membership no. 048523

Place : Mumbai
Date: June 29th, 2021

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman
(DIN: 00193015)

Devendra Kumar Vyas
Managing Director
(DIN: 00651362)

Manoj Kumar Beriwala
Chief Financial Officer

Place : Kolkata
Date: June 29th, 2021

ANNEXURE 1 TO NOTES TO THE FINANCIAL STATEMENT

AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

1. Capital to Risk Asset Ratio (CRAR)

(₹ in Lacs unless otherwise stated)

Sl. No.	Items	As at March 31st, 2021	As at March 31st, 2020
(i)	CRAR (%)	(34.83)	15.76
(ii)	CRAR – Tier I Capital (%)	(34.83)	11.46
(iii)	CRAR – Tier II Capital (%)	1.21	4.30
(iv)	Amount of subordinated debt raised as Tier-II capital	-	-
(v)	Amount raised by issue of Perpetual Debt Instruments*	-	-

*As at March 31st, 2021, the amount outstanding in respect of unsecured subordinated perpetual debentures is ₹ 13,750 lacs (March 31st, 2020 : ₹ 13,750 lacs) which is (1.74)% (March 31st, 2020 : 3.45%) of total Tier I Capital.

2. Exposure to Real Estate Sector

(₹ in Lacs)

Sl. No.	Category	As at March 31st, 2021	As at March 31st, 2020
a)	Direct Exposure		
(i)	Residential Mortgages		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	-	-
(ii)	Commercial Real Estate #		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits;	7,42,462	6,81,494
(iii)	Investments in Mortgage Backed Securities and other securitised exposures		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
b)	**Indirect exposure**	-	-
	Total Exposure to Real Estate Sector	**7,42,462**	**6,81,494**

#Includes lending in Special Economic Zones / Industrial parks amounting to ₹ 2,34,357 lacs (March 31st, 2020 : ₹ 1,80,764 lacs) that would have the characteristics of Commercial Real Estate (CRE).

ANNEXURE 1 TO NOTES TO THE FINANCIAL STATEMENT (CONTD.)

AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

3. Exposure to Capital Market

(₹ in Lacs)

Sl. No.	Category	As at March 31st, 2021	As at March 31st, 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;*	11,599	18,937
(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;	30	8,743
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	92
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	**11,629**	**27,772**

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

4. Details of Assignment transactions undertaken by Non-Banking Financial Company (NBFC)

(₹ in Lacs unless otherwise stated)

Sl. No.	Particulars	For the year ended March 31st, 2021*	For the year ended March 31st, 2020
(i)	No. of accounts (Nos.)	8	9,697
(ii)	Aggregate value (net of provisions) of accounts sold	30,385	3,14,407
(iii)	Aggregate consideration	25,835	3,14,407
(iv)	Additional consideration realised in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / (loss) over net book value	(4,550)	-

ANNEXURE 1 TO NOTES TO THE FINANCIAL STATEMENT (CONTD.) AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

*The total amount of exposures retained by the Company on such assignment to comply with the Minimum Retention Requirement (MRR) is ₹ Nil

5. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31st, 2021 are as follows:

(₹ in Lacs)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances (refer note - 1 & 2 below)	39,233	20	31,550	33,365	32,768	80,363	1,25,550	3,41,626	10,39,115	16,50,151	33,73,741
Liability towards Assignment	(1,01,398)	-	-	(23,244)	(24,027)	(65,799)	(95,044)	(117,955)	-	-	(427,467)
Investments (refer note - 2 below)	-	-	-	-	130	-	34,517	25,011	39,648	2,712	102,018
Borrowings (refer note - 3, 4 & 5 below)	13,73,800	3,098	1,25,289	24,367	1,42,029	5,12,022	2,82,620	4,90,090	91,883	92,034	31,37,232
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

Note:

1. Advances represent the maturity pattern of gross loan assets and receivables for operating lease assets.
2. The maturity pattern of Investments, Loan Assets measured at FVTOCI and overdue amounts on Loans have been considered on the basis of Management's best estimates.
3. The 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 March 31st, 2021 amounting to ₹ 10,36,487 lacs has been considered in the first bucket i.e. 1 day to 7 days.
4. Repayment of overdue amount is based on contractual terms has been considered in the first bucket i.e. 1 day to 7 days.
5. As stated in Note No. 54 (Payment to lenders), while on one hand the Company had to offer repayment moratorium/ resolution plan to its borrowers/lessees, on other hand the Company was not allowed any relief from its lenders. This resulted in huge mismatch in its cash flows. The Company, then filed Schemes of Arrangement with Hon'ble NCLT (refer Note No. 53 - Scheme of Arrangement). The matters covered in the Scheme are pending for final decisions before Hon'ble NCLT/NCLAT.

In the meanwhile, the Company 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 the Company 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 the Company's borrowings have been reflected in the books of accounts as per contractual terms.

ANNEXURE 1 TO NOTES TO THE FINANCIAL STATEMENT (CONTD.) AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

Maturity pattern of certain items of assets and liabilities as at March 31st, 2020 are as follows: (₹ in Lacs)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances* (refer note - 1 & 2 below)	40,048	1,586	85,077	1,14,953	94,458	278,291	528,361	10,33,160	6,92,245	9,44,406	38,12,585
Liability towards Assignment	(13,451)	-	(28,924)	(41,325)	(40,082)	(80,073)	(1,30,500)	(2,06,003)	(6,996)	-	(5,47,354)
Investments (refer note - 2 below)	-	-	249	-	-	-	231	57,105	5,672	24,494	87,751
Borrowings (refer note - 3 below)	1,25,286	3,778	53,062	51,423	71,802	2,53,854	3,51,059	10,67,000	6,20,871	6,54,088	31,52,223
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	543	1,677	9,021	1,577	689	-	-	13,507

The above ALM does not include all the items of assets and liabilities. Inflows and outflows based on Management's estimate of the realisability of such excluded items like Cash and Cash equivalents (₹ 38,563 Lacs), Bank Balances (₹ 1,31,560 Lacs), Derivative Financial Instruments (₹ 29,992 Lacs), Other Financial Assets (₹ 95,066 Lacs), other Non-Financial Assets (₹ 55,990 Lacs) and outflows on account of items like Trade Payables (₹ 1,13,071 Lacs), Derivative Financial Instruments (₹ 4,146 Lacs), Other Financial Liabilities (₹ 32,628 Lacs), Non-financial Liabilities (₹ 8,647 Lacs) will result in net cumulative positive cash inflows up to a period of one year from the reporting date. Further, the Company has the options such as assignments, pre-closure of loans, sale down including assets monetisation and exercising put option (right to recall the loan under the loan agreement) to generate additional cash flows, if required within one year, which otherwise are included in more than one year bucket.

* The Company has decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given by the Company, amounting to ₹ 3,78,104 Lacs, which have been considered in "Advances" above while arriving at the maturity pattern. Details in respect of the same are as follows:

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances	-	-	-	-	-	74,432	1,16,699	1,61,694	25,279	-	3,78,104

Note:

1. Advances represent the maturity pattern of gross loan assets and receivables for operating lease assets.

2. The maturity pattern of Investments, Loan Assets measured at FVTOCI and overdue amounts on Loans have been considered on the basis of Management's best estimates.

3. The maturity pattern of working capital facilities, aggregated outstanding value being ₹ 18,02,460 Lacs as at March 31st, 2020, sanctioned by the banks has been apportioned in proportion to the maturity pattern of the advances. It may be noted that out of above working capital facilities, contractually cash credit facilities amounting to ₹ 11,12,483 Lacs falls due within 1 year from the balance sheet date, while in respect of Working Capital Demand Loan (WCDL) amount of ₹ 1,44,518 Lacs falls due within "upto 30/31 days"; amount of ₹ 1,07,000 Lacs falls due 'over 1 month but upto 2 months'; amount of ₹ 1,00,811 Lacs falls due 'Over 2 months upto 3 months'; amount of ₹ 3,21,748 Lacs falls due 'Over 3 months & upto 6 months' and amount of ₹ 15,900 Lacs (March 31st, 2019 : ₹ Nil) falls due 'Over 6 months & upto 1 year from the balance sheet date.

ANNEXURE 1 TO NOTES TO THE FINANCIAL STATEMENT (CONTD.) AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2021		As at March 31st, 2020	
		Amount outstanding	Amount overdue*	Amount outstanding	Amount overdue
6.	**Liabilities side:**				
	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:				
	a) Debentures				
	- Secured	2,44,148	21,658	2, 62,513	-
	- Unsecured	2,28,897	8,183	2,33,896	-
	(Other than falling within the meaning of public deposits)				
	b) Deferred credits	22,601	8,449	-	-
	c) Term loans	6,23,363	1,13,086	7,11,645	-
	d) Inter- corporate loans and borrowings	105	-	17,635	-
	e) Commercial paper	-	-	29,339	-
	f) Other Loans (Tier II Loan, Buyers Credit, Working Capital Demand Loan etc)	20,18,118	2,20,483	18,97,042	-

*Refer Note no. 53

ANNEXURE 1 TO NOTES TO THE FINANCIAL STATEMENT (CONTD.)

AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2021	As at March 31st, 2020
		Amount outstanding	Amount outstanding
	Assets side:		
7.	Break-up of Loans and Advances including bills receivables [other than those included in (8) below]:		
	(a) Secured	26,39,087	29,52,008
	(b) Unsecured	170,035	91,013
	Total (a) + (b)	**28,09,122**	**30,43,021**
8.	Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease	Refer note 1	Refer note 1
	(b) Operating Lease	Refer note 1	Refer note 1
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	Refer note 1	Refer note 1
	(b) Repossessed Assets	Refer note 1	Refer note 1
	(iii) Other loans counting towards AFC activities		
	(a) Loans where Assets have been repossessed	Refer note 1	Refer note 1
	(b) Loans other than (a) above	Refer note 1	Refer note 1

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

ANNEXURE 1 TO NOTES TO THE FINANCIAL STATEMENT (CONTD.)

AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2021 Amount Outstanding	As at March 31st, 2020 Amount Outstanding
9.	**Break-up of Investments**		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Pass Through Certificates etc)	-	-
	Long term Investments		
	1. Quoted :		
	(i) Shares : (a) Equity	130	97
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. Unquoted :	-	-
	(i) Shares : (a) Equity	644	21
	(b) Preference	20,102	18,379
	(ii) Debentures and Bonds	5,186	16,607
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others*	75,956	52,647

* Includes Security Receipts

ANNEXURE 1 TO NOTES TO THE FINANCIAL STATEMENT (CONTD.)

AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2021	As at March 31st, 2020
10.	**Value of Investments**		
(i)	**Gross Value of Investments**	**1,11,608**	**97,341**
	(a) In India	1,11,608	97,341
	(b) Outside India		-
(ii)	**Provisions for Depreciation**	**9,590**	**9,590**
	(a) In India	9,590	9,590
	(b) Outside India		-
(iii)	**Net Value of Investments**	**1,02,018**	**87,751**
	(a) In India	1,02,018	87,751
	(b) Outside India	-	-
11.	**Movement of provisions held towards depreciation on investments**		
(i)	Opening balance	9,590	-
(ii)	Add : Provisions made during the year*	-	9,590
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	**Closing balance**	**9,590**	**9,590**

* Represents provisions carried on under slump exchange (refer Note No. 52)

(₹ in Lacs)

Sl. No.	Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
12.	**Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss Account**		
(i)	Provision for depreciation on Investment	-	-
(ii)	Provisions towards NPA/ Write-offs #	9,47,035	73,420
(iii)	Provision made towards Income tax	-	4,333
(iv)	Other Provision and Contingencies		
	- Provision for Employee Benefits	161	720
	- Provision for Standard Assets ##	12,664	(420)
		9,59,860	**78,053**

Includes Impairment Reserve created for Non performing Loans amounting to ₹ 3,53,327 lacs (March 31st, 2020 : ₹ Nil) and Assets acquired in satisfaction of debt ₹ 18,680 lacs (March 31st, 2020 : ₹ Nil) pursuant to the RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13th, 2020 on 'Implementation of Indian Accounting Standards' (refer Note No. 46).

Includes Impairment Reserve created for Standard Assets amounting to ₹ 21,730 lacs (March 31st, 2020 : ₹ Nil) pursuant to the RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13th, 2020 on 'Implementation of Indian Accounting Standards' (refer Note No. 46).

ANNEXURE 1 TO NOTES TO THE FINANCIAL STATEMENT (CONTD.) AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

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

(₹ in Lacs)

Sl. No.	Category	Amount (Net of provisions)					
		As at March 31st, 2021			As at March 31st, 2020		
		Secured	Unsecured	Total	Secured	Unsecured	Total
(i)	Related parties*						
	a) Subsidiaries	-	-	-	-	-	-
	b) Companies in the same group	2,036	27,678	29,714	905	-	905
	c) Other related parties	-	-	-	-	-	-
(ii)	Other than related parties	21,14,098	41,979	21,56,077	27,91,664	89,928	28,81,592
	Total	**21,16,134**	**69,657**	**21,85,791**	**27,92,569**	**89,928**	**28,82,497**

*As per Ind AS 24: Related Party Disclosures.

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

(₹ in Lacs)

Sl. No.	Category	As at March 31st, 2021		As at March 31st, 2020	
		Market Value/ Break up or Fair value or NAV	Book value (net of provision)	Market Value/ Break up or Fair value or NAV	Book value (net of provision)
(i)	Related parties*				
	a) Subsidiaries	-	-	-	-
	b) Companies in the same group	-	-	-	-
	c) Other related parties	-	-	-	-
(ii)	Other than related parties	1,02,018	1,02,018	87,751	87,751

*As per Ind AS 24: Related Party Disclosures.

15. Concentration of Advances

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2021	As at March 31st, 2020
(i)	Total Advances to twenty largest borrowers	10,31,711	9,00,290
(ii)	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	36.73%	29.37%

ANNEXURE 1 TO NOTES TO THE FINANCIAL STATEMENT (CONTD.)

AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

16. Concentration of Exposures

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2021	As at March 31st, 2020
(i)	Total Exposure to twenty largest borrowers / customers	10,49,888	9,22,979
(ii)	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	35.17%	28.51%

17. Concentration of NPAs

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2021	As at March 31st, 2020
(i)	Total Exposure to top four NPA accounts	2,78,823	1,02,910

18. Sector-wise NPAs

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

*The Company is primarily engaged in financial services to its customer across India. The portfolio has been bifurcated into assets finance / infrastructure loans in various Infrastructure sectors which includes IT, construction, mining, irrigation, earthmoving, railway projects, road projects, etc.

ANNEXURE 1 TO NOTES TO THE FINANCIAL STATEMENT (CONTD.)

AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

19 Movement of Non Performing Assets (NPAs)

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2021		As at March 31st, 2020
		Excluding Impairment Reserve	Including Impairment Reserve #	
(i)	**Net NPAs to Net Advances (%) @**	51.65%	43.52%	6.69%
(ii)	**Movement of NPAs (Gross)**			
	(a) Opening balance	3,32,466	3,32,466	1,69,388
	(b) Additions during the year	15,82,790	15,82,790	3,40,732
	(c) Reductions during the year *	63,731	63,731	1,77,654
	(d) Closing balance	18,51,525	18,51,525	3,32,466
(iii)	**Movement of Net NPAs**			
	(a) Opening balance	2,19,217	2,19,217	1,31,804
	(b) Additions during the year	11,46,502	8,48,834	1,93,702
	(c) Reductions during the year *	97,792	1,53,451	1,06,289
	(d) Closing balance	12,67,927	9,14,600	2,19,217
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**			
	(a) Opening balance	1,13,249	1,13,249	37,584
	(b) Provisions made during the year	4,94,962	8,50,896	94,977
	(c) Write-off / write-back of excess provisions	24,613	27,220	19,312
	(d) Closing balance	5,83,598	9,36,925	1,13,249

*It includes write - off during the year.

@Net Advances represents Loans, Trade Receivables and Net Block of Assets given on Operating Lease.

Includes Impairment Reserve created for Non performing Loans amounting to ₹ 3,53,327 lacs (March 31st, 2020 : ₹ Nil) pursuant to the RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13th, 2020 on 'Implementation of Indian Accounting Standards' (refer Note No. 46).

Net NPAs to Total Assets (%) excluding Impairment Reserve as at March 31, 2021 : 43.54%

Net NPAs to Total Assets (%) including Impairment Reserve as at March 31, 2021 : 35.74%

ANNEXURE 1 TO NOTES TO THE FINANCIAL STATEMENT (CONTD.)

AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

20. Details of non-performing financial assets purchased from other NBFCs :

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2021	As at March 31st, 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	-	-

21. Details of Non-performing Financial Assets sold to other NBFCs :

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2021	As at March 31st, 2020
(i)	No. of accounts sold	-	-
(ii)	Aggregate outstanding	-	-
(iii)	Aggregate consideration received	-	-

22. Other Information :

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2021		As at March 31st, 2020
		Excluding Impairment Reserve	Including Impairment Reserve #	
i.	Gross Non-Performing Assets			
	(a) Related Parties	-	-	-
	(b) Other than related Parties	18,51,525	18,51,525	3,32,466
ii.	Net Non-Performing Assets #			
	(a) Related Parties	-	-	-
	(b) Other than related Parties	12,67,927	9,14,600	2,19,217
iii.	Assets / Receivables acquired in satisfaction of debt (net) #	84,577	12,171	55,295

#Includes Impairment Reserve created for Non performing Loans amounting to ₹3,53,327 lacs (March 31st, 2020 : ₹Nil) and Assets / Receivables acquired in satisfaction of debt amounting to ₹72,406 lacs (March 31st, 2020 : ₹Nil) pursuant to the RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13th, 2020 on 'Implementation of Indian Accounting Standards' (refer Note No. 46).

23. Derivatives

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

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2021	As at March 31st, 2020
(i)	The notional principal of swap agreements	-	-
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap book	-	(3,767)

ANNEXURE 1 TO NOTES TO THE FINANCIAL STATEMENT (CONTD.)

AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

The nature and terms of FRA / IRS as on March 31st, 2021 are set out below :

Sl. No.	Nature	As at March 31st, 2021	As at March 31st, 2020	Benchmark	Terms
		Notional Principal			
(i)	Hedging	-	-	USD LIBOR	Fixed Payable Vs Floating Receivable

24. Exchange Traded Interest Rate (IR) Derivatives

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2021	As at March 31st, 2020
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year	-	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as at year end	-	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

25. Disclosures on Risk Exposure in Derivatives

(i) Qualitative Disclosure

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

(ii) Quantitative Disclosures

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2021		As at March 31st, 2020	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging	48,439	-	2,73,500	-
(ii)	Marked to Market Positions				
	a) Asset (+)	936	-	29,992	-
	b) Liability (-)	(1,151)	-	(379)	(3,767)
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures	-	-	-	-

ANNEXURE 1 TO NOTES TO THE FINANCIAL STATEMENT (CONTD.)

AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

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

During the year ended March 31st, 2021 the Company has exceeded the prudential single borrower limit in 2 cases having exposure of ₹86,477 lacs & ₹83,226 lacs respectively and Group Borrower limit in 2 cases having group exposure of ₹2,06,208 lacs & ₹1,65,186 lacs respectively, based on % of Tier-I Capital amounting to ₹3,98,269 lacs as on March 31st, 2020.

The limits were exceeded due to the exposure in these customers being transferred to the Company pursuant to Slump Exchange (refer Note No. 52).

During the Previous year ended March 31st, 2020 the exposure was within the prudential limit for Single borrower and Group borrower.

27. Unsecured Advances

Unsecured advance represents unsecured Loans as at March 31st, 2021 is ₹1,70,035 lacs (March 31st, 2020 ₹91,013 lacs) and it includes advances amounting to ₹Nil (March 31st, 2020 ₹Nil) for which intangible securities such as charge over rights, licences, authority, etc., has been taken as collateral.

28. Registration obtained from other financial sector regulators : None

29. No penalties have been imposed by RBI or any other Regulators during the financial year ended March 31st, 2021 and March 31st, 2020

30. Draw Down from Reserves

Details of draw down from Reserves is disclosed in Note No. 25 of the Notes to the Financial Statements.

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

Sl. No.	Particulars	As at March 31st, 2021			As at March 31st, 2020		
		CARE^	BRICKWORK#	ACUITE^	CARE*	BRICKWORK#	ACUITE@
(i)	Long Term Banking facilities	CARE D	–	–	CARE A	–	–
(ii)	Short Term Banking Facilities	CARE D	–	–	CARE A2+	–	–
(iii)	Short Term Debt Instruments	–	BWR A3	–	CARE A2+	BWR A1	–
(iv)	NCDs/Bonds	CARE D	BWR BBB	ACUITE D	CARE A	BWR A+	ACUITE A+
(v)	Unsecured Subordinated/Tier-II Debentures/Bonds	CARE D	BWR BBB	ACUITE D	CARE A-	BWR A+	ACUITE A+
(vi)	Perpetual Debentures	CARE D	BWR BB	–	CARE BBB+	BWR BBB+	–

*Credit watch with negative implication

#Outlook negative

@Under rating watch with negative implications

^Refer Note No. 53

Sl. No.	Particulars	As at March 31st, 2021		As at March 31st, 2020	
		CARE^	BRICKWORK*	CARE	BRICKWORK
(i)	Long Term Banking facilities @	CARE D		CARE BBB+	–
(ii)	Short Term Banking Facilities @	CARE D		CARE A2	–
(iii)	NCDs/Bonds @	CARE D	BWR BBB	CARE BBB+	BWR A+
(iv)	Unsecured Subordinated/Tier-II Debentures/Bonds @	CARE D	BWR BBB	CARE BBB	BWR A+

*Credit watch with negative implication

^Refer Note No. 53

@This represents rating assigned for outstanding borrowings which was transferred from SIFL pursuant to slump exchange.(refer Note No. 52)

ANNEXURE 1 TO NOTES TO THE FINANCIAL STATEMENT (CONTD.)

AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2021

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

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

(₹in Lacs unless otherwise stated)

Sl. No.	Particulars	As at March 31st, 2021	As at March 31st, 2020
(i)	No. of Accounts	2	1
(ii)	Aggregate value (net of provisions) of Accounts sold to SC/RC	31,290	1,895
(iii)	Aggregate consideration	29,400	1,850
(iv)	Additional Consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain/loss over net book Value	(1,890)	(45)

33. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad): Nil

34. Off Balance Sheet SPV's sponsored : Nil

35. Details of Financing of Parent Company Products : Financing of Parent Company products during the financial year ended March 31st, 2021 is ₹Nil (March 31st, 2020 ₹Nil).

36. Disclosure of Complaints

Sl. No.	Customer Complaints	As at March 31st, 2021	As at March 31st, 2020
(i)	No. of complaints pending at the beginning of the year	-	-
(ii)	No. of complaints received during the year	87	17
(iii)	No. of complaints redressed during the year	87	17
(iv)	No. of complaints pending at the end of the year	-	-

37. Disclosure of Fraud

Disclosures Relating To Fraud In Terms of the Notification Issued by Reserve Bank of India vide DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17

During the year ended March 31st, 2021, no fraud was committed and reported to the RBI.

NOTE

NOTE

Cautionary Statement

This report contains forward-looking statement, which may be identified by their use of words like 'plans', 'expects'. 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forwardlooking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

Srei Equipment Finance Limited
CIN: U70101WB2006PLC109898
Registered Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata 700 046
srei.com