



**SIFL/SECT/RB/16-17/113**

August 06, 2016

<b>The Secretary</b> <b>The Calcutta Stock Exchange Limited</b> 7 Lyons Range Kolkata - 700 001 Fax: 033-2210 4500/4491; 2230 3020 <b>CSE Scrip Code: 29051</b>	<b>The Secretary</b> <b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 Fax: 022-2272 2037/2039/2041/ 3121 <b>BSE Scrip Code: 523756</b>	<b>The Secretary</b> <b>National Stock Exchange of India Limited</b> Exchange Plaza, 5th Floor, Plot no. C/1 G Block, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 Fax: 022-2659 8237/38; 2659 8347/48 <b>NSE Symbol: SREINFRA</b>
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Dear Sir,

**Sub: 31st (Thirty-First) Annual General Meeting (AGM)**

Kindly note that the 31st (Thirty-First) Annual General Meeting (AGM) of the Company has been duly convened and held on Saturday, August 06, 2016 at 'Science City Mini Auditorium', Kolkata at 10:30 a.m.

In this regard, please find enclosed the following:

1. The gist of proceedings of the 31st (Thirty-First) Annual General Meeting (AGM) of the Company held on August 06, 2016, pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Voting results in the prescribed format pursuant to Regulation 44(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. Consolidated Scrutinizer's Report dated August 06, 2016 submitted by Dr. K. R. Chandratre, Practising Company Secretary, Pune (FCS No. 1370, CP No. 5144), Scrutinizer appointed to conduct the electronic voting process (Remote e-voting as well as Insta Poll).
4. Annual Report of the Company for the Financial Year 2015-16 pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly approved and adopted by the Members of the Company.

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

**Srei Infrastructure Finance Limited**

CIN: L29219WB1985PLC055352

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

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

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





The same is for information and records.

Thanking you.

Yours faithfully,  
For Srei Infrastructure Finance Limited

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

Encl: a/a

cc:

<b>Central Depository Services (India) Limited</b> Phiroze Jeejeebhoy Towers 17th Floor, Dalal Street Mumbai – 400 001 Fax: (022) 2272 3199/2272 2072	<b>National Securities Depository Limited</b> Trade World, A Wing, 4th Floor Kamala Mills Compound Senapati Bapat Marg, Lower Parel Mumbai - 400 013 Fax: 022-2497 2993/2497 6351
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Email: corporate@srei.com Website: www.srei.com





# **EMPOWERING ENTREPRENEURS & ENTERPRISES**

Srei Infrastructure Finance Limited | Annual Report 2015-16

**SREI**  
Together We Make Tomorrow Happen



## Board of Directors

Mr. Salil Kumar Gupta

Chief Mentor

Mr. Hemant Kanoria

Chairman & Managing Director

Mr. Sunil Kanoria

Vice Chairman

Mr. Srinivasachari Rajagopal

Mr. Shyamalendu Chatterjee

Dr. Punita Kumar Sinha

Dr. Tamali Sengupta

Mr. T. C. A. Ranganathan

Mr. Ram Krishna Agarwal

## Chief Executive Officer

Mr. Bajrang K. Choudhary

## Company Secretary

Mr. Sandeep Lakhota

## Chief Financial Officer

Mr. Kishore Kumar Lodha

## Auditors

Haribhakti & Co. LLP

Chartered Accountants

## Principal Banker

Axis Bank Limited

## Audit Committee

Mr. Salil K. Gupta

Chairman

Mr. Sunil Kanoria

Mr. S. Rajagopal

Mr. Shyamalendu Chatterjee

Mr. Sandeep Lakhota

Secretary

## Committee of Directors

Mr. Hemant Kanoria

Chairman

Mr. Sunil Kanoria

Mr. Salil K. Gupta

Mr. Sandeep Lakhota

Secretary

## Stakeholders Relationship Committee

Mr. Salil K. Gupta

Chairman

Mr. Sunil Kanoria

Mr. Hemant Kanoria

Mr. Sandeep Lakhota

Secretary

## Asset Liability Management Committee

Mr. Sunil Kanoria

Chairman

Mr. Shyamalendu Chatterjee

Mr. Sanjeev Sancheti

Mr. P. C. Patni

Mr. Sandeep Lakhota

Mr. S. B. Tiwari

Secretary

## Credit Committee

Mr. Hemant Kanoria

Chairman

Mr. Sunil Kanoria

Mr. Shyamalendu Chatterjee

Mr. S. B. Tiwari

Secretary

## Investment Committee

Mr. Hemant Kanoria

Chairman

Mr. Sunil Kanoria

Dr. Punita Kumar Sinha

Mr. Sanjeev Sancheti

Secretary

## Risk Committee

Mr. Shyamalendu Chatterjee

Chairman

Mr. Sunil Kanoria

Mr. Hemant Kanoria

Mr. S. B. Tiwari

Secretary

## Nomination and Remuneration Committee

Mr. Salil K. Gupta

Chairman

Mr. Sunil Kanoria

Mr. Shyamalendu Chatterjee

Mr. Sandeep Lakhota

Secretary

## Corporate Social Responsibility Committee

Mr. Hemant Kanoria

Chairman

Mr. Sunil Kanoria

Mr. Shyamalendu Chatterjee

Mr. Madhusudan Dutta

Secretary

## Business Responsibility Committee

Mr. Shyamalendu Chatterjee

Chairman

Mr. Ram Krishna Agarwal

Mr. Bajrang K. Choudhary

Mr. Kishore Kumar Lodha

Mr. Sanjeev Sancheti

Mr. S. B. Tiwari

Mr. Madhusudan Dutta

Mr. Sandeep Lakhota

Secretary

## Corporate Identification Number

L29219WB1985PLC055352

## Registered Office

“Vishwakarma”, 86C, Topsia Road (South), Kolkata-700 046

Telephone : 91-33 -6160 -7734

Facsimile no : 91-33-2285-7542/8501

Email: corporate@srei.com

Website: www.srei.com

## Listing

The Calcutta Stock Exchange Limited  
BSE Limited

National Stock Exchange of India  
Limited

## Depositories

National Securities Depository Limited  
Central Depository Services (India)  
Limited

## Registrar and Share Transfer Agents

Karvy Computershare Private Limited

31st Annual General Meeting on  
Saturday, August 06, 2016 at  
10.30 am at Science City Mini  
Auditorium, JBS Haldane Avenue,  
Kolkata - 700 046

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1 billion = 100 crore, 1 million = 10 lacs

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





**WHEN SREI STARTED ITS JOURNEY ON THE EVE OF THE OPENING UP OF THE ECONOMY, PRIVATE SECTOR PARTICIPATION IN INFRASTRUCTURE DEVELOPMENT THEN WAS ALMOST UNTHINKABLE.**



**Srei has dared to transform the perception.**

**Srei has been a part of the rapid evolution of infrastructure in India. Srei has grown with India and its entrepreneurs in tandem.**

**Srei has consistently positioned the interests of the country and its customers, its own has followed. It believes and works towards only one objective - “Prosperity for all.”**

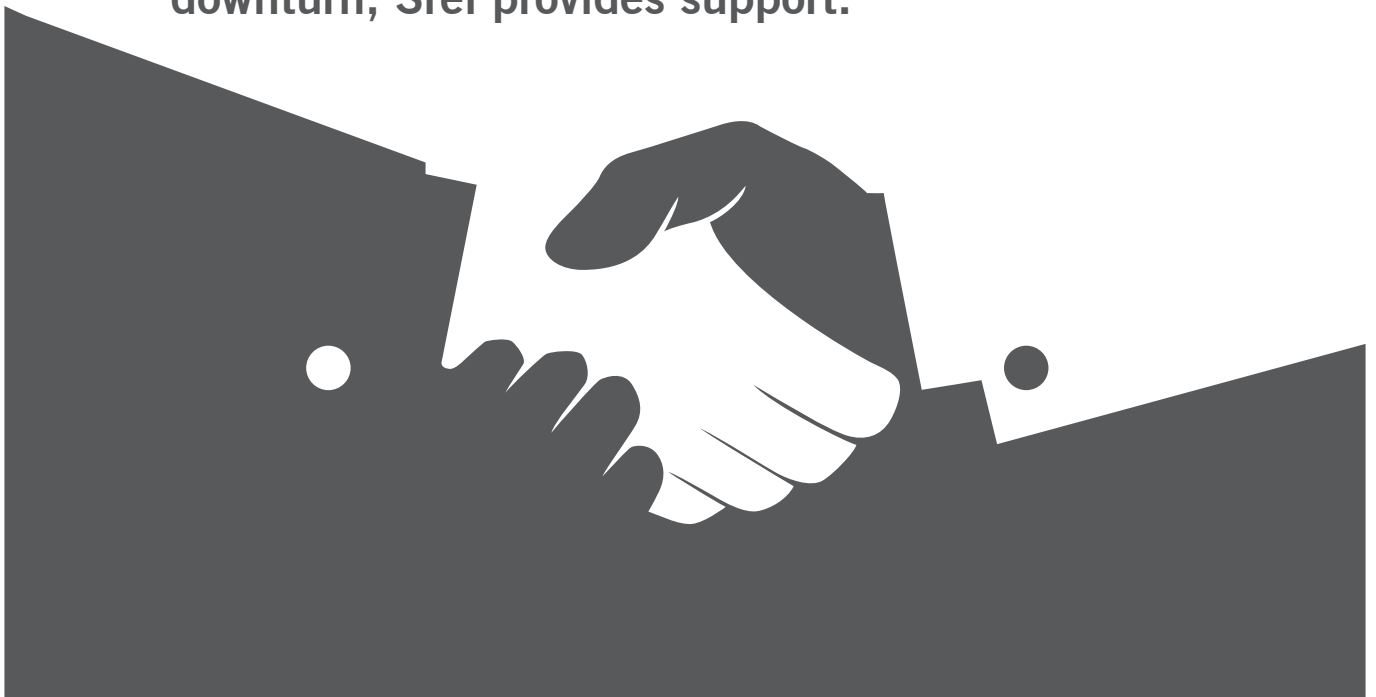
**For those entrepreneurs willing to explore the ocean of opportunities in the infrastructure space, Srei has always been a willing partner.**

**When entrepreneurs and enterprises need funds for infrastructure ventures, Srei extends finance.**

**When entrepreneurs and enterprises need guidance, Srei adds value with timely advice.**

**When entrepreneurs and enterprises seek to grow their business, Srei identifies relevant opportunities.**

**When entrepreneurs and enterprises encounter a downturn, Srei provides support.**





**ENCOURAGE. ADVISE. SUPPORT.  
EMPOWER.**

**TRANSFORMING JOB-SEEKERS  
INTO JOB-CREATORS.**

**THAT IS WHAT SREI HAS BEEN  
DOING CONSISTENTLY.**

**ACROSS VICISSITUDES. ACROSS  
GEOGRAPHIES. ACROSS TIME.**

**AND IN DOING SO, EVOLVED  
FROM AN EQUIPMENT FINANCING  
COMPANY INTO ONE OF INDIA'S  
LARGEST HOLISTIC PRIVATE  
SECTOR INFRASTRUCTURE  
INSTITUTIONS.**



# FROM THE WOMB OF ENTREPRENEURS DO ENTERPRISES EMERGE.

The story of most infrastructure financing companies in India is common.

They finance a customer, the customer buys equipment, the customer deploys the equipment, the livelihood generates a surplus, the customer repays the financier. End of story.

At Srei, we recognised that we would not stick to this conventional script; if we did, we would miss a larger opportunity.

We could have emerged successful in a narrow quarter-on-quarter sense; we needed to emerge as a 'prosperity for all' enabler for our customers, society and country.

So even as most infrastructure-financing companies continued to create satisfied customers, Srei went one step ahead: it empowered entrepreneurs and enterprises instead.

So even as the usual infrastructure-financing companies continued to build bottomlines, Srei helped in building the nation.





## **AT SREI, THE OPERATIVE WORD IS JUST ONE. 'PLUS'.**

**A usual financier seeks an adequate financing spread;  
Srei focuses on driving customer success.**

**A usual financier prioritises loan recovery;  
Srei focuses on maximising customer's resource efficiency.**

**A usual financier is driven by the transaction;  
Srei focuses on building a better tomorrow.**



# **HOW DO YOU STRENGTHEN A 1.27 BN NATION? BY EMPOWERING ITS PEOPLE.**

**At Srei, the words ‘infrastructure institution’ is not adequate.**

**In effect, we are a holistic infrastructure institution.**

**What we really do (apart from evidently enabling to build infrastructure) is help aspiring entrepreneurs overcome challenges, encourage different approaches and graduate to the next level.**

**Now multiply this by millions of such instances across the country’s landscape.**

**The result? More than just a business: a transformational graduation to a higher level.**



# **INDIVIDUALS ATTEMPT; PARTNERSHIPS ACHIEVE.**

**It takes more than financial capital to transform an idea into a winning business.**

**It takes intellectual capital. It takes networking capital. It takes experience capital.**

**Most aspiring entrepreneurs seek these diverse competencies.**

**Srei holds their hands like a true partner; helps them with its rich 27-year experience in the infrastructure domain.**

**Which means that the customer can tap into Srei's rich management bandwidth – anytime and anywhere.**

**Which means that when it comes to the grind of competitive business, behind every such individual entrepreneur stands a giant support.**



# SREI INFRASTRUCTURE FINANCE LIMITED. EMPOWERING ENTREPRENEURS AND ENTERPRISES.

## Inception

Srei started operations in 1989, a couple of years before economic liberalisation and a decade before the word 'infrastructure' was to even figure in every-day use. In doing so, the Company emerged among India's first privately-held infrastructure financing companies.

## Leadership

The Company's vision of creating a holistic infrastructure institution is stewarded by Mr. Hemant Kanoria (Chairman and Managing Director) and Mr. Sunil Kanoria (Vice Chairman) teamed by competent and high quality multi-vertical professionals.

In the last 27 years, the Company has emerged as India's largest

private sector infrastructure financier accounting for more than 30 per cent market share of the country's equipment finance business and a preferred partner for most global Original Equipment Manufacturers (OEMs) entering the country.

Srei is as an 'Infrastructure Finance Company' and a 'Public Financial Institution'.

## Offering

Srei possesses an extensive presence across the country's infrastructure value chain:

- Srei advises structured financing solutions that mitigate risks while meeting the unique financing needs of customers
- Srei ideates, develops and

executes infrastructure projects

- Srei designs strategic equity solutions for infrastructure projects
- Srei provides in-depth project and investment banking advisory solutions

## Visibility

Srei (headquartered in Kolkata, India) has branches across the country.

Srei's shares are listed on the Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Calcutta Stock Exchange (CSE).

## MILESTONES

1989	1992	1997	2005	2008
Started operations and identified infrastructure sector as the core business	Initial Public Offering. Currently listed on all major Stock Exchanges BSE, NSE and CSE	International Developmental Institutions - IFC, Washington (World Bank Group); DEG (owned by Govt. of Germany) and FMO (owned by Govt. of Netherlands) invested as strategic equity partners	First Indian NBFI to list on the London Stock Exchange	Joint Venture with BNP Paribas for the equipment financing business



### Vision

To be the most inspiring global holistic infrastructure institution.

### Mission

To be an Indian multinational company that provides innovative integrated infrastructure solutions.

## VALUES

### Customer Partnership

Intense customer engagement, affection and understanding, facilitates us to create a mutually profitable partnership.

### Respect for People

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

### Integrity

All our actions are guided by principles of highest standards of moral values and we are committed to ethical practices.

### Stakeholder Value Enhancement

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

### Passion for Excellence

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

### Professional Entrepreneurship

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

2009	2010	2011	2012	2014	2016
Strategic partnership with Tata Group for the Passive Telecom Infrastructure business	Synergistic integration of Srei and Quippo to create a fully integrated holistic infrastructure institution	'Infrastructure Finance Company' and 'Public Finance Institution' status	Received Certificate of Registration for Mutual Fund (Infrastructure Debt Fund) from SEBI	Received Certificate of authorization from RBI to set up, own and operate White Label ATMs	Equipment Financing arm has become 100 per cent subsidiary; BPLG acquires 5 per cent in Srei



# **CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE**





## Dear Shareholders

Finally, we have again started to see a distinct improvement in the economy and more specifically in the infrastructure sector after a lull for the past few years. Infrastructure being the key area for development of any economy will always be at the centre-stage in the country's growth.

We are still witnessing that banks and financial institutions or the infrastructure players who have not been able to comprehend the complexities of the sector and risks within it, still grappling with unresolved issues; whereas Srei, fortunately and strategically, focused on the infrastructure sector for more than two decades, has been able to steer clear of any major problem.

We have crossed many major milestones in our journey so far and we are ready to accelerate faster, now that we have both the expertise and the experience.

The year under review has been eventful for us as we have successfully concluded the share sale transaction of Viom, harvesting Rs. 2,931 crore and we have also been able to complete the purchase of the entire shareholding of Srei Equipment Finance Limited from BNP Paribas Lease Group (BPLG). Furthermore, BPLG has also now become a shareholder of the parent company Srei.

### Economy outlook

While global growth improved marginally during the year under review, the Indian economy managed

to clock a 7.6 per cent GDP growth making it the world's fastest growing major economy. The growth in India is primarily consumption driven with the increase in per capita income and to some extent by the capital expenditure undertaken by the government. Taking advantage of the drop in international oil price during the year under review, the government excelled in fiscal management by adhering to its targets, rationalising subsidies selectively, expanding investment in infrastructure and widening the scope of social security net. However, muted global demand has resulted in 17 consecutive months of declining exports from India and a consequent excess capacity in the manufacturing sector. Industrial growth has remained subdued leading to almost no new investment towards capacity creation. The Reserve Bank of India (RBI) has maintained an accommodative monetary policy and since January 2015 RBI has reduced Repo rate by 150 basis points, but unfortunately fresh capital investments by the private sector is yet to pick up. International oil price is once again moving up, and although this trend has been predicted to be temporary by experts, it may marginally affect the fiscal situation. In addition, its impact on inflation will also influence RBI's decision on any further interest rate cut.

On the global economy front, policy tools towards fuelling domestic demand have taken divergent paths. USA signaled an end to its quantitative

easing (QE) programme through an interest rate hike, but to ensure the sustainability of the domestic recovery, the Federal Reserve has assured an accommodative monetary policy. Meanwhile, European Central Bank and Bank of Japan have continued with QE and have also introduced negative deposit rate to fuel domestic demand. China, in its bid to switch from an investment driven to a consumption driven economic model, has to deal with risks in the financial markets (bad debts and bond defaults), asset bubbles in its property market and excess capacity in the industry. On the commodity front, while crude prices have started moving up, non-energy commodity prices remain stable with a hint on the upside. Steel prices, meanwhile have firmed appreciably. Gold prices remain elevated on safe haven demand. Of late, portfolio flows seem to be returning to debt and equity markets of emerging market economies.

Like previous years, the management of your Company has been actively tracking all these developments. Being a company with international footprint and having multiple foreign funding channels, it is imperative to track international capital flows so that we can manage our forex risk judiciously.

### Business outlook

The policy stalemate that had gripped the nation a few years ago is certainly over now. The present government has brought a sense of purpose and urgency to its functioning. A series



of reforms and practical guidelines spanning multiple sectors has once again got the global investor community interested in the India Growth Story. It is no coincidence that the inbound foreign direct investment (FDI) to India has reached a record high during the year under review. Though gross domestic product (GDP) growth has been mostly consumption driven, in recent times key economic indicators like volume of cargo traffic at ports, sale of two-wheelers, three-wheelers and commercial vehicles, cement production, steel consumption, among others, point towards a nascent recovery on the investment side too.

On the infrastructure front, the government has announced a number of sectoral schemes, stepped up public investment, re-started many stalled projects and ushered in a sense of competitive federalism. The government has even roped in governments of other nations to jointly implement key flagship infrastructure projects. In addition, the government has conceptualized new investment vehicles which can channelise funds from India and abroad into India's infrastructure projects. These are poised to open up huge opportunities in the infrastructure sector which augur well for your Company.

Nevertheless, the banking sector, which has been the main source of debt for Indian infrastructure projects, is saddled with a large stressed assets portfolio and thus has limited lending ability in the sector

at present. Resolving the banks' problems can propel the economy into an even higher growth trajectory.

During the year under review, one of the key reforms undertaken to address this problem has been the introduction of the Insolvency and Bankruptcy Code. This will enable both genuine borrowers and lenders to resolve problems expeditiously, thereby preventing the asset or portfolio from being a drag which would have eventually resulted in a stalemate. However, the Code calls for some pre-requisites in the form of new institutions and a new cadre of insolvency professionals which may take some time to fructify. Thus, realistically speaking, the stressed asset problem is likely to linger on for some time. But once the Code comes into force, it will open up many new opportunities for your Company. The Code will enable change in management of many stressed infrastructure assets and Infrastructure Finance Companies (IFCs) like Srei, which have specialized skill sets in managing infrastructure assets, will be well equipped to take charge of such assets and then attempt a revival. The management of your Company is actively tracking the developments on this front.

The government's efforts to push land and labour reforms by encouraging state governments to frame their own policies is a strategic masterstroke and can do wonders for industrialization and infrastructure. The government also deserves credit for its attempts to

enhance the 'ease of doing business' through better centre-state co-ordination. The government has done well in improving the tax administration and its immediate aim should be the roll-out of the Goods & Services Tax (GST) within 2016-17. A predictable tax regime can do wonders in reviving the investment climate and providing a spurt to entrepreneurship.

To sum up, the business scenario is much better today than what it was during the last 3-4 years. A strong foundation for long-term growth is being laid. Things can only get better from here onwards. Corrective action is being taken on several fronts sector-wise and this is paving the way for a more mature and robust public-private partnership (PPP).

## Company outlook

During the year under review, your Company posted an income of Rs. 3,262 crore and registered net profit of Rs. 72.52 crore. Your Company's consolidated disbursements stood at Rs. 14,533 crore, a growth of 15.84 per cent over Rs. 12,546 crore in 2014-15. The total consolidated assets under management were at Rs. 36,702 crore. Taking cognizance of the macroeconomic scenario, the management consciously adopted a cautious approach and exercised extreme prudence in its disbursements. The quality of loan portfolio has been consistently improving and stressed clients are being closely monitored towards prudent recovery.



One of the high points of your Company during the year under review has been the stake sale in Viom Networks Limited to American Tower Corporation. The overall transaction worth Rs. 7,600 crore resulted in a total FDI inflow of Rs. 5,856 crore into the telecom sector, out of which Srei has received a total amount of Rs. 2,931 crore. However, the deal got consummated in April 2016 and the realisation will get reflected in Srei's Q1FY17 results. This cash inflow is happening when the investment scenario in the economy has started looking up. Your Company will reduce its debt and interest burden and at the same time take exposure in new infrastructure projects.

Your Company has been making strategic investments from time to time and has always followed a strategy of harvesting such stakes at the opportune moment. The management is vigilant of such opportunities and will opt for strategic divestments whenever the right opportunity beckons.

The other major development during the year under review has been the consummation of the purchase of 100 per cent shareholding of Srei Equipment Finance Ltd. BNP Paribas Lease Group decided to sell its 50 per cent shares in Srei Equipment to the parent company, Srei Infrastructure Finance Ltd., in lieu of a 5 per cent stake in the parent company. This will once again put your Company in full charge of the asset financing business. Meanwhile, BPLG, through

its stake in the parent, will get an opportunity to have a share of the entire infrastructure pie in the country. While expanding its presence in the infrastructure project financing business, your Company also stands to gain from skill sets and global best practices that BPLG brings to the table among other benefits. The formalities of the process have been completed.

I strongly believe that tomorrow's innovations will be a result of how effectively human intellect can leverage modern technology. Technology will be the key differentiator in every sphere of life and work. Therefore, to stay ahead of competition, the management of your Company is investing in creating a state-of-the-art- technology platform and at the same time devoting time and energy in training our people to stay abreast with technology. A core group within the Company is overseeing the progress on this front. The members of the group are also in touch with experts in this field.

Now that RBI has issued draft guidelines for on-tap license for universal banks, your Company is keenly following the developments on that front. A detailed evaluation on the pros and cons will be carried out after the final guidelines are announced before any further step is initiated. The investment in technology and manpower is made with an eye on the possibility of expanding the financial sector bandwidth.

Let me conclude by reiterating that good times are ahead for our Country.

Many systemic problems are being taken care of with imaginative and practical solutions, which will pave the way for robust growth and it will be fuelled by a healthy mix of both consumption and investment. PPP will emerge stronger in the infrastructure creation process and your Company will be ready to tap the opportunities that will unfold.

We look forward to your continued support in our future endeavours.

Thank you.



**HEMANT KANORIA**

Chairman & Managing Director



**“OUR PARTNERSHIP ETHOS  
HELPED STRENGTHEN THE  
BUSINESS IN A CHALLENGING  
YEAR”**



Sunil Kanoria,  
Vice Chairman, Srei Infrastructure Finance Limited,  
analyses the Company's 2015-16 working



**Q How would you assess the performance of the Company in 2015-16?**

**A** Before I come to the corporate performance, it is pertinent to talk about the state of the entire Indian infrastructure sector. Following a disastrous 2011-12, the sector's governance was extensively compromised resulting in complete stagnation. Besides, there were other challenges to address: land acquisition issues, high debt cost and stressed Balance Sheets of most infrastructure companies. Prominent Indian financial institutions shied from lending to the sector thereafter and growth in this sector came to a virtual standstill. Srei's performance has to be appraised against this context. 2015-16 was a year of managing risk and consolidation for Srei.

**Q What were some of the business-strengthening corporate initiatives during the year under review?**

**A** Srei has always been a strong believer in the ethos of building partnerships with all stakeholders. This virtue helped us tide over difficult situations in the past and every time we emerged stronger. This time too it paid off. Strengthening customer relationships has always been a focus area of Srei's growth story. It was tested in 2015-16, but I am happy that we did not deviate from our principle. As a lender, it would have been convenient for us to accept that customers would be challenged and take a decision in not servicing their

loans during the slowdown. At Srei, we chose to strengthen our consultative role with the customers during this critical juncture, evaluated customer cash flows, helped them redeploy idle assets and assisted them exit specific projects. The result is that by helping customer manage their cash flows, we were able to manage ours; by ensuring that our customers stayed viable during the slowdown, we ensured that we remained profitable. The year under review was even more challenging for the SME and mid-level customer segments. But we stood by them and supported them in weathering the storm.

The other reason for our relative success in a challenging sector was employee retention. It is the collective knowledge, wisdom and intellect of the employees that constitutes the core strength of Srei. We have always cared for our employees and ensured that we do not lose our key employees. As the cycle improves, we expect to be better prepared to address emerging opportunities with speed and effectiveness.

**Q What were the other developments at Srei in 2015-16?**

**A** The financial year was marked by two other major developments. For a number of years, we have been building our investment book with the objective of timely and attractive monetisation. We made prudent investments, we built businesses, we made them profitable

and we said that we would exit them at the right juncture. During the year under review, we made a sizable divestment, sending out a strong signal to the markets that our book comprises companies with excellent value, that this value can be monetised and that this monetised value can translate into enhanced shareholder value.

**Q How would you describe the divestment?**

**A** Viom was India's first independent tower sharing company that we progressively built into one of the country's most impressive passive telecom infrastructure businesses. The divestment (Rs. 2,931 crore for Srei's share in the Company) increased Srei's cash flow. We expect to moderate our debt (and interest), augmenting our net worth, strengthening our credit rating and, moderating our borrowing cost and right sizing our foundation for scalable and profitable growth.

In another corporate development, BNP Paribas Lease Group, 50 per cent shareholder in Srei Equipment Finance Ltd., announced its intention to sell its entire holding in lieu of 5 per cent equity in the parent company. As the infrastructure in the country is turning around, BPLG will benefit from Srei's exposure in the infrastructure sector. On the other hand, Srei will regain 100 per cent shareholding in SEFL. Srei will enjoy direct control of the entire fund-based segment of the infrastructure business. Besides, this will enhance shareholder value through a 100 per



## Our business model

### Customer proximity

**Role:** We do not merely finance their equipment; we play the role of friend, philosopher and guide.

**Implication:** Understand their business, associated risks and cash flows

**Result:** Srei encouraged prudent asset redeployment in the event of any project becoming stressed.

**Role:** We work closely with Original Equipment Manufacturers

**Implication:** The objective is to be present at their points of sale, offering the financing option at the time of equipment sale

**Result:** Srei emerged as the preferred financier for equipment companies.

**Role:** We are present across the entire infrastructure value chain (from equipment financing to project financing to advisory services)

**Implication:** This enhances the scope for identifying synergies, enhancing cross-selling

**Result:** Srei carved out a larger project share.

**Role:** Moderating costs

**Implication:** Balance a mix of wholesale funding and debt instruments; rationalise overheads.

**Result:** Srei reduced the investment period break-even and enhanced viability across multiple economic cycles

**Role:** Monetise investments.

**Implication:** Enhance liquidity, profits and fiscal comfort

**Result:** Srei exited Viom at Rs. 2,931 crore (the deal was completed in April 2016).

**Role:** Robust risk management system

**Implication:** Moderate NPAs and other business risks.

**Result:** Enhanced return on capital in excess of the industry benchmark.

cent consolidation of the infrastructure equipment finance business and profits with Srei.

### Q Where does the sector go from here?

**A** I keep interacting with investors from around the world and I can say with a great degree of certainty that the new government's actions have caught their attention – they are once again following every development in India very keenly. India's growth rate and the growing market size make India a very attractive investment destination. Indian infrastructure is capable of providing international investors opportunities for long-term investments.

The infrastructure sector had almost come to a standstill during the last few years of the previous government. The new government has taken a number of initiatives to set the ball rolling again. The overall sentiment is positive now, but I feel that a full-fledged revival for the infrastructure sector is still some time away. Some structural problems and fundamental issues are still to be addressed. The major problems are financing and dispute resolution

### Financing

So far, the banking sector has been the principal source of debt for infrastructure projects, but now that the banks, especially the public sector banks (PSBs), are saddled with high levels of stressed assets, new infrastructure projects may take more time to take off. RBI and

government have demonstrated a nice co-ordination and acted in tandem to infuse life into the process of infrastructure creation. While the government has done a lot in terms of re-starting stalled projects, RBI has introduced the 5:25 scheme for banks to reduce their exposure in infrastructure through refinancing and take-out financing, allowing banks to also go for strategic debt conversion (SDR). A Bankruptcy Code has also been drafted so that stressed infrastructure projects can opt for a management change in their bid for a turnaround.

The announcement to form the Rs. 40,000 crore National Investment and Infrastructure Fund (NIIF) in Union Budget 2015-16 was a major step. NIIF will build greenfield and brownfield projects and revive stalled projects. Indian government's share in the corpus will not exceed 49 per cent, the rest to be owned by private players. Sovereign and pension funds from Russia, Singapore, the UK and the UAE are among those to express an interest in NIIF.

The announcement of new investment vehicles like Infrastructure Debt Funds (IDFs), Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs) generated a lot of enthusiasm. These are all various refinancing vehicles whose time has come for an infrastructure-deficient country like ours. However, these structures need to be equipped with the right policy framework to facilitate



them to be effective. To make these schemes effective, all departments and agencies of the government need to work together, otherwise the “good intention scheme” could remain unimplemented. This has happened with IDFs. InvITs and REITs have also not quite taken off because of the issue of multiple taxation and constraints in terms of tapping foreign investments. InvITs received a much needed push in this year’s annual budget, which announced that any distribution made out of the income of special purpose vehicles (SPV) to InvITs having specified shareholding will not be subjected to Dividend Distribution Tax (DDT). A domestic InvIT can raise long-term funds from unit holders, helping developers unlock value in their operational or completed projects or repay debt associated with those projects. I sincerely believe that vehicles like IDFs and InvITs will undergo further regulatory changes and things will improve. Our policy-makers are gradually realizing how relevant these are for the creation of quality infrastructure.

Going forward, I feel specialist players like Infrastructure Finance Companies (IFCs) will evolve as major players in infrastructure financing. IFCs should be supported through streamlining of regulatory, policy, taxation, financial and legal issues.

#### **Dispute resolution**

In India, redressal of infrastructure-related disputes is an arduous process and often takes years to

get resolved. Unlike most countries, India’s infrastructure creation has witnessed large-scale private sector participation. In the last two decades, PPP has played a central role in India’s infrastructure creation. However, in the process, certain mistakes were made, which led to long-standing disputes. There is an urgent need to learn from the mistakes, resolve the disputes and move on. With administrative decisions being liable for various investigations, the government officials prefer implementing only such decisions which have court endorsements, which again takes up lot of time as the courts already have a huge backlog of pending cases to deal with. The way out of this is to establish an ‘Infrastructure Dispute Redressal Tribunal’ to fast-track dispute resolution pertaining to infrastructure projects. This will immensely speed up dispute resolution and relieve the already-busy courts, therefore avoiding long-drawn litigations. This would unlock investments in a number of stuck projects and also help in easing the problem of stressed assets in our banking system. A system like this will also inspire confidence among investors and our country would be able to attract more investments from the private sector, domestic and foreign, into infrastructure.

To sum up, I sincerely believe that if the problem areas that I mentioned get addressed expeditiously, India will witness a new and far more vibrant phase of infrastructure growth. Going

forward, the dependence on bank funding for debt capital is likely to come down. The Government must ensure a quick implementation of the Bankruptcy Code as that will substantially add to the comfort level of potential investors. A roll-out of the Goods and Services Tax (GST) will also bring in a high degree of certainty on the taxation front. Putting in place a dispute resolution mechanism could be the proverbial icing on the cake.

#### **Q How is Srei geared to address this opportunity?**

**A** I am positive about Srei’s performance for some good reasons. Our intangibles (relationships, knowledge and sectoral presence) are in place. Our tangibles (enhanced liquidity and low-cost structure) are attractive. We expect a combination of these will generate stronger and more sustainable growth for Srei across the foreseeable future.

More importantly, now that the Bankruptcy Code has been passed by both houses of the Parliament, I expect whole lot of opportunities to open up for the NBFCs, especially for the IFCs. Once the Bankruptcy Code gets implemented, we will witness a whole of infrastructure assets changing hands. There will be change in management in a bid to revive stressed projects. The IFCs, with their inherent strength and expertise, are poised to play a very important role in the revival of infrastructure assets. Srei will definitely benefit from such a development.



# **FACILITATING PROFESSIONAL ENTREPRENEURSHIP WITHIN.**







**'M**ake an entrepreneur to create an entrepreneur' goes an old Srei saying.

We believe that this patient distillation is the result of prudent recruitment, development, motivation, retention and team-working.

We recruit for attitude; we train for aptitude.

We provide more than training; we provide experience-enriching business opportunities.

We provide more than team support; we provide a swim-or-sink reality that makes our people mature faster.

We create more than employees; we groom entrepreneurs.

So that when they go out and work with customers, they evangelise that distinctive alchemy that

transformed them from employees into entrepreneurs.

### It all starts with culture

At Srei, we believe that at the heart of the entrepreneurship process lies culture-rich distinctive culture.

A culture that influences how we outperform, how we see opportunities in challenges and how we delight customers.

This culture is not what happens by chance; it is the result of disciplined talent recruitment, training, mentoring, stretch assignments, a responsibility-authority balance and providing an adequate recognition platform.

This motivating Srei environment embraces challenges, is prepared to walk the road less travelled and is motivated by the bigger picture.

## 1 Acquisition

Srei casts a wide recruitment net.

The Company plugs vacancies from within and lateral engagement.

The Company's website careers page and social media attract talent.

The Company prospects candidates through diverse tests (problem-solving puzzles, logical games, aptitude tests and cross-panel interviews).

The Company partners premier business schools (like ISB and others) for selective campus recruitment.

The result is that Srei has been able to engage the right professional in the right position in the right environment with the objective to transform customer destinies.



## 2 Induction

Srei's 'Design for Success' employee orientation programme educates new members in a distinctive Srei way of doing things.

The Company's culture, procedures and policies.

This assimilation is categorised (pre-joining assistance, joining assistance and on-joining assistance).

They are welcomed by a talent acquisition manager and department manager, following which buddies are allocated. The Group Orientation Programme sets the tone for the Srei employee to hit the ground running.

## 3 Development

Srei builds capability across categories following exhaustive discussions with business leaders.

One, work excellence, which is derived through functional training

Two, personal excellence, which is derived through individual efficiency enhancement

Three, people and business excellence, which is derived by building people management capabilities

This capability-building curriculum makes it possible for Srei to catalyse learning, accountability and development to systematically address organisational priorities.

## 4 Communication

At Srei, we pride on our transparency, accessibility and responsiveness.

Our Town Hall platform engages, listens and shares with employees, making it possible to bridge the pan-organisational functional gap.

Srei 'Let's Connect' engagement (generally around Diwali) invites employee queries for the senior management that enhances strategic clarity.

Srei actively uses the social media (Twitter and What's Buzzing Srei) to provide announcements and updates; the Company's quarterly newsletter captures employee and sectoral developments.

## 5 Care

The Swasth Srei initiative protects employee health and wellness through information sharing, underscoring that wellness can be enhanced through a collaborative engagement.

The Swasth Srei Health Index was launched by

medical professionals to measure individual and organisational health scores and drive positive change through behavioural transformation.

The Swasth Srei initiative enhanced employee awareness, suggested improvements, helped manage chronic health conditions and provided therapeutic support.

## 6 Engagement

At Srei, we believe that successful organisations blend work with fun, the very basis of sustained outperformance.

The evident rationale for this blend is de-stressing; at a deeper level, we believe that if people feel relaxed at work, they are likely to give their best; if they are cheerful at work, they are likely to be more composed in a crisis.

In view of this, Srei celebrates various events and major festivals through interactions, games, gala lunches and dinners, enhancing organisational morale.

## 7 Recognition

At Srei, we believe that recognition represents the foundation of morale-enhancement that can translate into deeper customer engagement and delight.

This recognition has been institutionalised; the Company's Srei-O-Utsav felicitates outstanding performers; its 'Sarvottam' and 'Uttam' awards recognise the 'extra milers' to promote individual and team excellence.

Our spot recognition programme Srei Shabash comprises appreciation cards that can be awarded to employees across hierarchies for day-to-day accomplishments.

## 8 Grooming Leaders

LEaD, Srei's people development platform, prepares high-potential candidates with the objective to develop a leadership pipeline through the following activities: selection of potential team leaders; enhancing skills to strengthen the bench and catalysing cross-organisational collaboration.

Srei's 'Managing Self and Team Performance' workshops on self-awareness equip individuals to manage teams and challenges, balancing competitiveness and cooperation in the pursuit of success.



## FACILITATING PROFESSIONAL ENTREPRENEURSHIP

"I joined Srei as Chief Manager in 1997.

Over the years, I have worked in various functions: accounts, audit, information technology, risk management, operations, sales and general business.

The result: a 360-degree perspective of the Company's operations.

I became Head of Operations in 2000. Chief Operating Officer in 2003. Chief Executive of Asset Finance in 2006. Chief Executive Officer of Srei Equipment Finance Limited since 2008.

Five years from now, I see myself helping Srei emerge as the largest and most profitable financial institution in the country."

**D.K. Vyas** is now Chief Executive Officer at Srei Equipment Finance Limited



**When a company is 'owned' by its employees, some fascinating things happen**

When Himadri Bhattacharjya joined Quippo in 2005 as the business head of Eastern India, this appeared to be another usual appointment.

But for a difference. In a promoter-owned company, he was being given a carte blanche. His one line brief: 'Grow the business whichever way you wish but by adhering to Srei values.'

Except that there was no growth in this part of the country. Sniggers abounded. Sceptics prevailed.

Himadri hit the road. Interfaced with contractors. Marketed to project owners. Enhanced regional visibility. Bid aggressively. Was among the first to materialise wherever a new project was being considered.

Within six months, Eastern India was a revenue driver for Quippo; within a year, the zone was the Company's largest.

Over time, Himadri was promoted to lead Quippo. Now even bigger things began to happen; the young company emerged national leader with a 30 per cent-plus market share.

Emphasising the point that a company grows fastest when it is 'owned' by its employees.

**Himadri Bhattacharjya** is now Managing Director, Quippo.



"I joined Srei as Assistant Company Secretary in 2000.

The journey was marked by learning, compliance with corporate laws, implementing best-in-class governance practices, interacting with regulatory bodies and contributing strategically across levels.

From a two-person team, we are now a full-fledged department comprising qualified professionals.

I can claim that I am the 'CEO' of my space.

The next target is to claim a place among the leading corporate governance-compliant entities.

For the last eleven years I have been working as the Company Secretary of Srei Infrastructure Finance Limited."

**Sandeep Lakhota** is now Group Head & Company Secretary at Srei Infrastructure Finance Limited.



VV Ramana walked out of college and joined Srei in 1997.

The designation on his card said 'Management Trainee'.

Except for a curious reality. Srei didn't treat him like one.

The mining sector was opening up; he was given a challenging assignment.

When he had achieved his business financing target, he was given a bigger challenge.

When he had addressed that, he was given a new designation.

Except that it made no difference to Ramana. He felt as he always did - 'owner' of the Company.

Helping fast-track the Company's equipment finance business within the mining sector.

Emphasising the point that when professionals think like entrepreneurs, the one big expense is one's visiting card.

**VV Ramana** is now Head, Business at Srei Equipment Finance.









**W**hen Srei went into business, it was among the first private companies in India to provide equipment financing solutions to tentative small-time contractors.

Not that this was an evident business opportunity.

Projects were small. Investments were sporadic. The concept of overarching national 'infrastructure' was still a decade away.

In this challenging environment, Srei did not just address an existing market; it helped create one.

By specialising in the space. By dispersing branches pan-India. By selecting to work out of rural and semi-urban locations closest to growth.

By addressing its pitch at employees turned entrepreneurs. By positioning its branches as 'incubation centres'. By recommending equipment selection. By advising business strategy. By suggesting profitable idle asset deployment.

The result is that many of Srei's employee-mentored customers have since become multi-business and multi-region contractors employing hundreds to work for them.

Srei's friend-philosopher-guide positioning has generated an unexpected payback. More than 25 per cent of Srei's financed equipment is directed at first-time buyers; almost 60 per cent of its disbursements of 2015-16 were generated from longstanding customers.

Emphasising the point that when you invest selflessly in the intangible, the returns can be rich and enduringly tangible.

## AN INCUBATION CENTRE FOR ENTREPRENEURS

### Panchanan Naskar

From a small village near Madhyagram, a Kolkata suburb.

Started as a labour contractor.

Borrowed margin money from relatives and family. Bought the first JCB backhoe loader financed by Srei.

When relatives heard of the cost (Rs. 22 lakhs) they wondered whether he would go bankrupt.

Today Panchanan has three such machines. Employs eight people.

And is looking to buy another machine.

All in seven years!

Entrepreneurship makes amazing things happen

### Harish Jayshankar Rawal

Born into a farmer's family in Lalpur (Saurashtra).

Even as the family owned a few tractors, he gathered the courage to buy his first backhoe loader (L&T- Case 583) in 1996.

Financed by Srei.

Thereafter, he acquired a JCB BHL that was rented profitably.

Thereafter, Srei funded 15 tractors in 2003 (following which the Srei CMD nicknamed him Srei Brand Ambassador).

Today he owns a fleet of more than 110 CE; Srei has financed more than 80!

Entrepreneurship generates respect.









Quippo positioned itself as a holistic equipment management company. It empowered small contractors to rent equipment from Quippo.

## QUIPPPO MADE HANDHOLDING EASY

**A**t Srei, we didn't just finance the equipment ownership needs of customers. We provided them with a holistic solution instead.

For instance, a number of small customers were unsure of acquiring equipment because of the erratic nature of projects (and hence incomes); they needed a comfortable rental solution instead.

Quippo positioned itself as a holistic equipment

management company. It empowered small contractors to rent equipment from Quippo. Conversely, it encouraged contractors with idle equipment to rent to other operators through Quippo.

Quippo's rental solution minimised capital investment, eliminated storage costs, strengthened Balance Sheets and handheld tentative first-time contractors to graduate to equipment ownership (financed by Srei).

## DRIVING THE SPIRIT OF ENTREPRENEURSHIP

Ram Singh (Jhansi) was a Transit Mixer driver.

He worked with Quippo for four years.

One day, he proposed to buy Quippo's Transit Mixers.

He could not pay upfront.

So Quippo arranged finance and deployment.

Ram Singh has since liquidated a substantial portion of his loan, increased his fleet and evolved into a respected entrepreneur.

Entrepreneurship accelerates.

S. Sriram (Tamil Nadu) was a piling rig operator who became a supervisor.

Quippo provided training.

And encouraged him to turn independent.

The result is that Sriram is now a successful entrepreneur.

Entrepreneurship enriches.

Dharampal (Uttar Pradesh) worked on temporary mason assignments.

He enlisted for the Quippo backhoe Loader training programme.

Employed as an operator.

Over time, he bought a used loader under an easy finance scheme.

He now owns a loader and has become an entrepreneur.

Entrepreneurs transform destinies.



# CREATING GRASSROOTS ENTREPRENEURS

**S**ahaj was established with a simple idea: to provide rural India's consumers with urban services.

For instance, villagers needed to travel long distances to pay utility bills. There would be one bank across a number of villages. And even when the villagers were willing to pay, there would be no channel through which they could remit.

Sahaj was a breath of fresh air. The service provided IT-based rural information services across agriculture, education, vocational training, health and hygiene. The rationale was that if rural Indians could be provided robust digital access, it would create sustainable livelihoods and create markets at the base of the country's economic pyramid.

Sahaj offered e-governance services, utility services, payments, deposits, insurance, financial services, and a host of e-information and e-learning facilities delivered through dedicated Sahaj Kendras (one for every six villages) operated by Sahaj Mitras, who are self-motivated village-level entrepreneurs.

Sahaj partners village level entrepreneurs to run 40,768 Sahaj Kendras in Assam, Bihar, Delhi, Himachal Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, Uttar Pradesh, Jharkhand, Tripura and West Bengal. It is now expanding the Sahaj Mitra footprint across 25 states leading to a pan-India presence.

Creating entrepreneurs in thousands of villages.

## DRIVING THE SPIRIT OF ENTREPRENEURSHIP IN BHARAT



### Mir Gulam

Mir Gulam did not complete his graduation and was unemployed.

But because he had done his O-Level computer course, he could launch a Sahaj centre.

Today, his Cybergram service has made 900 students tech-literate and employable. He offers services like e-district, National Digital Literacy Mission (NDLM), e-inclusion as well as PAN card, passport and insurance services.

Over the years, Mir Gulam has expanded his centre to a two-storey building employing 11 members to service more than 100 daily consumers.

The self-made Mir Gulam epitomises the Srei philosophy: if an individual possesses the will, the company charts the way.

Entrepreneurship made everything possible.





#### Jhumur Mondal

As a data entry operator, Jhumur Mondal earned Rs. 3,500 each month. Today, she earns 30 times that salary.

Jhumur partnered Sahaj in 2009 when very few Government to Citizen (G2C) service providers were there in the region. She offered services like paying electricity bills and insurance premium, railway and bus tickets booking, Direct to Home (DTH) entrepreneurship bridges in equity and mobile recharge facilities. From 2014, she began to provide G2C services, including services like e-inclusion for SC and ST individuals, e-inclusion for women, Cybergram and NDLM, among others. Her Cybergram service has provided computer education to more than 1,400 students.

For someone who was an employee, Jhumur now employs 40 individuals.

#### Shahidul Islam

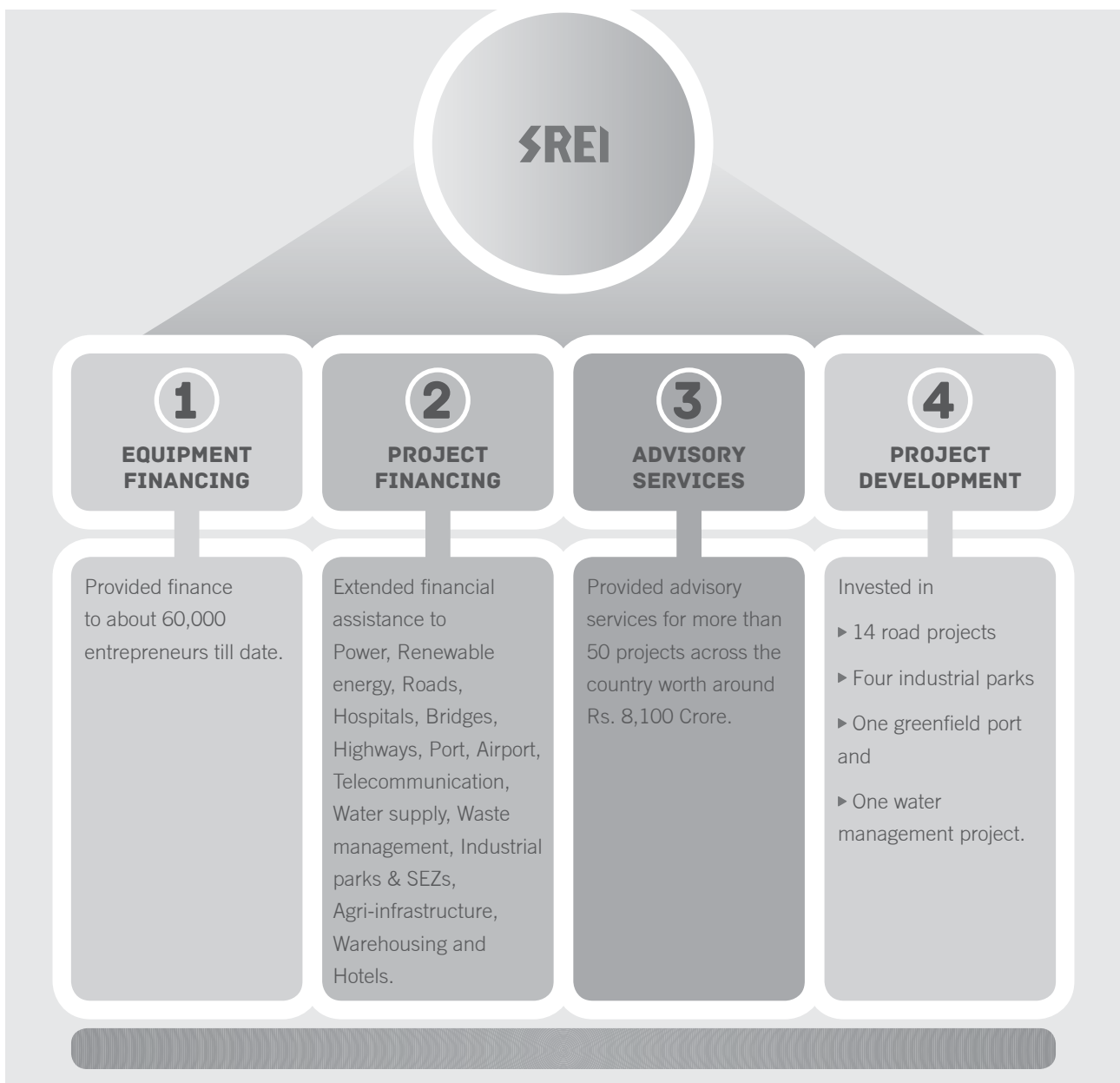
Shahidul Islam entrepreneured with Sahaj in 2008, offering services like electricity bill payments and life insurance premium collection.

As G2C services increased (Cybergram, NDLM, e-inclusion, among others), Shahidul started offering such services to villagers. His Cybergram alone has helped provide computer education to 5,000 students across two madrasas in Murshidabad.

Entrepreneurship made rural transformation a reality.



# SREI – PLAYING A PIVOTAL ROLE IN INDIA’S INFRASTRUCTURE DEVELOPMENT





# SWACH – AN INITIATIVE BY SREI IN THE REALM OF INTEGRATED URBAN SOCIO-ENVIRONMENTAL MANAGEMENT

**U**rban areas are hotbeds of economic activity in India. They contribute around 60 per cent of the total GDP and this figure is estimated to increase to 75 per cent by 2030. This indicates that considerable pressure will be exerted on the infrastructure of existing cities and towns, and new urban settlements will take emerge to address incipient demands. The 73rd and 74th Amendments to the Indian Constitution have mandated the formation of a three-tiered structure at the government level when it comes to delivering services like water supply, sanitation and waste disposal, among others. Local administrative bodies will form the bottom rung of this governance structure and will be responsible for planning, developing and delivering these services with the help of the State and Central Governments. Recognising the need for the massive technical, financial and managerial bandwidth required to carry out these tasks, the Central Government has planned to support local administrative bodies by teaming up with private players. This provides immense opportunities for a company like ours to play a pivotal role in nation-building.

SWACH has been a direct result of Srei's proactive mindset and initiative. Incepted in 2012 to provide qualitatively consistent, cost-effective, sustainable and integrated urban and environmental management services, SWACH has growing steadily within this brief period.

Leveraging the entrepreneurial legacy of the Srei Group coupled with best-in-class professional and technical skills, SWACH has emerged as one-stop shop for executing socio-environmental projects in the EPC and PPP spaces. Case in point: Nangloi Water Services Private Limited – a joint venture of SWACH and Veolia. Under this PPP initiative, an agreement was signed with the Delhi Jal Board in 2013 to provide potable water in Nangloi and surrounding areas of New Delhi for 15 years for an investment of around Rs. 560 crore.

SWACH now aims to extend its footprint across India in association with its technology partners in the field of municipal and industrial water treatment, solid waste management, and energy generation from waste, among others. SWACH has identified partners like Veolia, IDE, Kyeryong Construction Industrial Company Limited, among others, to team up

with and capitalise on their technical expertise. SWACH also intends to explore internal opportunities in Srei Group companies, working in the fields of SEZ, housing and other infrastructure sub-sectors.

With the Government of India expressing a fervent desire to take the level of urban services a few notches higher through various schemes like AMRUT, Swachh Bharat, Namami Gange and Smart Cities, SWACH and its partners are all set to emerge as key change-makers.

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SWACH has emerged as one-stop-shop for executing socio-environmental projects in the EPC and PPP spaces.



# HOW QUIPPPO IS FORGING MUTUALLY BENEFICIAL PARTNERSHIPS

**L**ike its parent company Srei, Quippo believes that entrepreneurship is the driving force of business sustainability. This applies not only to stakeholders like vendors, business partners, suppliers and customers, but also our employees and associates. The Company's promoter firmly believes in empowering teams and individuals because the Company believes in betting big on people who are capable of winning the game single-handedly. It defines an entrepreneur as an empowered, self-sufficient business leader. The Company is fostering this brand of entrepreneurship across levels, in the following manner:

► Young leaders are given complete responsibility in their areas of work. Today, Quippo has eight GETs (graduate engineer trainees) who are being groomed for taking up greater responsibilities. These trainees have the opportunity and access to work in multiple areas during the training period. Upon gaining sufficient exposure, they are eligible to fast-track their careers by taking up operational, technical and/or business development roles. The result is that its GETs are advancing themselves to assistant driller roles. Its technical head is a fast-

tracked GET from three batches ago. Current trainees are operating drilling rigs and also manning the head office control room on a 24/7 basis.

► The operating philosophy of the Company project management initiatives is to empower employees enough to undertake responsibilities – from order to execution. The business development team regularly engages with multiple stakeholders and identifies opportunities for showcasing proposals of diversification. It also undertakes measures to expand business verticals and enter MoUs, JVs and partnerships with external parties, driven by the fundamental principle of forging mutually beneficial partnerships. Consequently, Quippo has ventured to sign numerous such agreements and has entered the lucrative vertical of surface seismic acquisition services by providing rental equipment to players in the drilling industry. Furthermore, the team's integrated project management capabilities allow it cater to customers looking for a one-stop shop to execute their projects.

► A large part of Quippo's contracts entail engaging with third parties in diverse areas as manpower management, turnkey transportation,

catering, laboratory operations and effluent treatment. This allows the Company to engage with local entrepreneurs, limit disruptions and promote the corporate social responsibility agenda.

► Quippo's supply chain management team focuses not only on optimising costs, but also on making the best procurement choices. The team takes into account the life-cycle of the product, servicing required during its life cycle, the acceptability of its products and services and above all, the total life-cycle cost to determine how to add the most possible value and enhance profitability.

Moreover, it regularly reminds itself of its 'startup roots' so as to retain focus on essential elements and prevent itself from becoming bureaucratic or inflated in size.

As a responsible corporate citizen, Quippo is reinforcing its ties with the community at large. Many businesses, small and big, driven by individuals, entrepreneurs and corporations are engaging with us. This partnership approach has served our business well and we expect to continue leveraging this to fulfil our aims.



# ATTIVO ECONOMIC ZONE

**A**ttivo Economic Zones are the newest offering from Srei Infrastructure Finance and in the business of developing managing and marketing industrial parks. These zones, built using 'smart' urbanisation concepts, strike a delicate work-life balance and best-in-class industrial, commercial, residential and recreational facilities. With an aim to change the socio-economic fabric of the geographies of its presence, Attivo will cater to the incipient industry demands and raise the bar in terms of living and working standards. These zones are primarily financed by Srei and are marketed and/or developed in the following locations:

- ▶ AMRL Hitech City Limited, Tirunelveli, Tamil Nadu
- ▶ Attivo Economic Zone, Mumbai
- ▶ Attivo Economic Zone, Kharagpur, West Bengal

Attivo's economic zones are strategically located and enjoy excellent connectivity to ports and highways, offer robust plug-n-play infrastructure and ready access to a talented workforce.

AMRL Hitech City Limited, financed by Srei, is located on the NH#7, near

the Tuticorin port. Spread across 2,500 acres, it is a notified SEZ, with an adjacent domestic tariff area also in the works. Along with a well-developed road network, 24/7 power, and water availability, it also offers a top-notch sewage management system and storm water drainage network. It is an ideal investment destination for any corporate wishing to access the vast domestic market or capitalise on its inherent cost-competitiveness to export products and services to any part of the world at pocket-friendly logistics costs.

The Attivo Economic Zone, Mumbai, is poised to change the landscape of the region with its development. Spread across 350 acres in Alibaug, an attractive beachfront property, the Attivo Economic Zone, Mumbai, is being billed as a knowledge hub for IT/ITeS, biotechnology and education sectors along with premium residential and commercial properties. Currently, the project is under consolidation stage and would be on stream in two years.

The Attivo Economic Zone, Kharagpur is in the initial stages of development.

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The Attivo Economic Zone, Mumbai, is poised to change the landscape of the region with its development.



# INFRASTRUCTURE PROJECT DEVELOPMENT BUSINESS

**S**rei Infrastructure Project Development Business, with its presence across roads, ports, economic zones and water management, is a leading sponsor of Public-Private Partnership Projects Business in the infrastructure sector.

As one of India's leading highways concessionaires, the Project Development Business has an execution experience of 14 road projects worth Rs. 12,753 crore across 5,400 lane kilometres. The Company manages a well-diversified BOT Asset Portfolio of over 3,200 lane kilometres with a total capital cost of over Rs.

9,500 crore. These are completed, or ongoing, in consortium with reputed domestic and acclaimed international partners under the PPP framework.

These diverse mix of annuity and toll-based projects have been awarded by various State Governments, the National Highways Authority of India (NHAI) under the National Highways Development Programme (NHDP) and the Ministry of Road Transport & Highways.

Our usual partners are small and medium-sized contractors possessing a deep geographic and social

understanding of the local terrain. Srei assisted their equipment financing requirements. More importantly, Srei provided the contractors with due credit and recognition in the project, enhancing their sense of ownership.

The result of this unseen strategy of transforming relatively unknown contractors into full-fledged project owners is that Srei's road construction projects are implemented faster than usual, advancing BOT revenues and accelerating payback.

# QUIPPO ENERGY LIMITED

**Q**uippo Energy Limited (QEL) is a leading Indian company providing gas-based power plants on rent and lease. QEL has a vast experience, spanning over a decade, in setting up captive power plants (from designing to execution) for small, medium and large Industries in various sectors. Its reputed customers include Saint Gobain Glass, Honda

Car, Honda Power, Hind Glass, UP Twiga, Somany Tiles, Soundaraja Mills and Modern Glass, among others.

It has around 70 MW of gas assets in our fleet, which are provided on one year 'short' or five year 'long' contracts to customers. It is associated with entrepreneurs and senior officials of the industry to collectively devise optimum solutions for their power

needs. This is, in turn, outsourced to Quippo.

The Company's business model provides a 'peace of mind' to entrepreneurs with regards to power generation by outsourcing their non-core activities to us, thereby allowing them to focus their time and investments on their core business.



# ANALYSIS OF FINANCIAL STATEMENT 15-16

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

### Highlights, 2015-16

Total income was Rs. 3,262 crore in 2015-16 as against Rs. 3,361 crore in 2014-15.

Assets under management increased from Rs. 35,388 crore in 2014-15 to Rs. 36,702 crore in 2015-16, registering a growth of about 4 per cent.

Disbursements increased by about 16 per cent from Rs. 12,546 crore in 2014-15 to Rs. 14,533 crore in 2015-16. Disbursements recorded by the equipment financing business were Rs. 9,158 crore whereas that for project finance were Rs. 5,374 crore in 2015-16.

Profit before tax during 2015-16 was Rs. 106 crore as against Rs. 188 crore in 2014-15.

Profit after tax and minority interest was Rs. 73 crore in 2015-16 as against Rs. 129 crore in 2014-15. Earnings per share is Rs. 1.44 in 2015-16 as against Rs. 2.56 in 2014-15.

Gross interest spread is 2.49 per cent in 2015-16 as against 2.56 per cent in 2014-15.

### Revenue

Group revenues were Rs. 3,262 crore

in 2015-16 as against Rs. 3,361 crore in 2014-15. Group revenues accrued from three verticals - fund-based businesses, fee-based businesses and investments.

Income from the fund-based businesses increased by about 6 percent from Rs. 2,945 crore in 2014-15 to Rs. 3,119 crore in 2015-16.

Company's fee-based income was Rs. 50 crore in 2015-16 as against Rs. 161 crore in 2014-15. Total contribution of fee-based income in total income was about 2 percent. Income from investments was Rs. 6 crore in 2015-16 as against Rs. 57 crore in 2014-15. Income from investments would vary from year to year as these would depend on the timing of the sale of such investments.

Equipment rental income contributed Rs. 34 crore to the total income in 2015-16 as against Rs. 152 crore in 2014-15. The Group's non-core income increased by about 18 per cent from Rs. 45 crore in 2014-15 to Rs. 53 crore in 2015-16.

### Operational expenses

The Group's total operating cost (before interest and depreciation) decreased by about 10 per cent to Rs. 359 crore in 2015-16 (Rs. 400 crore in 2014-15).

**Employee costs:** Employee cost in 2015-16 was Rs. 145 crore compared to Rs. 144 crore in 2014-15. Employee strength as at the end of financial year 2015-16 stood at 1,968.

**Administrative costs:** Administrative costs (including provision for diminution in value of stock for trade and investment) in 2015-16 were Rs. 214 crore compared to Rs. 256 crore in 2014-15 owing to decrease in overhead costs like equipment hiring and leasing, repairs and maintenance, site and site mobilisation expenses, among others.

### Finance charges

Finance charges increased by about 2 per cent from Rs. 2,274 crore in 2014-15 to Rs. 2,311 crore in 2015-16. This was due to an increase in borrowings.

### Taxation

The Group total tax expense reduced by about 34 per cent from Rs. 67 crore in 2014-15 to Rs. 44 crore in 2015-16. The average tax expense rate was about 42 per cent in 2015-16 as against 36 per cent in 2014-15.



## 2. Analysis of Consolidated Balance Sheet

### Highlights, 2015-16

Capital to Risk Asset Ratio was 17.54 per cent as on March 31, 2016 against 16.97 per cent as on March 31, 2015. Book value per share increased from Rs. 63 as on March 31, 2015 to Rs. 64 as on March 31, 2016. Net worth increased by about 2 per cent from Rs. 3,174 crore as on March 31, 2015 to Rs. 3,231 crore as on March 31, 2016. Debt-equity ratio remained unchanged at 6.40 as on March 31, 2015 and March 31, 2016.

### Capital employed

Capital employed increased by about 2 per cent from Rs. 23,499 crore as on March 31, 2015 to Rs. 23,904 crore as on March 31, 2016 owing to an increase in the level of activity in various business verticals.

### Equity

Share capital comprised 503086333 equity shares with a face value of Rs. 10 totaling to Rs. 503 crore. There was no increase in equity capital compared to the previous year. As on March 31, 2016, promoters' holding constituted 58.72 per cent and foreign portfolio investor constituted 12.71 per cent.

**Reserves:** Group Reserves & Surplus grew by 1 per cent from Rs. 3,081 crore as on March 31, 2015 to Rs. 3,122 crore as on March 31, 2016.

**External funds:** Secured debt was Rs. 18,031 crore as on March 31, 2016 as against Rs. 18,116 crore as on March 31, 2015. Secured loans comprised debentures, term loans and working capital loans / facilities. Working capital facilities from banks were increased by about 7 per cent in comparison to previous year. Of the outstanding secured debt, 93.81 per cent was rupee denominated debt and 6.19 per cent was foreign currency borrowing. During the year, the group increased its subordinated debentures / bonds / loans exposure by about 11 per cent, strengthening its capital adequacy. Buyer's credit exposure during the year increased to Rs. 76 crore as on March 31, 2016 from Rs. 54 crore as on March 31, 2015. Sourcing of funds through commercial paper increased to Rs. 448 crore as on March 31, 2016 as against Rs. 368 crore as on March 31, 2015.

**Other current and non-current liabilities:** Other current and non-current liabilities increased by 39 per cent from Rs. 680 crore as on March 31, 2015 to Rs. 947 crore as on March

31, 2016. This was mainly due to 83 per cent increase in trade payables from Rs. 221 crore as on March 31, 2015 to Rs. 404 crore as on March 31, 2016 and 18 percent increase in other long term and current liabilities from Rs. 459 crore as on March 31, 2015 to Rs. 543 crore as on March 31, 2016.

### Current and non-current provisions

Provisions increased by 14 percent to Rs. 103 crore in 2015-16 from Rs. 90 crore in 2014-15 mainly due to an increase in provisions on standard assets from Rs. 43 crore as on March 31, 2015 to Rs. 55 crore as on March 31, 2016. Total provision for employee benefits increased from Rs. 16 crore as on March 31, 2015 to Rs. 17 crore as on March 31, 2016.

**Net block:** The Group's net block (including CWIP) was Rs. 1,432 crore as on March 31, 2016 against Rs. 1,551 crore as on March 31, 2015. The decrease in net block resulted due to lower capitalisation compared to the previous year.

### Financial assets

This largely comprised outstanding equipment finance loans given to customers. Outstanding finance loan was Rs. 7,088 crore as on March 31, 2016 as against Rs. 7,170 crore as on



March 31, 2015 (representing Srei's share in the business i.e. 50 per cent).

**Loan assets:** This largely comprised outstanding project finance loan book, which grew from Rs. 11,749 crore as on March 31, 2015 to Rs. 12,964 crore as on March 31, 2016, an increase of 10 per cent. This reflects the growth in the project finance business.

Gross NPA on a consolidated basis decreased from 4.71 per cent to 4.02 per cent, whereas net NPA decreased from 3.84 per cent to 3.09 percent as on March 31, 2015 and March 31, 2016 respectively.

**Trade receivables:** Trade receivables were Rs. 105 crore as on March 31, 2016 as against Rs. 265 crore as on March 31, 2015. This resulted due to better realization from customers.

**Cash and cash equivalents:** Cash and cash equivalents increased by about 16 per cent to Rs. 664 crore as on March 31, 2016 as against Rs. 575 crore as on March 31, 2015.

**Other current and non-current asset and advances**

Other current and non-current asset and advances decreased by about 11 per cent from Rs. 1,374 crore as on

March 31, 2015 to Rs. 1,226 crore as on March 31, 2016. Interest accrued but not due decreased to Rs. 202 crore as on March 31, 2016 as against Rs. 541 crore as on March 31, 2015. Security deposits increased to Rs. 284 crore as on March 31, 2016 as against Rs. 132 crore as on March 31, 2015.

**Current and non-current investments**

Current and non-current investments decreased from Rs. 2,250 crore as on March 31, 2015 to Rs. 2,170 crore as on March 31, 2016, a decrease of about 4 per cent. This was due to decrease in current investments from Rs. 20 crore as on March 31, 2015 to Rs. 15 crore as on March 31, 2016, a decrease of 25 percent. Non-current investment decreased from Rs. 2,230 crore as on March 31, 2015 to Rs. 2,155 crore as on March 31, 2016.

10-year CAGR

Total Income  
**26%**

Net Worth  
**23%**

Disbursement  
**14%**

Asset under Management  
**24%**



## CONSOLIDATED

Sources of Funds	2015-16		2014-15		Y-O-Y Growth (%)
	Amount	Percentage	Amount	Percentage	
	(Rs. in Crore)	of Total	(Rs. in Crore)	of Total	
Share Capital	503	1.97	503	2.02	0%
Reserves and Surplus	3,122	12.23	3,081	12.38	1%
Minority Interest	1	0.00	13	0.05	-92%
Long-Term Borrowings	6,213	24.33	6,804	27.33	-9%
Short-Term Borrowings	12,101	47.38	11,357	45.62	7%
Current Maturities of Long-Term Borrowings	2,359	9.24	2,164	8.69	9%
Deferred Tax Liabilities (Net)	189	0.74	202	0.81	-6%
Other Long-Term Liabilities	142	0.56	109	0.44	30%
Trade Payables	404	1.58	221	0.89	83%
Others Current Liabilities	401	1.57	350	1.41	15%
Long-Term Provisions	52	0.20	47	0.19	11%
Short-Term Provisions	51	0.20	43	0.17	19%
<b>Total</b>	<b>25,538</b>	<b>100.00</b>	<b>24,894</b>	<b>100.00</b>	<b>3%</b>



Application of funds	2015-16		2014-15		Y-O-Y Growth (%)
	Amount	Percentage of Total	Amount	Percentage of Total	
	(Rs. in Crore)		(Rs. in Crore)		
Fixed Assets	1,432	5.61	1,551	6.23	-8%
Goodwill	308	1.21	308	1.24	0%
Non-Current Investments	2,155	8.44	2,230	8.96	-3%
Deferred Tax Assets (Net)	19	0.07	16	0.06	19%
Long Term Financial Assets	3,913	15.32	3,688	14.82	6%
Short-Term Financial Assets	1,089	4.26	1,155	4.64	-6%
Current Maturities of Long-Term Financial Assets	1,816	7.11	2,088	8.39	-13%
Long Term Loan Assets	9,183	35.96	8,483	34.08	8%
Short-Term Loan Assets	135	0.53	309	1.24	-56%
Current Maturities of Long-Term Loan Assets	3,461	13.55	2,819	11.32	23%
Trade Receivables	105	0.41	265	1.06	-60%
Inventories	17	0.07	13	0.05	31%
Current Investments	15	0.06	20	0.08	-25%
Cash and Cash Equivalent	664	2.60	575	2.31	15%
Other Long-Term Advances	500	1.96	312	1.25	60%
Other Short-Term Advances	123	0.48	87	0.35	41%
Other Non-Current Assets	163	0.64	233	0.94	-30%
Other Current Assets	440	1.72	742	2.98	-41%
<b>Total</b>	<b>25,538</b>	<b>100.00</b>	<b>24,894</b>	<b>100.00</b>	<b>3%</b>



# OUR PERFORMANCE OVER THE YEARS



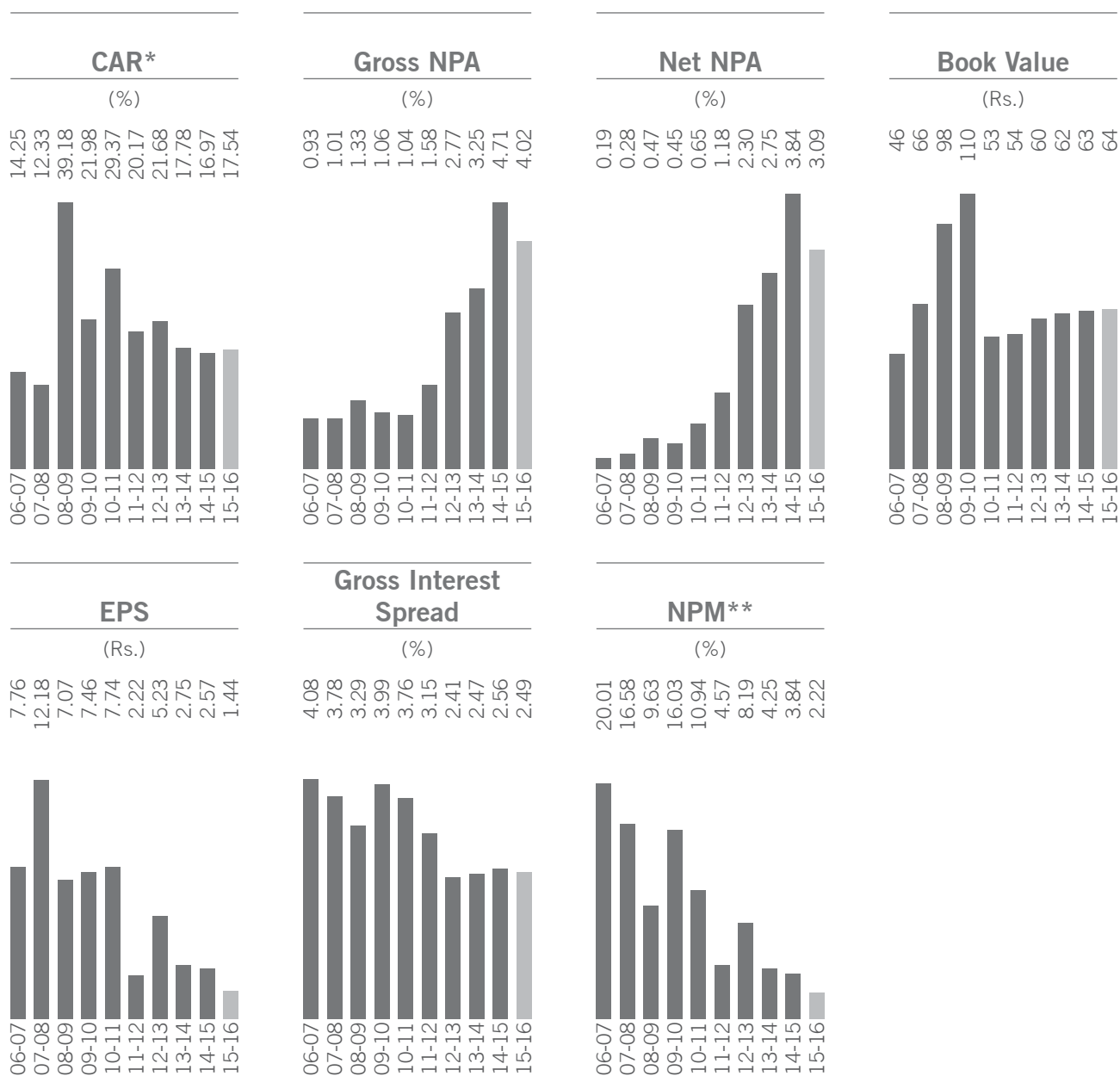
# For disbursement and AUM, 100% of Srei BNP Paribas (50:50 JV between Srei and BNP Paribas) has been considered

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

\*\* Based on Profit after Minority Interest

@ Based on Standalone Net worth





\*\* Based on Profit after Minority Interest

\* Based on Standalone numbers



# DIRECTORS' PROFILE

Salil K. Gupta

Chief Mentor, Independent Director

He has more than 56 years of experience and has served as the former Chairman of West Bengal Industrial Development Corporation Limited - A leading state financial institution. He has also served as the President of The Institute of Chartered Accountants of India.

Hemant Kanoria

Chairman & Managing Director

He has over 36 years of experience in industry, trade and financial services. He is currently serving as Board Member in the Indian Institute of Information Technology, Guwahati, Neotia University and New Delhi Institute of Management. He has held several prestigious positions like President of Calcutta Chamber of Commerce, Chairman of the FICCI National Committee on Infrastructure and served on the Board of Governors of Indian Institute of Management, Calcutta (IIM-C) besides being a Member of the Regional Direct Taxes Advisory Committee, Government of India.

Sunil Kanoria

Vice Chairman, Non-Executive Director

He is a Chartered Accountant with more than 28 years of experience in the financial services industry. He is presently the President of The Associated Chambers of Commerce & Industry of India, nominated Council member of The Institute of Chartered Accountants of India and the Governing body member of the Construction Industry Development Council (CIDC).

T. C. A. Ranganathan

Independent Director

He has over 38 years of banking experience, after completing his graduation / post-graduation in Economics from St. Stephen's College, Delhi School of Economics. He was the Chairman, Export Import Bank of India. As Chairman of Exim Bank, he had been a member of several Government of India overseas initiatives such as Indo-South Africa CEO Forum, Indo-Africa Business Council, Indo-Myanmar Joint Trade and Investment Forum, apart from his earlier international experiences of starting the first Indian commercial banking operations in China (SBI Shanghai) and board positions in various SBI subsidiaries in North America, Africa and Asia. Currently, he is associated with some UN arms for overseas consultancy apart from working as an arbitrator through the panels of NSE/BSE/NCDEX/Indian Council of Arbitration in addition to contributing columns in various economic newspapers and magazines on issues relating to international trade/domestic economy.

S. Rajagopal

Independent Director

He is the former Chairman & Managing Director of Bank of India and Indian Bank and has more than 41 years of experience in the banking industry.

S. Chatterjee

Independent Director

A seasoned professional, he has over 45 years of experience in Retail, Commercial, Investment Banking and NBFC. Associated with the State Bank of India for 26 years, he has extensive exposure in the area of International Banking at SBI, London and as the Chief Representative in Washington DC having worked



closely with IFC, World Bank and IMF. He was the Executive Director with Axis Bank (formerly UTI Bank) wherein he was instrumental in developing the bank's business model and strong business processes enabling it to evolve into a leading player in the industry. He has been associated with Srei in various capacities for developing business, audit, compliance, HR & IT processes as well as risk management. In addition, he has also served as a Member of the Board of Directors of Nabil Bank, Nepal..

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**Dr. Tamali Sengupta**  
Independent Director

She has over 30 years of experience in the legal field and is a specialist in transnational legal transactions in media, real estate development, insurance and infrastructure. She is a widely published author and is a Fellow of the Centre of International Legal Studies at Salzburg. She is the Principal of T. Sengupta & Associates a corporate law practice based in New Delhi, which provides advice on corporate law, entertainment law, intellectual property, insurance, project finance, corporate governance, and privatization.

She also has extensive experience in international joint-ventures, collaboration and licensing agreements, mergers and acquisitions. She has extensive experience in the structure of projects implemented under Project Finance and on foreign participation in the privatization of infrastructure.

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**Dr. Punita Kumar Sinha**  
Independent Director

She has focused on investment management and financial markets during her 27 year career. She spearheaded some of the first foreign investments into the Indian equity markets in the early 1990s. Currently, she is the Founder and Managing Partner, Pacific Paradigm Advisors, an independent investment advisory and management firm focused on Asia. She is also a Senior Advisor and serves as an Independent Director for several companies. Prior to founding Pacific Paradigm Advisors, she was a Senior Managing Director of Blackstone and the Chief Investment Officer of Blackstone Asia Advisors.

She has a Ph.D. and a Masters in Finance from the Wharton School, University of Pennsylvania. She received her undergraduate degree in chemical engineering with distinction from the Indian Institute of Technology, New Delhi. She is an MBA and also a CFA charter holder. She is a member of the CFA Institute, the Boston Security Analysts Society and the Council on Foreign Relations. She is a Charter Member and was a Board Member of TIE-Boston. She has been awarded the Distinguished Alumni Award from IIT Delhi.

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

He has over 40 years of experience in various fields like audit, taxation, company law, consultancy, among others. He has been a Partner with S. R. Batliboi & Co. (Member firm of Ernst & Young in India) since 1978 and was the Managing Partner of the Firm at the time of his retirement in June, 2013. He is the past President of The Institute of Internal Auditors, India and was a member of the Central Council of The Institute of Chartered Accountants of India during 1991-97. He is connected with various Chambers of Commerce as the Committee Chairman / Executive Committee member, permanent invitee, among others and is a past Chairman of CII (Eastern Region). He was the National Chairman of Direct Tax Sub - Committee of CII in the year 2013-14.



# DIRECTORS' REPORT

*Dear members*

Your Directors are pleased to present the Thirty-First Annual Report together with the Audited Accounts of your Company for the financial year ended March 31, 2016. The summarised consolidated and standalone financial performance of your Company is as follows:

## FINANCIAL SUMMARY

(Rs. in Lacs)

	Consolidated		Standalone	
	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2015
Total Revenue	3,26,194	3,36,032	1,89,633	1,90,003
Total Expenses (including depreciation etc.)	2,88,352	2,86,229	1,75,526	1,67,156
Profit before bad debts, provisions & tax	37,842	49,803	14,107	22,847
Bad Debts & Provisions etc.	27,248	30,983	5,965	10,895
<b>Profit Before Tax</b>	<b>10,594</b>	<b>18,820</b>	<b>8,142</b>	<b>11,952</b>
Exceptional Items	-	(24)	-	-
Current Tax	6,037	4,369	3,241	1,818
Mat Credit entitlement	(6)	(22)	-	-
Deferred Tax	(1,590)	2,354	(839)	1,041
Income Tax in respect of earlier years	-	3	-	-
<b>Profit After Tax Before Minority Interest</b>	<b>6,153</b>	<b>12,140</b>	<b>5,740</b>	<b>9,093</b>
Share of loss of Associate	25	-	-	-
Minority Interest	(1,124)	(771)	-	-
<b>Net Profit</b>	<b>7,252</b>	<b>12,911</b>	<b>5,740</b>	<b>9,093</b>
Minority Interests of Pre Acquisition Profit/(Loss)	-	109	-	-
<b>Profit After Tax after adjustment for Minority Interest</b>	<b>7,252</b>	<b>13,020</b>	<b>5,740</b>	<b>9,093</b>
Surplus brought forward from Previous Year	30,747	38,178	25,938	26,244
<b>Profit Available For Appropriation</b>	<b>37,999</b>	<b>51,198</b>	<b>31,678</b>	<b>35,337</b>
Paid up Equity Share Capital	50,324	50,324	50,324	50,324
Amount transferred to Reserves	6,322	17,290	1,530	6,365
Reserves and Surplus	3,12,177	3,08,139	2,26,190	2,23,478
Earning Per Share	1.44	2.57	1.14	1.81

Note: The above figures are extracted from the standalone and consolidated financial statements for the financial year ended on March 31, 2016



## OPERATIONAL REVIEW

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

- The gross profit (before bad debts, provision and tax) is Rs. 14,107 Lacs as against Rs. 22,847 Lacs in the last year.
- Profit before taxation is Rs. 8,142 Lacs as against Rs. 11,952 Lacs in the last year.
- Net profit after taxation is Rs. 5,740 Lacs as against Rs. 9,093 Lacs in the last year.
- The total assets under management of the Srei Group is Rs. 36,70,283 Lacs as against Rs. 35,38,801 Lacs in the last year.

The Capital to Risk Assets Ratio (CRAR) of your Company stood at 17.54 per cent as on March 31, 2016, well above the regulatory minimum level of 15 per cent prescribed by the Reserve Bank of India for systemically important non-deposit taking NBFCs (NBFCs-ND-SI). Of this, the Tier I CRAR was 12.51 per cent.

The Financial Statements of your Company have been prepared in accordance with the Generally

Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014) and the relevant provisions of the Companies Act, 1956 / Companies Act, 2013, as applicable and Regulation 48 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations, 2015'). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. Your Company discloses standalone and consolidated unaudited financial results on a quarterly basis, which are subjected to limited review, and standalone and consolidated audited financial results on an annual basis.

Your Company has complied with all the norms prescribed by the Reserve Bank of India (RBI) including the Fair

practices, Anti Money Laundering and Know Your Customer (KYC) guidelines.

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

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

## DIVIDEND

Your Company has had a consistent dividend policy that balances the dual objectives of appropriately rewarding Members through dividends and retaining capital, in order to maintain a healthy capital adequacy ratio to support long term growth of your Company. Consistent with this policy, your Board has recommended a dividend of Re. 0.50 per Equity share (5 per cent) for the financial year 2015-16 to the Members of your Company. The proposal is subject to the approval of the Members at the 31st Annual General Meeting (AGM) of your Company scheduled to be held on August 06, 2016. The dividend together with the



Being a non-deposit taking Company, your Company has not accepted any deposits from the public/members under Section 73 of the Companies Act, 2013.

dividend distribution tax will entail a cash outflow of Rs. 3028 Lacs (previous year Rs. 3028 Lacs).

### PUBLIC DEPOSITS

In April 2010, your Company decided to convert itself into a non-deposit taking NBFC in order to qualify for registration as an 'Infrastructure Finance Company'. Your Company had decided that it would not accept any further public deposits or renew such maturing deposits in any manner w.e.f. April 20, 2010 and the entire amount of outstanding public deposits as on April 19, 2010 together with interest promised to the depositors, has been kept in an Escrow Account with Axis Bank Limited, a scheduled commercial bank for the purpose of making payment to the depositors as and when they raise the claim. Despite sustained efforts to identify and repay unclaimed deposits the amount payable to the

depositors as on March 31, 2016 is Rs. 15,81,821.47.

Being a non-deposit taking Company, your Company has not accepted any deposits from the public/members under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year and within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

### PUBLIC ISSUE OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

During the year under review, your Company issued Secured Redeemable Non-Convertible Debentures (the "Debentures") of face value of Rs. 1,000 each, as per the details given hereunder:

Date of opening of Issue	Base Issue Size (Rs. in Crores)	Total Issue Size including Green Shoe Option (Rs. in Crores)	Maturity Period	Allotment Date	Amount (Rs. in Crores)
01.07.2015*	200	Upto 1000	39 months/60 months	28.07.2015	163.54

\*Issue w.r.t. Tranche 2 Prospectus dated June 26, 2015 read together with Shelf Prospectus dated September 22, 2014.

Debenture Trustee Agreement(s) in favour of Axis Trustee Services Limited for the aforesaid issue was duly executed. The said Debentures are listed on the Debt Segment of the BSE Limited (BSE). The entire proceeds have been utilised for the purpose of

various financing activities, repayment of existing loans and other business operations including working capital requirements. Your Company has duly paid the interest due on the aforesaid Debentures on time.



The public issue of the said Debentures has not only facilitated diversification of your Company's sources for mobilising long term resources but has also provided the retail Investors an opportunity to participate in India's infrastructure development and progress. Through the public issue launched in FY 2015-16, your Company has acquired nearly 13,000 retail investors. Along with previous issues, your Company has broad-based the

retail base of nearly 64,000 investors. That signifies the growing confidence of investors in your Company. The various communication efforts of your Company surrounding the Debentures played a meaningful role in enhancing your Company's brand image amongst relevant constituencies.

#### PROMOTER GROUP SHAREHOLDING

During the year under review, there

were various instances of acquisitions as well as transfer of shares amongst the Promoter/Promoters' Group of your Company resulting in effective increase of your Company's Promoter/Promoters' Group shareholding by 4.9694 per cent from 53.7470 per cent to 58.7164 per cent. The aggregate shareholding of Promoter/Promoters' Group of your Company as on March 31, 2016 is as follows:

Sl. No.	Name	Shareholding	
		No.	%
1.	Hemant Kanoria	3,80,000	0.0755
2.	Sunil Kanoria	18,02,714	0.3583
3.	Adisri Commercial Private Limited	29,32,01,250	58.2805
4.	Bhavah Enterprise Private Limited	10,000	0.0020
<b>Total</b>		<b>29,53,93,964</b>	<b>58.7164</b>

Further, Adisri Commercial Private Limited acquired 1,04,74,595 equity shares representing 2.0821 per cent of the paid-up capital of your Company in an off-market transaction on April 08, 2016. The total shareholding of Adisri Commercial Private Limited as on the date of this report is 30,36,75,845 equity shares representing 60.3626 per cent of the paid-up capital of your Company.

Accordingly, after the aforesaid acquisition, the total promoter group shareholding of your Company as on the date of this report is 30,58,68,559

equity shares aggregating to 60.7984 per cent of the total paid up capital of your Company.

As on March 31, 2016, none of the Promoter/Promoters' Group shareholding is under pledge. Further, in compliance with Regulation 31(2) of SEBI Listing Regulations, 2015, the entire shareholding of promoter(s) and promoter group is in dematerialised form.

#### GLOBAL DEPOSITARY RECEIPTS (GDRs)

Your Company's GDRs have been traded

and listed on the Professional Securities Market ("PSM") of the London Stock Exchange ("LSE") with effect from April 21, 2005. Deutsche Bank Trust Company Americas, Depositary to the GDR program issued a notice to your Company for the termination of Deposit Agreements pursuant to which GDRs have been issued.

Intimations have been made to the Financial Conduct Authority ("FCA"), UK Listing Authority ("UKLA"), LSE, Depositary and the Custodian intimating May 16, 2016 as the date of cancellation of listing from which the



holders of GDRs will no longer be able to trade their GDRs on the LSE. The GDRs will not be listed or traded anywhere after the date of cancellation of listing. The same has also been intimated to the domestic Stock Exchanges.

Presently, there are 5,400 number of GDRs outstanding which aggregates to 21,600 number of Equity Shares of your Company representing 0.004 per cent of the paid-up share capital of your Company which is very insignificant in relation to the total market capitalisation of your Company.

Cancellation of listing of GDRs on the LSE does not result in any change in the total paid up equity share capital structure of your Company.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT ECONOMIC REVIEW

### **a. Global Outlook**

According to the World Bank, global GDP will grow at 2.9 per cent in 2016, after growing at 2.4 per cent in 2015. Growth rate is expected to move up to 3.1 per cent in 2017. The estimates by International Monetary Fund (IMF) are a little more optimistic than the World Bank projections. IMF expects global economy to grow by 3.2 per cent in 2015 and by 3.5 per cent in 2016.

Global growth engines are following divergent economic policies. USA is experiencing continuous improvement in housing and labour markets, although the rising bond spreads suggest that markets are nervous about

the sustainability of profits. Quantitative easing has stopped, but the Federal Reserve is willing to keep monetary conditions accommodative till there is a full-fledged recovery. However, the protectionist overtones from the Presidential election campaign do not augur well for global trade. In the Euro area, private consumption has picked up due to the liberal monetary policy and low oil price. Meanwhile, Europe tries to cope with a refugee crisis. The ramifications of a possible exit of Britain from the European Union are still unknown. Japan continues with expansionary monetary policy and has adopted a negative savings rate in order to fuel consumption. The Chinese economy continues to rebalance itself and is moving away from manufacturing and investment led growth towards a more services and consumption driven model. China's slowdown is creating pressure on Emerging and Developing Economies (EDEs), especially those with strong trade linkages with China.

Compared to previous years, the EDEs are no longer seen as drivers of global growth anymore. EDEs with financial imbalances are likely to be the worst affected. The IMF points towards the possibility of global economy entering a phase of widespread stagnation.

### **b. Indian Scenario**

India is presently the fastest growing major economy in the world. IMF's global economic forecast has identified India as the "bright spot" amidst a bleak global economy. This year's Economic Survey describes India as a "refuge of stability and an outpost

of opportunity" at a time of global turbulence and volatility. India grew 7.2 per cent in 2014-15 and 7.6 per cent (advance estimate) in 2015-16. For 2016-17, the Survey pegs the GDP growth at between 7 and 7.75 per cent, quite a broad range keeping in mind the interplay of a number of domestic and international factors.

The Government of India has done well in adhering to the fiscal targets, initiating a number of national schemes and structural reforms, expanding the scope of the direct benefit transfer scheme, re-starting stalled projects besides stepping up public investment in infrastructure projects and ushering in a sense of competitive federalism. Low international oil prices have helped in containing inflation and currency has also remained stable. Also, Foreign Direct Investment (FDI) figures are at an all-time high touching USD 51 billion during April-February 2015-16.

However, Indian economy has to deal with several challenges. Despite government's efforts to pump-prime the economy, the investment climate remains subdued. Cost of borrowing still remains high even when wholesale price index (WPI) inflation remains negative. With negative WPI inflation, nominal GDP is actually lower than real GDP, which is why even a 7 per cent plus GDP growth does not quite feel as much. With consumer price index (CPI) below the 5 per cent mark and the exports figures contracting 16 months in a row, industry is unwilling to invest in new capacities. For a Country like India where private sector



accounts for nearly three-fourth of total output, the strategy to pump-prime the economy by Government is sub-optimal. Government borrowings crowd out private sector and push up interest rates. In addition, with India's debt-to-GDP ratio at around 65-70 per cent, which is higher than most EDEs, the public investment-led growth model may not be sustainable. The other limiting factor is the huge level of stressed assets that India's banking system is presently saddled with which has clearly limited their ability to provide credit to new ventures. Reserve Bank of India (RBI) has initiated a slew of measures to reduce the level of stress, however a full-fledged recovery in banking may take some time. To push ahead reforms, the Government of India needs to get a few key Bills passed in both Houses of the Parliament, the Goods & Services Tax (GST) Bill being one of them. The passing of the Bankruptcy Code by both houses has been a major development.

Therefore, India definitely has an edge over its peers at the present juncture. However, there is a need to push through certain key reforms urgently in order to hold on to this advantage and then build on it.

## NBFCs IN INDIA

NBFCs have always been an integral part of the Indian financial system. They have been complementing and supplementing the banking sector in reaching out credit to the un-banked segments of the society thus promoting financial inclusion, and over the years their gamut of activity has kept

on expanding, so much so, that the difference between the banks and NBFCs is getting blurred. The biggest contribution of NBFCs is their ability to cater to the needs of the Micro, Small & Medium Enterprises (MSMEs) which form the cradle of entrepreneurship and innovation in India. After all, it is these MSMEs, scattered throughout the Country, account for nearly 40 per cent of India's total employment and form the backbone of the India Growth Story. NBFCs, because of their ground level understanding of customers' profile and their credit needs and their ability to innovate and customise products as per their clients' needs, are the perfect conduit for credit delivery to MSMEs.

The year under review witnessed several regulatory developments for the NBFC sector. The major ones are the following -

- NBFC Infrastructure Debt Funds (NBFC-IDFs) have been allowed by RBI to:
  - refinance non-PPP infrastructure projects too (earlier they were restricted to refinance only PPP projects)
  - provide take-out financing for infrastructure projects that have completed one year of operation in PPP segment without a tripartite agreement
  - provide take-out financing for infrastructure projects in non-PPP segment subject to conditions
  - enter sectors where there is

no presence of any project authority provided those are infrastructure projects which have completed at least one year of satisfactory commercial operation

- Central Board of Direct Taxes (CBDT) widened the scope of tax exemption for NBFC-IDFs provided infrastructure projects have completed one year of commercial operation
- NBFCs with minimum asset size of Rs. 100 crore will have to maintain a loan-to-value (LTV) ratio of 50 per cent in case of lending against collateral of listed shares (not applicable in case of unlisted shares)
- RBI released draft guidelines on 'Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs' in order to put in place adequate safeguards for addressing the risks involved therein and to bring compliance levels in line with the recommendations of the Financial Sector Legislative Reforms Commission (FSLRC)
- NBFC registered with RBI are eligible to undertake Repo transactions in corporate debt securities
- Prior written permission from RBI is now needed for any takeover or acquisition of control, any change in shareholding resulting in 26 per cent or more as well as any change in management of an NBFC
- RBI has allowed NBFCs to



retain 'standard asset' tag on a restructured loan for an extended period if an infrastructure project is mired in Court cases or has been stuck due to reasons beyond control of promoters

- RBI has allowed NBFCs to upgrade credit facilities to borrowing entities whose ownership has changed outside Strategic Debt Restructuring (SDR) to 'standard' category upon such change in ownership
- National Investment & Infrastructure Fund (NIIF), mooted by Ministry of Finance (MoF), has been allowed to provide equity / quasi-equity support to NBFCs engaged mainly in infrastructure lending so that these institutions can leverage their equity support and provide debt to the selected projects
- Under the roadmap for implementation of Indian Accounting Standards (Ind AS) converged with International Financial Reporting Standards (IFRS), NBFCs with net worth of Rs. 500 crore and above are to adopt Ind AS in two phases from April 01, 2018 onwards
- RBI floated a draft framework for account aggregator NBFCs
- External Commercial Borrowing (ECB) norms stand liberalised for NBFCs :
  - ECB funds raised can be used to fund domestic equipment for the purpose of giving the same on hire-purchase, as loans against hypothecation or leasing

to infrastructure sector

- NBFCs, namely the Infrastructure Finance Companies (NBFC-IFCs) and Asset Finance Companies (NBFC-AFCs), are allowed to raise ECB with minimum average maturity of 5 years subject to 100 per cent hedging
- Harmonised list of infrastructure sectors has been expanded to include exploration, mining and refining so that ECB funds can be used for these activities too.

The evolving regulatory landscape for the NBFCs has seen a trend of convergence with that of banks on the asset side. While banks are good at lending, NBFC's strength is in providing assets and assisting in management of assets. Regulators need to acknowledge this differentiation and accordingly provide regulatory support so that NBFCs can carry out their functions more efficiently. Your Company has been in a regular dialogue with Government and various regulatory agencies and has been urging for necessary regulatory support for NBFCs. The announcement in Union Budget 2016-17 to allow NBFCs to be eligible for deduction of up to 5 per cent of their income in respect of provision for bad and doubtful debts is a very positive development.

The passing of the Bankruptcy Code is likely to open up major opportunities for the NBFC sector, especially the NBFC-IFCs. There are many infrastructure assets in the Country today which

have got stuck because of inadequate governance and various judicial pronouncements. The promoters, because of the lack of management bandwidth, were unable to control and mitigate the associated risks. The Bankruptcy Code will pave the way for a change in management in many such stuck infrastructure projects and create value. NBFC-IFCs, with their expertise, are poised to play an important role in reviving such projects. Most such projects being completed up to a certain extent, the associated construction risk is also limited. NBFC-IFCs can ideally take over management control of such projects in their bid to turn them around. Your Company will certainly explore such opportunities.

Once GST gets implemented, it is expected to revive Leasing as a major financial instrument in India. Despite being the most cost effective tool for capital creation the world over, Leasing has not quite developed in India because of a lack of understanding about its nature among the policy makers. Leasing transactions have been interpreted both as a sale and a service and thus multiple taxes have been levied on it thereby destroying its efficacy. As a result, the penetration of Leasing in India has been dismally low compared to both developed and developing nations. Introduction of GST is expected to take care of the tax anomaly and your Company believes Leasing will make a strong comeback and will play a major role in creation of infrastructure assets. NBFC-AFCs stand to gain majorly as Leasing will add a major tool at their



disposal to expand their gamut of activities. High value capital goods can become accessible and affordable to the vast multitude of MSMEs who constitute the building blocks of Indian infrastructure. Financing of assets like equipment (construction, mining, material handling), railway wagons, solar gadgets, wind turbines, oil rigs, etc. will become easier. In addition, funds from the Middle East, which prefer Leasing as a financing tool, will also be encouraged to invest in India. Leasing figures prominently in the scheme of things of your Company and all these developments will open up major opportunities for your Company.

## BUSINESS OUTLOOK AND FUTURE PLANS

The infrastructure sector is the backbone of the economy. The Government is aware that in order to take advantage of the present global scenario, India would need to massively add to the carrying capacity of its physical infrastructure. To make that happen, the Government has announced a number of infrastructure-focussed steps which will open up a number of business opportunities. Some of the notable steps announced are :

- Average pace of construction of national highways to go up to 41 km per day in 2016-17 from the average of 16 km per day in 2015-16. Road Transport and Highways Ministry will award contracts for 25,000 km national highway projects in 2016-17, two-and-a-half times more than the projects it had sanctioned in 2015-16.
- With the aim of enabling 'Power for All by 2019', the Government is implementing a series of reforms in generation, transmission & distribution and renewable energy, right from stepping up of coal production to launching of Ujjwal Discom Assurance Yojana (UDAY) and a thrust to renewable energy, especially solar power.
- Private sector participation in creation of railways infrastructure to increase – especially in areas of setting up of logistics parks and warehouses, development of stations, track upgradation, creation of three new Dedicated Freight Corridors (DFCs), improvement of coastal connectivity and port connectivity, etc.
- Port capacity is to be go up to 3,000 million tonne per annum (MTPA) by 2025, more than double from the present level of 1,400 MTPA.
- 160 non-functional airports and 10 defunct airstrips are to be developed to provide a fillip to low-cost airports.
- The incentives announced in Union Budget 2016-17 for low-cost housing are likely to generate mass demand.
- The budget, besides sprucing up rural infrastructure, has provided a strong thrust to the entire agricultural value chain right from irrigation to market access of agri-produce which will translate into greater demand from the rural areas.

The Government is aware that in order to take advantage of the present global scenario, India would need to massively add to the carrying capacity of its physical infrastructure.



The Government realizes how important it is to put in place an infrastructure dispute resolution mechanism in order to put PPP in Infrastructure back on track.

Private sector has played an important role in India's infrastructure creation and public-private partnerships (PPPs) have emerged as the preferred mode. However, several of such projects have got mired in long standing disputes. The Government realizes how important it is to put in place an infrastructure dispute resolution mechanism in order to put PPP in Infrastructure back on track. To this effect, a proposal to introduce a Bill on resolution of infrastructure-related disputes has been mooted in the Union Budget 2016-17. New guidelines for renegotiation of PPP concession agreements and to a new credit rating system for infrastructure projects have also been proposed in the budget.

All these initiatives and targets augur well for the future of the infrastructure sector. However, the future momentum of infrastructure growth will be greatly influenced by how well Government can get into the implementation part.

Your Company is actively tracking all these developments and the management is upbeat that the business scenario is poised to improve significantly during FY 2016-17.

## BUSINESS REVIEW

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

### I. FUND BASED ACTIVITIES

#### INFRASTRUCTURE PROJECT FINANCE

Infrastructure is the major sector in India which propels overall development of

the Country. Government's initiatives to fast track infrastructure development led to improved performance for most sectors in 2014-15. Power sector over-achieved its targets both for capacity addition as well as for transmission lines laid at 127 per cent and 106 per cent respectively. Coal production also reported a growth of 8 per cent over 2013-14. Roads sector achieved almost 70 per cent of its completion target. In terms of project award, almost 94 per cent of the target of 8,500 km was achieved. Railways also over-achieved its targets with more than 100 per cent achievement for both new lines constructed and doubling of existing lines. The ports sector achieved 87 per cent of its target in terms of completion of ongoing projects and 71 per cent in terms of award and approval of new projects. India witnessed strong tendering in roadways, railways, community services, and irrigation projects. Total value of tenders issued in YTD FY 2015-16 for infrastructure projects stood at Rs. 5790 bn (+56.9 per cent YoY). Central Government tenders increased to Rs. 2419 bn (+53 per cent YoY) and private domestic tenders increased to Rs. 13.7 bn whereas State Government tenders in YTD FY 2015-16 increased to Rs. 3356 bn (+67 per cent YoY).

#### Power

Indian power sector is undergoing a significant change that has redefined the industry outlook. The Indian power sector has an investment potential of Rs. 15 trillion (US\$ 237 billion) in



the next 4–5 years, thereby providing immense opportunities in power generation, distribution, transmission, and equipment, according to Union Minister – Power.

Your Company has allocated around 37 per cent of its total allocation to this sector diversified into generation and transmission & distribution. Generation is further split into coal / gas based thermal power, wind power, solar power and biomass, thereby diversifying the concentration risk. Your Company has invested 17 per cent of its total power sector investment in renewable energy sector.

#### **Roads**

India has the second largest road network in the world. After almost coming to a standstill, the road sector is showing signs of revival drawing on several policy measures announced by the Government over the last 18 months. Concerted efforts by the Government to restart stuck projects by providing necessary clearances, launch of the hybrid annuity model and creation of the NIIF have helped in reviving growth in the sector.

During the year, your Company has selectively participated in financing road projects by National Highway Authority of India (NHAI) and State Authorities. Your Company has allocated about 17 per cent of its total allocation to this sector.

#### **Ports and Port Equipment**

According to the Ministry of Shipping, around 95 per cent of India's trading by volume and 70 per cent by value is

done through maritime transport. India has 12 major and 187 non-major ports. Cargo traffic, which recorded 1,052 million metric tonnes (MMT) in 2015, is expected to reach 1,758 MMT by 2017.

Your Company has exposure to this sector by financial participation in a mix of major ports, minor ports and captive ports. The port sector now comprises around 2 per cent of the portfolio.

#### **Telecommunications**

India is currently the world's second-largest telecommunications market. Your Company has structured financing packages that include investment in telecom towers, and rural connectivity and telecom sector now comprises around 3 per cent of the portfolio.

#### **Aviation and Airports**

The Indian Aviation industry is the 9th largest globally. Your Company has exposure in the aviation sector comprising of about 5 per cent of the portfolio and is willing to take additional exposure to cash in the growth opportunity in the sector.

#### **SEZ & Industrial Parks**

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

As on March 2016, 415 formal approvals have been granted for setting up of Special Economic Zones, out of which 329 SEZs have been notified and are in various stages of operation out of

which 205 are operational.

During the year, your Company has selectively participated in financing projects in this sector. Your Company has allocated about 19 per cent of its total allocation to this sector.

### **INFRASTRUCTURE EQUIPMENT FINANCE - SREI EQUIPMENT FINANCE LIMITED**

Srei Equipment Finance Limited (SEFL), a joint venture between your Company and BNP Paribas Lease Group, is registered with RBI as a non-deposit taking NBFC (Category - Asset Finance) and is in the business of equipment financing with a wide spectrum of asset finance business which includes Construction & Mining equipment, Information Technology equipment and Solutions, Healthcare equipment and Farm Equipment.

SEFL retained its position as one of the leading equipment financier in India in the year under review with a disbursement of asset cost of Rs. 10,940 Crores.

The past few quarters have witnessed a slew of reformative actions by the Government, especially in the road and power segment, which have given the much needed impetus to the industry. There has been marked improvement in pace of project awarding and execution. Already there have been encouraging signals in the demand for construction and mining equipment. The infrastructure equipment market grew approximately 10 per cent in 2015-16 (unit sales). In the recent



union budget too, infrastructure has been a priority for Government's spending outlay - indicated by total outlay for infrastructure being increased to Rs. 3.4 trillion in Budget 2016.

According to an Indian Construction Equipment Manufacturers' Association report, the equipment industry is expected to reach its (high) sales level of FY 2012 (70,000 units) by FY 2019. The report predicts the industry to grow to USD 5 billion by 2019-20 from the present level of USD 2.8 billion. Hence, the renewed impetus on infrastructure will be the major demand driver for Construction and Mining equipment in the near future.

During the year under review, the total disbursements in terms of asset cost of Srei Equipment Finance Limited outperformed the industry and grew by 18 per cent. The Gross Non-Performing Assets (GNPA) reduced from 4.98 per cent as on 31st March, 2015 to 2.95 per cent as on 31st March, 2016, while the Net Non-Performing Assets have reduced from 3.83 per cent as on 31st March, 2015 to 1.99 per cent as on 31st March, 2016. The Capital Adequacy Ratio (CAR) has improved from 17.05 per cent as on 31st March, 2015 to 19.62 per cent as on 31st March, 2016.

However, the overall slowdown in the infra space resulted in increased stress in the Indian financial system, which led to declining profit before tax from Rs. 227.36 crores in 2014-15 to Rs. 160.43 crores during the year.

Rural, Pre-owned & Retail have continued to be the growth drivers for

the year. IT infrastructure platforms have been strengthened to facilitate time-critical and proactive decision-making.

The view for the year ahead is to grow with quality focus on vendor alliances. To scale up Retail Small and Medium Enterprise (RSME) business space to expand market & retain market leadership, while improving market presence other diversified businesses. SEFL will continue to focus on technology implementation, product & process innovation which will give competitive advantage in the changing business environment.

During the year under review, your Company, BNP Paribas Lease Group (BPLG), Srei Equipment Finance Limited (SEFL) amongst others entered into a share purchase agreement (SPA) on December 29, 2015 whereby BPLG has agreed to sell its entire shareholding of 2,98,30,000 equity shares of SEFL representing 50 per cent of the total paid-up equity share capital to your Company, in accordance with applicable laws.

## II. FEE BASED ACTIVITIES

### INFRASTRUCTURE PROJECT ADVISORY

Infrastructure Project Advisory Division of your Company is now expanding its spectrum as strategic advisors through conceptualising various infrastructure projects in different domains. New strategic initiatives are being pursued in tourism, agriculture, food processing, road & transport, urban and municipal infrastructure.

With Government of India launching Smart City Mission for 100 cities, with the intention of taking Indian cities to the world class level through citizen centric process mapping for adopting best practices for livability, sociability, sustainability and economic activities with focused approach for retrofitting, redevelopment and green field development with use of ICT applications, your Company has booked its entry ticket to the Smart City Challenge competition through empanelment with the Ministry of Urban Development, Government of India to be partner to select States / ULBs (Urban Local Bodies) to their transformation process. In the first phase, your Company prepared Smart City Challenge Proposals for Davanagere and Shivamogga City Corporations in Karnataka. Based on the proposals so prepared, Davanagere has ranked 10th among the top 20 Smart Cities in the Country while Shivamogga has ranked 26th. Further, your Company has been assisting Haldia Municipality and Durgapur Municipal Corporation in West Bengal for revision of Smart City Challenge Proposal for Round 2 selection process.

Your Company has made further inroads towards establishing its credence in Food Processing Industries sector and is presently working as Programme Management Agency (PMA) for the Ministry of Food Processing Industries, Government of India to facilitate establishment of Mega Food Parks with the objective of providing adequate infrastructure for food processing



industry along the value chain from the farm to the market, that will enable fresh investments into the food processing sector, increased realization for farmers and employment generation across the Country. On the basis of your Company's appraisal, the Ministry has accorded approval for seven Mega Food Parks in different parts of the Country. In line with the National Food Policy and for maintaining satisfactory level of buffer stock of food grains to ensure national food security, as the instance of Food Corporation of India (FCI), your Company has undertaken Feasibility Study and Bid Process Management for construction of silos for storage of wheat at eleven locations across six States in the Country through Public Private Partnership (PPP) on Design, Build, Finance, Operate and Transfer (DBFOT) basis. On satisfactory completion of the assignment, your Company has further been awarded with similar study for additional seventeen locations across the Country by FCI. During the year under review, your Company has secured new mandates and prepared Detailed Project Reports (DPRs) for additional rice milling capacity of about 18600 MT / p.a. and for multipurpose cold storage capacity of approx. 10,000 MT in Bihar which have also been approved by the State Government. Your Company also prepared DPRs for Ready to Eat food project which has also been approved by the Government of Bihar and is under implementation. In Jharkhand, your Company continues to work as PMA for National Mission for Food Processing.

The Madhya Pradesh Warehousing and

Logistics Corporation (MPWLC) intends to set up "Composite Logistics Hub" at Ujjain with facilities of huge capacity modern warehouses, silos, cold chain management facilities, processing area for agro and horticulture produce, railway sidings, inland container depot and a modern updated "Trucking Hub" at Saikheda (Sagar) in Madhya Pradesh through PPP mode. For this purpose, MPWLC appointed your Company as Consultant for preparation of a comprehensive project report, techno-economic feasibility report, financial model, bid document and providing other related transaction advisory services for the aforesaid project.

Your Company continues to work as Project Management Consultant for implementation of Sewerage Scheme in Rumdamol, Devorlim, Navelim Zone IV and Mandop Area in Goa for Sewerage & Infrastructural Development Corporation of Goa.

Engaged by the Department of Tourism, Government of West Bengal during the year, your Company has prepared Project Report for Beach Circuit Tourism in West Bengal spanning from Frazerganj to Digha at an estimated cost of Rs. 87 crore under Swadesh Darshan Scheme of the Ministry of Tourism, Government of India. The project has since been sanctioned and is under implementation. The project, when implemented, will considerably improve tourism infrastructure and amenities along the beaches in the State.

Your Company has also been working as Transaction Advisor for several clients across the Country, which, among

**Y**our Company has also been working as Transaction Advisor for several clients across the Country.



**Y**our Company has an execution experience of developing and managing 14 annuity and toll-based road projects with a total Capital Cost of around Rs. 13,000 Crores

others, include (i) West Bengal Highway Development Corporation for multi-layer car parking cum commercial complex project in Kolkata on PPP mode, (ii) Goa Housing Board for development of commercial infrastructure in Goa on PPP model, (iii) Maharashtra Jeevan Pradhikaran (MJP) for carrying out the Financial Feasibility and Bid Process Management for Operation and Maintenance of Akola Water Supply Scheme.

Leveraging its core competency coupled with strategic planning for a niche market in urban and municipal infra sector with focus on agriculture, food processing, tourism, Industrial Park, Road & Transport, City Development Plan, etc. and fuelled by the optimism generated by the present Government, your Company is building initiative for a sustainable growth.

#### INFRASTRUCTURE PROJECT DEVELOPMENT

Today, India is facing with infrastructure challenges which have emerged in tandem with the maturation of its economy. As the Country continues to develop both socially and economically, it is imperative to revamp its physical infrastructure to support this growth momentum. Your Company is committed to support Country's growing infrastructure demand to build a better India through innovative infrastructure solutions and Infrastructure Project Development has given your Company an opportunity to emerge as India's one of the leading Infrastructure Developers in the Road sector. This feat could be achieved because of your Company's

strong presence and functional expertise in the infrastructure space through equipment financing, project financing and project management skills.

Your Company's intellectual capital strength helped it to leverage and build inextricable partnerships with customers and other leading global concessionaires and ensures effective coordination and timely execution of the projects from beginning to end. Your Company's in-house knowledge, strength of financial engineering & solutions, proximity with customers as partners have created a unique model of "Prosperity through Partnership" and a win-win situation for all stakeholders.

Your Company has an execution experience of developing and managing 14 annuity and toll-based road projects with a total Capital Cost of around Rs. 13,000 Crores, awarded by the National Highways Authority of India (NHAI), Ministry of Road Transport and Highways (MORTH) and various other State Governments. Presently, Bharat Road Network Limited, an initiative of your Company in the Highway sector, in consortium with other established companies, is managing a robust portfolio of 7 road projects of 2450 lane km in the high growth industrial zones of India.

During the year under review, Ghaziabad Aligarh Expressway Private Limited, a special purpose vehicle of your Company, achieved partial COD and commenced tolling for 98 km of the road project - 4/6 Laning of Ghaziabad-Aligarh section of NH91, Uttar Pradesh.



Due to overall slowdown in the sector, your Company's focus continues to be more towards consolidation and value creation of its infrastructure assets through effective project execution strategy and introduction of risk mitigation measures.

### III. STRATEGIC INVESTMENTS

The global economy shows no sign of recovery and therefore, IMF has lowered the projected global growth forecast to 3.4 per cent and 3.6 per cent for 2016 and 2017 respectively (Source: IMF). The primary reasons are uncertainty in commodity market, volatile global financial market, and weaker than expected economic data in US. Investors have become cautious about the emerging markets as well mainly due to slow down in Chinese economy, and impact of depressed oil prices on Brazil & Russian economies.

Despite uncertain market conditions, the major demand drivers remain strong in India due to population growth, rising disposable income and focus on infrastructure creation. The Indian Government has pronounced major policy reforms to wean Indian economy from global uncertainties, push industrialisation through Make-in-India program, and promote entrepreneurship through Start-up-India program. The Indian economy growth during FY 2016-17 is projected to be 7.6 per cent (Source: RBI). The Indian Government is continuously focusing on rolling-out newer structural reforms to promote productivity and competitiveness through Skill India

Program, achieve its fiscal targets and boost infrastructure. The MET department has projected above normal monsoon which coupled with lower oil prices will keep inflation under control and will provide RBI the opportunity to lower interest rates more aggressively in future. Robust structural reforms, softening of interest rates and comfortable liquidity position is expected to brighten the investment climate in the Country.

During the year under review, your Company divested its entire stake in Viom Networks Limited. Pioneering the concept of tower sharing in India at a time when all telecom operators were building and operating their own captive towers, the group established its tower business in 2005 with only 50 towers. Between 2006 to 2008, the tower business grew to around 5,000 towers through organic growth and acquisition of Spice telecom towers. In 2009, by way of merging its tower business with that of the wholly owned subsidiary of Tata Teleservices Limited (a Tata Group entity), Viom was created with around 18,000 towers. Viom continued to grow organically over the next few years to cross 40,000 towers by 2011-12. Viom also successfully weathered the challenges the sector faced in 2012-13 due to cancellation of 122 Mobile Network Operator (MNO) licenses and emerged as the largest independent telecom tower company in the Country. Viom has a pan-India presence and commands industry's highest tenancy ratio of 2.62x with an estimated EBITDA of over Rs. 2000 crore for the

twelve month period ending March 31, 2016. The stake sale of Viom was consummated on April 21, 2016. This is a testament to your Company's astute investment management, wherein your Company was not only able to attract a global leader like American Tower Corporation (ATC) to become majority shareholder in Viom, but was also able to create significant value for all its shareholders.

During the year, your Company also negotiated with BNP Paribas Lease Group (BPLG) to buy its entire 50 per cent shareholding in the joint venture company, Srei Equipment Finance Limited. Your Company has continuously focused on enhancing the portfolio value of its investments through differentiated capabilities, new approach and realigning its processes and systems in line with the best practices and the prevailing market conditions. Given the positive economic scenario, your Company is putting continuous efforts to explore further divestment opportunities of its portfolio to realize better value.

Your Company's investment encompasses infrastructure sector such as transportation, energy, special economic zone & industrial parks, urban infra and social infrastructure. The Indian Government is formulating newer policy reforms, providing higher budgetary support and focusing on ease of doing business to create business environment which has led to speedier project awards & execution in the infrastructure sector. The various ministries have set ambitious target



for FY 2016-17, which coupled with RBI policy on 5/25 structures will promote investments in new and stalled projects. Your Company expects that the Indian Government will create the right economic environment during FY 2016-17 and will encourage foreign investment in infrastructure sector. Infrastructure sector provides long term attractive investment opportunities to global investors in emerging economy such as India. Your Company expects better economic condition in India compared to other BRICS countries during FY 2016-17 and will continue to scout for right opportunities to unlock true value in its investments.

Your Company will embrace innovative management practices, empower cross-functional teams and standardise processes to optimise the existing resources while minimising the cost which in return will enhance shareholder returns on its investment portfolio.

## RESOURCES

During financial year 2015-16, the Treasury department of your Company has seamlessly mobilised resources at competitive rates in the market. Leveraging its long standing relationship and robust track record, your Company has been able to maintain cost while ensuring proper asset liability match.

### i. Bank Finance

Your Company's strong relationships and past credit record with nationalised banks and private sector banks enables it to access cost effective fund. Your Company is funded by a diversified consortium of 30 Indian banks and

has enhanced the tied-up fund based working capital limit to Rs. 8,916.50 crores from consortium member banks at the end of financial year. Further, your Company also successfully mobilised long term Loans aggregating to Rs. 875 crores during the year at the most competitive rates and continued to tap resources through domestic sources.

### ii. Bonds / Debentures / Commercial Papers

Your Company has allotted debentures aggregating to Rs. 163.54 crores by issue of long term Non-Convertible Debentures (NCDs) during the year under review through public issue. Your Company is focussing on diversifying liability mix and hence, going forward, NCDs will be one of the focus areas to augment long term resources. Your Company has also raised Rs. 15,519.20 crores through Commercial Papers during the year under review.

### iii. Foreign Institutional Borrowings

Your Company has drawn EUR 13.19 million during the year under the credit line of Euro 40 mio provided by European Investment Bank (EIB) for climate change mitigation projects (e.g. renewable energy, energy efficiency, any other project that reduces Carbon Dioxide emissions) guaranteed by SACE S.p.A. Your Company has also signed an agreement with Deutsche Bank for USD 30 mio of which USD 18 mio is drawn in FY 2015 and balance 12 mio would be drawn in FY 2016-17.

## RISK MANAGEMENT

Risk management has been an

important and integral part of the operations of your Company, driven by the objectives of maintaining 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's risk management strategy strives to balance the trade-off between risk and return and ensure optimal risk-adjusted return on capital, and entails independent identification, measurement and management of risks across the various businesses of your Company. Your Company has enunciated a framework of policies and principles derived from relevant directives provided from time to time by the Reserve Bank of India (RBI) for a specific classification of non-banking finance companies (NBFCs), and continuously benchmarked with industry best practices. The policies are approved and reviewed from time to time by the Board of Directors supported by an independent risk function, which ensures that your Company operates within a pre-defined risk appetite. In compliance with norms under RBI, your Company computed capital requirement for credit, market and operational risk as on March 31, 2016. The capital to risk-weighted assets ratio (CRAR) of your Company worked out to 17.54 per cent and based on Tier-I capital it was 12.51 per cent, above the minimum regulatory requirements of 15 per cent and 10 per cent respectively.



### Governance Structure

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

### Credit Risk

Your Company has a comprehensive and well-defined Credit Risk Policy for maximizing the risk-adjusted rate of return on capital by maintaining a healthy asset portfolio and managing the credit risk inherent in individual exposures as well at the portfolio

level. The emphasis is placed both on evaluation and containment of risk at the individual exposures and on analysis of the portfolio behaviour. The appraisal process encompasses a detailed risk assessment and rating of all obligors using internal rating models. The ratings of customers are assessed based on their financial performance, industry characteristics, business positioning, project risks, operating performance and other non-financial parameters such as quality of management and conduct of account.

Your Company has a strong framework for the appraisal and execution of project finance transactions that involves a detailed evaluation of technical, commercial, financial, marketing and management factors including sponsor's financial strength and experience. Your Company identifies the project risks, mitigating factors and residual risks associated with the project, and applicable risk mitigating factors, including creation of debt service reserves and channeling project revenues through a trust & retention account. In some cases, your Company also has taken additional credit comforts such as corporate or personal guarantees from one or more sponsors of the project or a pledge of the sponsors' equity holding in the project company.

The RCB 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

The Risk Committee of Board (RCB), an independent Board level committee, puts in place specific policies, frameworks and systems for effective risk management.



**Y**our Company's market risk management is guided by well-laid policies, guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits set in accordance with the risk appetite of your Company.

to borrower groups, industry sectors and geographies, and continuously 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, if required, is taken well in advance based on early warning signals.

Sustainability risk is an essential and integral part of your Company's credit risk management framework. Besides economic benefits, the environmental and social benefits of the project are assessed as these are critical aspects for sustainability of any project. Subsequent to analysing sustainability risk at the time of initial loan approval, it is also periodically monitored through the life-cycle of the exposure.

#### **Market risk**

Market risk is defined as the risk to earnings and to the value of investments arising from movements in extraneous market risk factors, namely stiff liquidity, interest rates and foreign exchange rates. The most common factors connected with market risk are interest rates, currency exchange rates, costs of investments in trade portfolio (regardless of the instruments' character – debt or capital), prices of exchange commodities and other market variables related to the company's activity.

Your Company's market risk management is guided by well-laid policies, guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits set in accordance with the risk appetite of your Company. Treasury Mid-Office independently monitors the risk limits stipulated in the Market Risk Policy and reports deviations, if any, to the appropriate authorities as laid down in the policy.

Liquidity risk is two-dimensional: risk of being unable to fund portfolio of assets at appropriate maturity and rates (liability dimension) and the risk of being unable to liquidate assets in a timely manner at a reasonable price (asset dimension). 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. The ALM position of your Company is being periodically reported to ALCO, RCB and also to RBI.

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 regularly conducts stress testing to monitor vulnerability towards interest rate unfavorable shocks.

Currency or exchange rate risk is the risk where the fair value or future cash flows of a given financial instrument fluctuate as a result from changes in the currency exchange rates. Currency exchange rates can be subject to big and unexpected changes, and managing of the risk related to the currency exchange rates' volatility can be very complicated.

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. Through statistical measure like Value at Risk (VaR), stress tests, back tests, scenario analyses, your Company monitors the foreign currency portfolio.

#### **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 in accordance with the regulatory guidelines has put in place a framework to identify, assess and monitor risks,

strengthen controls, improve customer service and minimize operating losses.

Your Company has built into its operational process by segregation of duties, clear reporting structures, well defined processes, operating manuals, staff training, verification of high value transactions and strong audit trails to control and mitigate operational risks. New product and activity notes prepared by business units are reviewed by all concerned departments including compliance, risk management and legal. All concerned departments coordinate and discuss key operational risk issues involving people, process, and technology, external factors etc. so as to minimise them or ensure adequate controls over them.

A well-formulated Business Continuity Plan (BCP) is in place which ensures business continuity in unlikely event of disaster or disruption. Further to provide continued and uninterrupted service even during natural disasters, a Disaster Recovery (DR) Site is also in place. Vigorous information technology system is put in place which has been certified with globally accepted ISO2701:2005 standard, comprising features like DR, security features covering firewalls, encryption technologies, spam-guards etc. Your Company is committed towards investing in information technology to strengthen its business process.

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.

The risk management framework of your Company is based on assessment of all risks through proper analysing and understanding the underlying risks before undertaking any transactions and changing or implementing processes and systems. All transactions and processes conform to your Company's risk appetite and regulatory requirements and the same is achieved through a proper governance structure, which includes a multi-tiered approval levels for transactions and processes. This risk management mechanism is aided by regular review, control, self assessments and monitoring of key risk indicators.

#### **HUMAN RESOURCES ACTIVITIES**

In the prevailing scenario of business, a strong human capital base will be the differentiator. Hence this year, your Company has focused on strategies that make a stronger human capital base through talent development and talent management together with a stronger integration with technology.

Last year, your Company had formed People Council, which was a cross functional leadership team who actually led the talent pool hence their interventions in all facets of talent management would be the key to engage Human Capital. This Team steered the roll out of new Performance Management System (PMS) and Compensation Policy.



The highlight of this was an improved objectivity in performance management which had detailed job description of 60 unique roles, standardized KRA for all frontline jobs. In addition, your Company established a process of mid-year review and all the employees participated very enthusiastically. All the People Manager of your Company went through a defined set of workshops aimed at making People Managers stronger in people management and to provide employees the same experience of learning and performing hence established on standard 'Srei Way'.

For the smooth assimilation of new recruits in your organization, Design for Success was rolled out which encompassed support to the new entrants. Such initiatives brought Trust and Transparency and the effect was an all-time high score of 74 per cent under "Great Place to work" survey.

Your Company believes employees to be the most valuable asset hence through Swasth Srei, your Company intends to keep the employee base healthy and happy. Swasth Srei encouraged employees towards a healthy lifestyle and supported various health initiatives such as Marathons, in house Health talks and promoted Sports Clubs for cricket, football and badminton. Swasth Srei got recognition as Arogya World's Healthy Workplace Gold Award and the Sports team also won few corporate tournaments.

This year, your organization took an ambitious step to implement a cloud based Human Resource Management System (HRMS) which encapsulates

Hire to Retire modules and brings high accessibility ease to employees. This has also helped in removing any manual intervention in managing employee lifecycles of the growing employee base of your Company.

Throughout, the year, your Company kept a constant and strong employee communications flowing through various channels like Townhalls, newsletters and Twitter, while the year round employee engagement activities continued to build employee bonding and boost employee morale.

The employee count of your Company stands at 209 as on March, 2016, and automating employee services has supported your Company to improve response time and service.

## INFORMATION TECHNOLOGY

Information Technology (IT) in your Company has emerged as a strategic enabler and is playing a major role in improving productivity, reliability and customer satisfaction level while optimizing cost & risks. The IT function has successfully transformed its status from "Reactive" state to "Managed" state by implementing state of the art technology, integrating end to end business process along with underlying technology and transforming its vision from gaining technological expertise to offering customer focused end-to-end service.

Following the current industry trend and business need, your Company adopted cloud based sourcing strategy for many of its crucial services including

enterprise e-mail, Human Resource Management System (HRMS) etc. These strategic transformation projects have not only optimized IT resource and operational cost but also improved stability and performance of business critical services.

In addition to various initiatives enabling cost variabilisation, consolidation and efficiencies and on demand scale, various initiatives in the areas of digitalization, speed, performance and mobility have been given high priority to get the competitive advantages in client and employee facing processes. To enhance end client reliability and satisfaction level, SMS facility has been provided for all transactions and payment made by cash, cheque or demand draft. Google Apps for Work has been introduced through "PIN IT" initiative that brings to users collaboration anytime, anyplace and any device and seamless integration of end to end business process was accomplished coupled with a single service desk solution across IT services.

During the year under review, the focus areas were end user mobility, uniformity in process automation and risk optimization by state of art security practice. Human Resource Management System (HRMS) solution has been moved to a cloud based solution which tracks the employee lifecycle from joining till separation with a very efficient performance management system.

Risk of internet usage has been highly mitigated by adopting a cloud based proxy solution in terms of secured communication and integrated control.



While continuing with its accreditation for ISO 27000:2013, your Company has taken its IT risk management system to the next level of maturity. Compliance to regulatory and statutory needs has always been the focus at your Company, and taking a further step in that direction, your Company has implemented a comprehensive compliance tracking solution.

Information Technology function is embarking on the next wave of maturity that will position IT as a key business driver for every employee and customer. By leveraging innovations in mobile applications, adopting best of breed solution and framework, reengineering the current process and driving continuous improvement cycle across services, your Company is aiming to move towards the next level of maturity and make a significant footprint in the world of digitalization.

## INTERNAL CONTROL AND AUDIT

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

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

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

Further, in accordance with the latest legislation, your Company's internal financial controls have been reviewed and actions have been taken to strengthen financial reporting and overall risk management procedures.

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.

## ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

To adequately meet, respond to and

**Y**our Company's vision, mission and core values have laid the foundation for internal controls.



**Y**our Company does not invest in any projects that do not comply with the environmental & social norms and laws of the Country.

enhance benchmarks in Environmental and Social (E&S) management, your Company has adopted Environmental & Social Management System (ESMS) which reduces the business risk of its portfolio related to E&S issues and adhere to Sustainable Finance Practice. It has been integrated as a part of overall Credit & Risk Policy. This management system is aimed at properly evaluating, assessing and ensuring customer compliance with relevant E&S requirements and encourages clients to take corrective action & mitigation plans.

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

In your Company, a full scale E&S due-diligence is carried out for any business activity as per International Finance Corporation (IFC) Performance Standards and Country's E&S Laws, Rules & Notifications, based on which a 'go' or 'no go' decision is given by ESMS team. Your Company neither participates nor invests in certain

activities and industries, which fall in the exclusion list of your Company. Your Company does not invest in any projects that do not comply with the environmental & social norms and laws of the Country.

As a part of sustainability strategy, your Company has entered into a Capacity Development Agreement with Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) [Netherlands Development Finance Company] and Oesterreichische Entwicklungsbank AG (OeEB) [Development Bank of Austria] to launch a corporate ESHS programme for its clients called Environmental & Social management System - Corporate Rollout Programme (ESMS – CRP). The purpose of the programme is to control the business risk out of different E&S issues from its own and its clients' portfolio, gain control over third party risks and carry out the business with a better E&S risk management. In the process, your Company's brand image in the market is enhanced. Under this programme, your Company prepares sector specific ESMS policy manual based on International Finance Corporation (IFC) Performance Standards for its clients' business and provides ESHS (Environmental, Social, Health & Safety) training. In post implementation stages, your Company helps the clients in E&S monitoring and audit of ESMS. Adoption of ESMS-CRP for the clients of your Company has been made mandatory from FY 2016 onwards for any fresh exposure. On account of your



Company's collaboration with FMO & OeEB, the expenditure on ESMS-CRP for the clients of your Company has been reduced. Your Company has also taken up initiative for the preparation of Sustainability Reporting from FY 2017.

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

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

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The total amount available for CSR spending, being 2 (two) per cent of the average net profits of your Company made during the three immediately preceding financial years, during the financial year 2015-16 aggregated to approximately Rs. 2.40 crores.

Recognising its social responsibility, your Company had earlier established a public charitable trust in the name of 'Srei Foundation' with the objective of granting scholarships and other financial assistance to deserving and talented candidates. The Fund also supports setting up of schools, colleges, medical and scientific research institutions. Donations to Srei Foundation qualify for deduction under Section 80G of the Income Tax Act, 1961. Your Company has granted donation of Rs. 50,00,000/- (Rupees Fifty Lac only) to Srei Foundation during the financial year 2015-16.

Your Company is cognizant towards promoting and encouraging education and hence donated Rs. 5,00,000/- (Rupees Five Lac only) to New Delhi Institute of Management towards sponsoring the education of a student from economically weaker section, thereby promoting higher education. Your Company also supported Gyan Prakash Foundation in its initiative of innovation towards creating a sustainable and replicable community led Social Change Model in education to benefit the underprivileged children in several blocks of Maharashtra. Towards this cause a fund of Rs. 5,00,000/- (Rupees Five Lac only) was donated.

Your Company is fully aware of the fact that as a corporate citizen, it is also entrusted with the responsibility to contribute for the betterment of the society at large. During the year under review, your Company supported ISKCON in its project – 'Food for life' with a sum of Rs. 75,00,000/- (Rupees

Seventy Five Lac only). The programme is being run at the ISKCON Temple in Dwarka where meal is made available to reach out and provide immediate food relief to the underprivileged in the vicinity of the temple.

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

The CSR Committee of your Company has formulated the CSR Policy which describes the multiple lines around which the CSR activities of your Company are positioned being education and skill development, social and economic welfare, environmental sustainability and such other activities included in Schedule VII of the Companies Act, 2013 as may be identified by the CSR Committee from time to time. The said Policy is available on your Company's website [www.srei.com](http://www.srei.com) and a link to the said Policy has been provided elsewhere in this Annual Report. The Committee presently



comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria, Non-Executive Director and Mr. Shyamalendu Chatterjee, Independent Director. Mr. Hemant Kanoria, Chairman and Managing Director of your Company acts as the Chairman of the CSR Committee. Mr. Madhusudan Dutta, Group Head – Corporate Strategy & Planning (Human Capital) acts as the Secretary to the CSR Committee.

4 (Four) meetings of the CSR Committee were held during the year 2015-16 on May 01, 2015, August 01, 2015, November 07, 2015 and February 11, 2016.

In the year under review, your Company could not spend the entire allocated budget of Rs. 2.40 Crores since during the year it continued to use its managerial resources to lay the basic framework for undertaking the CSR activities in accordance with the provisions of the Companies Act, 2013 including finalizing the CSR policy and identifying areas where the CSR activities can be aligned with the nature of the multiple lines of businesses of your Company along the thrust areas of CSR (Education & Skill Development, Healthcare / medical facilities, social and economic welfare, environmental sustainability).

During this year, your Company spent an aggregate amount of Rs. 1,35,00,000/- (Rupees One Crore Thirty Five Lacs

only) towards CSR activities pursuant to CSR Policy of your Company. The manner in which the CSR amount was spent during the financial year is set out as an annexure to the Directors' Report and forms part of this Annual Report.

### SREI WEBSITE

The website of your Company [www.srei.com](http://www.srei.com) was revamped recently. This website has been developed on the new responsive technology based platform known as 'Drupal', ensuring uniform display across all devices like mobile, tab, 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 new website conforms to your Company's new Brand guideline while taking a customer centric approach catering to the requirements of prospective customers, investors, employees and other stakeholders. The website of your Company also has 'Live Stock Ticker' with dynamic display of current stock prices in BSE and NSE with respective market caps. The site carries a comprehensive database of information of interest to the investors including the financial results of your Company, dividend declared, unclaimed dividend list, shareholding pattern, any price sensitive information

disclosed to the regulatory authorities from time to time, analysts' reports, investor presentations, standard downloadable forms, media coverage, corporate profile and business activities of your Company and the services rendered by your Company to its investors. Some useful features like Online Resume Management System to pull the best talents and Online NCD Application Form download system as a part of fund raising initiatives have been duly introduced in the system. The links to different social media i.e. Facebook, Twitter, LinkedIn has been embedded in the home page of the new website to showcase the key initiatives and achievements your Company has associated itself with.

### SUBSIDIARY COMPANIES

The Statement in Form AOC-I containing the salient feature of the financial statement of your Company's subsidiaries, associates and joint venture companies pursuant to first proviso to Section 129(3) of the Companies Act, 2013 (Act) read with Rule 5 of the Companies (Accounts) Rules, 2014, forms part of the Annual Report. Further, in line with Section 129(3) of the Act read with the aforesaid Rules, SEBI Listing Regulations, 2015 and in accordance with the Accounting Standard 21 (AS-21), Consolidated Financial Statements prepared by your Company include financial information of its subsidiary companies.



A report on the performance and financial position of each of the Subsidiaries, Associate and Joint Venture companies included in the Consolidated Financial Statements prepared by your Company as per Rule 8(1) of the Companies (Accounts) Rules, 2014, forms part of the annual accounts of each of the Subsidiary, Associates and Joint venture companies which have been placed on the website of your Company [www.srei.com](http://www.srei.com) and also forms part of Form AOC-1 pursuant to Rule 5 of the Companies (Accounts) Rules, 2014,

which is set out as an annexure to the Directors' Report and forms part of this Annual Report. Members interested in obtaining a copy of the annual accounts of the subsidiary, associates and joint venture companies may write to the Company Secretary at your Company's Registered Office. The said report is not repeated here for the sake of brevity.

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

Name	Status
Goldensons Construction Private Limited	Ceased to be a wholly-owned subsidiary w.e.f. 30.06.2015
Quippo Oil & Gas Infrastructure Limited	Ceased as a subsidiary and became a wholly-owned subsidiary from a subsidiary w.e.f. 15.03.2016.

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

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

#### POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

As on March 31, 2016, none of the Subsidiaries of your Company are material Subsidiaries. Your Company

has formulated a Policy for determining Material Subsidiaries in accordance with the applicable laws. The said Policy is available on your Company's website [www.srei.com](http://www.srei.com) and a link to the said Policy has been provided elsewhere in this Annual Report.

#### KEY MANAGERIAL PERSONNEL (KMPs)

The following directors/executives of your Company are whole-time Key Managerial Persons (KMPs) as on March 31, 2016 in accordance with the provisions of Section 203 of the Companies Act, 2013 -

As on March 31, 2016, none of the Subsidiaries of your Company are material Subsidiaries.



The Board of Directors of your Company have constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013.

Name	Designation
Mr. Hemant Kanoria	Chairman & Managing Director
Mr. Bajrang Kumar Choudhary	Chief Executive Officer Infrastructure Project Development
Mr. Bijoy Kumar Daga	Chief Executive Officer Infrastructure Project Finance
Mr. Sandeep Lakhotia	Company Secretary
Mr. Kishore Kumar Lodha	Chief Financial Officer

During the year, Mr. John Moses Harding, Group CEO & Chief Economist – Liability & Treasury Management, resigned as a KMP of your Company and was relieved from the services of your Company w.e.f. 1st February, 2016.

Further, Mr. Bijoy Kumar Daga, Chief Executive Officer, Infrastructure Project Finance, resigned as a KMP of your Company and shall be relieved as per Company's Policy.

#### NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of your Company have constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations, 2015. The Committee comprises Mr. Salil Kumar Gupta, Mr. Shyamalendu Chatterjee, Independent Directors and Mr. Sunil Kanoria, Non-Executive Director. Mr. Salil Kumar Gupta, Chief Mentor and Director of your Company acts as the Chairman of the Nomination and Remuneration Committee. The Terms of Reference of the Committee has been provided

in the Corporate Governance Section forming part of this Report.

Two meetings of the Nomination and Remuneration Committee of your Company were held during the year 2015-16 on May 01, 2015 and August 01, 2015.

The Committee has formulated the Nomination and Remuneration Policy ('Srei Nomination and Remuneration Policy') which broadly laid down the various principles of remuneration being support for strategic objectives, transparency, internal & external equity, flexibility, performance-driven remuneration, affordability and sustainability and covers the procedure for selection, appointment and compensation structure of Board members, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company. The said Policy is available on your Company's website [www.srei.com](http://www.srei.com) and a link to the said Policy has been provided elsewhere in this Annual Report.

#### WHISTLE BLOWER POLICY (VIGIL MECHANISM)

Your Company has formulated a codified Whistle Blower Policy incorporating the



provisions relating to Vigil Mechanism in terms of Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, 2015, in order to encourage Directors and Employees of your Company to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of your Company and its stakeholders in any way. Your Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimisation, for whistle blowing in good faith. The said Policy is available on your Company's website [www.srei.com](http://www.srei.com) and a link to the said Policy has been provided elsewhere in this Annual Report.

## POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT

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

each employee can realize his / her maximum potential.

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

Your Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy.

During the year, your Company received 1 (One) complaint on sexual harassment. The said complaint has been investigated and duly concluded by taking appropriate action.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company is exempted from the applicability of the provisions of Section 186 of the Companies Act, 2013 (Act) read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Companies (Meetings of Board and its Powers) Amendment Rules, 2015 as your Company is engaged in the business of

financing of companies or of providing infrastructural facilities.

## PERFORMANCE EVALUATION

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

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

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

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



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

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

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

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

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

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

In terms of Regulation 25(7) of the SEBI Listing Regulations, 2015, your

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

Two such specific familiarisation programmes were conducted on February 11, 2016. As a part of the first programme, presentation was made to the Independent Directors on the topic "Role and Responsibilities of Independent Directors & Corporate Governance Compliances" giving a brief overview of the layout of Companies Act, 2013, duties of directors and provisions relating to the roles, rights and responsibilities of the Independent Directors under various statutes and regulations. A handbook on the role of Independent Directors was also distributed at the meeting.

As a part of the second programme, presentation was made to the Independent Directors giving brief overview of business structure, strategic and financial alliances, snapshot of

business verticals, financial and key business highlights of your Company.

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

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

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

The Company Secretary also regularly apprises the Board about their roles, rights and responsibilities in your Company from time to time as per the requirements of the SEBI Listing Regulations, 2015, Companies Act, 2013 read together with the Rules



and Schedules thereunder and NBFC Corporate Governance (Reserve Bank) Directions, 2015.

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

The link to the details of familiarisation programmes imparted to Independent Directors, as required under Regulation 46 of the SEBI Listing Regulations, 2015, has been provided elsewhere in this Annual Report.

## EXTRACT OF ANNUAL RETURN

An extract of Annual Return as on the financial year ended on March 31, 2016 in Form No. MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is set out as an annexure to the Directors' Report and forms part of this Annual Report.

## PARTICULARS OF CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions of your Company are entered on arm's length basis and are in compliance

with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, 2015. There are no materially significant transactions entered into by your Company with Promoters, Directors or Key Managerial Personnel (KMPs), which have potential conflict with the interest of your Company at large. Your Company has not entered into any material related party transactions with any of its related parties during the financial year 2015-16. Members may refer to the notes to the financial statements for details of related party transactions.

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

In terms of Regulation 23(2) of SEBI Listing Regulations, 2015, your Company obtained prior approval of the Audit Committee for entering into any transaction with related parties except for the Related Party Transaction (RPTs) for which omnibus approval is granted by the Audit Committee from time to time. A statement of all related party

transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The statement is supported by the certificate from the Chief Financial officer (CFO) of your Company.

A Related Party Policy has been devised by your Company for determining the materiality of transactions with related parties and dealings with them. The said Policy is available on your Company's website [www.srei.com](http://www.srei.com) and a link to the said Policy has been provided elsewhere in this Annual Report.

## PARTICULARS OF EMPLOYEES REQUIRED UNDER SECTION 134(3) (q) AND SECTION 197(12) READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The prescribed particulars of remuneration of employees pursuant to Section 134(3) (q) and Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out as annexures to the Directors' Report and form part of this Annual Report.

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

Your Company has no activity relating to Conservation of Energy and Technology



**Y**our Company uses information technology extensively in its operations and also continues its endeavour to improve energy conservation and utilisation, safety and environment.

Absorption as stipulated in Rule 8(3) of Companies (Accounts) Rules, 2014. However, your Company uses information technology extensively in its operations and also continues its endeavour to improve energy conservation and utilisation, safety and environment.

During the year under review, the total foreign exchange earnings and expenditure of your Company was NIL and Rs. 10,513 Lacs respectively (previous year Rs. 14 Lacs and Rs. 8,376 Lacs respectively).

#### TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

During the year under review, your Company transferred a sum of Rs. 4,15,494/- (Rupees Four Lacs Fifteen Thousand Four Hundred and Ninety Four only) to the Investor Education & Protection Fund (IEPF) of the Central Government, being the dividend amount pertaining to the financial year ended on March 31, 2008, which was due & payable and remained unclaimed and unpaid for a period of 7 (seven) years, as provided in Section 205A and 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. Cumulatively, the dividend amount transferred to the said Fund upto March 31, 2016 aggregates to Rs. 47,51,424.69/- (Rupees Forty Seven Lacs Fifty One Thousand Four Hundred Twenty Four and Paise Sixty Nine only).

#### AUDIT COMMITTEE

The Audit Committee comprises of Mr.

Salil Kumar Gupta, Mr. Srinivasachari Rajagopal, Mr. Shyamalendu Chatterjee, Independent Directors and Mr. Sunil Kanoria, Non-Executive Director. Mr. Salil Kumar Gupta, Chief Mentor & Independent Director of your Company is the Chairman of the Audit Committee. The Company Secretary of your Company acts as the Secretary to the Audit Committee. The Terms of Reference of the Audit Committee has been provided in the Corporate Governance Section forming part of this Report.

Four meetings of the Audit Committee were held during the year 2015-16 on May 01, 2015, August 01, 2015, November 07, 2015 and February 11, 2016.

#### AUDITORS

At the 30th Annual General Meeting (AGM) of your Company held on August 01, 2015, Haribhakti & Co. LLP, Chartered Accountants, having registration No. 103523W allotted by The Institute of Chartered Accountants of India (ICAI), were appointed as Statutory Auditors of your Company to hold office for a term of 5 (five) years from the conclusion of 30th AGM (subject to ratification of such appointment by the Members at every AGM) till the conclusion of the 35th AGM of your Company. Accordingly, the appointment of Haribhakti & Co. LLP, Chartered Accountants, as Statutory Auditors of your Company, is placed for ratification by the Members. Your Company has received a confirmation from Haribhakti & Co. LLP, Chartered Accountants, to this effect that their appointment, if ratified, would be within



the limits prescribed under Section 139 of the Companies Act, 2013 and the rules framed thereunder and in accordance with Section 141 of the Companies Act, 2013. They have also confirmed that they hold a valid peer review certificate as prescribed under Regulation 33(d) of the SEBI Listing Regulations, 2015. The Audit Committee and the Board of Directors of your Company recommend ratification of their appointment from the conclusion of this AGM upto the conclusion of the 32nd AGM of your Company.

### AUDIT MODIFICATIONS

There are no modifications, reservations or adverse remarks or disclaimers made by Haribhakti & Co. LLP, Statutory Auditors, in their report on your Company's financial statements for the year ended on March 31, 2016. Further, the Statutory Auditors have not reported any incident of fraud to the Audit Committee of your Company during the year under review.

### SECRETARIAL AUDIT REPORT

Your Company appointed Dr. K. R. Chandratre, Practising Company Secretary, holding membership of The Institute of Company Secretaries of India (Membership No. FCS 1370; Certificate of Practice No. 5144) as the Secretarial Auditor of your Company for FY 2015-16 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, 1956 (as applicable), Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, The Listing Agreements entered into by your Company with BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from December 01, 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) and effective from July 01, 2015), Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to your Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015 (effective from May 15, 2015), the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and the Reserve Bank of India Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC –ND –SI), Master Circular dated July 01, 2015 on Non-Banking Financial Companies- Corporate Governance (Reserve Bank)

Directions, 2015 issued by the Reserve Bank of India (RBI).

The Secretarial Audit Report for the financial year ended March 31, 2016 is an unqualified Report and the same forms part of the Annual Report.

### CORPORATE GOVERNANCE

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

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

### MEETINGS OF THE BOARD

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

5 (Five) Board meetings were held during the year 2015-16 on May 01, 2015, August 01, 2015, November 07, 2015, December 29, 2015 and February 11, 2016. The maximum time gap between any two consecutive



meetings did not exceed 120 (One Hundred Twenty) days.

## DIRECTORS

During the year under review, your Company appointed Dr. Tamali Sengupta (DIN 00358658) and Mr. T. C. A. Ranganathan (DIN 03091352) as Independent Directors of your Company to hold office for a period of 5 (Five) consecutive years from the date of the Thirtieth Annual General Meeting (AGM) of your Company held on August 01, 2015. In this regard, your Company issued formal letter of appointment to the Independent Directors stating inter alia the terms and conditions of their appointment and the same is also hosted on the website of your Company [www.srei.com](http://www.srei.com).

The Members at the 30th Annual General Meeting held on August 01, 2015, approved the re-appointment of Mr. Hemant Kanoria (DIN 00193015) as the Chairman and Managing Director (CMD) of your Company for a further period of 5 (five) years w.e.f. April 01, 2015.

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, not less than two-thirds of the total number of directors of a public company shall be persons whose period of office is liable to determination of retirement of directors by rotation. Therefore, in order to comply with the provisions of the aforesaid Section of the Companies Act, 2013 and rules made thereunder and in partial modification of the resolutions passed earlier by the Board of Directors

at its meeting held on February 13, 2015, the office of Mr. Hemant Kanoria, Chairman and Managing Director was made liable to retirement by rotation by the Board of Directors at its meeting held on May 01, 2015, based on the recommendation of the Nomination & Remuneration Committee of your Company.

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

Based on the recommendation of the Nomination and Remuneration Committee of your Company, the Board of Directors of your Company has appointed Mr. Ram Krishna Agarwal (DIN 00416964) as an Additional Director (Category – Non Executive and Non Independent) of your Company with effect from May 12, 2016 to hold office upto the date of Thirty-First AGM of your Company.

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 all the above Directors.

Your Company has received declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 that he/she meets the

criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations, 2015. All requisite declarations were placed before the Board.

Pursuant to Regulation 16(b) of SEBI Listing Regulations, 2015 and Section 197 of the Act read with the Rules framed thereunder, your Company has approved payment of remuneration of Rs. 50 Lacs by way of commission on net profits computed under Section 198 of the Act to Non-Executive Directors and Independent Directors of your Company for the financial year 2015-16. The payment is within the limit of one per cent of the net profits of your Company for the financial year 2015-16 as approved by the Members of your Company at the AGM held on August 02, 2014 and in accordance with the applicable provisions of the SEBI Listing Regulations, 2015 and the Act read with the Rules framed thereunder.

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

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



## DIRECTORS' RESPONSIBILITY STATEMENT

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

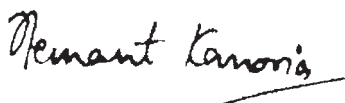
- (i) in the preparation of the annual accounts for the financial year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for the year;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts for the financial year ended March 31, 2016 on a going concern basis;
- (v) they have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and are operating effectively;

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

## ACKNOWLEDGEMENT

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

On behalf of the Board of Directors



**Hemant Kanoria**

Chairman & Managing Director  
DIN 00193015

Kolkata, May 12, 2016



# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

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

To

The Members

**Srei Infrastructure Finance Limited**

Vishwakarma, 86C, Topsia Road (South)

Kolkata – 700 046

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-

laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Foreign Direct Investment and Overseas Direct Investment not applicable during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from May 15, 2015);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the Company during the Audit Period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting



of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and

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

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

- Reserve Bank of India Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC –ND – SI).
- Master Circular dated July 01, 2015 on Non-Banking Financial Companies-Corporate Governance (Reserve Bank) Directions, 2015 issued by the Reserve Bank of India (RBI).

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and effective from July 01, 2015).
- (ii) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from December 01, 2015).

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

#### **I further report that**

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were 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 are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

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

The Company has made a public offer of Secured Redeemable Non-Convertible Debentures (NCDs) of the face value of Rs. 1000 each amounting to Rs. 2000 million (Base Issue Size), with an option to retain oversubscription up to Rs. 10000 million within the Shelf Limit of Rs. 11738.569 million.

sd/-

Place: Pune

**Dr. K. R. Chandratre**

Date: May 12, 2016

FCS No. 1370, C P No: 5144



## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

- a. Independently
- b. Jointly with Srei Foundation and IISD Edu World
- c. In partnership with external social bodies / NGOs.

Our activities are carried out along the following thrust areas:

#### a. Education and Skills Development:

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

#### b. Healthcare / Medical facilities:

Ensure and promote a culture of healthy workforce by creating awareness and raising consciousness among people.

#### c. Social and Economic Welfare:

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

#### d. Environmental Sustainability:

Raise consciousness towards building a healthy environment among the stakeholders and community at large.

The Company has framed a CSR Policy in compliance

with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is:

<https://www.srei.com/sites/default/files/Corporate%20Social%20Responsibility%20Policy%20for%20SIFL.pdf>

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

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

### 2. The Composition of the CSR Committee

#### Committee Members:

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

#### Secretary to the CSR Committee:

- Mr. Madhusudan Dutta

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

Rs. 120.22 Crore

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

Rs. 2.40 Crore

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

#### a. Total amount to be spent for the Financial Year:

The Company has spent Rs. 1.35 Crores against the mandated Rs. 2.40 Crores

#### b. Amount unspent, if any: Rs. 1.05 Crores

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



(Amount in Rs.)

Sl. No.	CSR project or activity identified	Sector in which the Project is covered (clause no. (Cl.) of Schedule VII to the Companies Act, 2013, as amended)	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period*	Amount spent: Direct or through implementing agency
1.	Srei Foundation	Cl.(ii) Promoting Education; Cl.(iii) Empowering Women	Asansol, West Bengal	50,00,000	50,00,000	1,00,00,000	Direct
2.	ISKCON	Cl.(i) Health	NCR	75,00,000	75,00,000	75,00,000	Direct
3.	New Delhi Institute of Management NDIM	Cl.(ii) Education	Delhi	5,00,000	5,00,000	5,00,000	Direct
4.	Gyan Prakash Foundation	Cl.(ii) Education	Pune – Around Vehle Block	5,00,000	5,00,000	5,00,000	Direct
	<b>TOTAL</b>			<b>1,35,00,000</b>	<b>1,35,00,000</b>	<b>1,85,00,000</b>	

\*Considering the expenditure during the previous financial year, the cumulative expenditure upto the reporting period is Rs. 2,73,45,962.

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

In the year under review, the Company could not spend the entire allocated budget of Rs. 2.40 Crores since during the year it continued to use its managerial resources to lay the basic framework for undertaking the CSR activities in accordance with the provisions of the Companies Act, 2013.

#### 7. Responsibility statement of the CSR Committee

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

**For and on behalf of Corporate Social Responsibility Committee**

Sd/-

**Hemant Kanoria**

DIN: 00193015

Chairman of Committee

(Chairman & Managing Director)

Sd/-

**Shyamalendu Chatterjee**

DIN: 00048249

Member of Committee

(Independent Director)

Place: Kolkata

Date: May 12, 2016



**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2016**

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

**I. REGISTRATION AND OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / service*	% to total turnover of the Company**
1.	Other financial service activities, except in insurance and pension funding activities	649	99.65

\*As per National Industrial Classification – Ministry of Statistics and Programme Implementation

\*\* Represents total income

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the Companyt	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Adisri Commercial Private Limited 3, Middle Road, Hastings, Kolkata- 700 002	U67190WB2014PTC199720	Holding	58.28	2(46)
2	Srei Capital Markets Limited ‘Vishwakarma’, 86C, Topsia Road (S), Kolkata – 700 046	U67190WB1998PLC087155	Subsidiary	100	2(87)
3	Srei Alternative Investment Managers Limited ‘Vishwakarma’, 86C, Topsia Road (S), Kolkata – 700 046	U65999WB1994PLC065722	Subsidiary	100	2(87)



Sl. No.	Name and Address of the Companyt	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
4.	Hyderabad Information Technology Venture Enterprises Limited 5-9-58/B, Parisrama Bhavanam, Basheerbagh, Hyderabad – 500 004	U72200AP1998PLC029282	Step-down Subsidiary	51	2(87)
5.	Cyberabad Trustee Company Private Limited 5-9-58/B, Parisrama Bhavanam, Basheerbagh, Hyderabad – 500 004	U72200TG1999PTC033128	Step-down Subsidiary	51	2(87)
6.	Srei Forex Limited 'Mirania Gardens', 10B, Topsia Road (South), Kolkata – 700 046	U74999WB2001PLC093780	Subsidiary	100	2(87)
7.	Srei Infrastructure Advisors Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U75131WB2001PLC093316	Subsidiary	100	2(87)
8.	Bengal Srei Infrastructure Development Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U70109WB2004PLC100517	Step-down Subsidiary	51	2(87)
9.	Controlla Electrotech Private Limited Y10/EP, Sector – V, Salt Lake Electronics Complex, Kolkata – 700 091	U29303WB1991PTC052455	Subsidiary	100	2(87)
10.	Srei International Infrastructure Services GmbH [Germany] Rostocker Str. 1, 50374 Erfstadt, Germany	Foreign Company	Subsidiary	92.54	2(87)
11.	Zao Srei Leasing, Russia Leninsky, Prospekt, 103/1, 117198, Moscow, Russia	Foreign Company	Step-down Subsidiary	59.41	2(87)
12.	Srei Advisors PTE. Limited (Singapore) 3791 Jalan Bukit Merah, #10-02, E-Centre, @ Redhills, Singapore – 159471	Foreign Company	Step-down Subsidiary	92.54	2(87)
13.	Srei Mutual Fund Asset Management Private Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U65990WB2009PTC139801	Subsidiary	100	2(87)
14.	Srei Mutual Fund Trust Private Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U65990WB2009PTC139790	Subsidiary	100	2(87)
15.	Srei Insurance Broking Private Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U67120WB2002PTC095019	Subsidiary	100	2(87)
16.	Quippo Oil and Gas Infrastructure Limited D-2, 5th Floor, Southern Park, Saket Place, Saket, New Delhi – 110 017	U11120DL2005PLC138226	Subsidiary	100	2(87)
17.	Quippo Drilling International Private Limited D-2, 5th Floor, Southern Park, Saket Place, Saket, New Delhi – 110 017	U11100DL2015PTC275903	Step-down Subsidiary	100	2(87)
18.	Quippo Energy Limited D-2, 5th Floor, Southern Park, Saket Place, Saket, New Delhi – 110 017	U70109DL2007PLC168478	Subsidiary	100	2(87)
19.	Srei Asset Reconstruction Private Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U65999WB2014PTC202301	Subsidiary	100	2(87)
20.	Srei Equipment Finance Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U70101WB2006PLC109898	Joint Venture	50	2(6)
21.	Sahaj e-Village Limited 'Mirania Gardens', Plot No. 43, 10/B/1, Topsia Road (East), Kolkata – 700 046	U67190WB2002PLC095455	Associate	49.47	2(6)
22.	Quippo Telecom Infrastructure Private Limited D-2, 5th Floor, Southern Park, Saket Place, Saket, New Delhi – 110 017	U64203DL2005PTC138225	Associate	45.18	2(6)
23.	Attivo Economic Zone (Mumbai) Private Limited D-2, 5th Floor, Southern Park, Saket Place, Saket, New Delhi – 110 017	U45400DL2008PTC186006	Associate	48.78	2(6)



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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2182714		2182714	0.43	2182714		2182714	0.43	0
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	268211250		268211250	53.32	293211250		293211250	58.28	4.97
e) Banks / FI									
f) Any other									
<b>Sub Total (A)(1)</b>	<b>270393964</b>		<b>270393964</b>	<b>53.75</b>	<b>295393964</b>		<b>295393964</b>	<b>58.72</b>	<b>4.97</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp									
d) Banks / FI									
e) Any Other									
<b>Sub Total (A)(2)</b>									
<b>Total shareholding of Promoter A =(A)(1) + (A)(2)</b>	<b>270393964</b>		<b>270393964</b>	<b>53.75</b>	<b>295393964</b>		<b>295393964</b>	<b>58.72</b>	<b>4.97</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds		16120	16120	0.00	3002156	16120	3018276	0.60	0.60
b) Banks / FI	460908		460908	0.09	97560		97560	0.02	(0.07)
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FII's	62286229	180000	62466229	12.42	63778152	180000	63958152	12.71	0.29
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1)</b>	<b>62747137</b>	<b>196120</b>	<b>62943257</b>	<b>12.51</b>	<b>66877868</b>	<b>196120</b>	<b>67073988</b>	<b>13.33</b>	<b>0.82</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	27712474	107279	27819753	5.53	37514699	105922	37620621	7.48	1.95
i) Indian									
ii) Overseas									



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	25666652	1133836	26800488	5.33	21534738	1120003	22654741	4.50	(0.83)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	75599037	10636	75609673	15.03	71705998	10636	71716634	14.26	(0.77)
c) Others (specify)									
Non Resident Indians	1729196	16357	1745553	0.35	6498900	16357	6515257	1.30	0.95
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	536153		536153	0.11	349831		349831	0.07	(0.04)
Trusts	35480175		35480175	7.05	3980		3980	0.00	(7.05)
Foreign Bodies - D R		1735717	1735717	0.35		1735717	1735717	0.35	0
<b>Sub-total (B)(2)</b>	<b>166723687</b>	<b>3003825</b>	<b>169727512</b>	<b>33.74</b>	<b>137608146</b>	<b>2988635</b>	<b>140596781</b>	<b>27.95</b>	<b>(5.79)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>229470824</b>	<b>3199945</b>	<b>232670769</b>	<b>46.25</b>	<b>204486014</b>	<b>3184755</b>	<b>207670769</b>	<b>41.28</b>	<b>(4.97)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	21600		21600	0.00	21600		21600	0.00	0
<b>Grand Total (A+B+C)</b>	<b>499886388</b>	<b>3199945</b>	<b>503086333</b>	<b>100.00</b>	<b>499901578</b>	<b>3184755</b>	<b>503086333</b>	<b>100.00</b>	<b>0</b>

Note: Listing and Trading of GDRs is cancelled w.e.f. May 16, 2016

## ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Hemant Kanoria (Promoter)	380000	0.08		380000	0.08		0
2	Sunil Kanoria	1802714	0.36		1802714	0.36		0
3	Adisri Commercial Private Limited	268191250	53.31		293201250	58.28		4.97
4	Param Commercial Private Limited	10000	0.00		-	-		0.00
5	Bhavah Enterprise Private Limited	10000	0.00		10000	0.00		0



### iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of shares	% of total shares of the company
1.	<b>Hemant Kanoria (Promoter)</b>				
	At the beginning of the year	380000	0.08		
	Date-wise increase/decrease in promoters' shareholding during the year specifying the reasons for increase/decrease	No Changes during the year			
	At the end of the year			380000	0.08
2.	<b>Sunil Kanoria</b>				
	At the beginning of the year	1802714	0.36		
	Date-wise increase/decrease in promoters' shareholding during the year specifying the reasons for increase/decrease	No Changes during the year			
	At the end of the year			1802714	0.36
3.	<b>Adisri Investment Private Limited</b>				
	At the beginning of the year	-	-		
	Date-wise increase/decrease in promoters' shareholding during the year specifying the reasons for increase/decrease				
	Date                      Reason				
	04.05.2015            Buy	25000000	4.97		
	12.05.2015            Sale (inter se transfer)	25000000	4.97		
	At the end of the year			-	-
4.	<b>Adisri Commercial Private Limited</b>				
	At the beginning of the year	268191250	53.31		
	Date-wise increase/decrease in promoters' shareholding during the year specifying the reasons for increase/decrease				
	Date                      Reason				
	12.05.2015            Buy (inter se transfer)	25000000	4.97		
	02.12.2015            Buy	10000	0.00		
	At the end of the year			293201250	58.28
5.	<b>Param Commercial Private Limited</b>				
	At the beginning of the year	10000	0.00		
	Date-wise increase/decrease in promoters' shareholding during the year specifying the reasons for increase/decrease				
	Date                      Reason				
	02.12.2015            Sale	10000	0.00		
	At the end of the year			-	-
6.	<b>Bhavah Enterprise Private Limited</b>				
	At the beginning of the year	10000	0.00		
	Date-wise increase/decrease in promoters' shareholding during the year specifying the reasons for increase/decrease	No Changes during the year			
	At the end of the year			10000	0.00



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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Opulent Venture Capital Trust	35474595	7.05	-	-
2.	Mr. Salil Kumar Gupta Mr. Srinivasachari Rajagopal [Trustees of Srei Growth Trust]	48600000	9.66	48600000	9.66
3.	Fidelity Investment Trust Fidelity Series Emerging Markets Fund	47462511	9.43	42943661	8.54
4.	Milan Commercial Private Limited	8714286	1.73	9714286	1.93
5.	Subrata Ghosh	5861693	1.17	5638750	1.12
6.	Roopchand Bhanshali	1032422	0.21	-	-
7.	AADI Financial Advisors LLP	1200000	0.24	3277444	0.65
8.	Jai-Vijay Resources Pvt Ltd	2854209	0.57	2940689	0.58
9.	Akash Bhanshali	2735365	0.54	2735365	0.54
10.	Infrastructure Development Investor Limited	1735717	0.35	-	-
11.	Vanguard Total International Stock Index Fund	1494498	0.30	-	-
12.	Dimensional Emerging Markets Value Fund	1470670	0.29	-	-
13.	Kancham Enterprises Private Limited	-	-	9925513	1.97
14.	Amal N Parikh	-	-	5000000	0.99
15.	Reliance Capital Trustee Co. Ltd-A/C Reliance Small Cap Fund	-	-	3000000	0.60

**v) Shareholding of Directors and Key Managerial Personnel**

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of shares	% of total shares of the company
	<b>Directors</b>				
1.	<b>Mr. Salil K. Gupta</b>				
	At the beginning of the year	-	-		
	Changes during the year	No Change during the year			
	At the end of the year			-	-
2.	<b>Mr. Hemant Kanoria</b>				
	At the beginning of the year	380000	0.08		
	Changes during the year	No Change during the year			
	At the end of the year			380000	0.08
3.	<b>Mr. Sunil Kanoria</b>				
	At the beginning of the year	1802714	0.36		
	Changes during the year	No Change during the year			
	At the end of the year			1802714	0.36



Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of shares	% of total shares of the company
4.	<b>Mr. Srinivasachari Rajagopal</b>				
	At the beginning of the year	-	-		
	Changes during the year	No Change during the year			
	At the end of the year			-	-
5.	<b>Mr. Shyamalendu Chatterjee</b>				
	At the beginning of the year	-	-		
	Changes during the year	No Change during the year			
	At the end of the year			-	-
6.	<b>Dr. Punita Kumar Sinha</b>				
	At the beginning of the year	-	-		
	Changes during the year	No Change during the year			
	At the end of the year			-	-
7.	<b>Dr. Tamali Sengupta</b>				
	At the beginning of the year	-	-		
	Changes during the year	No Change during the year			
	At the end of the year			-	-
8.	<b>Mr. T. C. A. Ranganathan</b>				
	At the beginning of the year	-	-		
	Changes during the year	No Change during the year			
	At the end of the year			-	-
	<b>Key Managerial Personnel</b>				
1.	<b>Mr. Hemant Kanoria - Chairman and Managing Director</b>				
	At the beginning of the year	380000	0.08		
	Changes during the year	No Change during the year			
	At the end of the year			380000	0.08
2.	<b>Mr. Bajrang K. Choudhary - Chief Executive Officer (CEO) - Infrastructure Project Development</b>				
	At the beginning of the year	78218	0.02		
	Changes during the year	No Change during the year			
	At the end of the year			78218	0.02
3.	<b>Mr. Bijoy Daga - Chief Executive Officer (CEO) - Infrastructure Project Finance</b>				
	At the beginning of the year	150000	0.03		
	Changes during the year				
	Date Reason				
	04.03.2016 Buy	150000	0.03		
	At the end of the year			300000	0.06



4.	<b>Mr. Sandeep Lakhota - Company Secretary</b>				
	At the beginning of the year	97593	0.02		
	Changes during the year	No Change during the year			
	At the end of the year			97593	0.02
5.	<b>Mr. Kishore K. Lodha - Chief Financial Officer</b>				
	At the beginning of the year	6565	0.00		
	Changes during the year				
	Date	Reason			
	23.10.2015	Sale	1000	0.00	
	27.10.2015	Sale	3000	0.00	
	28.10.2015	Sale	2565	0.00	
	At the end of the year			-	-

## V. INDEBTEDNESS

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

(Rs. in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1233439	136161	21	1369621
ii) Interest due but not paid	167		2	169
iii) Interest accrued but not due	14983	3389		18372
<b>Total (i+ii+iii)</b>	<b>1248589</b>	<b>139550</b>	<b>23</b>	<b>1388162</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	45127	48138		93258
Reduction			7	
<b>Net Change</b>	<b>45127</b>	<b>48138</b>	<b>(7)</b>	<b>93258</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1275681	184236	14	1459931
ii) Interest due but not paid	191		2	193
iii) Interest accrued but not due	17844	3452		21296
<b>Total (i+ii+iii)</b>	<b>1293716</b>	<b>187688</b>	<b>16</b>	<b>1481420</b>

\*Unclaimed Deposits



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director

(Amount in Rs)

Sl. No.	Particulars of Remuneration	Name of MD
		Mr. Hemant Kanoria
1.	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,80,00,000
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	
2.	Stock Option	
3.	Sweat Equity	
4.	Commission	
	- as % of profit	60,00,000
	- others, specify	(inclusive in 1)
5.	Others, please specify	
	<b>Total (A)</b>	<b>2,80,00,000</b>
	Ceiling as per the Act	4,24,25,350

### B. Remuneration to other Directors

(Amount in Rs)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
1.	Independent Directors	Mr. Salil K. Gupta	Mr. S. Rajagopal	Mr. Shyamalendu Chatterjee	Mr. S. K. Deb*	Dr. Punita Kumar Sinha	Dr. Tamali Sengupta **	Mr. T. C. A. Ranganathan**	
	Fee for attending Board and Committee Meetings	7,75,000	6,25,000	9,05,000	1,25,000	6,75,000	5,25,000	5,25,000	41,55,000
	Commission	10,00,000	5,00,000	10,00,000	-	10,00,000	5,00,000	5,00,000	45,00,000
	Others, please specify	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>17,75,000</b>	<b>11,25,000</b>	<b>19,05,000</b>	<b>1,25,000</b>	<b>16,75,000</b>	<b>10,25,000</b>	<b>10,25,000</b>	<b>86,55,000</b>

\*Resigned as Independent Director w.e.f. conclusion of the Board Meeting held on May 01, 2015

\*\*Appointed as Independent Director to hold office for a period of 5 (Five) consecutive years from the date of the 30th Annual General Meeting (AGM) held on August 01, 2015



(Amount in Rs)

Sl No.	Particulars of Remuneration	Name of Directors		Total Amount
2.	Other Non-Executive Directors	Mr. Sunil Kanoria	Mr. Saud Ibne Siddique	
	Fee for attending Board and Committee Meetings	11,25,000	1,00,000	12,25,000
	Commission	5,00,000	-	5,00,000
	Others, please specify	-	-	-
	Total (2)	16,25,000	1,00,000	17,25,000
	Total (B)=(1+2)			1,03,80,000
	Total Managerial Remuneration**			3,30,00,000
	Overall Ceiling as per the Act			5,09,10,420

\* Resigned as Non-Executive Director w.e.f. conclusion of the Board Meeting held on May 01, 2015

\*\*Exclusive of sitting fees

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

(Amount in Rs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel					Total Amount
		CEO			CS	CFO	
		Mr. John Moses Harding*	Mr. Bajrang K. Choudhary	Mr. Bijoy Daga	Mr. Sandeep Lakhota	Mr. Kishore K. Lodha	
1.	Gross salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,35,76,485	1,12,99,014	2,04,12,011	72,28,659	49,99,264	5,75,15,433
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	NIL	39,600	32,400	32,400	32,400	1,36,800
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961						
2.	Stock Option						
3.	Sweat Equity						
4.	Commission - 1 % of Profit - others, specify						
5.	Others, please specify						
	<b>Total (C)</b>	<b>1,35,76,485</b>	<b>1,13,38,614</b>	<b>2,04,44,411</b>	<b>72,61,059</b>	<b>50,31,664</b>	<b>5,76,52,233</b>

\*Ceased to be a KMP of the Company w.e.f. February 01, 2016.

**VII. PENALTIES / PUNISHMENTS / COMPOUNDING OF OFFENCES**

There were no penalties/punishments/compounding of offence under any sections of the Companies Act, 2013 against the Company or its Directors or other officers in default during the year ended 31st March, 2016.

Place: Kolkata

Date: May 12, 2016

**Hemant Kanoria**

Chairman &amp; Managing Director

DIN 00193015



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

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

Sl. No.	Name of the Directors	Remuneration (Rs.)	Median Remuneration of employees (Rs.)	Ratio (In times)
1.	Mr. Salil Kumar Gupta	10,00,000	8,64,558	1.16x
2.	Mr. Hemant Kanoria	3,06,60,000		35.46x
3.	Mr. Sunil Kanoria	5,00,000		0.58x
4.	Mr. Srinivasachari Rajagopal	5,00,000		0.58x
5.	Mr. Shyamalendu Chatterjee	10,00,000		1.16x
6.	Dr. Punita Kumar Sinha	10,00,000		1.16x
7.	Dr. Tamali Sengupta	5,00,000		0.58x
8.	Mr. T. C. A. Ranganathan	5,00,000		0.58x

Note:

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

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

Sl. No.	Name	Designation	Remuneration of previous year (Rs.)	Remuneration of Current year (Rs.)	% increase
1.	Mr. Hemant Kanoria	Chairman & Managing Director	2,22,24,898	3,06,60,000	37.95
2.	Mr. Sunil Kanoria	Non-Executive Director (Vice Chairman)	5,00,000	5,00,000	-
3.	Mr. Salil Kumar Gupta	Independent Director	10,00,000	10,00,000	-
4.	Mr. Srinivasachari Rajagopal		5,00,000	5,00,000	-
5.	Mr. Shyamalendu Chatterjee		5,00,000	10,00,000	100.00
6.	Dr. Punita Kumar Sinha		10,00,000	10,00,000	-
7.	Dr. Tamali Sengupta		0	5,00,000	-
8.	T. C. A. Ranganathan		0	5,00,000	-
9.	Mr. Bajrang K. Choudhary	Chief Executive Officer, Infrastructure Project Developmentt	91,25,834	1,22,62,828	34.37
10.	Mr. Bijoy Daga	Chief Executive Officer, Infrastructure Project Finance	2,22,33,439	2,13,91,272	(3.79)
11.	Mr. Sandeep Lakhotia	Company Secretary	68,97,755	79,04,264	14.59
12.	Mr. Kishore Kumar Lodha	Chief Financial Officer	43,89,523	53,39,696	21.65
13.	Mr. John Moses Harding*	Group Chief Executive Officer & Chief Economist - Liability & Treasury Management	1,73,56,671	1,36,56,485	(21.32)

\*Ceased to be a KMP of the Company w.e.f. February 01, 2016.

Note:

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

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



**iii. The percentage increase in the median remuneration of employees in the financial year:**

Median remuneration of previous year (Rs.)	Median remuneration of current year (Rs.)	% increase
7,56,624	8,64,558	14.27

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

There were 209 employees as on 31st March, 2016.

**v. The explanation on the relationship between average increase in remuneration and Company performance:**

The Profit before tax of the Company decreased by 31.88% and Profit after tax decreased by 36.87% in the financial year 2015-16. Further, the Company considers various parameters including internal benchmarks, external benchmarks, financial performance etc.

**vi. Comparison of the remuneration of Key Managerial Personnel against the performance of the Company:**

For the Financial year 2015-16, the Key Managerial Personnel (KMPs) were paid approximately 11.20% of the net profit (profit before tax) for the year.

**vii. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Sl. No.	Particulars	As at March 31, 2016		As at March 31, 2015	
1.	Market Capitalisation (Rs.)	BSE	27,79,55,19,898	BSE	21,40,63,23,469
		NSE	27,79,55,19,898	NSE	21,45,66,32,102
2.	Price Earnings Ratio	BSE	48.46	BSE	23.51
		NSE	48.46	NSE	23.56

The Company came with an Initial Public Offer in 1992 at the price of Rs. 10/- per equity share. As on March 31, 2016 the Market Quotation of the Company Share Price (Closing Price) is as follows:

- BSE Limited (BSE): Rs. 55.25
- National Stock Exchange of India Limited (NSE): Rs. 55.25

**viii. 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	22
2	Increase in salary of employee (other than Managerial Personnel)	23



**ix. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:**

The comparison of remuneration of each of the KMP against the performance of the Company is as under:

Sl. No.	Particulars	% of Net Profit (Profit before tax) for F.Y. 2015-16
1.	Mr. Hemant Kanoria	3.77
2.	Mr. Bajrang K. Choudhary	1.51
3.	Mr. Bijoy Daga	2.63
4.	Mr. Sandeep Lakhotia	0.97
5.	Mr. Kishore K. Lodha	0.66
6.	Mr. John Moses Harding*	1.68

\*Ceased to be a KMP of the Company w.e.f. February 01, 2016.

**x. The key parameters for any variable component of remuneration availed by the Directors:**

Various broad factors and guidelines including performance evaluation etc. are considered by the Board of Directors on the recommendation of the Nomination and Remuneration Committee as per the Nomination and Remuneration Policy of the Company.

**xi. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:**

NIL

**xii. Affirmation that the remuneration is as per the remuneration policy of the company:**

Yes, it is confirmed.

**For and on behalf of Board of Directors**

Sd/-

**Hemant Kanoria**

Chairman & Managing Director

DIN: 00193015

Place: Kolkata

Date: May 12, 2016



# PARTICULARS OF EMPLOYEES

pursuant to Section 197(12) read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name	Designation / Nature of Duties	Remuneration Received (Rs.)	Qualification	Experience in years	Age in years	Date of Commencement of Employment	Last employment held by the employee before joining the Company	Percentage of equity shares held by the employee in the Company
1	Hemant Kanoria	Chairman & Managing Director	3,06,60,000	B. Com (Hons.)	36	53	07.05.1994	None	0.08
2	Rajdeep Khullar	Legal: Group Head	91,58,252	LLB	32	54	02.02.1998	The Right Address Limited- Sr. Manager- Law (Group)	0.00
3	Sandeep Lakhota	Company Secretary: Head	79,04,264	FCA, FCS	18	41	26.06.2000	None	0.02
4	Bajrang Kumar Choudhary	Infrastructure Project Development :CEO	1,22,62,828	B. Com (Hons.), ACA	21	47	05.09.2005	Apeejay Surrendra Group- Wholtime Director	0.02
5	Sanjeev Sancheti	Chief Strategy Officer	1,28,17,325	B.Com (Hons.), ACA, AICWA	25	48	14.11.2007	Tebma Shipyards Limited - CFO	0.00
6	Arunava Sengupta	Infrastructure Project Development :COO	82,02,500	BE (Civil)	30	52	07.12.2007	Banawarilal & Agarwal (P) Ltd. Executive Director (Technical)	NIL
7	Ganesh Prasad Bagree	Infrastructure Project Finance: Senior Vice President	85,38,380	B. Com (Hons.), CA	22	46	19.06.2008	ICICI - West Bengal Infrastructure Development Corporation Limited (ICICI - WINFRA) - Assistant General Manager	0.00
8	Murli Manohar Khemka	Corporate Strategy & Planning : Senior Vice President	86,40,636	BSc, MMS (Finance)	23	42	02.07.2008	Self Employed	NIL
9	Eswararao Nandam*	SEZ: President	11,34,099	BS (Engineering Technology), MS (Manufacturing Technology)	26	46	21.09.2012	GMR Krishnagiri SEZ Limited - Head Operation	0.00
10	Bijoy Daga	Infarstructure Project Finance: CEO	2,13,91,272	ACA	21	43	24.04.2013	IL & FS Financial Services Limited- Head - Project Finance & Joint Head - Advisory Business	0.06
11	John Moses Harding*	Chief Economist & Liability & Treasury Management : Group CEO	1,36,56,485	CAIIB, MA	35	56	07.10.2013	Lakshmi Vilas Bank - Executive Director	NIL
12	Sugato Banerji*	Corporate Communication & Brand Management : Head	60,20,663	B.Tech, PGDEBM	26	52	03.01.2014	What's On Media Pvt. Ltd - COO	0.00
13	Nalin Kumar*	International and Strategic Alliance : President	1,09,03,401	B.Tech, PGDM	23	47	07.04.2014	First Rand Bank India - CEO (Corporate & Investment Bank), India	NIL
14	Murari Rajan*	Corp Strategy & Planing Developement : Chief Investment Officer	37,65,623	B.Com, CA, MBA	26	54	21.11.2014	JSW Steel Limited - Executive Director	NIL
15	Sanjeev Kumar	Resource Mobilization: Senior Vice President	63,08,331	B.Sc., MFC, SMP-IIM(Calcutta)	18	45	03.12.2012	L&T Investment Management Ltd. – VP & National Head – Retail & Banking	0.00
16	Shashi Bhushan Tiwari	Treasury: COO	67,16,752	B.Sc., LLB, DBM, CAIIB	37	60	03.12.1999	IDBI Bank – Manager	0.02
17	Rakesh Gupta*	Commercial property Leasing & Management: Head	26,75,518	BME, ME, PGDBM	26	47	01.07.2010	TCG Real Estate – Head, Operations	0.00

\*Employed for part of the financial year.

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

(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 & Managing Director) who is brother of Mr. Sunil Kanoria (Non-Executive Director & Vice Chairman).

**For and on behalf of of Board of Directors**

Sd/-

**Hemant Kanoria**

Chairman & Managing Director

DIN: 00193015

Place : Kolkata

Date : May 12, 2016



# CMD & CFO CERTIFICATION

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

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The Board of Directors

May 12, 2016

**Srei Infrastructure Finance Limited**

'Vishwakarma'

86C, Topsia Road (South)

Kolkata – 700 046

We, Hemant Kanoria, Chairman & Managing Director (CMD) and Kishore Kumar Lodha, Chief Financial Officer (CFO) of Srei Infrastructure Finance Limited both certify to the Board that we have reviewed the financial statements and the cash flow statement of the Company for the Financial Year ended on 31st March, 2016 and to the best of our knowledge and belief, we certify that –

1. The Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; that the Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are no fraudulent or illegal transactions and transactions violative of the Company's Code of Conduct.
3. For the purposes of financial reporting, we accept the responsibility for establishing and maintaining the internal controls which are monitored by the Company's Internal Audit Team and have evaluated based on feedbacks received from the Company's Internal Audit Team, the effectiveness of the internal control systems of the Company pertaining to financial reporting and have reported to the Auditors and the Audit Committee, the deficiencies, if any, in the operation and design of such internal controls and the steps taken or proposed to be taken to rectify the deficiencies.
4. We have indicated to the Auditors and the Audit committee:
  - (i) significant changes, if any in the internal controls over financial reporting during the year;
  - (ii) significant changes, if any in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) that there have been no instances of significant fraud, of which we have become aware and consequently no involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

sd/-

sd/-

**Hemant Kanoria**

Chairman & Managing Director (CMD)

**Kishore Kumar Lodha**

Chief Financial Officer (CFO)



# AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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To  
The Members,  
**Srei Infrastructure Finance Limited**

We have examined the compliance of conditions of Corporate Governance by Srei Infrastructure Finance Limited ('the Company'), for the year ended on March 31, 2016, as stipulated in:

- Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreement of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015;
- Clause 49 (VII) (E) of the Listing Agreement of the Company with stock exchanges for the period April 1, 2015 to September 1, 2015;
- Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016 and
- Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified above, during the year ended March 31, 2016.

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

For **Haribhakti & Co. LLP.**  
Chartered Accountants  
(ICAI Firm Registration No. 103523W)

sd/-

**Anand Kumar Jhunjunwala**  
Partner  
Membership No. 056613  
Kolkata, May 12, 2016



# REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the Organisation. Good Corporate Governance leads to long term shareholder value and enhances interest of other stakeholders.

Srei Infrastructure Finance Limited ("Srei") is committed to the adoption of and adherence to the best Corporate Governance practices at all times and continuously benchmarks itself against each such practice in the industry. Srei understands and respects its fiduciary and trusteeship role and responsibility to its stakeholders and strives hard to meet their expectations. Srei believes that Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. Over the years, the governance processes and systems have therefore been strengthened at Srei. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work place have been institutionalized.

The Company's Equity shares are presently listed on three Stock Exchanges in India namely The Calcutta Stock Exchange Limited, BSE Limited and National Stock Exchange of India Limited and the Global Depository Receipts (GDRs) are listed on London Stock Exchange. Pursuant to SEBI

Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015, the Company executed the Uniform Listing agreement with all the three Stock Exchanges. Srei has complied in all material respects with the features of Corporate Governance Code as per erstwhile Clause 49 of the Listing Agreement with the domestic Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") effective from December 01, 2015. In accordance with erstwhile Clause 49 of the Listing Agreement with the domestic Stock Exchanges and SEBI Listing Regulations, 2015, the details of compliances by the Company for the year ended March 31, 2016 are as under:

## A. MANDATORY REQUIREMENTS

### 1. Company's philosophy on Code of Governance

The Company has endeavoured to benchmark itself against global standards in all areas, including Corporate Governance. Good Corporate Governance implies optimum utilisation of the resources and ethical behaviour of the enterprise to enhance the stakeholders' value with strong emphasis on transparency, accountability and integrity, which are the primary objectives of Srei. The Company enhances value for its stakeholders by focusing on growth and profitability, managing risks and contributing to the society.

## 2. Board of Directors

### ■ Composition

The Board has a strength of 8 (Eight) Directors as on March 31, 2016. The Board comprises of optimum combination of Executive, Non-Executive and Independent Directors. 1 (One) Director is Non-Executive Director (Vice Chairman), 1 (One) Director is Executive Director (Chairman) and 6 (Six) Directors are Independent Directors including 2 (Two) Woman Directors.

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

During the year, a majority of the Board comprised of Independent Directors. Independent Directors play a crucial



role in imparting balance to the Board processes by bringing independent judgement on issues of strategy, performance, resources, technology, finance, standards of the Company, conduct, etc.

In compliance with Regulation 25 of SEBI Listing Regulations, 2015, none of the Directors on the Board serve as an Independent Director of more than 7 (Seven) listed entities across all entities in which he/she is a Director. Further, none of the whole time Director on the Board is serving as an Independent Director of more than 3 (Three) listed entities across all entities in which he/she is a Director. Further, in compliance with Regulation 26 of the SEBI Listing Regulations, 2015, none of the Directors on the Board is a member of more than 10 (Ten) committees and Chairman of more than 5 (Five) committees across all public limited companies (whether listed or not) in which he/she is a Director. For assessment of these criteria, the membership/chairmanship of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered. Further, in compliance with Section 165 of the Companies Act, 2013, none of the Directors on the Board hold directorship in more than 20 (Twenty) companies at the same time with the directorship in public companies not exceeding 10 (Ten). All the Directors have made necessary disclosures regarding directorship/committee positions occupied by them

in other listed entities / public limited companies (whether listed or not) in accordance with Regulations 25 and 26 of the SEBI Listing Regulations, 2015 and Companies Act, 2013.

Pursuant to the Master Circular dated July 01, 2015 on NBFC Corporate Governance (Reserve Bank) Directions, 2015 issued by the Reserve Bank of India (RBI), all eligible NBFCs shall frame their internal guidelines on corporate governance with the approval of the Board of Directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's website, if any, for the information of various stakeholders. Accordingly, the Board of Directors of the Company have approved and adopted the Corporate Governance Framework for the Company and the same is effective from August 01, 2015 in accordance with the aforesaid Directions. The Company's Corporate Governance Framework is available on the website of the Company [www.srei.com](http://www.srei.com) and the link to the said framework has been provided elsewhere in this Annual Report.

Further, relevant declarations and undertakings have been obtained from the Directors pursuant to NBFC Corporate Governance (Reserve Bank) Directions, 2015. The Company has also executed the Deed of Covenant with all the Directors in accordance with the said RBI Directions. The Deed of Covenant lays down

acknowledgement by the Director that his/her appointment as Director on the Board of the Company is subject to applicable laws and regulations including Memorandum and Articles of Association of the Company and the provisions of the Deed of Covenant. The Deed of Covenant also inter alia lays down the duties of the Director as well as disclosures to be made by the Company to the Directors etc.

The Company has taken a Directors' and Officers' Liability Insurance Policy for an amount of Rs. 30,00,00,000/- (Rupees Thirty Crores only) in order to safeguard and protect the interests of the Directors from any contingent liabilities.

The Agenda papers along with the explanatory notes for Board meetings are circulated well in advance to the Directors. In some instances, documents are tabled at the meetings and presentations are also made by the respective executives on the matters related to them at the Board meetings. Every Board Member is free to suggest items for inclusion in the Agenda.

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



The Directors have instant access to important information on their respective I-Pads, through Board Information System (BIS) application which also facilitates them to communicate with the management and the Board, thereby redefining and refining Board processes. BIS creates online Institutional Memory - accessible anytime, anywhere; enables long term savings in cost and time, including through reduced paper usage and wastage; enables Directors to raise queries ahead of the Board Meeting on the agenda notes; assists in communicating important news and events of the Company to its Directors on a real-time basis and assures security of information.

In order to assist the Board Members and Senior Management to keep pace with the ever-changing laws and to apply them prudently in their respective

area of activities, a handbook on Regulatory Landscape containing the regulatory changes carried out by the various Regulators is circulated on monthly, half yearly and annual basis. Important regulatory alerts are circulated on a real-time basis through a mobile application 'Srei Chanakya' which can be downloaded on android, IOS and Blackberry devices. This application also serves as a means to create awareness pertaining to insider trading as it contains the detailed list of compliances under Srei Insider Code, FAQ's on Insider Trading and do's and don'ts for insider trading. Also, a Compliance Dashboard encompassing various compliances which are required to be adhered to by the Company being a Non-Banking Financial Institution (NBFC) is circulated to the Board Members and Senior Management on half yearly basis to ensure that all

applicable laws for the Company as an NBFC are being complied with. Power point presentations, notes, impact analysis, compliance status checklist are shared from time to time on various rules, regulations and guidelines issued by various regulators with the Directors and Senior Management. A comprehensive Booklet on various Codes and Policies of the Company was compiled during the year under review and circulated as a ready reckoner to all the Directors and Senior Management of the Company.

The Composition of the Board of Directors as on March 31, 2016 is in conformity with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, 2015. The details of the Board of Directors as on March 31, 2016 are as under:

Sl. No.	Directors	DIN	Category
1.	Mr. Sailil Kumar Gupta (Chief Mentor)	00651223	Independent
2.	Mr. Hemant Kanoria* (Chairman & Managing Director)	00193015	Executive (Promoter)
3.	Mr. Sunil Kanoria (Vice Chairman)	00421564	Non Executive
4.	Mr. Srinivasachari Rajagopal	00022609	Independent
5.	Mr. Shyamalendu Chatterjee	00048249	Independent
6.	Mr. Sujitendra Krishna Deb**	03524764	Independent
7.	Mr. Saud Ibne Siddique***	01873293	Non Executive
8.	Dr. Punita Kumar Sinha	05229262	Independent
9.	Dr. Tamali Sengupta****	00358658	Independent
10.	Mr. T. C. A. Ranganathan****	03091352	Independent

\*Re-appointed as Chairman & Managing Director for a further period of 5 (Five) years w.e.f. April 01, 2015 that is to say from April 01, 2015 to March 31, 2020 at the 30th Annual General Meeting (AGM) held on August 01, 2015

\*\* Resigned as Independent Director w.e.f. conclusion of the Board Meeting held on May 01, 2015

\*\*\* Resigned as Non-Executive Director w.e.f. conclusion of the Board Meeting held on May 01, 2015

\*\*\*\*Appointed as Independent Director to hold office for a period of 5 (Five) consecutive years from the date of the 30th Annual General Meeting (AGM) held on August 01, 2015



**Shareholding of Directors & Key Managerial Personnel (KMPs)**

Mr. Hemant Kanoria (Promoter) and Mr. Sunil Kanoria hold 3,80,000 and 18,02,714 Equity shares in the Company, respectively, as on March 31, 2016. None of the other Directors hold any Equity shares in the Company.

Mr. Salil Kumar Gupta and Mr. Srinivasachari Rajagopal, Independent Directors of the Company are holding 4,86,00,000 Equity shares (allotted to the Company pursuant to amalgamation of Quippo Infrastructure Equipment Limited (Quippo) into and with the Company in lieu of 1,80,00,000 Equity shares held by the Company in Quippo) for the benefit of the Company and/or the shareholders of the Company, as Trustees of 'Srei Growth Trust'.

Except Mr. Hemant Kanoria and Mr. Sunil Kanoria (being brothers), no Director of the Company is related to any other Director on the Board.

During the year, Mr. John Moses Harding, Group CEO & Chief Economist – Liability & Treasury Management, resigned as a KMP of the Company and was relieved from the services of the Company w.e.f. February 01, 2016. Further, Mr. Bijoy Kumar Daga, CEO-Infrastructure Project Finance, resigned as a KMP of the Company and shall be relieved as per Company's Policy. As on March 31, 2016, Mr. Hemant Kanoria, Chairman & Managing Director (CMD), Mr. Bajrang Kumar Choudhary, Chief Executive Officer (CEO) - Infrastructure Project Development, Mr. Bijoy Kumar Daga, CEO - Infrastructure Project

Finance, Mr. Sandeep Lakhota, Company Secretary and Mr. Kishore Kumar Lodha, Chief Financial Officer (CFO) of the Company are the Whole-time Key Managerial Personnel (KMPs) of the Company in accordance with Section 203 of the Companies Act, 2013. During the year under review, Mr. Kishore Kumar Lodha sold his entire shareholding of 6,565 Equity shares and Mr. Bijoy Kumar Daga acquired further 1,50,000 Equity shares of the Company. Mr. Hemant Kanoria, Mr. Bajrang Kumar Choudhary, Mr. Bijoy Kumar Daga and Mr. Sandeep Lakhota hold 3,80,000; 78,218; 3,00,000 and 97,593 Equity shares in the Company, respectively, as on March 31, 2016.

**Appointment of Directors**

The Board has formulated the Nomination and Remuneration Policy of Directors, Key Managerial Personnel (KMPs) and other employees in terms of the provisions of the Companies Act, 2013 and the erstwhile Listing Agreement. The said Policy outlines the appointment criteria and qualifications, the term / tenure of the Directors on the Board of the Company and the matters related to their remuneration. The link to said Policy has been provided elsewhere in this Annual Report.

Further, based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board has approved a policy on Fit and Proper Criteria of Directors in accordance with the Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 issued by the

Reserve Bank of India which sets a framework to determine whether a Director is fit and proper to hold such position in the Company.

**Succession Policy**

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

The Board constantly evaluates the contribution of its members and recommends to shareholders their re-appointment periodically as per the statute. Executive Directors are appointed by the shareholders for a maximum period of five years at a time, but are eligible for re-appointment upon completion of their term. Non-Independent, Non-Executive Directors do not have any term, but retire by rotation as per the law.

**Responsibilities**

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

The Managing Director is responsible for corporate strategy, planning, external contacts and Board matters. The senior management personnel heading



respective divisions are responsible for all day-to-day operations-related issues, profitability, productivity, recruitment and employee retention for their divisions.

#### ■ Independent Directors (IDs)

During the year under review, the Company appointed Dr. Tamali Sengupta (DIN 00358658) and Mr. T. C. A. Ranganathan (DIN 03091352) as Independent Directors of the Company to hold office for a period of 5 (Five) consecutive years from the date of the Thirtieth Annual General Meeting (AGM) of the Company held on August 01, 2015, in accordance with the provisions of Companies Act, 2013, erstwhile Listing Agreement with the Stock Exchanges, Nomination and Remuneration Policy, Policy on Board Diversity and Policy on Fit and Proper criteria for Directors and clarifications/circulars issued from time to time. In this regard, the Company issued formal letter of appointment to the Independent Directors stating inter alia the terms and conditions of their appointment and the same is also hosted on the website of the Company [www.srei.com](http://www.srei.com).

Mr. Sujitendra Krishna Deb (DIN 03524764), Independent Director of the Company resigned w.e.f. conclusion of the Board Meeting held on May 01, 2015.

As on March 31, 2016, the Company has 6 (Six) Independent Directors on its Board out of the total strength of 8 (Eight) Directors.

All the Independent Directors of the Company furnish a declaration at the time of their appointment as also

annually that they qualify the tests of their being independent as laid down under Section 149(6) of the Companies Act, 2013 and erstwhile Clause 49 of the Listing Agreement and SEBI Listing Regulations, 2015. All requisite declarations were placed before the Board.

#### Meeting of Independent Directors (IDs)

The Independent Directors (IDs) met on February 11, 2016 without the presence of the Chairman & Managing Director, CEOs, the Non-Executive Non-Independent Directors and the Management Team. The meeting was attended by all the Independent Directors and enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board. The IDs discussed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### Familiarisation Programme for IDs

In terms of Regulation 25(7) of the SEBI Listing Regulations, 2015, the Company is required to conduct Familiarisation Programme for Independent Directors (IDs) to familiarise them about the Company including nature of industry in which the Company operates, business model of the Company, roles, rights and responsibilities of IDs and any other relevant information. Further, pursuant to Regulation 46 of the SEBI Listing Regulations, 2015, the Company is required to disseminate

on its website, details of familiarisation programme imparted to IDs including the details of i) number of programmes attended by IDs (during the year and on a cumulative basis till date), ii) number of hours spent by IDs in such programmes (during the year and on a cumulative basis till date), and iii) other relevant details.

Two such specific familiarisation programmes were conducted on February 11, 2016. As a part of the first programme, presentation was made to the Independent Directors on the topic "Role and Responsibilities of Independent Directors & Corporate Governance Compliances" giving a brief overview of the layout of Companies Act, 2013, duties of directors and provisions relating to the roles, rights and responsibilities of the Independent Directors under various statutes and regulations. A handbook on the role of Independent Directors was also distributed at the meeting.

As a part of the second programme, presentation was made to the Independent Directors giving brief overview of business structure, strategic and financial alliances, snapshot of business verticals, financial and key business highlights of the Company.

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



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

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

The Company Secretary also regularly apprises the Board about their roles, rights and responsibilities in the Company from time to time as per the requirements of the SEBI Listing Regulations, 2015, Companies Act, 2013 read together with the Rules and Schedules thereunder and NBFC Corporate Governance (Reserve Bank) Directions, 2015.

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

made available on their I-Pads as well.

The link to the details of familiarisation programmes imparted to Independent Directors, as required under Regulation 46 of the SEBI Listing Regulations, 2015, has been provided elsewhere in this Annual Report.

### Performance Evaluation

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

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

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

Based on these criteria, the performance of the Board, various Board Committees viz. Audit Committee, Stakeholders'

Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, and Individual Directors (including Independent Directors) was evaluated and found to be satisfactory.

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

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

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

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

The information flow between the



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

#### ■ Meetings

5 (Five) Board meetings were held during the year 2015-16 on May 01, 2015, August 01, 2015, November 07, 2015, December 29, 2015 and February 11, 2016. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days.

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

The Board meets at least once a quarter

to review the quarterly results and other items of the agenda. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Meetings are governed by structured agenda and all major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company effectively uses tele-conferencing facility, whenever necessary, to enable the participation of Directors who could not attend the same due to some urgency.

The information as specified in Part A of Schedule II read with Regulation 17(7)

of SEBI Listing Regulations, 2015 is regularly made available to the Board, whenever applicable, for discussion and consideration. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.

The important decisions taken at the Board/Committee(s) meetings are promptly communicated to the concerned departments/divisions. Action Taken Report on the decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee(s) for information and review by the Board/Committee(s).

#### ■ Attendance of each Director at Board meetings held during the year 2015-16 and at the last Annual General Meeting (AGM)

Directors	No. of Board meetings during the tenure of the Director		Attendance at the last AGM held on August 01, 2015
	Held	Attended	
Mr. Salil Kumar Gupta	5	5	Yes
Mr. Hemant Kanoria*	5	5	Yes
Mr. Sunil Kanoria	5	5	Yes
Mr. Srinivasachari Rajagopal	5	5	Yes
Mr. Shyamalendu Chatterjee	5	5	Yes
Mr. Sujitendra Krishna Deb**	1	1	NA
Mr. Saud Ibne Siddique***	1	1	NA
Dr. Punita Kumar Sinha	5	5	Yes
Dr. Tamali Sengupta****	5	5	Yes
Mr. T. C. A. Ranganathan****	5	5	Yes

\*Re-appointed as Chairman & Managing Director for a further period of 5 (Five) years w.e.f. April 01, 2015 that is to say from April 01, 2015 to March 31, 2020 at the 30th Annual General Meeting (AGM) held on August 01, 2015

\*\* Resigned as Independent Director w.e.f. conclusion of the Board Meeting held on May 01, 2015

\*\*\*Resigned as Non-Executive Director w.e.f. conclusion of the Board Meeting held on May 01, 2015

\*\*\*\*Appointed as Independent Director to hold office for a period of 5 (Five) consecutive years from the date of the 30th Annual General Meeting (AGM) held on August 01, 2015



■ Number of other Companies or Committees in which the Director is a Member / Chairman

The following table gives the number of outside directorships and the Committee positions held by each of the Directors as on March 31, 2016 -

Directors	No. of Directorship in other Companies (other than Srei Infrastructure Finance Limited)		No. of Committee positions held in Indian Public Limited Companies (other than Srei Infrastructure Finance Limited)*****	
	Indian Public Limited Companies***	Others****	Chairman	Member
Mr. Salil Kumar Gupta	-	-	-	-
Mr. Hemant Kanoria*	4	4	1	1
Mr. Sunil Kanoria	4	4	1	3
Mr. Srinivasachari Rajagopal	8	3	4	8
Mr. Shyamalendu Chatterjee	3	-	2	3
Dr. Punita Kumar Sinha	9	8	1	5
Dr. Tamali Sengupta**	2	5	-	-
Mr. T. C. A. Ranganathan**	3	1	-	1

\*Re-appointed as Chairman & Managing Director for a further period of 5 (Five) years w.e.f. April 01, 2015 that is to say from April 01, 2015 to March 31, 2020 at the 30th Annual General Meeting (AGM) held on August 01, 2015

\*\*Appointed as Independent Director to hold office for a period of 5 (Five) consecutive years from the date of the 30th Annual General Meeting (AGM) held on August 01, 2015

\*\*\*Includes Directorships in private companies that are either holding or subsidiary company of a public company

\*\*\*\*Includes Directorships in private limited companies (other than private companies that are either holding or subsidiary company of a public company), foreign entities, companies under Section 8 of the Companies Act, 2013, alternate Directorships and Directorship/Memberships of Managing Committees of various Chambers/Institutions

\*\*\*\*\*Includes only Audit Committee and Stakeholders' Relationship Committee of public limited companies, whether listed or not

■ **Board Committees**

The Board has constituted various Committees consisting of Executive and Non-Executive Directors to focus on the critical functions of the Company.

The Board Committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas/activities which concern the Company and need a closer review. They are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by Members of the Board, as a part of good Corporate Governance practice.

The Board supervises the execution of its responsibilities by the Committees and is responsible for their action.

The Board has various Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Committee of Directors, Risk Committee, Credit Committee, Investment Committee, Corporate Social Responsibility Committee and Asset Liability Management Committee as on March 31, 2016. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval,

as the case may be. Further, minutes of proceedings of the Committees are circulated to the Members and are placed before the Board for noting thereat.

The Terms of Reference for the various Committees including their roles and powers is in accordance with the relevant provisions of Companies Act, 2013, erstwhile Clause 49 of the Listing Agreement, SEBI Listing Regulations, 2015 and other applicable rules and regulations issued by the concerned Regulators from time to time.



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

### 3. Remuneration of Directors

■ Details of remuneration paid/payable to Directors for the year ended March 31, 2016 are as follows:

(Amount in Rs.)

Directors	Sitting Fees <sup>1</sup>	Salary & Perquisites <sup>2</sup>	Commission <sup>3</sup>	Total
Mr. Salil Kumar Gupta (Chief Mentor)	7,75,000	-	10,00,000	17,75,000
Mr. Hemant Kanoria* (Chairman & Managing Director)	N.A.	2,46,60,000	60,00,000	3,06,60,000
Mr. Sunil Kanoria (Vice Chairman)	11,25,000	-	5,00,000	16,25,000
Mr. Srinivasachari Rajagopal	6,25,000	-	5,00,000	11,25,000
Mr. Shyamalendu Chatterjee	9,05,000	-	10,00,000	19,05,000
Mr. Sujitendra Krishna Deb**	1,25,000	-	-	1,25,000
Mr. Saud Ibne Siddique***	1,00,000	-	-	1,00,000
Dr. Punita Kumar Sinha	6,75,000	-	10,00,000	16,75,000
Dr. Tamali Sengupta****	5,25,000	-	5,00,000	10,25,000
Mr. T. C. A. Ranganathan****	5,25,000	-	5,00,000	10,25,000

\* Re-appointed as Chairman & Managing Director for a further period of 5 (Five) years w.e.f. April 01, 2015 that is to say from April 01, 2015 to March 31, 2020 at the 30th Annual General Meeting (AGM) held on August 01, 2015

\*\* Resigned as Independent Director w.e.f. conclusion of the Board Meeting held on May 01, 2015

\*\*\* Resigned as Non-Executive Director w.e.f. conclusion of the Board Meeting held on May 01, 2015

\*\*\*\* Appointed as Independent Director to hold office for a period of 5 (Five) consecutive years from the date of the 30th Annual General Meeting (AGM) held on August 01, 2015

<sup>1</sup> includes sitting fees paid to Non-Executive Directors for various Board and Committee meetings

<sup>2</sup> includes basic salary, incentives, allowances, contribution to provident fund, leave encashment and other perquisites

<sup>3</sup> The Commission for the year ended March 31, 2016 will be paid, subject to deduction of tax, after adoption of the accounts by the Members at the ensuing Annual General Meeting.

■ The appointment of Managing Director is governed by resolution passed by the Nomination and Remuneration Committee, Board of Directors and the Shareholders of the Company, which covers the terms and conditions of such appointment, and approval of Central Government,

wherever applicable. Payment of remuneration to Managing Director is governed by the agreement executed between him and the Company, and approval of Central Government, wherever applicable. The agreement with the Managing Director was entered into by the Company for a period of 5 (Five)

years w.e.f. April 01, 2015. Further, pursuant to the provisions of Section 152(6) of the Companies Act, 2013, not less than two-thirds of the total number of directors of a public company shall be persons whose period of office is liable to determination of retirement of directors by rotation. Therefore, in



order to comply with the provisions of the aforesaid Section of the Companies Act, 2013 and rules made thereunder and in partial modification of the resolutions passed earlier by the Board of Directors at its meeting held on February 13, 2015, the office of Mr. Hemant Kanoria, Chairman and Managing Director was made liable to retirement by rotation by the Board of Directors at its meeting held on May 01, 2015, based on the recommendation of the Nomination & Remuneration Committee of the Company. Accordingly, agreement was entered into by the Company with the Managing Director on August 01, 2015 pursuant to the approval accorded by the Members at the Annual General Meeting of the Company held on August 01, 2015. The said appointment may be terminated by giving 3 (Three) months notice in writing.

Further, Mr. Hemant Kanoria, Chairman and Managing Director, has not received any remuneration or commission from any of the Company's subsidiaries or holding company during the FY 2015-16.

The remuneration of Executive Directors is divided into two components viz. fixed component of salaries, perquisites and retirement benefits and variable component of performance based incentive. The remuneration including annual increment and performance incentive is decided based on the criticality of the roles

and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual's performance vis-à-vis key result areas, industry benchmark and current compensation trends in the market.

- The Non-Executive Directors are paid remuneration by way of sitting fees for each meeting of the Board or any Committee thereof attended by them and reimbursement of out-of-pocket expenses incurred, wherever applicable, for attending such meetings. The sitting fees as determined by the Board are presently Rs. 1,00,000/- for attending each meeting of the Board, Rs. 25,000/- for attending each meeting of the Audit Committee, Investment Committee and Risk Committee and Rs. 10,000/- for attending each meeting of other Committees. The aforesaid payment is well within the limits prescribed under the Companies Act, 2013 and rules made therein.

Further, the Members of the Company at their meeting held on August 02, 2014 have, in accordance with the provisions of the erstwhile Listing Agreement with the Stock Exchange(s) and Section 197 of the Companies Act, 2013 and the Rules framed thereunder, approved payment of commission to Non-Executive Directors of the Company annually for each of the 5 (Five) financial years of the Company commencing from Financial Year 2014-15, upto an amount not

exceeding 1 (One) percent of the net profits of the Company payable in one financial year, to be divided amongst Non-Executive Directors in such amounts or proportions and in such manner as may be determined by the Board from time to time and in default of such determination equally and the above commission shall be in addition to the sitting fees payable to such Directors for attending meetings of the Board and/or Committee(s) thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and/or Committee meetings. The Company has approved payment of remuneration of Rs. 50 (Fifty) Lakhs by way of commission on net profits calculated under Section 198 of the Companies Act, 2013 and the Rules framed thereunder to Non-Executive Directors of your Company for the financial year 2015-16.

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

No pecuniary transactions have been entered into by the Company with any of the Non-Executive



Directors of the Company, except the payment of sitting fees and commission to them.

#### **4. Code of Conduct for Directors and Senior Management**

A Code of Conduct as applicable to the Board of Directors and Senior Management (Vice Presidents and above) as approved by the Board, has been displayed on the Company's website [www.srei.com](http://www.srei.com). A booklet on Code of Conduct was also circulated during the year to all the Directors and Senior Management for increasing awareness. The Board Members and Senior Management have affirmed their compliance with the Code and a declaration signed by the Chairman & Managing Director pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, 2015 is given below:

It is hereby declared that the Company has obtained from all the Board Members and Senior Management an affirmation that they have complied with the Code of Conduct for the financial year 2015-16.

sd/-

**Hemant Kanoria**

Chairman & Managing Director  
DIN 00193015

#### **5. Audit Committee**

##### **■ Terms of Reference, Composition, Name of Members and Chairman**

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18

of SEBI Listing Regulations, 2015. The Board of Directors, at its meeting held on May 01, 2015, reconstituted the Audit Committee consequent to the resignation of Mr. Sujitendra Krishna Deb from the Directorship of the Company. The Audit Committee comprises Mr. Salil Kumar Gupta, Mr. Srinivasachari Rajagopal, Mr. Shyamalendu Chatterjee, Independent Directors and Mr. Sunil Kanoria, Non-Executive Director. Mr. Salil Kumar Gupta, Chief Mentor & Director of the Company is the Chairman of the Audit Committee. All the Members of the Audit Committee are financially literate and have accounting or related financial management expertise. The Head of Internal Audit Department and the Chief Financial Officer attend the meetings of the Audit Committee and the Company Secretary acts as the Secretary to the Audit Committee. The Statutory Auditors of the Company are invited to attend the Audit Committee meetings. The Committee also invites senior executives, as it considers appropriate, to be present at the meetings of the Committee. The Terms of Reference of this Committee includes oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommending appointment, remuneration and terms of appointment of auditors, reviewing/ examining quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval, evaluate Company's internal financial controls

and risk management systems, reviewing performance of statutory and internal auditors and adequacy of internal control systems, reviewing the functioning of the Whistle Blower Mechanism and other matters specified for Audit Committee in Section 177 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 including amendments thereof and the erstwhile Listing Agreement with the Stock Exchanges as well as SEBI Listing Regulations, 2015. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company to answer shareholder queries.

The Audit Committee has recommended to the Board of Directors the ratification of appointment of Haribhakti & Co. LLP, as Statutory Auditors of the Company (appointed for 5 (five) years till the conclusion of the Thirty – Fifth Annual General Meeting (AGM) of the Company), and that the necessary resolution for appointing them as auditors be placed before the Members for approval.

##### **■ Meetings and attendance during the year**

4 (Four) meetings of the Audit Committee were held during the year 2015-16 on May 01, 2015, August 01, 2015, November 07, 2015 and February 11, 2016. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days. Moreover, the requisite quorum as required by the SEBI Listing Regulations, 2015, was present in all the meetings of the Audit Committee held during the year.



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

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Salil Kumar Gupta	4	4
Mr. Sunil Kanoria	4	4
Mr. Srinivasachari Rajagopal	4	4
Mr. Sujitendra Krishna Deb*	1	1
Mr. Shyamalendu Chatterjee	4	4

\* Resigned w.e.f. the conclusion of Board Meeting held on 01.05.2015

■ The Company has an Internal Audit Department and the Head of the Department reports to the Audit Committee from time to time. The Company's system of internal controls covering financial and operational activities, compliances, IT applications, etc. are reviewed by the Internal Audit Department and presentations are made to the Audit Committee on the findings of such reviews.

## 6. Stakeholders' Relationship Committee

### ■ Details of the Members, Compliance Officer and No. of Complaints received

The Stakeholders' Relationship Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI Listing Regulations, 2015. The Stakeholders' Relationship Committee comprises Mr. Salil Kumar Gupta, Chief Mentor & Director (Category – Independent), Mr. Hemant Kanoria, Chairman & Managing Director (Category – Executive) and Mr. Sunil Kanoria, Vice Chairman (Category – Non-Executive) of the Company. Mr. Salil Kumar Gupta,

Chief Mentor & Director of the Company is the Chairman of the Stakeholders' Relationship Committee. Mr. Sandeep Lakhota, Company Secretary of the Company acts as the Secretary to the Stakeholders Relationship Committee and is assigned with the responsibilities of overseeing investor grievances. The Committee oversees and reviews redressal of shareholder and investor grievances, transfer & transmission of shares, issue of duplicate share certificates, exchange of new design share certificates, recording dematerialisation & rematerialisation of shares, deal with matters relating to Srei Code of Conduct for Prohibition of Insider Trading (Srei Insider Code) framed in

line with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and related matters. The Stakeholders' Relationship Committee meets at regular intervals to take note of share transfer and other matters.

### ■ Meetings and attendance during the year

During the year 2015-16, the Stakeholders' Relationship Committee met 6 (Six) times on April 01, 2015, May 01, 2015, June 30, 2015, October 05, 2015, January 15, 2016 and January 27, 2016. The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Salil Kumar Gupta	6	6
Mr. Hemant Kanoria	6	6
Mr. Sunil Kanoria	6	2

Total number of shares physically transferred during the year 2015-16 was 5,775 shares compared to 3,641 shares during the year 2014-15.

During the financial year ended March

31, 2016, the Company received 146 (One Hundred and Forty Six) complaints from the shareholders and all the aforesaid complaints were resolved to the satisfaction of the shareholders

and none of the complaints received were pending as on that date. The aforementioned complaints comprises of 132 (One Hundred and Thirty Two) received by the Registrar and Share



Transfer Agents (RTA) of the Company and 14 (Fourteen) complaints received on SCORES, the web based redressal system of the Securities and Exchange Board of India (SEBI) pertaining to Equity shares of the Company. The Calcutta Stock Exchange Limited (CSE), BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) have furnished separate confirmations that there were no investor complaints pending against the Company as on March 31, 2016.

The Company has formulated and put in place a comprehensive Investor Grievance Redressal Policy prescribing the standards of shareholders' service & grievance redressal procedure and mechanism to be adhered to by the Registrar and Share Transfer Agents as well as the Company.

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

to encash their unpaid/unclaimed dividends. Further, to constantly render effective and reliable services to Investors and to scale it up on a regular basis, the Company has taken an initiative to conduct a survey to assess the requirement and satisfaction of valuable shareholders of the Company. For the said survey, Members' Feedback Forms were despatched to shareholders of the Company through physical mode and/or electronic mode, wherever applicable. In the wake of electronic regime being the order of the day, all shareholders are requested to update their email addresses to enable the Company to serve them better.

## 7. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations, 2015. The Nomination and Remuneration Committee comprises Mr. Salil Kumar Gupta, Mr. Shyamalendu Chatterjee, Independent Directors and Mr. Sunil Kanoria, Non-Executive Director. Mr. Salil Kumar Gupta, Chief Mentor & Director of the Company acts as the Chairman of the Nomination and Remuneration Committee. Mr. Sandeep Lakhotia, Company Secretary of the Company acts as the Secretary to the Nomination

and Remuneration Committee. The Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statute, rule and regulation which the Committee deems relevant, make recommendations to the Board of Directors in respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company, ensure 'fit and proper' status of the existing/proposed Directors of the Company in accordance with RBI Master Circular on "Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015" dated July 01, 2015, and other matters specified for Nomination and Remuneration Committee in Section 178 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and under the SEBI Listing Regulations, 2015.

### ■ Meetings and attendance during the year

2 (Two) meetings of the Nomination and Remuneration Committee of the Company were held during the year 2015-16 on May 01, 2015 and August 01, 2015. The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Salil Kumar Gupta	2	2
Mr. Shyamalendu Chatterjee	2	2
Mr. Sunil Kanoria	2	2



The Nomination and Remuneration Committee at its said meetings discussed and approved various matters delineated in its Terms of Reference including formulation of the Nomination and Remuneration Policy, Policy on Board Diversity, setting of Performance Evaluation Criteria, Succession Planning etc. The link to the Nomination and Remuneration Policy as well as Policy on Board Diversity has been provided elsewhere in this Annual Report.

## **8. Subsidiary Companies' Monitoring Framework**

All subsidiary companies are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company does not have any material unlisted subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any subsidiary. The Company monitors performance of subsidiary companies, inter alia, by the following means:

- Financial statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Company's Audit Committee.
- Minutes of Board meetings of unlisted subsidiary companies are placed before the Company's Board regularly.
- A statement containing all significant

transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board.

In addition to the above, the Company has formulated a Policy for determining Material Subsidiaries in accordance with applicable laws. The said Policy is available on your Company's website [www.srei.com](http://www.srei.com) and a link to the said Policy has been provided elsewhere in this Annual Report.

Further, Srei Infrastructure Finance Limited (SIFL), BNP Paribas Lease Group (BPLG), Srei Equipment Finance Limited (SEFL) amongst others entered into a share purchase agreement ("SPA") on December 29, 2015 whereby BPLG has agreed to sell its entire shareholding of 2,98,30,000 equity shares of SEFL representing 50% of the total paid-up equity share capital to SIFL, in accordance with applicable laws.

Mr. Shyamalendu Chatterjee, an Independent Director of the Company, is the Chairman (Non-Executive) of Srei Capital Markets Limited, subsidiary of the Company and an Independent Director of SEFL, a joint venture company of the Company.

As on March 31, 2016, none of the Subsidiaries of the Company are material Subsidiaries.

## **9. Corporate Social Responsibility Committee**

The Corporate Social Responsibility

Committee has been constituted in line with the provisions of Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria, Non-Executive Director and Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director. Mr. Hemant Kanoria, Chairman & Managing Director of the Company acts as the Chairman of the Corporate Social Responsibility Committee. Mr. Madhusudan Dutta, Group Head – Corporate Strategy & Planning (Human Capital) of the Company acts as the Secretary to the Committee. The Committee is responsible for monitoring the Corporate Social Responsibility Policy (CSR Policy) of the Company from time to time, instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company etc. The Company's CSR Policy is available on the Company's website [www.srei.com](http://www.srei.com) and a link to the said Policy has been provided elsewhere in this Annual Report.

### **■ Meetings and attendance during the year**

4 (Four) meetings of the Corporate Social Responsibility Committee of the Company were held during the year 2015-16 on May 01, 2015, August 01, 2015, November 07, 2015 and February 11, 2016. The attendance of each member of the Committee is given below:



Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	4	4
Mr. Sunil Kanoria	4	4
Mr. Shyamalendu Chatterjee	4	4

## 10. Committee of Directors

The Committee of Directors comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria, Non-Executive Director and Mr. Salil K. Gupta, Non-Executive & Independent Director. Mr. Hemant Kanoria, Chairman & Managing Director of the

Company acts as the Chairman of the Committee of Directors. Mr. Sandeep Lakhotia, Company Secretary of the Company acts as the Secretary to the Committee.

### ■ Meetings and attendance during the year

7 (Seven) meetings of the Committee

of Directors of the Company were held during the year 2015-16 on May 01, 2015, June 26, 2015, July 28, 2015, September 05, 2015, November 07, 2015, January 11, 2016 and February 19, 2016. The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	7	7
Mr. Sunil Kanoria	7	6
Mr. Salil K. Gupta	7	7

## 11. Credit Committee

The Credit Committee comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria, Non-Executive Director and Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director. Mr. Hemant Kanoria, Chairman & Managing Director of the Company

acts as the Chairman of the Credit Committee. Mr. Shashi Bhushan Tiwari, Chief Operating Officer of the Company acts as the Secretary to the Committee.

### ■ Meetings and attendance during the year

14 (Fourteen) meetings of the Credit Committee of the Company were held during the year 2015-16 on May 12,

2015, June 15, 2015, July 02, 2015, July 20, 2015, August 01, 2015, September 04, 2015, September 15, 2015, October 12, 2015, November 21, 2015, December 14, 2015, January 11, 2016, February 05, 2016, March 19, 2016 and March 24, 2016. The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	14	14
Mr. Sunil Kanoria	14	12
Mr. Shyamalendu Chatterjee	14	8

## 12. Investment Committee

The Investment Committee comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria, Non-Executive Director and Dr. Punita Kumar Sinha, Non-Executive & Independent Director. Mr. Hemant Kanoria, Chairman & Managing Director of the Company acts as the Chairman of

the Investment Committee. Mr. Sanjeev Sancheti, Chief Strategy Officer – Corporate Strategy and Planning of the Company acts as the Secretary to the Committee.

### ■ Meetings and attendance during the year

6 (Six) meetings of the Investment

Committee of the Company were held during the year 2015-16 on April 09, 2015, May 01, 2015, August 01, 2015, November 07, 2015, December 29, 2015 and February 11, 2016. The attendance of each member of the Committee is given below:



Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	6	6
Mr. Sunil Kanoria	6	5
Dr. Punita Kumar Sinha	6	6

### 13. Risk Committee

The Risk Committee comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria, Non-Executive Director and Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director. Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director of

the Company acts as the Chairman of the Risk Committee. Mr. Shashi Bhushan Tiwari, Chief Operating Officer of the Company acts as the Secretary to the Committee.

#### ■ Meetings and attendance during the year

4 (Four) meetings of the Risk Committee

of the Company were held during the year 2015-16 on May 01, 2015, August 01, 2015, November 07, 2015 and February 11, 2016.

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

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	4	1
Mr. Sunil Kanoria	4	4
Mr. Shyamalendu Chatterjee	4	4

### 14. General Body Meetings

#### ■ Details of the location of the last three Annual General Meetings (AGMs) and the details of special resolutions passed

The date, time and venue of the last three AGMs of the Company and details of special resolutions passed thereat have been provided in the section on Shareholders' Information in the Annual Report. All the resolutions set out in the respective Notices were passed by the Shareholders.

No Resolution requiring a postal ballot was placed before the last AGM of the Company held on August 01, 2015.

There is no immediate proposal for passing any resolution through postal ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing a resolution through postal ballot.

### 15. Disclosures

#### ■ Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large

Transactions effected with the related parties are disclosed under Note No. 35 in 'Notes to the Financial Statements' in the Annual Report, in accordance with the requirements of Accounting Standard AS 18 as notified by the Companies (Accounting Standards) Rules, 2006.

A Statement in summary form of the transactions with related parties in the ordinary course of business and on arms' length basis is periodically placed before the Audit Committee for review and approval and thereafter recommendation to the Board for their approval, wherever required.

The Company's related party transactions, during the year, are with the subsidiaries and associates of the Company. All these transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates.

Besides the transactions reported in the Annual Report as aforesaid, no transaction of material nature has been entered into by the Company



with its Directors or Key Managerial Personnel (KMPs) and their relatives that may have a potential conflict with the interests of the Company at large. The Company has not entered into any material related party transactions with any of its related parties during the Financial Year 2015-16. The Register of Contracts containing transactions, if any, in which Directors are interested, is placed before the Board regularly.

The Company has formulated Related Party Transactions (RPT) Policy which provides a framework to regulate transactions between the Company and its related parties based on the laws and regulations applicable to the Company. The said Policy is available on the Company's website [www.srei.com](http://www.srei.com) and a link to the said Policy has been provided elsewhere in this Annual Report.

Prior approval of Audit Committee is obtained for all Related Party Transactions (RPTs) except for the Related Party Transactions (RPTs) for which omnibus approval is granted by the Audit Committee from time to time.

**■ Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years**

During the last 3 (Three) years, there were no strictures or penalties imposed by either Stock Exchanges or Securities

and Exchange Board of India (SEBI) or any statutory authority for non-compliance of any matter related to the capital markets.

In regard to the Application under Section 633 of the Companies Act, 1956 filed on November 26, 2008 in the Hon'ble Calcutta High Court by the Directors and Company Secretary of the Company, the Ad-interim order of injunction restraining the Regional Director and the Registrar of Companies, West Bengal from instituting or causing to be instituted any proceedings against the Directors and Company Secretary of the Company is still continuing.

**■ Insider Trading Code**

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations, 2015) effective from May 15, 2015, the Board of Directors of the Company at its meeting held on May 01, 2015, approved and adopted the Code of Conduct for Prohibition of Insider Trading (Srei Insider Code) for prohibition of Insider Trading by the Designated Employees and their immediate relatives as well as Promoter and Promoter Group of the Company. Further, awareness emails are circulated to all the Designated Employees of the Company on a monthly basis for increasing awareness, highlighting the compliance requirements arising out of the Srei Insider Code including FAQs and the do's and don'ts on insider trading. Further, "Srei Chanakya", a smartphone knowledge application, which can be

freely downloaded on android, IOS and Blackberry devices also serves as a means to create insider trading awareness through the detailed list of compliances under Srei Insider Code, FAQ's on Insider Trading and do's and don'ts for insider trading. Further, initiatives have been taken by the Company to spread insider trading awareness by sending bulk SMS to all the Designated Employees of the Company intimating them about the closure of Trading Window and flashing the do's and don'ts as screen savers on the desktops / laptops of the Designated Employees.

Mr. Sandeep Lakhotia, Company Secretary is the Compliance Officer for monitoring adherence to the Regulations for the preservation of price sensitive information, pre-clearance of trades and implementation of the Srei Insider Code.

**■ Fair Disclosure Code**

Pursuant to Regulation 8 read with Schedule A of the PIT Regulations, 2015, the Board of Directors of the Company at its meeting held on May 01, 2015, approved and adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) (Srei Fair Disclosure Code) effective from May 15, 2015 which lays down principles and practices to be followed by the Company pertaining to universal disclosure of UPSI.

Mr. Sanjeev Sancheti, Chief Investor Relations Officer, is authorised to deal



with dissemination of information and disclosure of UPSI in a fair and unbiased manner. A quarterly certificate, affirming compliance with the Srei Fair Disclosure Code is placed before the Stakeholders' Relationship Committee for noting. The said code is available on the website of the Company [www.srei.com](http://www.srei.com) and the link to the said code has been provided elsewhere in this Annual Report.

#### ■ Disclosure of events or information pursuant to SEBI Listing Regulations, 2015

Pursuant to Regulation 30(1) of the SEBI Listing Regulations, 2015, the Board of Directors of the Company at its meeting held on November 07, 2015, approved and adopted the Policy for determination of Materiality of any event/information for the purpose of proper, sufficient and timely disclosure

of the same to the stock exchange(s) and the said Policy is available on the Company's website [www.srei.com](http://www.srei.com) and a link to the said Policy has been provided elsewhere in this Annual Report.

The Board at the aforesaid meeting also approved that for the determination of Materiality of events/information, the Committee of Key Executives shall comprise of the following executives of the Company-

Name	Designation
Mr. Hemant Kanoria	Chairman & Managing Director
Mr. Bijoy Kumar Daga	CEO – Infrastructure Project Finance
Mr. Bajrang Kumar Choudhary	CEO – Infrastructure Project Development
Mr. Sanjeev Sancheti	Chief Strategy Officer
Mr. Kishore Kumar Lodha	Chief Financial Officer (CFO)

Further, Mr. Sandeep Lakhotia, Company Secretary of the Company shall act as the coordinator and liaison officer for dissemination of material events/information to the Stock Exchange(s) in terms of the SEBI Listing Regulations, 2015 and Company's Policy.

#### ■ Whistle Blower Policy (Vigil Mechanism)

The Company has formulated a codified Whistle Blower Policy in order to encourage Directors and employees of the Company to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of the Company and its stakeholders in any way. The Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication

and to provide necessary safeguards for protection of employees from reprisals or victimisation, for whistle blowing in good faith. The said Policy is available on the Company's website [www.srei.com](http://www.srei.com) and a link to the said Policy has been provided elsewhere in this Annual Report.

The Company affirms that none of the employees have been denied access to the Audit Committee. Quarterly report with number of complaints received, if any, under the Whistle Blower Policy and their outcome is placed before the Audit Committee of the Company at quarterly intervals.

#### ■ Policy against Sexual and Workplace Harassment

The Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of

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

The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is meant to sensitize the employees about



their fundamental right to have safe and healthy environment at workplace. As per the Policy, any employee may report his / her complaint to the Internal Complaint Committee formed for this purpose. The Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy.

During the year, your Company received 1 (One) complaint on sexual harassment. The said complaint has

been investigated and duly concluded by taking appropriate action.

#### 16. Means of Communication

The Company regularly interacts with the shareholders through the multiple channels of communication such as publication of results, Annual Report, Press Release and the Company's website. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information as well as all such other matters which in its opinion, are material and relevant

for the shareholders. The Company effectively uses NEAPS (NSE Electronic Application Processing System) and BSE Corporate Compliance & Listing Centre, a web based application designed by National Stock Exchange of India Limited and BSE Limited, respectively, for filing of shareholding pattern, corporate governance report, financial statements and significant corporate announcements thereby saving time, cost and ensuring operational efficiency.

■ Quarterly results	The Quarterly results of the Company are published in prominent English Newspaper having nationwide circulation as well as Bengali Newspaper and regularly hosted on Company's website. Further, pursuant to Regulation 47 read with Regulation 33 of the SEBI Listing Regulations, 2015, effective from December 01, 2015, extract of the Consolidated Results were published as per the prescribed format vide SEBI Circular dated November 30, 2015.
■ Newspapers in which results are normally published	Business Standard, HT Mint, Hindu Business Line, Financial Express, Ek Din and Ei Samay.
■ Any website, where displayed	Yes, at the Company's website <a href="http://www.srei.com">www.srei.com</a>
■ Whether it also displays official news releases	Yes
■ The presentations made to institutional investors or to the analysts	Yes Pursuant to Para A of Part A of Schedule III read with Regulation 30 of the SEBI Listing Regulations, 2015, schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional Investors, if any, has been duly disclosed by the Company to the Stock Exchanges and the same has also been simultaneously disseminated on the Company's website <a href="http://www.srei.com">www.srei.com</a> pursuant to Regulation 46(2) of the said Regulations
■ Whether MD & A is a part of Annual Report or not	Yes

#### 13. General Shareholders' Information

A section on Shareholders' Information is separately provided in the Annual Report.



**B. DISCRETIONARY REQUIREMENTS**

(Regulation 27 of SEBI Listing Regulations, 2015)

a)	<b>Chairman of the Board</b> Whether Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties	Not Applicable as the Company has an Executive Chairman.
b)	<b>Shareholder rights</b> A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders	<p>Since quarterly, half-yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Bengali daily newspaper (having circulation in Kolkata) and regularly hosted on Company's website, these are not sent individually to the shareholders of the Company. There is no declaration/publication of second half yearly results as the audited annual results are taken on record by the Board and then communicated to the shareholders through the Annual Report. However, emails are sent on a quarterly basis to the shareholders of the Company having e-mail ids giving financial highlights of the Company.</p> <p>The Annual Report of the Company for the financial year 2015-16 shall be emailed to the Members whose email addresses are available with the depositories or are obtained directly from the Members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Company (Accounts) Rules, 2014. For other Members, who have not registered their email addresses, the Annual Report shall be sent at their registered address. If any Member wishes to get a duly printed copy of the Annual Report, the Company shall send the same, free of cost, upon receipt of request from the Member.</p> <p>The Company communicates with shareholders through e-mail, telephone and one on one meetings either in shareholder's conferences, Company visits or on road shows.</p>
c)	<b>Modified opinion(s) in audit report</b> Company may move towards a regime of unmodified financial statements	It is always the Company's endeavour to present unmodified financial statements. There is no audit modification in the Company's financial statements for the year ended on March 31, 2016.
d)	<b>Separate posts of Chairman and CEO</b> The Company may appoint separate persons to the post of Chairman and Managing Director/CEO	The Company is engaged in multiple businesses and has appointed one or more Chief Executive Officers (CEOs) for each such business. Further, a single person acts as the Chairman & Managing Director of the Company in compliance with Section 203 of the Companies Act, 2013.
e)	<b>Reporting of Internal Auditor</b> The Internal Auditor may report directly to the Audit Committee	The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting his audit findings to the Audit Committee.



# SHAREHOLDERS' INFORMATION

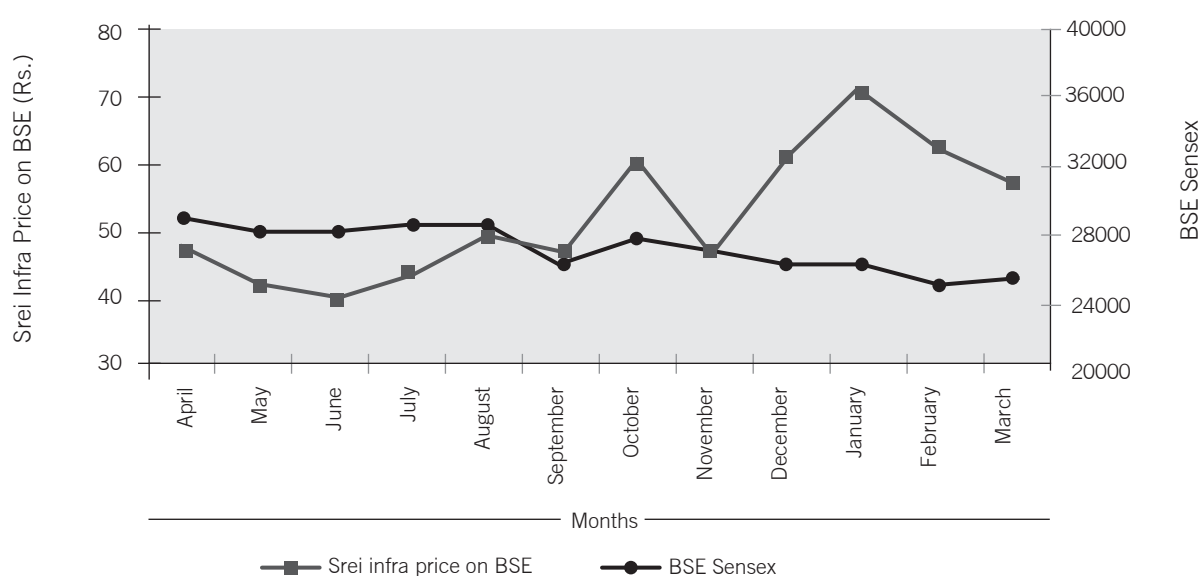
1. Annual General Meeting	
a. Date and Time	Saturday, August 06, 2016 at 10.30 a.m.
b. Venue	Science City Mini Auditorium, JBS Haldane Avenue, Kolkata - 700 046
2. Financial Calendar (Tentative)	
a. Financial reporting for 2016-17	
Quarter ending June 30, 2016	On or before August 14, 2016
Quarter/Half year ending September 30, 2016	On or before November 14, 2016
Quarter/Nine months ending December 31, 2016	On or before February 14, 2017
Year ending March 31, 2017	On or before May 30, 2017
b. Annual General Meeting for the year ending on March 31, 2016	August/September, 2017
3. Book Closure Date	Friday, July 29, 2016 to Friday, August 05, 2016 (both days inclusive) for payment of Dividend
4. Dividend Payment	Electronic Credit/dispatch between August 16, 2016 and August 24, 2016
5. Listing on Stock Exchanges	<p>The Equity shares and other Securities of the Company are presently listed on the following Stock Exchanges:</p> <p><b>a. The Calcutta Stock Exchange Limited</b> 7, Lyons Range Kolkata – 700 001</p> <p><b>b. BSE Limited</b> P. J. Towers, Dalal Street Mumbai – 400 001</p> <p><b>c. National Stock Exchange of India Limited</b> Exchange Plaza, 5th Floor, Plot no. C/1, G Block Bandra - Kurla Complex, Bandra (E) Mumbai – 400 051</p> <p>The Company's GDRs have been traded and listed on the Professional Securities Market ("PSM") of the London Stock Exchange (LSE) with effect from April 21, 2005. Deutsche Bank Trust Company Americas, Depositary to the GDR program, issued a notice to the Company for the termination of Deposit Agreements pursuant to which GDRs have been issued.</p> <p>Intimations have been made to the Financial Conduct Authority ("FCA"), UK Listing Authority ("UKLA"), LSE, Depositary and the Custodian intimating May 16, 2016 as the date of cancellation of listing from which the holders of GDRs will no longer be able to trade their GDRs on the LSE. The GDRs will not be listed or</p>



	<p>traded anywhere after the date of cancellation of listing. The same has also been intimated to the domestic Stock Exchanges.</p> <p>Presently, there are 5,400 number of GDRs outstanding which aggregates to 21,600 number of Equity Shares of the Company representing 0.004% of the paid-up share capital of the Company which is very insignificant in relation to the total market capitalisation of the Company.</p> <p>Cancellation of listing of GDRs on the LSE does not result in any change in the total paid up equity share capital structure of the Company.</p> <p>The Debt securities of the Company are listed on the Debt Segment of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).</p>																																																																																																	
6. Listing Fees	<p>Listing fees have been paid to all the above mentioned domestic and overseas Stock Exchanges.</p> <p>Annual Custodial fees have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).</p>																																																																																																	
7. International Security Identification Number (ISIN)	<p>Equity Shares - INE872A01014</p> <p>Global Depository Receipts (GDRs) - US78465V2043</p>																																																																																																	
8. Stock Codes (Equity Shares & GDRs)	<p>Equity Shares</p> <p>CSE - 29051, BSE - 523756 and NSE - SREINFRA</p> <p>Global Depository Receipts (GDRs)</p> <p>London Stock Exchange – SRI</p>																																																																																																	
9. Corporate Identification Number (CIN)	L29219WB1985PLC055352																																																																																																	
10. Stock Market Data	<table><tr><th rowspan="2">Month</th><th colspan="3">National Stock Exchange</th><th colspan="3">BSE Limited</th></tr><tr><th>High Rs.</th><th>Low Rs.</th><th>Volume</th><th>High Rs.</th><th>Low Rs.</th><th>Volume</th></tr><tr><td>April, 2015</td><td>48.10</td><td>39.50</td><td>1,06,49,758</td><td>48.00</td><td>39.55</td><td>20,62,805</td></tr><tr><td>May, 2015</td><td>42.70</td><td>38.00</td><td>65,38,498</td><td>42.70</td><td>38.10</td><td>15,55,106</td></tr><tr><td>June, 2015</td><td>40.80</td><td>30.10</td><td>1,28,13,582</td><td>40.75</td><td>29.90</td><td>34,04,775</td></tr><tr><td>July, 2015</td><td>43.90</td><td>34.70</td><td>2,08,63,891</td><td>44.00</td><td>34.50</td><td>53,84,759</td></tr><tr><td>August, 2015</td><td>49.90</td><td>35.85</td><td>2,72,22,794</td><td>49.90</td><td>35.95</td><td>75,79,571</td></tr><tr><td>September, 2015</td><td>47.40</td><td>42.20</td><td>1,71,65,825</td><td>47.40</td><td>42.30</td><td>37,38,826</td></tr><tr><td>October, 2015</td><td>60.50</td><td>42.20</td><td>6,54,47,617</td><td>60.30</td><td>42.15</td><td>1,38,92,428</td></tr><tr><td>November, 2015</td><td>47.20</td><td>39.10</td><td>1,65,99,645</td><td>47.20</td><td>39.00</td><td>42,23,655</td></tr><tr><td>December, 2015</td><td>61.90</td><td>40.40</td><td>6,00,51,978</td><td>61.40</td><td>40.50</td><td>1,10,84,035</td></tr><tr><td>January, 2016</td><td>71.00</td><td>55.50</td><td>8,78,73,634</td><td>70.90</td><td>55.20</td><td>2,09,13,333</td></tr><tr><td>February, 2016</td><td>62.70</td><td>42.55</td><td>2,07,50,146</td><td>62.60</td><td>42.50</td><td>45,05,597</td></tr><tr><td>March, 2016</td><td>57.25</td><td>49.50</td><td>1,83,51,759</td><td>57.15</td><td>49.55</td><td>37,59,258</td></tr></table> <p>Note: Volume is the total monthly volume of trade in number of shares</p>	Month	National Stock Exchange			BSE Limited			High Rs.	Low Rs.	Volume	High Rs.	Low Rs.	Volume	April, 2015	48.10	39.50	1,06,49,758	48.00	39.55	20,62,805	May, 2015	42.70	38.00	65,38,498	42.70	38.10	15,55,106	June, 2015	40.80	30.10	1,28,13,582	40.75	29.90	34,04,775	July, 2015	43.90	34.70	2,08,63,891	44.00	34.50	53,84,759	August, 2015	49.90	35.85	2,72,22,794	49.90	35.95	75,79,571	September, 2015	47.40	42.20	1,71,65,825	47.40	42.30	37,38,826	October, 2015	60.50	42.20	6,54,47,617	60.30	42.15	1,38,92,428	November, 2015	47.20	39.10	1,65,99,645	47.20	39.00	42,23,655	December, 2015	61.90	40.40	6,00,51,978	61.40	40.50	1,10,84,035	January, 2016	71.00	55.50	8,78,73,634	70.90	55.20	2,09,13,333	February, 2016	62.70	42.55	2,07,50,146	62.60	42.50	45,05,597	March, 2016	57.25	49.50	1,83,51,759	57.15	49.55	37,59,258
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Performance in comparison to BSE Sensex (monthly High)



11. Registered Office	
a. Address	'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046
b. Telephone No.	91-33-6160 7734
c. Facsimile Nos.	91-33-2285 7542/8501
d. Website	www.srei.com
e. Email	corporate@srei.com
12. Registrar and Share Transfer Agent's details	
a. Name & Address	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 (Address changed w.e.f 14th April, 2015)
b. Telephone Nos.	040-67161500, 1800-345-4001
c. Facsimile No.	040-23420814
d. Website	www.karvy.com
e. Email	einward.ris@karvy.com

During the year under review, the Company made a public issue of 20,00,000 Secured Redeemable Non-Convertible Debentures of Face Value of Rs. 1,000 each vide Tranche 2 Prospectus dated June 26, 2015. The Registrar and Share Transfer Agent of the Company acted as the Registrar to the Issue.



13. Details of Debenture Trustees to the Issue																														
a. Name & Address	Axis Trustee Services Limited Bombay Dyeing Mills Compound Pandurang Budhkar Marg Mumbai-400 025																													
b. Telephone Nos.	91-22-2425-5216																													
c. Facsimile Nos.	91-22-2425-3000																													
d. Website	www.axistrustee.com																													
e. Email	debenturetrustee@axistrustee.com																													
14. Financial Year	1st April to 31st March																													
15. Particulars of Past three AGMs	<table><tr><th>AGM</th><th>Year</th><th>Venue</th><th>Date</th><th>Time</th><th>Members present</th></tr><tr><td>30th*</td><td>2014/15</td><td>'Science City Main Auditorium', JBS Haldane Avenue, Kolkata-700046</td><td>01/08/2015 (Saturday)</td><td>10.30 a.m.</td><td>2,486</td></tr><tr><td>29th**</td><td>2013/14</td><td>'Science City Main Auditorium', JBS Haldane Avenue, Kolkata-700046</td><td>02/08/2014 (Saturday)</td><td>10.30 a.m.</td><td>2,814</td></tr><tr><td>28th***</td><td>2012/13</td><td>'Science City Mini Auditorium', JBS Haldane Avenue, Kolkata-700046</td><td>14/08/2013 (Wednesday)</td><td>10.30 a.m.</td><td>1,995</td></tr></table> <p>*Two Special resolutions were passed:</p> <ul style="list-style-type: none"><li>■ Approval of material Related Party Transactions (RPTs) entered into with Sahaj e-Village Limited ('Sahaj'), an Associate Company, for the Financial Year 2014-15, and for any prospective RPTs that may be entered into in future within a threshold limit of Rs. 500 Crores for each Financial Year.</li><li>■ Issue of Non-Convertible Debt Securities on private placement basis in one or more tranches upto a maximum aggregate amount of Rs. 10,000 Crores during the period of one year from the date of passing of the Resolution by the Members, in terms of Sections 42 and 71 of the Companies Act, 2013 and Rules thereunder.</li></ul> <p>** Six Special resolutions were passed:</p> <ul style="list-style-type: none"><li>■ Alteration of the Articles of Association (AOA) of the Company so as to be in consonance and harmony with the provisions of the Companies Act, 2013 and the relevant rules thereunder.</li><li>■ Keeping the Register of Members together with the Index of Members, Register of Debenture Holders together with the Index of Debenture Holders and Register of any other Security Holders together with the Index of any other Security Holders and/or any other related documents and returns, as required to be kept at the Registered Office of the Company, at the Office in India of Registrar &amp; Share Transfer Agents (RTA) of the Company.</li></ul>						AGM	Year	Venue	Date	Time	Members present	30th*	2014/15	'Science City Main Auditorium', JBS Haldane Avenue, Kolkata-700046	01/08/2015 (Saturday)	10.30 a.m.	2,486	29th**	2013/14	'Science City Main Auditorium', JBS Haldane Avenue, Kolkata-700046	02/08/2014 (Saturday)	10.30 a.m.	2,814	28th***	2012/13	'Science City Mini Auditorium', JBS Haldane Avenue, Kolkata-700046	14/08/2013 (Wednesday)	10.30 a.m.	1,995
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- Borrowing limits of the Company in terms of Section 180(1)(c) of the Companies Act, 2013 for an amount not exceeding Rs. 25,000 Crores.
- Mortgaging and/or creating charge etc. in terms of Section 180(1)(a) of the Companies Act, 2013 upto the borrowing limits approved by the Members.
- Issue of Non-Convertible Debt Securities on private placement basis upto a maximum aggregate amount of Rs.10,000 Crores during the period of one year from the date of passing of the Special Resolution by the Members in terms of Section 42 and 71 of the Companies Act, 2013.
- Invest/acquire by way of subscription, purchase, conversion or otherwise securities of one or more bodies corporate, whether in India or outside, which may or may not be subsidiary(ies) and/or associates of the Company, upto a maximum aggregate amount of Rs. 2,500 Crores in subsidiary(ies) companies and Rs. 5,000 Crores in any other bodies corporate (including associates) in excess of and in addition to the investments already made as at March 31, 2014 in terms of Section 186 of the Companies Act, 2013.

\*\*\* Four Special resolutions were passed:

- To approve payment of commission to Non-Executive Directors of the Company annually for each of the five financial years of the Company commencing from financial year 2013-14 till 2017-18, an amount not exceeding one percent of the net profits of the Company as provided under Section 309(4) of the Companies Act, 1956 or any amendment or modification thereof and computed in the manner referred to in Sections 198, 349 and 350 of the Act or any amendment or modification thereof.
- To approve holding of an office or place of profit by Mr. Shyamalendu Chatterjee, Director of the Company in Srei Capital Markets Limited, subsidiary of the Company.
- To approve holding of an office or place of profit by Dr. Punita Kumar Sinha, Director of the Company in one or more subsidiary(ies) of the Company.
- To give approval to the Board to create, offer, issue and allot Redeemable Non-Convertible Preference Shares (hereinafter referred to as "Preference Shares") of Rs. 100 each for cash at par or premium aggregating upto Rs. 500 Crores (Rupees Five Hundred Crores only) on preferential basis at such time or times, in one or more tranches and on such terms and conditions and in such manners as the Board may deem fit.



16. Distribution of Shareholding as on March 31, 2016	Category (Shares)		No. of Shareholders		No. of Shares	
			Total	Per cent	Total	Per cent
	Up to 500	43115	79.19	6658029	1.32	
	501 to 1000	5894	10.83	4677856	0.93	
	1001 to 2000	2671	4.91	4195478	0.83	
	2001 to 3000	781	1.43	2014314	0.40	
	3001 to 4000	463	0.85	1643984	0.33	
	4001 to 5000	362	0.66	1692954	0.34	
	5001 to 10000	545	1.00	4039196	0.80	
	10001 to 20000	265	0.49	3905259	0.78	
	20001 and above	352	0.65	474259263	94.27	
	Total		54448	100.00	503086333	100.00

17. Dividend History (Last 5 Years)	Financial Year		Dividend Per Share* (Rs.)		Dividend Declaration	
	2014 – 15		0.50		August 01, 2015	
	2013 – 14		0.50		August 02, 2014	
	2012 – 13		0.50		August 14, 2013	
	2011 – 12		0.50		August 10, 2012	
	2010 – 11		0.75		July 30, 2011	
	*share of paid-up value of Rs. 10/- per share					

18. Categories of Shareholders as on March 31, 2016	Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a Percentage of (A+B+C)
	A	Shareholding of Promoter and Promoter Group			
	1	Indian	4	295393964	58.72
	2	Foreign	N.A	N.A	N.A
		Total Shareholding of Promoter and Promoter Group*	4	295393964	58.72
	B	Public Shareholding			
	1	Institutions	81	68809705	13.68
	2	Non-institutions	54362	138861064	27.60
		Total Public Shareholding	54443	207670769	41.28
	C	Non Promoter-Non Public			
	1	Shares underlying DRs	1	21600	0.00
		Total Non Promoter-Non Public Shareholding	1	21600	0.00
		GRAND TOTAL (A+B+C)	54448	503086333	100.00

\*None of the shares held by the Promoter/Promoters’ Group is under pledge.



## 19. Equity Share Capital History

The Paid up Capital of the Company consists of 50,30,86,333 Equity shares of Rs. 10/- each fully paid up and allotted as under:

Date of Allotment	No. of Shares	Issue Price (Rs. per Share)
30.03.1985	2,742	10
27.06.1986	31,600	10
24.05.1987	16,000	10
13.12.1988	5,000	10
30.05.1990	6,08,558	10
20.04.1991	2,56,100	10
31.08.1992	32,20,000	10
13.01.1994	41,40,000	20
21.11.1997	4,54,54,545	22
05.09.1998	27,688	15
01.06.1999	5,500	10
18.04.2005	3,45,94,000	44.38
22.11.2005	2,10,50,056	33
20.02.2006	3,556	37
13.05.2006	880	39
19.02.2007	200	28
11.05.2007	400	29
08.11.2007	800	41
31.03.2008	72,00,000	100
05.03.2011	38,69,41,535*	-
<b>Total</b>	<b>50,35,59,160</b>	
<b>Less:</b> Shares forfeited on 14.03.2000	4,72,827	
<b>Total Shares as on date</b>	<b>50,30,86,333</b>	

\*Equity Shares issued and allotted without consideration being received in cash pursuant to amalgamation of Quippo Infrastructure Equipment Limited (Quippo) into and with the Company sanctioned by the Hon'ble High Court at Calcutta vide its Order made on 18.01.2011 and effective w.e.f. 04.03.2011.

## 20. Credit Ratings

Agency	CARE	ICRA	Brickwork
NCDs / Bonds	CARE A+	-	BWR AA
Short term Debt Instruments	CARE A1+	-	BWR A1+
Unsecured Subordinated Tier-II Debentures / Bonds	CARE A	ICRA A+	BWR AA
Banking Facilities	CARE A+ (For Long Term Bank Facilities)	-	-
	CARE A1+ (For Short Term Bank Facilities)		



21. Measures adopted to protect the interests of the Shareholders

a. Share Transfer Processing

Requests for share transfers are registered and share certificates or receipts or advices, as applicable, of transfers are issued or any valid objection or intimation to the transferee or transferor, as the case may be, are issued within a time period of 15 (Fifteen) days from the date of receipt subject to the documents being valid and complete in all respects in accordance with the requirements of Regulation 40(3) of the SEBI Listing Regulations, 2015. The Stakeholders' Relationship Committee meets at regular intervals. During the year 2015-16, the Stakeholders' Relationship Committee met 6 (Six) times. Total number of shares physically transferred during the year 2015-16 was 5,775 Equity shares. There are no legal cases relating to transfer of shares.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance pertaining to share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

b. Redressal of Grievances

Necessary system has been put in place in order to attend with promptness any grievances or queries by the Shareholders. An exclusive email id has also been designated by the Company for prompt redressal of shareholder grievances. The Shareholders can email their queries/grievances to [investor.relations@srei.com](mailto:investor.relations@srei.com). A comprehensive Investor Grievance Redressal Policy has been formulated and put in place by the Company. Further, Investors' Frequently Asked Question (FAQs) are readily available on the website of the Company [www.srei.com](http://www.srei.com) for easy reference of the Investors.

The investor complaints are processed in a centralised web-based complaints redress system called SEBI Complaints Redress System (SCORES). The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned Companies and online viewing by investors of actions taken on the complaint and its current status. The Company had obtained SCORES authentication in June, 2011, when the said concept was introduced by SEBI and the Company has maintained a track record of resolving the grievances of investors received on SCORES within the stipulated time period specified by SEBI.

The Securities and Exchange Board of India (SEBI) issued Circular No. CIR/OIAE/1/2014 dated December 18, 2014 on SCORES consolidating all the earlier Circulars issued relating to SCORES. The said Circular provides that failure by listed companies and SEBI registered intermediaries to file Action Taken Report under SCORES within 30 (Thirty) days of date of receipt of the grievance shall not only be treated as failure to furnish information to SEBI but shall also be deemed to constitute non-redressal of investor grievance.

There are no pending investor grievances lying unresolved as per the data available on SCORES as on March 31, 2016.



21. Measures adopted to protect the interests of the Shareholders (Contd.)

c. Prevention of Fraudulent Transfers

A locking provision is in existence whereby, whenever any intimation is received from the shareholders regarding loss of shares or of any legal dispute, the shares are immediately kept locked so that fraudulent transfer is stalled.

d. Dematerialisation of Shares

Based on a SEBI directive, the Equity shares of the Company are permitted to be traded only in dematerialised form and are available for demat under both the Depositories in India - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2016, a total of 49,99,01,578 Equity shares of the Company representing 99.367% of the total Equity Share Capital were held in dematerialised form (99.36% as on March 31, 2015). The entire Promoters' Group shareholding of the Company is in dematerialised form.

The bifurcation of shares held in Physical and Demat form as on March 31, 2016 is given below –

Physical / Electronic	No. of Holders	No. of Shares	%
Physical	4698	3184755	0.63
NSDL	32558	123651531	24.58
CDSL	17192	376250047	74.79
<b>Total</b>	<b>54448</b>	<b>503086333</b>	<b>100.00</b>

For any assistance in converting physical shares in electronic form, investors may approach Karvy Computershare Private Limited or the Company Secretary of the Company.

e. Depositories

National Securities Depository Limited	Central Depository Services (India) Limited
Trade World, A Wing, 4th & 5th Floor Kamala Mills Compound Senapati Bapat Marg Lower Parel Mumbai - 400 013 Telephone No : 91-22-2499 4200 Facsimile Nos. : 91-22-2497/ 2993/6351 E-mail : info@nsdl.co.in Website : www.nsdl.co.in	Phiroze Jeejeebhoy Towers 17th Floor, Dalal Street, Fort Mumbai – 400 001 Telephone No : 91-22-2272 3333 Facsimile Nos. : 91-22-2272 3199/2072 E-mail : investors@cdslindia.com Website : www.cdslindia.com



21. Measures adopted to protect the interests of the Shareholders (Contd.)

f. Registrar and Share Transfer Agents (RTA)

The share transfer and shareholder related activities of the Company are attended and processed by the Registrar and Share Transfer Agents (RTA) of the Company. It is the responsibility of the RTA, inter alia, to register share transfers, coordinate with the depositories and to look after the redressal of shareholders' and Investors' complaints. The complaints/queries received from Investors relating to transfer of shares, non-receipt of annual reports, dividends, share certificates etc. and also the complaints/queries received through SEBI, MCA and the Stock Exchanges are being attended to by the RTA on priority basis.

The Company has appointed Karvy Computershare Private Limited (Karvy), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, India, as the Registrar and Share Transfer Agents (RTA) of the Company for Equity Shares w.e.f. April 01, 2015.

g. Investor Relations

Global macro and business environment has been very dynamic in the past year with implications on Company's business and financial performance. In this context, the Company recognises the imperatives to maintain continuous dialogue with the investor community. This is done with the objective to abreast the Investors of all the significant developments that may likely impact the Company's performance. This translates into feeding timely, accurate and relevant information that helps investors in taking informed investment decisions.

The Company focuses to build Investor Relations on pillars of trust and transparency. The Company's proactive approach has enabled global investor community to better understand the management objectives, corporate strategies and overall performance of the Company over a period of time.

To deliver an effective communication, the Investor Relations Department of the Company effectively deploys tools like Annual Report, Quarterly Earnings, Investor Release, Conference Calls, one on one Investor Meets, General Meetings and Internet (Company website) to serve as a link to stay connected with the Investors. In order to enable the Company to serve better, the Members are requested to update their database with the Company by filling in and returning to the Company the Shareholders Information Form available on the Company's website or by e-mailing the information at investor.relations@srei.com.

h. Investor Feedbacks

It is the constant endeavour of the Company to improve the standard of its Investor services. The Company has stipulated internal timeframes for responding to Investors' correspondence and adherence thereof is monitored by the Stakeholders' Relationship Committee.

In pursuit of excellence in Corporate Governance and to constantly improve standards of service, communication and disclosures, the Company conducted a preliminary



21. Measures adopted to protect the interests of the Shareholders (Contd.)

survey during the year to assess the requirement and satisfaction of valuable Investors on following broad parameters:

1. Timely receipt of Annual Reports, Dividend and other documents/correspondence.
2. Quality and contents of Annual Report.
3. Dissemination of information about the Company through shareholder communication, Annual Reports, Newspapers/Press, Company's website, e-mails.
4. Response time and satisfaction level experienced in transfer/transmission of shares, sub-division of shares, issue of duplicate share certificates, change of address, revalidation of dividend warrants, exchange with new share certificates etc.
5. Interaction with Company officials.
6. Interaction with Registrar and Share Transfer Agents.
7. Investor services section of the Company's website.
8. Annual General Meeting w.r.t. overall arrangements, attendance facilities, voting on I-pads, Chairman's communication.
9. Overall rating of Company's Investor services.

The Investors have expressed their satisfaction on the quality of services rendered by the Company. The Company is constantly in the process of enhancing the service levels based on feedbacks received from the Investors.

22. Outstanding GDRs / ADRs / Warrants / any Convertible Instruments, conversion date and likely impact on Equity

In April, 2005, 86,48,500 Global Depository Receipts (GDRs) were issued by the Company through book building process at a price of US\$ 4.05 per GDR, each GDR representing four underlying Equity shares of the Company. The GDRs are presently listed and traded on the London Stock Exchange (LSE). As on March 31, 2016, 21,600 Equity shares of the Company representing 0.004% of the paid up Share Capital of the Company are held as shares underlying the GDRs.

GDR is not a specific time-bound instrument and can be surrendered any time and converted into the underlying Equity shares in the Company. The shares so released in favour of the investors upon surrender of GDRs can either be held by the investors concerned in their name or sold off in the Indian secondary markets for cash. To the extent of the shares so sold in Indian markets, GDRs can be reissued under the available head room.

Deutsche Bank Trust Company Americas, Depositary to the GDR program, issued a notice to the Company for the termination of Deposit Agreements pursuant to which GDRs have been issued.

Intimations have been made to the Financial Conduct Authority ("FCA"), UK Listing Authority ("UKLA"), LSE, Depositary and the Custodian intimating May 16, 2016 as the date of cancellation from which the holders of GDRs will no longer be able to trade



	<p>their GDRs on the LSE. The GDRs will not be listed or traded anywhere after the date of cancellation. The same has also been intimated to the domestic Stock Exchanges.</p> <p>Presently, there are 5,400 number of GDRs outstanding which aggregates to 21,600 number of Equity Shares of the Company representing 0.004% of the paid-up share capital of the Company which is very insignificant in relation to the total market capitalisation of the Company.</p> <p>Cancellation of listing of GDRs on the LSE does not result in any change in the total paid up equity share capital structure of the Company.</p>																								
23. Address for Shareholders' correspondence	<p>The Company Secretary Srei Infrastructure Finance Limited 'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046 Email : secretarial@srei.com, investor.relations@srei.com</p>																								
24. Transfer of Unclaimed dividend to Investor Education and Protection Fund (IEPF)	<p>Pursuant to Section 205A and 205C of the Companies Act, 1956, dividends which remains unpaid/unclaimed for a period of 7 (Seven) years from the date of transfer to the unpaid dividend account are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF:</p> <table><tr><th>Financial Year</th><th>Date of Declaration of Dividend</th><th>Due Date of Transfer to IEPF</th></tr><tr><td>2008 - 09</td><td>September 12, 2009</td><td>October 14, 2016</td></tr><tr><td>2009 - 10</td><td>August 09, 2010</td><td>September 09, 2017</td></tr><tr><td>2010 - 11</td><td>July 30, 2011</td><td>September 05, 2018</td></tr><tr><td>2011 - 12</td><td>August 10, 2012</td><td>September 15, 2019</td></tr><tr><td>2012 - 13</td><td>August 14, 2013</td><td>September 19, 2020</td></tr><tr><td>2013 - 14</td><td>August 02, 2014</td><td>September 07, 2021</td></tr><tr><td>2014 - 15</td><td>August 01, 2015</td><td>September 06, 2022</td></tr></table> <p>The shareholders are regularly advised to claim the unencashed dividends lying in the unpaid dividend accounts of the Company before the due dates for crediting the same to the Investor Education and Protection Fund. Reminder letters have been sent to all those shareholders whose dividend are lying unpaid/unclaimed for the last 7 (Seven) Financial Years (F.Y.) i.e. from F.Y. 2008-09 to F.Y. 2014-15 through electronic and/or physical means, wherever applicable, on January 29, 2015 and February 05,</p>	Financial Year	Date of Declaration of Dividend	Due Date of Transfer to IEPF	2008 - 09	September 12, 2009	October 14, 2016	2009 - 10	August 09, 2010	September 09, 2017	2010 - 11	July 30, 2011	September 05, 2018	2011 - 12	August 10, 2012	September 15, 2019	2012 - 13	August 14, 2013	September 19, 2020	2013 - 14	August 02, 2014	September 07, 2021	2014 - 15	August 01, 2015	September 06, 2022
Financial Year	Date of Declaration of Dividend	Due Date of Transfer to IEPF																							
2008 - 09	September 12, 2009	October 14, 2016																							
2009 - 10	August 09, 2010	September 09, 2017																							
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2011 - 12	August 10, 2012	September 15, 2019																							
2012 - 13	August 14, 2013	September 19, 2020																							
2013 - 14	August 02, 2014	September 07, 2021																							
2014 - 15	August 01, 2015	September 06, 2022																							



	<p>2016, respectively, indicating that the unclaimed amount will be transferred to the Investor Education and Protection Fund (IEPF), if not claimed by the shareholders before the due date of transfer to the said Fund. Further, the details of dividend unclaimed by the Members for the past years which have not yet been transferred to the Central Government are readily available for view by the Members on the website of the Company <a href="http://www.srei.com">www.srei.com</a>. Further, the Members are advised to glance through the database and lodge their claim with the Company's Registrar and Share Transfer Agents for dividend which have remained unclaimed.</p> <p>During the year under review, the Company has credited a sum of Rs. 4,15,494/- to the Investor Education and Protection Fund pursuant to Section 205A and 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. Cumulatively, the aggregate dividend amount transferred to the said Fund upto March 31, 2016 stands at Rs. 47,51,424.69.</p>
25. Nomination	<p>Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination forms can be obtained from the Company's Registrar and Share Transfer Agents or can be downloaded from the Company's website <a href="http://www.srei.com">www.srei.com</a> under the section "Investor Zone". Nomination facility in respect of shares held in electronic form is available with the Depository Participants as per bye-laws and business rules applicable to NSDL and CDSL.</p>
26. Payment of Dividend etc. in electronic mode	<p>Pursuant to Regulation 12 of SEBI Listing Regulations, 2015, listed entity shall use any of the electronic mode of payment facility approved by the Reserve Bank of India (RBI) in the manner specified in Schedule I of the SEBI Listing Regulations, 2015, for making payments of dividend, interest, redemption or repayment amounts etc. However, where it is not possible to use electronic mode of payment, 'payable at-par' warrants or cheques may be issued. Further, where the amounts payable as dividend exceeds Rs. 1,500 (Rupees One Thousand and Five Hundred only), the 'payable at-par' warrants or cheques shall be sent by speed post.</p> <p>The Company is using various RBI approved electronic mode of payment for making payments such as dividend, etc. to the investors, failing which the bank details available with the depository participants and the Company's Registrar and Share Transfer Agents (RTA) are printed on the physical payment instruments.</p> <p>Payment of dividend and other benefits through electronic mode is beneficial to the</p>



	<p>Members since the risks associated with receiving payment through dividend warrants and other instruments such as loss in transit/misplacement/revalidation etc. can be easily mitigated.</p> <p>Members who wish to avail of the electronic facility of remittance, may update their bank details with the depository participants for shares held in demat form and Members holding securities of the Company in physical form are requested to update their bank details with the Company or its RTA by sending a duly filled and signed NECS Mandate Form available on the website of the Company <a href="http://www.srei.com">www.srei.com</a>.</p> <p>The Company is using NECS mandate for remittance of dividend either through NECS or other electronic modes failing which the bank details available with the depository participants and the Company's RTA are printed on the dividend warrant. All the arrangements are subject to RBI guidelines, issued from time to time.</p> <p>Members who wish to receive dividend in a bank account other than the one registered with the depository participants for shares held in demat form and with the Company's RTA for shares held in physical form, may notify their depository participants and the Company or its RTA, respectively, about any change in the bank account details.</p>
27. Reconciliation of Share Capital Audit	<p>As stipulated by SEBI, a qualified practising Company Secretary carries out an audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the concerned Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.</p>
28. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)	<p>The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on Board Meetings and General Meetings and the same have become effective from July 01, 2015. Further, pursuant to Section 118(10) of the Companies Act, 2013, every company shall observe secretarial standards specified by ICSI with respect to Board and General Meetings. The Company confirms that it has duly adhered to the said Secretarial Standards.</p>



29. Secretarial Audit	<p>The Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 1956 (as applicable), Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from December 01, 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) and effective from July 01, 2015), Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015 (effective from May 15, 2015), the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and the Reserve Bank of India Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC –ND – SI), Master Circular dated July 01, 2015 on Non-Banking Financial Companies-Corporate Governance (Reserve Bank) Directions, 2015 issued by the Reserve Bank of India (RBI). The Secretarial Audit Report for the financial year ended March 31, 2016 is provided in the Annual Report.</p>
30. Compliance Officer	<p>Mr. Sandeep Lakhotia Company Secretary FCS 7671 'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046 Tel : 91-33-6160 7734 Fax : 91-33-2285 7542/8501 Email : secretarial@srei.com, investor.relations@srei.com</p>
31. Role of Company Secretary in overall governance process	<p>The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. He assists and advises the Board in ensuring good corporate governance as well as in complying with the corporate governance requirements. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and in accordance with Section 205 of the Companies Act, 2013 reports to the Board regarding compliance with the provisions of the Companies Act, 2013, the rules made thereunder and other laws applicable to the Company. He is also the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.</p>



### 32. Web links to Company policies and programmes

Policy on determining Material Subsidiaries -

<https://www.srei.com/sites/default/files/Policy%20on%20determining%20%E2%80%9CMaterial%E2%80%9D%20Subsidiaries.pdf>

Related Party Transactions (RPT) Policy-

<https://www.srei.com/sites/default/files/Related%20Party%20Transactions%20%28RPTs%29%20Policy.pdf>

Familiarisation Programme for Independent Directors -

[https://www.srei.com/sites/default/files/Familiarisation%20Programme%20for%20Independent%20Directors\\_1.pdf](https://www.srei.com/sites/default/files/Familiarisation%20Programme%20for%20Independent%20Directors_1.pdf)

Whistle Blower Policy -

<https://www.srei.com/sites/default/files/Whistle%20Blower%20Policy.pdf>

ESMS Policy -

<https://www.srei.com/sites/default/files/ESMS%20Policy.pdf>

Policy on Prevention of Sexual Harassment -

<https://www.srei.com/sites/default/files/Policy%20on%20Prevention%20of%20Sexual%20Harassment.pdf>

Corporate Social Responsibility (CSR) Policy -

<https://www.srei.com/sites/default/files/Corporate%20Social%20Responsibility%20Policy%20for%20SIFL.pdf>

Nomination and Remuneration Policy -

<https://www.srei.com/sites/default/files/Srei%20Nomination%20and%20Remuneration%20Policy.pdf>

Policy on Board Diversity -

<https://www.srei.com/sites/default/files/Policy%20on%20Board%20Diversity.pdf>

Srei Fair Practices Code -

<https://www.srei.com/sites/default/files/Srei%20Fair%20Practices%20Code.pdf>

Srei Code of Conduct for Board of Directors and Senior Executives -

[https://www.srei.com/sites/default/files/Srei%20Code%20of%20Conduct%20for%20Board%20of%20Directors%20and%20Senior%20Executives\\_0.pdf](https://www.srei.com/sites/default/files/Srei%20Code%20of%20Conduct%20for%20Board%20of%20Directors%20and%20Senior%20Executives_0.pdf)

Srei Code of Conduct For Prohibition of Insider Trading (Srei Insider Code) -

[https://www.srei.com/sites/default/files/Srei%20Code%20of%20Conduct%20for%20Prohibition%20of%20Insider%20Trading\\_3.pdf](https://www.srei.com/sites/default/files/Srei%20Code%20of%20Conduct%20for%20Prohibition%20of%20Insider%20Trading_3.pdf)

Code of Practices and Procedures for Fair Disclosure (Srei Fair Disclosure Code) of Unpublished Price Sensitive Information (UPSI)-

<https://www.srei.com/sites/default/files/Code%20of%20Practices%20and%20Procedures%20for%20Fair%20Disclosure%20of%20UPSI.pdf>

Srei Investor Grievance Redressal Policy -

<https://www.srei.com/sites/default/files/Srei%20INVESTOR%20GRIEVANCE%20REDRESSAL%20POLICY%2011.03.2011.pdf>



	<p>Srei Corporate Governance Framework -  <a href="https://www.srei.com/sites/default/files/Corporate%20Governance%20Framework.pdf">https://www.srei.com/sites/default/files/Corporate%20Governance%20Framework.pdf</a></p> <p>Policy for determination of Materiality of any Event/Information -  <a href="https://www.srei.com/sites/default/files/Policy_for_determination_of_Materiality_of_any_Event_or_Information.pdf">https://www.srei.com/sites/default/files/Policy_for_determination_of_Materiality_of_any_Event_or_Information.pdf</a></p> <p>Archival Policy -  <a href="https://www.srei.com/sites/default/files/Archival%20Policy_0.pdf">https://www.srei.com/sites/default/files/Archival%20Policy_0.pdf</a></p>
33. Disclosure of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI Listing Regulations, 2015	<p>Pursuant to Schedule V of SEBI Listing Regulations, 2015, the Company hereby confirms that it has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) inter-alia covering the following subject matter/heads:</p> <ul style="list-style-type: none"> <li>i) Board of Directors</li> <li>ii) Audit Committee</li> <li>iii) Nomination and Remuneration Committee</li> <li>iv) Stakeholders' Relationship Committee</li> <li>v) Risk Management Committee – Not Applicable</li> <li>vi) Vigil Mechanism</li> <li>vii) Related Party Transactions</li> <li>viii) Corporate governance requirements with respect to subsidiary of Company</li> <li>ix) Obligations with respect to Independent Directors</li> <li>x) Obligations with respect to Directors and senior management</li> <li>xi) Other Corporate governance requirements as stipulated under the Regulations</li> <li>xii) Dissemination of various information on the website of the Company w.r.t clauses (b) to (i) of Regulation 46(2).</li> </ul>



# INDEPENDENT AUDITOR'S REPORT

To the Members of

## Srei Infrastructure Finance Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Srei Infrastructure Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner

so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No. 27 to the standalone financial statements;
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

**Anand Kumar Jhunjhunwala**

Partner

Membership No. 056613

Kolkata

May 12, 2016



## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the standalone financial statements for the year ended 31st March, 2016]

(i)

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. Pursuant to the programme, certain fixed assets were physically verified by the Company's Management ("management") during the year. As informed and explained to us by the management, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company, except as detailed herein below :-

Land/ Buildings	Total number of cases	Leasehold/ Freehold	Gross Block as at 31st March, 2016(Rs. In Lacs)	Net Block as at 31st March, 2016 (Rs. In Lacs)	Remarks
Buildings	2	Freehold	9967.98	8976.11	Conveyance is pending

- (ii) According to the information and explanations given to us in respect of equity shares held as stock for trade, the same has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As explained to us, no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register compiled maintained under Section 189 of the Act.
- (iv) According to the information and explanations given to us in respect of loans, investments, guarantees and security, the Company has complied with the provisions of Sections 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder with regard to the acceptance of deposits. Further, as informed, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- (vi) Being a Non-Banking Financial Company, the provisions of clause 3(vi) of the Order with regard to the maintenance of cost records are not applicable to the Company.

(vii)

- (a) According to the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the dues as at 31st March, 2016 of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax, which have not been deposited on account of any dispute, are as follows :

Name of the Statute	Nature of dues	Amount (Rs. In Lacs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	471	2005-06 and 2006-07	Supreme Court of India
Income Tax Act, 1961	Income Tax	125	2006-07 and 2007-08	CIT(Appeals), Kolkata
Income Tax Act, 1961	Income Tax	986	2007-08	Income Tax Appellate Tribunal, Kolkata
Income Tax Act, 1961	Income Tax	1,809	2008-09	Supreme Court of India



Name of the Statute	Nature of dues	Amount (Rs. In Lacs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	211	2010-11	CIT(Appeals), Kolkata
Income Tax Act, 1961	Income Tax	1,938	2011-12	CIT(Appeals), Kolkata
Income Tax Act, 1961	Income Tax on Fringe benefits	226	2005-06 to 2008-09	Calcutta High Court
Finance Act, 1994	Service Tax	302	2006-07 to 2010-11	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Kolkata
Finance Act, 1994	Service Tax	6	2011-12	Additional Commissioner of Service Tax, Kolkata
Finance Act, 1994	Service Tax	973	2011-12 to 2014-15	Principal Commissioner of Service Tax, Kolkata
Central Sales Tax Act, 1956	Central Sales Tax	211	2010-11	West Bengal Sales Tax Appellate and Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	195	2011-12	West Bengal Sales Tax Appellate and Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	161	2012-13	Joint Commissioner of Commercial Tax, Kolkata

- (viii) Based on our audit procedures and as per the information and explanations given to us by the management, we are of the opinion that during the year the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were prima facie applied during the year for the purposes for which those were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company.
- (xiii) According to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) As per the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with directors or persons connected with them.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained.

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

**Anand Kumar Jhunjunwala**

Partner

Membership No.056613

Kolkata

May 12, 2016



## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (2)f under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the standalone financial statements for the year ended 31st March , 2016]

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of the Company as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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



### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria

established by the Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

**Anand Kumar Jhunjunwala**

Partner

Kolkata

May 12, 2016

Membership No.056613



**BALANCE SHEET** as at 31st March, 2016

(Rs. in Lacs)

	Note	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	50,324	50,324
Reserves and Surplus	3	2,26,190	2,23,478
		<b>2,76,514</b>	<b>2,73,802</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	4,73,136	5,14,178
Deferred Tax Liabilities (Net)	5	10,343	11,182
Other Long-Term Liabilities	6	5,885	4,006
Long-Term Provisions	7	3,033	2,417
		<b>4,92,397</b>	<b>5,31,783</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	8	8,27,305	7,29,872
Trade Payables			
- Due to Micro and Small Enterprises	9.1	-	-
- Due to Others	9.2	584	3,171
Other Current Liabilities			
- Current Maturities of Long-Term Borrowings	4	1,59,476	1,25,550
- Others	10	25,004	23,412
Short-Term Provisions	11	4,154	3,849
		<b>10,16,523</b>	<b>8,85,854</b>
<b>TOTAL</b>		<b>17,85,434</b>	<b>16,91,439</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	12		
- Tangible Assets		63,827	64,171
- Intangible Assets		228	292
- Capital Work-in-Progress		6,425	5,723
Non-Current Investments	13.1	2,75,729	2,82,186
Long-Term Loans and Advances			
- Loan Assets	14	9,28,154	8,56,936
- Other Long-Term Advances	15	47,545	28,879
Other Non-Current Assets	16	10,704	15,386
		<b>13,32,612</b>	<b>12,53,573</b>
<b>Current Assets</b>			
Current Investments	13.2	1,131	1,665
Trade Receivables	17	3,079	20,202
Cash and Cash Equivalents	18	54,955	38,680
Short-Term Loans and Advances			
- Loan Assets	14	8,586	21,976
- Other Advances	19	1,288	4,528
Other Current Assets			
- Current Maturities of Long-Term Loan Assets	14	3,46,066	2,82,100
- Other Current Assets	20	37,717	68,715
		<b>4,52,822</b>	<b>4,37,866</b>
<b>TOTAL</b>		<b>17,85,434</b>	<b>16,91,439</b>
Significant Accounting Policies and Notes to Financial Statements	1 to 40		

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

**Anand Kumar Jhunjunwala**

Partner  
Membership No. 056613

For and on behalf of the Board of Directors

**Hemant Kanoria**

Chairman &amp; Managing Director

**Shyamalendu Chatterjee**

Director

**Sandeep Lakhota**

Company Secretary

**Kishore Kumar Lodha**

Chief Financial Officer

Place : Kolkata  
Date : May 12, 2016



**STATEMENT OF PROFIT AND LOSS** for the year ended 31st March, 2016

(Rs. in Lacs)

	Note	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>INCOME</b>			
Revenue from Operations	21	1,88,976	1,89,420
Other Income	22	657	583
<b>Total Income</b>		<b>1,89,633</b>	<b>1,90,003</b>
<b>EXPENSES</b>			
Finance Costs	23	1,58,551	1,52,084
Employee Benefits Expense	24	4,560	4,212
Depreciation / Amortisation and Impairment Expense	12	5,156	3,919
Administrative and Other Expenses	25	7,259	6,941
<b>Total Expenses</b>		<b>1,75,526</b>	<b>1,67,156</b>
<b>Profit Before Bad Debts, Provisions &amp; Tax</b>		<b>14,107</b>	<b>22,847</b>
Bad Debts/Advances written off (net)		278	634
Provision for Bad Debts/ Advances	7.1	4,708	8,881
Contingent Provisions against Standard Assets	7.1	856	36
Provision for Diminution in Value of Stock for Trade and Investment	7.2	-	927
Loss on Sale of Stock for Trade and Investment (net)	7.3	123	417
		<b>5,965</b>	<b>10,895</b>
<b>Profit Before Tax</b>		<b>8,142</b>	<b>11,952</b>
Tax Expense:			
-Current Tax		3,241	1,818
-Deferred Tax		(839)	1,041
<b>Total Tax Expense</b>		<b>2,402</b>	<b>2,859</b>
<b>Profit After Tax</b>		<b>5,740</b>	<b>9,093</b>
<b>Earnings per Equity Share (Basic and Diluted) (in Rs.)</b>			
(Par Value Rs. 10/- per Equity Share)	26	1.14	1.81
Significant Accounting Policies and Notes to Financial Statements	1 to 40		

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

**Anand Kumar Jhunjunwala**

Partner

Membership No. 056613

Place : Kolkata

Date : May 12, 2016

For and on behalf of the Board of Directors

**Hemant Kanoria**

Chairman &amp; Managing Director

**Shyamalendu Chatterjee**

Director

**Sandeep Lakhotia**

Company Secretary

**Kishore Kumar Lodha**

Chief Financial Officer



**CASH FLOW STATEMENT** for the year ended 31st March, 2016

(Rs. in Lacs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	8,142	11,952
Adjustments for:		
Depreciation / Amortisation and Impairment Expense	5,156	3,919
Bad Debts/Advances written off (net)	278	634
Provision for Bad Debts/Advances	4,708	8,881
Contingent Provisions against Standard Assets	856	36
Loss/ (Profit) on Sale of Fixed Assets	(59)	5
Loss/ (Profit) on Sale of Long-term Trade Investments (net)	(107)	-
Loss / (Profit) on Sale of Current Investments (net)	(27)	(16)
Loss / (Profit) on Sale of Stock for Trade (net)	123	417
Liabilities No Longer Required written back	(3)	(6)
Dividend Income	(25)	(173)
Provision for Diminution in value of Stock for Trade and Investment	-	927
<b>Operating Profit before Working Capital Changes</b>	<b>19,042</b>	<b>26,576</b>
<b>Changes in Working Capital</b>		
Adjustments for:		
(Increase) / Decrease in Receivables / Others	38,610	(3,807)
(Increase) / Decrease in Loan Assets	(1,26,502)	(92,875)
(Increase) / Decrease in Current Investments / Stock for Trade	1,795	28,491
(Increase) / Decrease in Fixed Deposit (Deposit with balance maturity period of more than three months)	(25,867)	(10,010)
(Decrease) / Increase in Trade Payables / Others	952	5,262
<b>Cash Generated from Operations</b>	<b>(91,970)</b>	<b>(46,363)</b>
Direct Taxes Paid	(6,706)	(3,184)
<b>Net Cash (Used in) / Generated from Operating Activities</b>	<b>(98,676)</b>	<b>(49,547)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(5,885)	(1,952)
Proceeds from Sale of Fixed Assets	494	1
(Increase) / Decrease in Investments (Other than Subsidiaries)	6,664	(11,997)
(Increase) / Decrease of Investments in Subsidiaries	(100)	(428)
Dividend Received	25	173
<b>Net Cash (Used) / Generated in Investing Activities</b>	<b>1,198</b>	<b>(14,203)</b>
<b>C. Cash Flow from Financing Activities</b>		
Increase / (Decrease) in Debentures (net)	(4,500)	26,958
Increase / (Decrease) in Working Capital facilities (net)	59,979	45,439
Increase / (Decrease) in Other Loans (net)	34,838	1,190
Dividend Paid	(2,516)	(2,515)
Corporate Dividend Tax Paid	(512)	(427)
<b>Net Cash (Used) / Generated in Financing Activities</b>	<b>87,289</b>	<b>70,645</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(10,189)</b>	<b>6,895</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>22,050</b>	<b>15,155</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>11,861</b>	<b>22,050</b>

**Explanations:**

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 'Cash Flow Statements'.

2. Previous year figures have been rearranged/ regrouped wherever necessary to conform to the current year's classification.

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

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W

**Anand Kumar Jhunjhunwala**

Partner

Membership No. 056613

For and on behalf of the Board of Directors

**Hemant Kanoria**

Chairman & Managing Director

**Shyamalendu Chatterjee**

Director

Place : Kolkata

Date : May 12, 2016

**Sandeep Lakhotia**

Company Secretary

**Kishore Kumar Lodha**

Chief Financial Officer



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

### 1(a) Corporate Information

Srei Infrastructure Finance Limited (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is also a Public Financial Institution (PFI) notified under section 4A of the Companies Act, 1956. The Company received a Certificate of Registration from the Reserve Bank of India ('RBI') on 1st August, 1998 to commence / carry on the business of Non-Banking Financial Institution ('NBFI') and was subsequently classified as Infrastructure Finance Company vide Certificate of Registration dated 11th May, 2010.

### 1(b) Significant Accounting Policies

#### 1.1 Basis of Preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India, under the historical cost convention, on accrual basis. As per Rule 7 of The Companies (Accounts) Rules, 2014, the standards of accounting as specified under the Companies Act, 1956 shall be deemed to be the accounting standards until accounting standards are specified by the Central Government under Section 133 of the Companies Act, 2013. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211 (3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006], the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to an 'Infrastructure Finance Company - Non Deposit Taking' Non-Banking Finance Company ('NBFC'). The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.

#### Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III of the Companies Act, 2013.

For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating cycle for the Company is assumed to have a duration of 12 months.

#### 1.2 Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions which are considered to arrive at the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and the estimates are recognized in the periods in which the results are known / materialized. Any revision to the accounting estimates is recognized prospectively in the current and future accounting years.

#### 1.3 Fixed Assets, Depreciation / Amortisation and Impairment

##### i) Fixed Assets

Tangible fixed assets are carried at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, which take substantial period of time to get ready for their intended use, are also capitalised to the extent they relate to the period till such assets are ready to put to use.

Intangible Assets comprising of computer software and licenses expected to provide future enduring economic benefits are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises of purchase price and directly attributable expenditure on making the asset ready for its intended use. Any technology support cost or annual maintenance cost for such software is charged to the Statement of Profit and Loss.

##### ii) Depreciation / Amortisation

Depreciation on tangible assets other than Leasehold Improvements, is provided over the estimated useful life of assets, in accordance with Schedule II to the Companies Act, 2013. The residual value of assets is considered as Nil.

The Company has adopted the useful life as specified in Schedule II to the Companies Act, 2013, except for aircraft for which the useful life has been estimated based on Independent technical advice.



**SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

The assets for which useful life are adopted as specified in Schedule II to the Companies Act, 2013 are as follows :

	Asset Description (as per Note No. 12)	Estimated useful Life as per Schedule II
<b>I</b>	<b>Assets for Own Use</b>	
i)	Buildings	60 years
ii)	Furniture and Fixtures	10 years
iii)	Motor Vehicles	8 years
iv)	Computers	3, 6 years
v)	Office Equipment	5 years
vi)	Plant & Machinery	15 years
<b>II</b>	<b>Assets given on Operating Lease</b>	
i)	Plant & Machinery	15, 22, 30 years

The useful life of Aircraft which is different from the useful life as specified by Schedule II is as given below:

	Asset Description (as per Note No. 12)	Estimated useful Life duly supported by technical advice	Estimated useful Life as per Schedule II
<b>I</b>	<b>Assets given on Operating Lease</b>		
i)	Aircraft	18 years	20 years

Fixed Assets costing up to Rs. 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

Depreciation / Amortisation on assets purchased / sold during the reporting year is recognised on pro-rata basis.

Lease-hold assets including improvements are amortised over the period of the lease or the estimated useful life of the asset, whichever is lower.

Amortisation of intangible assets is provided on straight line basis which reflect the managements estimate of useful life of such assets:

	Asset Description (as per Note No. 12)	Useful Life as followed by the management
<b>I</b>	<b>Assets for Own Use</b>	
i)	Intangible Assets	2 - 6 years

**iii) Impairment**

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment, based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

**1.4 Capital Work in Progress**

Capital work in progress is stated at cost and includes development and other expenses, including interest during construction period.



## **SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

### **1.5 Borrowing Costs**

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Borrowing costs consist of interest and other ancillary cost that an entity incurs in connection with borrowing of funds and includes exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the borrowing cost. The ancillary costs incurred in connection with the arrangement of borrowings are amortised over the life of underlying borrowings. Premium payable on redemption of bonds is amortised over the tenure of the bonds. These form part of the borrowing costs.

All other costs related to borrowings are recognised as expense in the period in which they are incurred.

### **1.6 Operating Leases**

#### **Where the Company is lessee**

Leases under which all the risks and benefit of ownership are effectively retained by the lessor are classified as operating leases. Amount due under the operating leases are charged to the Statement of Profit and Loss, on a straight-line method over the lease term in accordance with Accounting Standard 19 on 'Leases'.

#### **Where the Company is lessor**

Leases under which the Company does not transfer substantially all the risks and benefit of ownership of the asset to the Lessee are classified as operating leases. Assets given on operating leases are included in fixed assets. Initial direct costs incurred before the asset is ready to be put to use, are included in the cost of the asset and those incurred afterwards, are recognised in the Statement of Profit and Loss as they are incurred. Lease income in respect of operating leases is recognized in the Statement of Profit and Loss on a straight-line method over the lease term in accordance with Accounting Standard 19 on 'Leases'. Maintenance cost including depreciation is recognised as an expense in the Statement of Profit and Loss.

### **1.7 Investments**

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 on 'Accounting for Investments'. Current investments also include current maturities of long-term investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and market price determined category-wise. All non-current investments, including investments in Subsidiaries, are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognise a decline, on an individual basis. The cost of Investments acquired on amalgamations is determined as per the terms of the scheme of amalgamation.

Cost is arrived at on weighted average method for the purpose of valuation of investment.

### **1.8 Stock for Trade**

Stock for Trade is carried at lower of cost and market price, determined category-wise.

### **1.9 Loan Assets**

Loan Assets include loans advanced by the Company, secured by collateral offered by the customers, if applicable.

Loan assets are carried at net investment amount including installments fallen due, amounts received, assets not paid for, etc. and include assets acquired in satisfaction of debt.



## **SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

### **1.10 Provisioning / Write-off of assets**

The Company makes provision for Standard, Restructured and Non-Performing Assets as per the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, as amended from time to time. The Company also makes additional provision, to the extent considered necessary, based on the management's best estimate. Provision for other receivables is also made on a similar basis.

Loans & Advances which, as per the management are not likely to be recovered, are considered as bad debts and written off.

### **1.11 Foreign Currency Transactions and Translations**

The reporting currency of the Company is the Indian Rupee (Rs.).

#### **i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the prevailing exchange rate between the reporting currency and the foreign currency, as on the date of the transaction.

#### **ii) Conversion**

Year end foreign currency monetary items are reported using the year end rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates prevailing at the date when the values were determined.

#### **iii) Exchange Differences**

Exchange differences arising on the settlement or reporting of monetary items, at rates different from those at which they were initially recorded during the year or reported in previous financial statements and / or on conversion of monetary items, are recognised as income or expense in the year in which they arise. Exchange differences arising out of foreign currency borrowings are considered as an adjustment to interest cost and recognised in accordance to para 1.5 above.

#### **iv) Forward Exchange Contracts (not intended for trading or speculation purpose)**

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense in the year in which it is cancelled or renewed.

### **1.12 Derivatives and Hedges**

The Company, in order to hedge itself against the adverse impact of fluctuations in foreign currency rates / variable interest benchmark on underlying liability, enters into derivative contracts in the nature of forward exchange contracts. The Company does not enter into derivative contracts for speculation or trading purposes. Derivate contracts which are closely linked to the existing assets and liabilities are accounted for as per the aforesaid policy for Foreign Currency Transactions and Translations.

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are "marked to market" on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored as a matter of prudence. The Company believes that the above treatment reflects the true effect of the hedge and also reflects the economic substance of the impact of derivative contracts.



## SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### 1.13 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company, it can be reliably measured and it is reasonable to expect ultimate collection.

- a) Income from Loans and Leases is recognised on accrual basis, except in the case of non-performing assets where it is recognised, upon realisation, as per the Prudential Norms / Directions of RBI, applicable to NBFCs.
- b) Interest income from loan assets is recognised based on the internal rate of return, to provide a constant periodic rate of return on the net investment outstanding over the period of the contract, or as per the terms of the contract.
- c) Income from operating lease is recognised on straight line basis over the lease term or other systematic basis which is more representative of the time pattern of the users benefit.
- d) Fees on processing of loans are recognised when a binding obligation for granting loan has been entered into.
- e) Income from Funds is recognised as and when it is distributed by the Fund.
- f) Delayed-payment interest / incremental interest pursuant to upward revision in benchmark interest rate is accrued, only to the extent of probable recovery, as per the best estimate of the management.
- g) Gains arising on securitisation / assignment of assets, if any, are recognised over the tenure of agreements as per guideline on securitisation of standard assets issued by RBI, while loss, if any is recognised upfront. These are considered as income from loans.
- h) Fees for advisory services is accounted based on the stage of completion of assignments, when there is reasonable certainty of its ultimate realisation / collection. Other fee based income is accounted for on accrual basis.
- i) Income from Dividend of shares of corporate bodies is accounted when the Company's right to receive the dividend is established.
- j) Interest income on fixed deposits / margin money is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- k) Profit or Loss on sale of non-current and current investments are recognised when a binding obligation has been entered into.
- l) All other income is accounted for on accrual basis.

### 1.14 Retirement and Other Employee Benefits

- a) Retirement and employee benefits in the form of Provident Fund and Employee State Insurance are defined contribution plans and the Company's contributions, paid or payable during the reporting period, are charged to the Statement of Profit and Loss.
- b) Gratuity liability is a defined benefit plan and is provided for on the basis of actuarial valuation on projected unit credit method at the Balance Sheet date.
- c) Long-Term compensated absences are provided for based on actuarial valuation as per projected unit credit method at the Balance Sheet date.
- d) Actuarial gains / losses are charged to the Statement of Profit and Loss and are not deferred.

### 1.15 Taxes on Income

Tax expense comprises of current tax [(net of Minimum Alternate Tax (MAT) credit entitlement)] and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.



## **SIGNIFICANT ACCOUNTING POLICIES**

Deferred tax reflects the impact of timing differences between taxable income and accounting income for the current reporting year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### **1.16 Segment Reporting**

Based on the risks and returns associated with business operations and in terms of Accounting Standard-17 (Segment Reporting), the Company is predominantly engaged in a single reportable segment of 'Financial Services'.

### **1.17 Provision, Contingent Liabilities and Contingent Assets**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

### **1.18 Earnings Per Share (EPS)**

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

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **1.19 Assets under Management**

Contracts securitised, assigned or co-branded are derecognised from the books of accounts. Contingent liabilities thereof, if any, are disclosed separately in the notes to financial statements.

### **1.20 Prior Period and Extra Ordinary Items**

Prior Period and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed separately.



## NOTES TO FINANCIAL STATEMENTS

### 2. SHARE CAPITAL

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Rs. in Lacs	No. of Shares	Rs. in Lacs
<b>Authorised</b>				
Equity Shares, Rs. 10/- par value per share	1000000000	1,00,000	1000000000	1,00,000
Preference Shares, Rs. 100/- par value per share	50000000	50,000	50000000	50,000
		<b>1,50,000</b>		<b>1,50,000</b>
<b>Issued and subscribed</b>				
Equity Shares, Rs. 10/- par value per share	503559160	50,356	503559160	50,356
<b>Fully Paid-up</b>				
Equity Shares, Rs. 10/- par value per share	503086333 <sup>1</sup>	50,309	503086333 <sup>1</sup>	50,309
<b>Forfeited Shares</b>	472827	15	472827	15
		<b>50,324</b>		<b>50,324</b>

<sup>1</sup>Includes 21,600 shares represented by 5,400 Global Depository Receipts (GDRs) issued vide Prospectus dated 18.04.2005.

#### 2.1 Reconciliation of the Number of Equity Shares outstanding

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

Equity Shares	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Rs. in Lacs	No. of Shares	Rs. in Lacs
At the beginning of the year	503086333	50,309	503086333	50,309
Add: Issued during the year	-	-	-	-
At the end of the year	503086333	50,309	503086333	50,309

#### 2.2 Rights, preferences and restrictions in respect of each class of shares

The Company's authorised capital consists of two classes of shares, referred to as Equity Shares and Preference Shares having par value of Rs. 10/- and Rs. 100/- each respectively. Each holder of equity shares is entitled to one vote per share. Preference Shareholder has a preferential right over equity share holders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Company during the year ended 31st March, 2016 and 31st March, 2015.

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 FINANCIAL STATEMENTS (CONTD.)

### 2.3 Shares allotted as fully paid-up without payment being received in cash/by way of bonus shares (during 5 years preceding 31st March, 2016)

Pursuant to amalgamation of Quippo Infrastructure Equipment Limited (Transferor Company) into and with the Company, approved by the Equity Shareholders of the Company and sanctioned by the Hon'ble High Court of Calcutta on 18th January, 2011, the Company issued and allotted 92,915,839 equity shares of Rs. 10/- par value, as fully paid up bonus shares, to the pre-amalgamation equity shareholders of the Company on 5th March, 2011.

Further, the Company issued and allotted 294,025,696 equity shares of Rs. 10/- par value, as fully paid-up, towards consideration for the aforesaid amalgamation, to the shareholders of the Transferor Company on 5th March, 2011. This includes 48,600,000 equity shares allotted to Srei Growth Trust, a Trust settled by the Company on 4th March, 2011, to receive equity shares of the Company in exchange of the Company's shareholding in the Transferor Company. The beneficial interest in the Trust amounting to Rs. 1,851.50 Lacs, representing the cost of shares of the Transferor Company, is shown under 'Non-Current Investments' in the Balance Sheet.

### 2.4 Details of Shareholders holding more than 5% of the equity shares each, are set out below:

Name of the shareholders	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Adisri Commercial Private Limited (Holding Company)	293201250	58.28	268191250	53.31
Srei Growth Trust*	48600000	9.66	48600000	9.66
Fidelity Investment Trust Fidelity Series Emerging Markets Fund	42943661	8.54	47462511	9.43
Opulent Venture Capital Trust	Nil	Nil	35474595	7.05

\*Held in the name of Trustees



**NOTES TO FINANCIAL STATEMENTS (CONTD.)****3. RESERVES AND SURPLUS**

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Capital Reserve</b>		
Opening balance	1,945	1,945
Closing balance	<b>1,945</b>	<b>1,945</b>
<b>Securities Premium Reserve</b>		
Opening balance	19,754	19,754
Closing balance	<b>19,754</b>	<b>19,754</b>
<b>Bond/Debenture Redemption Reserve (refer Note No. 3.1)</b>		
Opening balance	16,242	12,201
Add: Transfer from Surplus in the Statement of Profit and Loss	-	4,041
Less: Transfer to Surplus, on repayment of Bond/Debenture	-	-
Closing balance	<b>16,242</b>	<b>16,242</b>
<b>Special Reserve (Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934)</b>		
Opening balance	19,491	17,671
Add: Transfer from Surplus in the Statement of Profit and Loss	1,148	1,820
Closing balance	<b>20,639</b>	<b>19,491</b>
<b>Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)</b>		
Opening balance	504	-
Add: Transfer from Surplus in the Statement of Profit and Loss	382	504
Closing balance	<b>886</b>	<b>504</b>
<b>General Reserve</b>		
Opening balance	1,39,604	1,39,604
Closing balance	<b>1,39,604</b>	<b>1,39,604</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Opening balance	25,938	26,244
Add: Net profit for the year	5,740	9,093
Amount available for appropriation	<b>31,678</b>	<b>35,337</b>
<b>Appropriations:</b>		
Proposed Equity dividend [Rs. 0.50 (Previous year Rs. 0.50) per Equity Share]	2,516	2,516
Corporate dividend tax on proposed dividend	512	512
Carrying value of assets where the remaining useful life of an assets is nil as at 1st April, 2014	-	6
Transferred to Bond/Debenture Redemption Reserve (Net)	-	4,041
Transferred to Special Reserve	1,148	1,820
Transferred to Income Tax Special Reserve	382	504
Closing balance	<b>27,120</b>	<b>25,938</b>
<b>Total Reserves and Surplus</b>	<b>2,26,190</b>	<b>2,23,478</b>

**3.1 Bond / Debenture Redemption Reserve**

As per terms of Issue, Company creates Bond / Debenture Redemption Reserve ("DRR") towards redemption of Long-Term Infrastructure Bonds and Secured Non-Convertible Debentures issued through Public Issue, as statutorily required.

The Company had, in the past years, also created DRR towards redemption of Unsecured Subordinated Bonds / Debentures / Debt (Tier II Capital) as per management discretion, by virtue of which during FY 2015-16, no amount was required to be transferred to DRR since, as at March 2016, the DRR was in excess of the statutory requirements.



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

## 4. LONG-TERM BORROWINGS

(Rs. in Lacs)

Particulars	As at 31st March, 2016			As at 31st March, 2015		
	Non-Current Maturities	Current Maturities	Total	Non-Current Maturities	Current Maturities	Total
<b>A. Secured</b>						
<b>Bonds/Debentures</b>						
Long-Term Infrastructure Bonds (refer Note No. 4.1)	-	2,489	2,489	2,489	-	2,489
Non-Convertible Debentures (refer Note No. 4.2)	1,39,615	45,164	1,84,779	1,66,924	22,355	1,89,279
<b>Term Loans (refer Note No. 4.3)</b>						
From Banks						
- Rupee Loans	1,66,393	82,358	2,48,751	1,62,703	85,024	2,47,727
- Foreign Currency Loans	21,360	9,549	30,909	28,675	5,450	34,125
From Financial Institutions						
- Foreign Currency Loans	15,286	12,742	28,028	26,439	12,632	39,071
<b>(A)</b>	<b>3,42,654</b>	<b>1,52,302</b>	<b>4,94,956</b>	<b>3,87,230</b>	<b>1,25,461</b>	<b>5,12,691</b>
<b>B. Unsecured</b>						
<b>Bonds/Debentures</b>						
Subordinated bonds/debentures (Tier II Capital) (refer Note No. 4.4)	1,08,614	7,085	1,15,699	1,15,699	-	1,15,699
<b>Term Loans (refer Note No. 4.3)</b>						
From Banks						
Foreign Currency Loans						
Other term loans from banks	11,925	-	11,925	11,249	-	11,249
From Financial Institutions						
Foreign Currency Loans						
Other term loans from financial institution	9,943	-	9,943	-	-	-
<b>Deposits</b>						
Inter-Corporate Deposits	-	89	89	-	89	89
<b>(B)</b>	<b>1,30,482</b>	<b>7,174</b>	<b>1,37,656</b>	<b>1,26,948</b>	<b>89</b>	<b>1,27,037</b>
<b>Total (A+B)</b>	<b>4,73,136</b>	<b>1,59,476</b>	<b>6,32,612</b>	<b>5,14,178</b>	<b>1,25,550</b>	<b>6,39,728</b>



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 4.1 Long-Term Infrastructure Bonds – Secured, Redeemable, Non-convertible Debentures

During the financial year 2011-12, the Company had raised fund through Public issue of Long-Term Infrastructure Bonds in the nature of Secured, Redeemable Non-Convertible Debentures, eligible for deduction under section 80 CCF of the Income-Tax Act, 1961. Fund raised has been utilised for the purposes of infrastructure lending as per terms in the year of the issue.

Maturity profile and rate of interest of these Bonds are as set out below:

(Rs. in Lacs)

Rate of Interest	Maturity Profile as at 31st March, 2016		Maturity Profile as at 31st March, 2015		
	2016-17	Total	2016-17	2015-16	Total
8.90%	1,291	1,291	1,291	-	1,291
9.15%	1,198	1,198	1,198	-	1,198
<b>Total</b>	<b>2,489</b>	<b>2,489</b>	<b>2,489</b>	<b>-</b>	<b>2,489</b>

Bonds with interest rate of 8.90% have an overall tenure of 10 years and those with 9.15%, 15 years. Buyback option is available for all bonds at the end of 5 years i.e. on 22.03.2017. Bonds are secured by exclusive charge on specific receivables of the Company & pari-passu mortgage/charge on immovable property.

### 4.2 Non-Convertible Debentures

As at 31st March, 2016

(Rs. in Lacs)

Rate of Interest	Maturity Profile*									Total
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	
9.84 <sup>3</sup>	-	-	-	-	-	-	-	46	-	46
9.92 <sup>3</sup>	-	-	-	-	-	-	-	10	-	10
10.00 <sup>1</sup>	-	-	-	-	-	-	6	-	-	6
10.00 <sup>11</sup>	-	-	-	-	-	-	1,863	-	-	1,863
10.05 <sup>1</sup>	1,900	-	-	-	-	-	-	-	-	1,900
10.25 <sup>1</sup>	-	-	-	-	-	6,300	-	-	-	6,300
10.25 <sup>11</sup>	-	-	-	-	2,905	-	-	-	-	2,905
10.25 <sup>4</sup>	-	-	-	-	-	150	-	-	-	150
10.30 <sup>3</sup>	-	-	-	-	-	-	-	1,121	-	1,121
10.35 <sup>1</sup>	-	-	-	-	-	-	-	-	439	439
10.41 <sup>5</sup>	-	-	-	-	-	-	-	52	-	52
10.50 <sup>1</sup>	-	-	-	-	-	-	472	26	-	498
10.50 <sup>11</sup>	-	-	-	-	-	-	3,794	-	-	3,794
10.65 <sup>1</sup>	-	-	-	-	-	-	-	-	1,147	1,147
10.70 <sup>1</sup>	-	-	-	-	-	-	-	209	-	209
10.72 <sup>1</sup>	-	-	-	-	-	1	-	-	-	1
10.75 <sup>1</sup>	-	-	-	-	177	-	-	-	1,325	1,502
10.75 <sup>11</sup>	-	-	-	-	4,679	-	-	-	-	4,679
10.75 <sup>4</sup>	-	-	-	-	-	-	-	-	38	38
10.76 <sup>4</sup>	-	-	-	-	-	-	-	-	195	195
10.77 <sup>4&amp;12</sup>	-	-	-	-	-	-	1,385	-	-	1,385
10.80 <sup>1</sup>	-	-	-	-	-	-	-	-	6,668	6,668
10.85 <sup>1</sup>	-	-	-	-	-	-	332	-	-	332
10.90 <sup>1</sup>	-	-	-	-	-	-	-	-	34	34
10.90 <sup>8</sup>	-	-	-	-	-	-	-	100	-	100
10.94 <sup>1</sup>	-	-	-	-	-	-	30	-	-	30
10.95 <sup>1</sup>	-	-	-	-	-	56	-	-	-	56
10.95 <sup>10</sup>	-	-	-	-	-	-	-	2,303	-	2,303
11.00 <sup>1</sup>	-	-	-	-	-	-	21,426	1,432	-	22,858
11.00 <sup>4</sup>	-	-	-	-	-	-	155	10	-	165



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

As at 31st March, 2016

(Rs. in Lacs)

Rate of Interest	Maturity Profile*									Total
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	
11.00 <sup>4&amp;12</sup>	-	-	-	-	1,073	-	-	-	-	1,073
11.10 <sup>1</sup>	-	450	-	-	-	-	-	-	-	450
11.16 <sup>1</sup>	-	-	-	-	-	-	1,497	-	-	1,497
11.16 <sup>9</sup>	-	-	-	-	-	-	1,732	-	-	1,732
11.17 <sup>10</sup>	-	-	-	-	-	2,862	-	-	-	2,862
11.24 <sup>4</sup>	-	-	-	-	-	809	-	-	-	809
11.25 <sup>1</sup>	-	-	-	-	-	4,211	-	317	120	4,648
11.25 <sup>10</sup>	-	-	-	-	-	-	-	-	1,796	1,796
11.25 <sup>4&amp;10</sup>	-	-	-	-	-	-	-	-	585	585
11.25 <sup>6</sup>	-	-	-	-	-	-	-	1,500	-	1,500
11.30 <sup>1</sup>	-	-	-	-	-	-	-	12,770	-	12,770
11.30 <sup>2</sup>	-	-	-	-	-	-	-	2,000	-	2,000
11.35 <sup>1</sup>	-	-	2,000	-	-	1,500	-	1,500	-	5,000
11.40 <sup>1</sup>	1,000	-	130	-	-	-	-	610	-	1,740
11.40 <sup>2</sup>	-	-	70	-	-	-	-	-	-	70
11.40 <sup>9</sup>	-	-	-	-	-	757	-	1,620	-	2,377
11.45 <sup>1</sup>	-	-	-	-	-	200	-	-	-	200
11.48 <sup>1</sup>	-	-	-	-	-	-	-	170	-	170
11.50 <sup>1</sup>	-	-	110	-	-	4,015	4,633	-	1,666	10,424
11.50 <sup>10</sup>	-	-	-	-	-	-	-	3,470	-	3,470
11.50 <sup>2</sup>	-	-	-	-	-	-	-	2,500	-	2,500
11.50 <sup>9</sup>	-	-	-	-	-	-	-	-	674	674
11.51 <sup>4</sup>	-	-	-	-	-	-	-	-	737	737
11.51 <sup>4&amp;10</sup>	-	-	-	-	-	-	-	890	-	890
11.51 <sup>4&amp;9</sup>	-	-	-	-	-	-	-	-	440	440
11.55 <sup>1</sup>	-	-	-	-	-	140	-	2,000	-	2,140
11.72 <sup>4</sup>	-	-	-	-	-	881	-	-	-	881
11.75 <sup>1</sup>	-	-	-	-	-	-	1,515	-	29,300	30,815
11.75 <sup>10</sup>	-	-	-	-	-	13,149	-	-	-	13,149
11.75 <sup>4&amp;10</sup>	-	-	-	-	-	1,165	-	-	-	1,165
11.75 <sup>9</sup>	-	-	-	-	-	-	1,115	-	-	1,115
11.90 <sup>1</sup>	-	-	-	4,000	-	-	-	-	-	4,000
12.00 <sup>4&amp;9</sup>	-	-	-	-	-	533	-	1,072	-	1,605
12.00 <sup>9</sup>	-	-	-	-	-	5,626	-	2,796	-	8,422
12.50 <sup>7</sup>	-	-	-	-	-	-	287	-	-	287
<b>Total</b>	<b>2,900</b>	<b>450</b>	<b>2,310</b>	<b>4,000</b>	<b>8,834</b>	<b>42,355</b>	<b>40,242</b>	<b>38,524</b>	<b>45,164</b>	<b>1,84,779</b>

\* Includes current maturities

<sup>1</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property.<sup>2</sup> Secured against Mortgage of immovable property.<sup>3</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. NCD's have an overall tenure of 7 years and having put/ call option at the end of 5 years i.e. on 05-11-2017.<sup>4</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest.<sup>5</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest. NCD's have an overall tenure of 7 years and having put/ call option at the end of 5 years i.e. on 05-11-2017.



**NOTES TO FINANCIAL STATEMENTS (CONTD.)**

- <sup>6</sup> Secured against Mortgage of immovable property. NCD's have an overall tenure of 5 years and having put/ call option at the end of 3 years i.e. on 08-06-2015.
- <sup>7</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. As interest rate during the tenor of bond is different i.e. Year 1:12.50% Year 2:12% Year 3:11.50% Year 4:11.25% Year 5:11.25%, interest rate for 1st year considered for disclosure.
- <sup>8</sup> Secured against Receivables/Assets of the Company.
- <sup>9</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. In case investor fall under individual category and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/ or are equity shareholder(s) of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by investors on the relevant record date of interest payment.
- <sup>10</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. In case investor fall under individual category and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/ or are equity shareholder(s) of Company and/ or senior citizens on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by the investors on the relevant record date of interest payment.
- <sup>11</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. In case investor fall under individual category shall be eligible for additional coupon rate of 0.25% p.a. Further, investor who are individual and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company and/ or senior citizens and/or employees of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by the investors on the relevant record date of interest payment.
- <sup>12</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. Investor who are individual and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company and/ or senior citizens and/or employees of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by the investors on the relevant record date of interest payment.

Funds raised Rs. 16,354 Lacs through public issue of Secured, Redeemable Non-Convertible Debentures have been utilised for the purposes as per the terms of the issue.

All the above debentures are redeemable at par.



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

As at 31st March, 2015

(Rs. in Lacs)

Rate of Interest	Maturity Profile*									Total
	2024-25	2023-24	2022-23	2021-22	2019-20	2018-19	2017-18	2016-17	2015-16	
9.84% <sup>3</sup>	-	-	-	-	-	-	46	-	-	46
9.92% <sup>3</sup>	-	-	-	-	-	-	10	-	-	10
10.05% <sup>1</sup>	1,900	-	-	-	-	-	-	-	-	1,900
10.25% <sup>1</sup>	-	-	-	-	6,300	-	-	-	-	6,300
10.25% <sup>4</sup>	-	-	-	-	150	-	-	-	-	150
10.30% <sup>3</sup>	-	-	-	-	-	-	1,121	-	-	1,121
10.35% <sup>1</sup>	-	-	-	-	-	-	-	439	-	439
10.41% <sup>5</sup>	-	-	-	-	-	-	52	-	-	52
10.50% <sup>1</sup>	-	-	-	-	-	-	26	-	-	26
10.65% <sup>1</sup>	-	-	-	-	-	-	-	1,147	-	1,147
10.70% <sup>1</sup>	-	-	-	-	-	-	209	-	-	209
10.72% <sup>1</sup>	-	-	-	-	1	-	-	-	-	1
10.75% <sup>1</sup>	-	-	-	-	-	-	-	1,325	-	1,325
10.75% <sup>4</sup>	-	-	-	-	-	-	-	38	-	38
10.76% <sup>4</sup>	-	-	-	-	-	-	-	195	-	195
10.80% <sup>1</sup>	-	-	-	-	-	-	-	6,668	6,666	13,334
10.85% <sup>1</sup>	-	-	-	-	-	332	-	-	-	332
10.90% <sup>1</sup>	-	-	-	-	-	-	-	34	-	34
10.90% <sup>8</sup>	-	-	-	-	-	-	100	-	-	100
10.94% <sup>1</sup>	-	-	-	-	-	30	-	-	-	30
10.95% <sup>1</sup>	-	-	-	-	56	-	-	-	-	56
10.95% <sup>10</sup>	-	-	-	-	-	-	2,303	-	-	2,303
11.00% <sup>1</sup>	-	-	-	-	-	21,426	1,432	-	229	23,087
11.00% <sup>4</sup>	-	-	-	-	-	155	10	-	10	175
11.10% <sup>1</sup>	-	450	-	-	-	-	-	-	-	450
11.16% <sup>1</sup>	-	-	-	-	-	1,497	-	-	-	1,497
11.16% <sup>9</sup>	-	-	-	-	-	1,732	-	-	-	1,732
11.17% <sup>10</sup>	-	-	-	-	2,862	-	-	-	-	2,862
11.20% <sup>1</sup>	-	-	-	-	-	-	-	-	620	620
11.24% <sup>4</sup>	-	-	-	-	809	-	-	-	-	809
11.25% <sup>1</sup>	-	-	-	-	4,211	-	317	120	-	4,648
11.25% <sup>10</sup>	-	-	-	-	-	-	-	1,796	-	1,796
11.25% <sup>4 &amp; 10</sup>	-	-	-	-	-	-	-	585	-	585
11.25% <sup>6</sup>	-	-	-	-	-	-	-	-	1,500	1,500
11.25% <sup>9</sup>	-	-	-	-	-	-	-	-	427	427
11.27% <sup>4 &amp; 9</sup>	-	-	-	-	-	-	-	-	302	302
11.30% <sup>1</sup>	-	-	-	-	-	-	12,770	-	-	12,770
11.30% <sup>2</sup>	-	-	-	-	-	-	2,000	-	-	2,000
11.35% <sup>1</sup>	-	-	2,000	-	1,500	-	1,500	-	-	5,000
11.40% <sup>1</sup>	1,000	-	130	-	-	-	610	-	1,000	2,740
11.40% <sup>2</sup>	-	-	70	-	-	-	-	-	10,600	10,670
11.40% <sup>9</sup>	-	-	-	-	757	-	1,620	-	-	2,377
11.45% <sup>1</sup>	-	-	-	-	200	-	-	-	1,000	1,200
11.48% <sup>1</sup>	-	-	-	-	-	-	170	-	-	170
11.50% <sup>1</sup>	-	-	110	-	4,015	4,633	-	1,666	-	10,424
11.50% <sup>10</sup>	-	-	-	-	-	-	3,470	-	-	3,470
11.50% <sup>2</sup>	-	-	-	-	-	-	2,500	-	-	2,500
11.50% <sup>9</sup>	-	-	-	-	-	-	-	674	-	674



**NOTES TO FINANCIAL STATEMENTS (CONTD.)**

(Rs. in Lacs)

Rate of Interest	Maturity Profile*									Total
	2024-25	2023-24	2022-23	2021-22	2019-20	2018-19	2017-18	2016-17	2015-16	
11.51% <sup>4</sup>	-	-	-	-	-	-	-	737	-	737
11.51% <sup>4 &amp; 10</sup>	-	-	-	-	-	-	890	-	-	890
11.51% <sup>4 &amp; 9</sup>	-	-	-	-	-	-	-	440	-	440
11.55% <sup>1</sup>	-	-	-	-	140	-	2,000	-	-	2,140
11.72% <sup>4</sup>	-	-	-	-	881	-	-	-	-	881
11.75% <sup>1</sup>	-	-	-	-	-	1,515	-	29,300	-	30,815
11.75% <sup>4 &amp; 10</sup>	-	-	-	-	1,165	-	-	-	-	1,165
11.75% <sup>10</sup>	-	-	-	-	13,149	-	-	-	-	13,149
11.75% <sup>9</sup>	-	-	-	-	-	1,115	-	-	-	1,115
11.90% <sup>1</sup>	-	-	-	4,000	-	-	-	-	-	4,000
12.00% <sup>4 &amp; 9</sup>	-	-	-	-	533	-	1,072	-	-	1,605
12.00% <sup>9</sup>	-	-	-	-	5,626	-	2,796	-	-	8,422
12.50% <sup>7</sup>	-	-	-	-	-	287	-	-	-	287
<b>Total</b>	<b>2,900</b>	<b>450</b>	<b>2,310</b>	<b>4,000</b>	<b>42,355</b>	<b>32,722</b>	<b>37,024</b>	<b>45,164</b>	<b>22,354</b>	<b>1,89,279</b>

\* Includes current maturities

<sup>1</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property.<sup>2</sup> Secured against Mortgage of immovable property.<sup>3</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. NCD's have an overall tenure of 7 years and having put/ call option at the end of 5 years i.e. on 05-11-2017.<sup>4</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest.<sup>5</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest. NCD's have an overall tenure of 7 years and having put/ call option at the end of 5 years i.e. on 05-11-2017.<sup>6</sup> Secured against Mortgage of immovable property. NCD's have an overall tenure of 5 years and having put/ call option at the end of 3 years i.e. on 08-06-2015.<sup>7</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. As interest rate during the tenor of bond is different i.e. Year 1:12.50% Year 2:12% Year 3:11.50% Year 4:11.25% Year 5:11.25%, interest rate for 1st year considered for disclosure.<sup>8</sup> Secured against Receivables/Assets of the Company.<sup>9</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. In case investor fall under individual category and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by investors on the relevant record date of interest payment.<sup>10</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. In case investor fall under individual category and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company and/ or senior citizens on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by the investors on the relevant record date of interest payment.

Funds raised Rs. 47,614 Lacs through public issue of Secured, Redeemable Non-Convertible Debentures have been utilised for the purposes as per the terms of the issue.

All the above debentures are redeemable at par.



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

## 4.3 Term Loans

## Secured

As at 31st March, 2016

(Rs. in Lacs)

Particular	Maturity Profile*				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Rupee Loans (Floating)	13,104	41,926	1,11,363	80,958	2,47,351	Base Rate + 00bps to 250bps
From Banks - Rupee Loans (Fixed)	-	-	-	1,400	1,400	11.25%
From Banks - Foreign Currency Loans	-	2,262	19,098	9,549	30,909	Libor/Euribor + 330bps to 350bps
From Financial Institutions - Foreign Currency Loans <sup>1</sup>	-	-	15,286	12,742	28,028	Libor+ 115bps to 410bps
<b>Total</b>	<b>13,104</b>	<b>44,188</b>	<b>1,45,747</b>	<b>1,04,649</b>	<b>3,07,688</b>	

As at 31st March, 2015

(Rs. in Lacs)

Particular	Maturity Profile*				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Rupee Loans (Floating)	6,083	35,816	1,19,404	82,224	2,43,527	Base Rate + 50bps to 250bps
From Banks - Rupee Loans (Fixed)	-	-	1,400	2,800	4,200	11.25%
From Banks - Foreign Currency Loans	-	5,588	23,087	5,450	34,125	Libor/Euribor + 330bps to 350bps
From Financial Institutions - Foreign Currency Loans <sup>1</sup>	-	4,166	22,273	12,632	39,071	Libor+ 115bps to 410bps
<b>Total</b>	<b>6,083</b>	<b>45,570</b>	<b>1,66,164</b>	<b>1,03,106</b>	<b>3,20,923</b>	

\* Includes current maturities.

The above Term Loans are secured by charge on specific assets covered by loan / lease agreements with customers and / or receivables arising therefrom.

<sup>1</sup> Includes loans of Rs. 6,828 Lacs (Previous year: Rs. 9,817 Lacs) guaranteed by Export Import Bank of the United States.



**NOTES TO FINANCIAL STATEMENTS (CONTD.)****Unsecured****As at 31st March, 2016**

(Rs. in Lacs)

Particular	Maturity Profile*				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Foreign Currency Loans	11,925	-	-	-	11,925	Libor + 350bps
From Financial Institutions - Foreign Currency Loans	6,463	1,989	1,491	-	9,943	Euribor + 33bps
<b>Total</b>	<b>18,388</b>	<b>1,989</b>	<b>1,491</b>	<b>-</b>	<b>21,868</b>	

**As at 31st March, 2015**

(Rs. in Lacs)

Particular	Maturity Profile*				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Foreign Currency Loans	11,249	-	-	-	11,249	Libor + 350bps
<b>Total</b>	<b>11,249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,249</b>	

\* Includes current maturities.



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 4.4 Unsecured Subordinated bonds / debentures (Tier II Capital)

During the year, the Company raised subordinated debt qualifying for Tier II capital amounting to Rs. Nil (Previous year: Rs. Nil). The following table sets forth the details of the outstanding:

As at 31st March, 2016

(Rs. in Lacs)

Rate of Interest	Maturity Profile								Total
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	
10.20%	-	-	-	-	20,000	-	-	-	20,000
10.50%	-	-	-	5,000	-	-	-	-	5,000
10.60%	-	-	-	-	4,030	-	-	-	4,030
10.75%	5,840	-	-	1,660	-	-	-	-	7,500
11.10%	-	-	-	-	-	1,440	-	-	1,440
11.25%	-	3,400	-	-	-	-	-	-	3,400
11.40%	-	-	10,000	-	-	-	-	-	10,000
11.50%	-	2,336	-	-	-	6,130	7,403	-	15,869
11.70%	-	4,690	-	-	-	-	-	-	4,690
11.75%	-	-	-	-	-	-	1,000	85	1,085
11.80%	-	6,770	-	-	-	-	-	-	6,770
11.85%	-	7,000	-	-	-	-	-	2,000	9,000
11.90%	-	-	21,915	-	-	-	-	-	21,915
12.00%	-	-	-	-	-	-	-	5,000	5,000
<b>Total</b>	<b>5,840</b>	<b>24,196</b>	<b>31,915</b>	<b>6,660</b>	<b>24,030</b>	<b>7,570</b>	<b>8,403</b>	<b>7,085</b>	<b>1,15,699</b>

All the above bonds are redeemable at par.

As at 31st March, 2015

(Rs. in Lacs)

Rate of Interest	Maturity Profile								Total
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	
10.20%	-	-	-	-	20,000	-	-	-	20,000
10.50%	-	-	-	5,000	-	-	-	-	5,000
10.60%	-	-	-	-	4,030	-	-	-	4,030
10.75%	5,840	-	-	1,660	-	-	-	-	7,500
11.10%	-	-	-	-	-	1,440	-	-	1,440
11.25%	-	3,400	-	-	-	-	-	-	3,400
11.40%	-	-	10,000	-	-	-	-	-	10,000
11.50%	-	2,336	-	-	-	6,130	7,403	-	15,869
11.70%	-	4,690	-	-	-	-	-	-	4,690
11.75%	-	-	-	-	-	-	1,000	85	1,085
11.80%	-	6,770	-	-	-	-	-	-	6,770
11.85%	-	7,000	-	-	-	-	-	2,000	9,000
11.90%	-	-	21,915	-	-	-	-	-	21,915
12.00%	-	-	-	-	-	-	-	5,000	5,000
<b>Total</b>	<b>5,840</b>	<b>24,196</b>	<b>31,915</b>	<b>6,660</b>	<b>24,030</b>	<b>7,570</b>	<b>8,403</b>	<b>7,085</b>	<b>1,15,699</b>

All the above bonds are redeemable at par.



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 5. DEFERRED TAX LIABILITIES (Net)

In terms of Accounting Standard 22, the net Deferred Tax Liability (DTL) reversed during the year is Rs. 839 Lacs (Previous year: Rs. 1,041 Lacs recognised). Consequently, the net DTL as at year-end stands at Rs. 10,343 Lacs (Previous Year Rs. 11,182 Lacs). The break-up of major components of net DTL is as follows:

(Rs. in Lacs)

Particulars	Liability / (Asset)	
	As at 31st March, 2016	As at 31st March, 2015
Depreciation on Fixed Assets	11,633	11,577
Deferred Revenue Expenditure	2,170	2,805
Others	(3,460)	(3,200)
<b>Total</b>	<b>10,343</b>	<b>11,182</b>

### 6. OTHER LONG-TERM LIABILITIES

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest Accrued but not due on Borrowings	2,355	1,553
Sundry liabilities (Interest Capitalisation) Account (As per RBI guidelines)	3,283	2,453
Security Deposits & Retentions	247	-
<b>Total</b>	<b>5,885</b>	<b>4,006</b>

### 7. LONG-TERM PROVISIONS

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Provision for Employee Benefits (Non-Current Portion) (refer Note No. 34)</b>		
Gratuity	245	202
Unavailed Leave	307	292
<b>(A)</b>	<b>552</b>	<b>494</b>
<b>Other Provisions</b>		
Contingent Provisions against Standard Assets (refer Note No. 7.1)	2,481	1,923
<b>(B)</b>	<b>2,481</b>	<b>1,923</b>
<b>Total (A+B)</b>	<b>3,033</b>	<b>2,417</b>



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 7.1 Nature of certain provisions and their movement

Provision for Bad Debts / Advances is made in the financial statements according to the Prudential Norms prescribed by RBI for NBFCs. The Company also makes additional provision based on the management's best estimate, to the extent considered necessary.

The Company creates a general provision at 0.30% of the standard assets outstanding on the balance sheet date, as per the RBI Prudential Norms.

The following table sets forth the movement of aforesaid Provisions:

(Rs. in Lacs)				
Particulars	Provision for Bad Debts / Advances		Contingent Provisions against Standard Assets	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Opening balance	14,416	5,535	2,692	2,656
Provision made during the year	4,708	8,881	856	36
<b>Closing balance</b>	<b>19,124</b>	<b>14,416</b>	<b>3,548</b>	<b>2,692</b>

### 7.2 Provision for Diminution in Value of Stock for Trade and Investment

(Rs. in Lacs)		
Particulars	2015-16	2014-15
Provision for Diminution in Value of Long-Term Trade Investment	-	(30)
Provision for Diminution in Value of Stock for Trade	-	957
<b>Total</b>	<b>-</b>	<b>927</b>

### 7.3 Loss on Sale of Stock for Trade and Investment (net)

(Rs. in Lacs)		
Particulars	2015-16	2014-15
Loss on Sale of Current Investments (net)	-	41
Loss on Sale of Stock for Trade (net)	1,085	376
Less:		
Provision for Diminution in Value of Stock for Trade	962	-
<b>Total</b>	<b>123</b>	<b>417</b>



**NOTES TO FINANCIAL STATEMENTS (CONTD.)****8. SHORT-TERM BORROWINGS**

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>A. Secured</b>		
<b>Loans repayable on demand</b>		
Working Capital Facilities from Banks (Rupee Loan) (refer Note No. 8.1)	5,33,300	4,06,550
<b>Other Loans</b>		
Working Capital Facilities from Banks (Rupee Loan) (refer Note No. 8.1)	2,47,427	3,14,198
<b>(A)</b>	<b>7,80,727</b>	<b>7,20,748</b>
<b>B. Unsecured</b>		
<b>Deposits</b>		
Inter Corporate Deposits		
- From Related Parties	1,057	1,201
- From Others	702	-
<b>Other Loans</b>		
Commercial Papers (refer Note No. 8.2)		
- From Others [net of prepaid discount for Rs. 1,046 Lacs (Previous year Rs. 427 Lacs)]	44,819	7,923
<b>(B)</b>	<b>46,578</b>	<b>9,124</b>
<b>Total (A+B)</b>	<b>8,27,305</b>	<b>7,29,872</b>

**8.1** Working capital facilities from banks, including working capital demand loans earmarked against such facilities, are secured by hypothecation of underlying assets (short-term as well as long-term loan assets) covered by hypothecation loan and operating lease agreements with customers and receivables arising therefrom, ranking pari passu (excluding assets specifically charged to others). As per the prevalent practice, these facilities are renewed on a year-to-year basis and therefore, are revolving in nature.

**8.2** Face value of Commercial Paper outstanding as at 31st March, 2016 is Rs. 45,865 Lacs (Previous year Rs. 8,350 Lacs). Face value of maximum outstanding at any time during the year was Rs. 412,775 Lacs (Previous year Rs. 287,470 Lacs). Face value of Commercial Paper repayable within one year is Rs. 45,865 Lacs (Previous year Rs. 8,350 Lacs).

**TRADE PAYABLES****9.1 Due to Micro and Small Enterprises**

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
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	-	-



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
d) The amount of interest accrued and remaining unpaid	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

### 9.2 Due to Others

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
For Services	524	2,971
Operating Lease	60	200
<b>Total</b>	<b>584</b>	<b>3,171</b>

## 10. OTHER CURRENT LIABILITIES - OTHERS

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest Accrued but not due on Borrowings	18,941	16,819
Interest Accrued and due on Borrowings	191	167
Interest Accrued but not due on Others	46	26
Unclaimed Dividend ( <i>refer Note No. 10.1</i> )	36	36
Unclaimed Matured Public Deposits and Interest Accrued thereon ( <i>refer Note No. 10.1 &amp; 10.2</i> )	16	23
Advance from Customers	171	438
Statutory Liabilities	281	257
Security Deposits & Retentions	2,819	3,023
Payable to Employees	241	236
Commission Payable to Directors	110	110
Liability for Operating Expenses	2,057	1,739
Premium payable on Forward contracts	47	91
Other Liabilities	48	447
<b>Total</b>	<b>25,004</b>	<b>23,412</b>



**10.1** To be credited to Investor Education and Protection Fund as and when due.

**10.2** In order to qualify for registration as an 'Infrastructure Finance Company', the Company decided not to accept or renew public deposits w.e.f. 20th April, 2010. The amount of public deposits outstanding as on 19th April, 2010 (including matured and unclaimed deposits) along with accrued and future interest thereof is kept in the form of a Fixed Deposit, under lien, with Axis Bank Limited, a scheduled commercial bank, for the purpose of making payment to the depositors. The outstanding balance of the Fixed Deposit as at 31st March, 2016 is Rs. 25 Lacs (Previous year: Rs. 25 Lacs).

## 11. SHORT-TERM PROVISIONS

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Provision for Employee Benefits (Current Portion) (refer Note No. 34)</b>		
Unavailed leave	59	52
<b>(A)</b>	<b>59</b>	<b>52</b>
<b>Other Provisions</b>		
Proposed Equity Dividend	2,516	2,516
Provision for Corporate Dividend Tax	512	512
Contingent Provisions against Standard Assets (refer Note No. 7.1)	1,067	769
<b>(B)</b>	<b>4,095</b>	<b>3,797</b>
<b>Total (A+B)</b>	<b>4,154</b>	<b>3,849</b>



## 12. FIXED ASSETS



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lacs)

Particulars	Gross Block/Original Cost				Depreciation/ Amortisation and Impairment						Net Carrying Value		
	As at 1st April, 2015	Additions during the year	Adjustments during the year	Disposals during the year	As at 31st March, 2016	As at 1st April, 2015	For the year	Adjustment through retained earning	Adjustments during the year	Disposals during the year	As at 31st March, 2016	As at 31st March, 2015	
	(a)	(b)	(c)	(d)	(e=a+b+c-d)	(f)	(g)	(h)	(i)	(j)	(k=f+g+h+i-j)	(e-k)	(a-f)
I. Tangible Assets:													
Assets for Own use													
Buildings <sup>1</sup>	12,089	4,200	-	-	16,289	1,020	285	-	-	-	1,305	14,984	11,069
Leasehold Improvements	5,444	14	-	-	5,458	1,422	620	-	-	-	2,042	3,416	4,022
Furniture and Fixtures	3,483	78	2	10	3,553	570	364	-	-	5	929	2,624	2,913
Computers	206	32	-	3	235	158	29	-	-	3	184	51	48
Office Equipment	1,176	24	-	6	1,194	459	310	-	-	5	764	430	717
Plant & Machinery	110	-	-	-	110	23	8	-	-	-	31	79	87
Motor Vehicles	129	-	-	-	129	25	17	-	-	-	42	87	104
Total (A)	22,637	4,348	2	19	26,988	3,677	1,633	-	-	13	5,297	21,671	18,960
Assets given on Operating Lease													
Plant & Machinery <sup>2</sup>	52,985	819	-	1,094	52,710	8,201	3,216	-	-	666	10,751	41,959	44,784
Aircrafts	1,987	-	-	-	1,987	1,560	230	-	-	-	1,790	197	427
Total (B)	54,972	819	-	1,094	54,697	9,761	3,446	-	-	666	12,541	42,156	45,211
Total (I)= (A+B)	77,609	5,167	2	1,113	81,665	13,438	5,079	-	-	679	17,838	63,827	64,171
II. Intangible Assets:													
Computer Software	530	14	-	4	540	238	77	-	-	3	312	228	292
Total (II)	530	14	-	4	540	238	77	-	-	3	312	228	292
Total Fixed Assets= (I+II)	78,139	5,181	2	1,117	82,205	13,676	5,156	-	-	682	18,150	64,055	64,463
Previous year	63,751	14,398	-	10	78,139	9,752	3,919	9	-	4	13,676	64,463	
III. Capital work in Progress													
												6,425	5,723

<sup>1</sup> Building includes Rs. 9,967.98 Lacs (Previous year Rs. 9,967.98 Lacs) in respect of which conveyance is pending.

<sup>2</sup> Additions to Plant & Machinery includes Rs. Nil (previous year Rs. 12,838 Lacs) which have been taken over by the Company during the year from existing customers. However, in respect of assets worth Rs. 2,693 Lacs (previous year Rs. 2,781 Lacs) existing charge in favour of the lenders is yet to be released.



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 13.1 NON-CURRENT INVESTMENTS

Particulars	Face value (Rs.)	Quantity		Rs. in Lacs	
		As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
<b>A. Trade Investments - at cost unless otherwise stated</b>					
<b>I. In Equity Instruments (Unquoted)</b>					
<b>(a) In Subsidiaries</b>					
Srei Capital Markets Limited	10	5050000	5050000	505.00	505.00
Srei Forex Limited [Net of provision for other than temporary diminution aggregating Rs. 50 Lacs (Previous year Rs. 50 Lacs)]	10	500000	500000	-	-
Srei Insurance Broking Private Limited	10	4900000	4900000	506.17	506.17
Srei Alternative Investment Managers Limited	10	250000	250000	25.00	25.00
Srei Infrastructure Advisors Limited	10	500000	500000	50.00	50.00
Controlla Electrotech Private Limited	10	35305	35305	707.87	707.87
Srei International Infrastructure Services GmbH, Germany	**	**	**	3,389.96	3,389.96
Srei Mutual Fund Asset Management Private Limited	10	16000000	16000000	1,600.00	1,600.00
Srei Mutual Fund Trust Private Limited	10	150000	150000	15.00	15.00
Quippo Oil & Gas Infrastructure Limited	10	30000000	29970000	10,520.28	10,420.04
Quippo Energy Limited (Formerly Quippo Energy Private Limited)	10	1000000	1000000	20,189.70	20,189.70
Srei Asset Reconstruction Private Limited	10	100000	100000	10.00	10.00
<b>Subtotal- (a)</b>				<b>37,518.98</b>	<b>37,418.74</b>
<b>(b) In Joint Venture</b>					
Srei Equipment Finance Limited	10	29830000	29830000	17,473.00	17,473.00
<b>Subtotal- (b)</b>				<b>17,473.00</b>	<b>17,473.00</b>
<b>(c) In Associates</b>					
Sahaj e-Village Limited #	10	10760000	10510000	1,076.06	1,051.00
Attivo Economic Zone (Mumbai) Private Limited	10	10000	10000	8,046.60	8,046.60
<b>Subtotal- (c)</b>				<b>9,122.66</b>	<b>9,097.60</b>
<b>(d) Others</b>					
TN (DK) Expressways Limited (Pledged with Bank)	10	13000	13000	1.30	1.30
Madurai Tuticorin Expressways Limited (Pledged with Bank)	10	19500	19500	1.95	1.95
Guruvayoor Infrastructure Private Limited	10	20010000	20010000	2,001.00	2,001.00
Mahakaleshwar Tollways Private Limited [Pledged with Bank 2,550 equity shares (Previous year 2,550 equity shares)]	10	5000	5000	0.50	0.50
Viom Networks Limited - Refer Note No. 38	10	73344044	73344044	1,59,801.18	1,59,801.18
Nagpur Seoni Expressway Limited (Pledged with Bank), [Net of provision for other than temporary diminution aggregating Rs. 0.01 Lacs (Previous year Rs. 0.01 Lacs)]	10	100	100	-	-
India Power Corporation Limited	1	959310000	959310000	0.85	0.85



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

Particulars	Face value (Rs.)	Quantity		Rs. in Lacs	
		As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Maharashtra Border Check Post Network Limited [Net of provision for other than temporary diminution aggregating Rs. 0.25 Lacs (Previous year Rs. 0.25 Lacs)]	10	2500	2500	-	-
Kurukshetra Expressway Private Limited [Pledged with Bank 13,670,530 equity shares (Previous year 4,900 equity shares)] - Refer Note (i) below	10	20504960	4900	3,610.99	0.49
Shree Jagannath Expressways Private Limited [Pledged with Bank Nil (Previous year 3,308 equity shares)]	10	20695600	4800	2,069.56	0.48
Orissa Steel Expressways Private Limited [Pledged with Bank 4,254,900 equity shares (Previous year 4,900 equity shares)] - Refer Note (ii) below	10	11584933	5000	1,158.49	0.50
Ghaziabad Aligarh Expressway Private Limited	10	5000	5000	0.50	0.50
Potin Pangin Highway Private Limited	10	5000	5000	0.50	0.50
Suratgarh Bikaner Toll Road Company Private Limited	10	17750	17750	1.78	1.78
Solapur Tollways Private Limited	10	4900	4900	0.49	0.49
Royal Infrasoftware Private Limited	10	100000	100000	10.00	10.00
Quippo Telecom Infrastructure Private Limited	10	77550000	77550000	-	-
<b>Subtotal- (d)</b>				<b>1,68,659.09</b>	<b>1,61,821.52</b>
<b>Total I (Subtotal a+b+c+d)</b>				<b>2,32,773.73</b>	<b>2,25,810.86</b>
<b>II. In Convertible Warrants (Unquoted)</b>					
Srei Mutual Fund Asset Management Private Limited	10	-	45000000	-	4,500.00
Srei Mutual Fund Trust Private Ltd	10	50000	-	5.00	-
<b>Total II</b>				<b>5.00</b>	<b>4,500.00</b>
<b>III. In Preference Shares (Unquoted)</b>					
<b>(a) In Subsidiary</b>					
Quippo Energy Limited (Formerly Quippo Energy Private Limited) 0.1% Non-convertible Cumulative Redeemable Preference Shares, 2019	100	2354	2354	-	-
Quippo Oil & Gas Infrastructure Limited 0.1% Redeemable Cumulative Optionally Convertible Preference Shares, 2025	10	14300000	-	5,005.00	-
<b>Subtotal- (a)</b>				<b>5,005.00</b>	<b>-</b>
<b>(b) In Others</b>					
Quippo Construction Equipment Limited 0.1% Non-convertible Cumulative Redeemable Preference Shares, 2019	100	9962	9962	-	-
<b>Subtotal- (b)</b>				<b>-</b>	<b>-</b>
<b>Total III (Subtotal a+b)</b>				<b>5,005.00</b>	<b>-</b>
<b>IV. Interest in a Beneficiary Trust</b>					
Srei Growth Trust (represented by Trustees)	-	-	-	1,851.50	1,851.50
<b>Total IV</b>				<b>1,851.50</b>	<b>1,851.50</b>



**NOTES TO FINANCIAL STATEMENTS (CONTD.)**

Particulars	Face value (Rs.)	Quantity		Rs. in Lacs	
		As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
<b>V. In Units of Trusts and Schemes of Venture Funds</b>					
Infrastructure Project Development Fund	100	-	7400876	-	7,410.01
Infrastructure Project Development Capital	100	1102754	15428875	1,102.75	15,428.88
Medium and Small Infrastructure Fund	100	-	7000	-	7.00
Prithvi Infrastructure Fund [Net of provision for other than temporary diminution NIL (Previous year Rs. 221.37 Lacs)]	100	-	221366	-	-
Infra Construction Fund	100	1880333	1880333	1,880.33	1,880.33
Infrastructure Resurrection Fund	100	-	1470000	-	1,470.00
Bharat Nirman Fund	100	-	1159000	-	1,159.00
India Growth Opprtunities Fund	100	3526949	-	3,786.18	-
Infra Advantage Fund	100	218000	-	218.00	-
<b>Total V</b>				<b>6,987.26</b>	<b>27,355.22</b>
<b>VI. In Optionally Convertible Participating Interest Debentures</b>					
Guruvayoor Infrastructure Private Limited 12% Optionally Convertible Participating Interest Debentures, 2023	10	73102100	73102100	8,858.91	8,858.91
Mahakaleshwar Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2024	10	2460000	2460000	285.88	285.88
Mahakaleshwar Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2023	10	24198500	24198500	2,922.34	2,922.34
Solapur Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2024	10	31820000	31820000	3,487.16	3,487.16
Solapur Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2023	10	34000000	34000000	4,245.50	4,245.50
Kurukshetra Expressway Private Limited 12% Optionally Convertible Participating Interest Debentures, 2023	10	5500000	5500000	613.75	613.75
<b>Total VI</b>				<b>20,413.54</b>	<b>20,413.54</b>
<b>VII. In Non Principal Protected Non Convertible Debentures</b>					
Assets Care & Reconstruction Enterprise Limited, 2023	100000	6000	-	6,000.00	-
<b>Total VII</b>				<b>6,000.00</b>	<b>-</b>
<b>VIII. In Optionally Convertible Debentures</b>					
RW Media Private Limited, 2036	100000	2500	-	2,500.00	-
<b>Total VIII</b>				<b>2,500.00</b>	<b>-</b>
<b>Total A (Trade Investments) (I+II+III+IV+V+VI+VII+VIII)</b>				<b>2,75,536.03</b>	<b>2,79,931.12</b>



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

Particulars	Face value (Rs.)	Quantity		Rs. in Lacs	
		As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
<b>B. Other Investments - at cost unless otherwise stated</b>					
<b>IX. In Equity Instruments (Quoted)</b>					
New Era Urban Amenities Limited [Net of provision for other than temporary diminution aggregating Rs. 0.01 Lacs (Previous year Rs. 0.01 Lacs)]	10	100	100	-	-
Alpic Finance Limited [Net of provision for other than temporary diminution aggregating Rs. 0.01 Lacs (Previous year Rs. 0.01 Lacs)]	10	100	100	-	-
Apple Finance Limited [Net of provision for other than temporary diminution aggregating Rs. 0.02 Lacs (Previous year Rs. 0.02 Lacs)]	10	100	100	-	-
CRISIL Limited	1	2000	2000	0.10	0.10
Hotline Glass Limited [Net of provision for other than temporary diminution aggregating Rs. 218.35 Lacs (Previous year Rs. 218.35 Lacs)]	10	8006030	8006030	-	-
Indian Metal & Ferro Alloys Limited	10	119615	119615	167.42	167.42
Kotak Mahindra Bank Limited	5	1000	500	0.02	0.02
Tata Steel Limited	10	3500	3500	24.83	24.83
<b>Total IX</b>				<b>192.37</b>	<b>192.37</b>
<b>X. In Equity Instruments (Unquoted)</b>					
New India Co-operative Bank Limited	10	573	573	0.06	0.06
National Stock Exchange of India Limited	10	-	57200	-	2,062.06
ABG Kolkata Container Terminal Private Limited	10	1200	1200	0.10	0.10
<b>Total X</b>				<b>0.16</b>	<b>2,062.22</b>
<b>XI. In Government or Trust securities (Unquoted)</b>					
National Savings Certificate (Lodged with Sales Tax authorities)	15000			0.15	0.15
<b>Total XI</b>				<b>0.15</b>	<b>0.15</b>
<b>XII. In Mutual Funds (Quoted)</b>					
Morgan Stanley Mutual Fund	10	2000	2000	0.20	0.20
Unit Trust of India	10	400	400	0.04	0.04
<b>Total XII</b>				<b>0.24</b>	<b>0.24</b>
<b>Total B (Other Investments) (IX+X+XI+XII)</b>				<b>192.92</b>	<b>2,254.98</b>
<b>Total Non-current Investments (A+B)</b>				<b>2,75,728.95</b>	<b>2,82,186.10</b>
<b>Aggregate amount of quoted non-current investments</b>				<b>192.61</b>	<b>192.61</b>
<b>Aggregate market value of quoted non-current investments</b>				186.27	240.63
<b>Aggregate amount of unquoted non-current investments</b>				<b>2,75,536.34</b>	<b>2,81,993.49</b>
<b>Aggregate provision for diminution in value of non-current investments</b>				<b>268.65</b>	<b>490.02</b>

\*\* There is no system of issuance of distinctive shares in the country of registration.

All the Investments mentioned above are fully paid-up

Note (i): 13665630 nos. of equity shares is yet to be transferred in the name of Company.

Note (ii): 4250000 nos. of equity shares is yet to be transferred in the name of Company.



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

- # The Company has an investment of Rs. 1,076.06 Lacs (Previous year Rs. 1,051 Lacs) in the shares of Sahaj e-village Limited ("Sahaj"), an Associate of the Company in terms of Accounting Standard 23, "Accounting for Investments in Associates in Consolidated Financial Statements". Further, the Company has advanced loans amounting to Rs. 25,985 Lacs (Previous year Rs. 20,937 Lacs) to Sahaj.

Sahaj is a long-gestation rural distribution & e-governance initiative and due to the accumulated losses, its net worth has eroded as at 31st March, 2016. However, Sahaj has informed the Company that it has taken a number of steps as part of a revamped business plan viz. substantial cost rationalization, business expansion in new geographies and introduction of newer services etc., results of which have started showing over the last few months and its performance is expected to improve significantly over the coming years and that it shall continue to be a going concern in the foreseeable future.

Considering the long-term strategic nature of the investment and also in view of the revamped business plan of Sahaj as enumerated above, no provision is considered necessary by the Company at present, for any diminution in the value of investment and against loans advanced to Sahaj.

### 13.2 CURRENT INVESTMENTS

Particulars	Face value (Rs.)	Quantity		Rs. in Lacs	
		As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
<b>Other Investments (fully paid-up)</b>					
<b>I. In Equity Instruments of Subsidiary (Unquoted)</b>					
Goldensons Construction Private Limited	10	-	10000	-	1.00
<b>Total I</b>				-	<b>1.00</b>
<b>II. In Units of Trusts and Schemes of Venture Fund</b>					
India Advantage Fund III	100	1255880	1847906	1,131.17	1,664.41
<b>Total II</b>				<b>1,131.17</b>	<b>1,664.41</b>
<b>Total Current Investments (I + II)</b>				<b>1,131.17</b>	<b>1,665.41</b>
<b>Aggregate amount of unquoted current investments</b>				<b>1,131.17</b>	<b>1,665.41</b>



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

## 14. LOAN ASSETS

(Rs. in Lacs)

Particulars	As at 31st March, 2016			As at 31st March, 2015		
	Long-Term		Short-Term	Long-Term		Short-Term
	Non-Current Maturities	Current Maturities		Non-Current Maturities	Current Maturities	
<b>Considered Good, unless otherwise stated</b>						
<b>Secured:<sup>1</sup></b>						
Loans to Related parties	75,502	2,358	-	56,438	1,170	-
Loans to Others <sup>2</sup>	8,69,663	3,43,685	5,086	8,11,423	2,79,607	21,976
<b>(A)</b>	<b>9,45,165</b>	<b>3,46,043</b>	<b>5,086</b>	<b>8,67,861</b>	<b>2,80,777</b>	<b>21,976</b>
<b>Unsecured:</b>						
Loans to Related parties	264	-	-	262	18	-
Loans to Others	1,243	23	3,500	2,692	1,305	-
<b>(B)</b>	<b>1,507</b>	<b>23</b>	<b>3,500</b>	<b>2,954</b>	<b>1,323</b>	<b>-</b>
<b>C=(A+B)<sup>3</sup></b>	<b>9,46,672</b>	<b>3,46,066</b>	<b>8,586</b>	<b>8,70,815</b>	<b>2,82,100</b>	<b>21,976</b>
Less: Provision for Bad Debts/ Advances ( <i>refer Note No. 7.1</i> )	18,518	-	-	13,879	-	-
<b>(D)</b>	<b>18,518</b>	<b>-</b>	<b>-</b>	<b>13,879</b>	<b>-</b>	<b>-</b>
<b>E=(C-D)</b>	<b>9,28,154</b>	<b>3,46,066</b>	<b>8,586</b>	<b>8,56,936</b>	<b>2,82,100</b>	<b>21,976</b>

<sup>1</sup>Secured by underlying assets and in certain cases are additionally secured by immovable properties and / or pledge of equity shares of the borrowers by way of collateral security. Exposures which are secured by a charge over future toll revenue/ cash flows/ receivables etc. have been considered as secured.

<sup>2</sup>Loans to Others includes assets aggregating Rs. 20,964 Lacs (Previous year Rs. 22,028 Lacs) acquired in satisfaction of debt and held for sale.

<sup>3</sup>Includes Non-Performing Assets of Rs. 80,425 Lacs (Previous year Rs. 77,813 Lacs).



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

## 14.1 DISCLOSURE OF RESTRUCTURED ASSETS

(Rs. in Lacs)

Type of Restructuring		Under CDR Mechanism					Others				
Sl. No.	Asset Classification Details	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2015	-	-	-	-	-	4	2	-	-	6
		(-)	(-)	(-)	(-)	(-)	(2)	(-)	(-)	(-)	(2)
		-	-	-	-	-	24,869	1,173	-	-	26,042
		(-)	(-)	(-)	(-)	(-)	(2,249)	(-)	(-)	(-)	(2,249)
		-	-	-	-	-	1,233	135	-	-	1,368
		(-)	(-)	(-)	(-)	(-)	(56)	(-)	(-)	(-)	(56)
2	Fresh restructuring during the year	2	-	-	-	2	2	-	-	-	2
		(-)	(-)	(-)	(-)	(-)	(3)	(1)	(-)	(-)	(4)
		4,915	-	-	-	4,915	45,353	-	-	-	45,353
		(-)	(-)	(-)	(-)	(-)	(24,168)	(174)	(-)	(-)	(24,342)
		241	-	-	-	241	1,395	117	-	-	1,512
		(-)	(-)	(-)	(-)	(-)	(1,208)	(35)	(-)	(-)	(1,243)
3	Upgradations to restructured standard category during the year	-	-	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		-	-	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		-	-	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
4	Restructured standard advances which cease to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured advance at the beginning of the next FY.	-	-	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		-	-	-	-	-	(2)	-	-	-	(2)
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		-	-	-	-	-	-17,702	-	-	-	-17,702
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	-875	-	-	-	-875
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		-	-	-	-	-	-1	1	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-1)	(1)	(-)	(-)	(-)
		-	-	-	-	-	-249	264	-	-	15
		(-)	(-)	(-)	(-)	(-)	(-999)	(999)	(-)	(-)	(-)
	Provision thereon	-	-	-	-	-	-12	26	-	-	14
		(-)	(-)	(-)	(-)	(-)	(-31)	(100)	(-)	(-)	(69)



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lacs)

Type of Restructuring		Under CDR Mechanism					Others				
Sl. No.	Asset Classification Details	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
6	Write-offs of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		-	-	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
7	Restructured Accounts as on March 31, 2016	-	-	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		2	-	-	-	2	3	3	-	-	6
		(-)	(-)	(-)	(-)	(-)	(4)	(2)	(-)	(-)	(6)
	Amount Outstanding	4,915	-	-	-	4,915	52,271	1,437	-	-	53,708
		(-)	(-)	(-)	(-)	(-)	(24,869)	(1,173)	(-)	(-)	(26,042)
		241	-	-	-	241	1,741	278	-	-	2,019
		(-)	(-)	(-)	(-)	(-)	(1,233)	(135)	(-)	(-)	(1,368)

Notes:

- There are no restructured accounts under "SME Debt Restructuring Mechanism" category.
- Other than the aforesaid, the Company has created further provision of Rs. 1 lac (Previous year Nil) towards diminution in fair value of re-structured advances.
- Fresh restructuring during the year includes fresh / additional sanction to existing restructured accounts.
- Figures in the bracket indicates previous year



**NOTES TO FINANCIAL STATEMENTS (CONTD.)****15. OTHER LONG-TERM ADVANCES**

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, Considered Good</b>		
Advances		
Capital Advances	1,026	760
Advance to Vendors for Operating Expenses	122	174
Employee Advances	16	53
Security Deposits		
To Related parties	2,400	2,400
To Others	27,163	12,155
Prepaid Expenses	109	93
MAT Credit Entitlement	120	120
Advance Tax [(net of provision for tax Rs. 15,815 Lacs) (Previous Year Rs. 12,574 Lacs)]	16,589	13,124
<b>Total</b>	<b>47,545</b>	<b>28,879</b>

**16. OTHER NON-CURRENT ASSETS**

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, Considered Good</b>		
Non-Current portion of other Bank Balances		
Fixed Deposit with bank having balance maturity of more than twelve months (Under Lien)*	446	1,043
Unamortised Ancillary Borrowing Costs	3,650	5,386
Interest Accrued but not due	1,203	620
Income Accrued but not due	314	342
Other Receivables	5,091	7,995
<b>Total</b>	<b>10,704</b>	<b>15,386</b>

\*Includes

- Bank Guarantees	446	1,043
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## NOTES TO FINANCIAL STATEMENTS (CONTD.)

## 17. TRADE RECEIVABLES

(Rs. in Lacs)		
Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured</b>		
<b>Considered Good</b>		
Outstanding for more than Six Months	1,548	4,914
Other Debts	1,671	15,826
	<b>3,219</b>	<b>20,740</b>
Less: Provision for Bad Debts	(140)	(538)
	<b>(A) 3,079</b>	<b>20,202</b>
<b>Considered Doubtful</b>		
Outstanding for more than Six Months	262	-
Other Debts	-	-
Less: Provision for Bad Debts	(262)	-
	<b>(B) -</b>	<b>-</b>
<b>Total (A+B)</b>	<b>3,079</b>	<b>20,202</b>

## 18. CASH AND CASH EQUIVALENTS

(Rs. in Lacs)		
Particulars	As at 31st March, 2016	As at 31st March, 2015
Cash on Hand	3	1
Balances with Banks - in Current Account	4,916	6,950
Cheques on Hand <sup>1</sup>	6,906	3,782
Fixed Deposits with banks having original maturity of 3 months or less	-	11,281
Unclaimed Dividend Account	36	36
	<b>(A) 11,861</b>	<b>22,050</b>
Other Bank Balances:		
Fixed Deposit with bank having balance maturity of twelve months or less*	43,094	16,630
Fixed Deposit with bank having balance maturity of more than twelve months (Under Lien)	446	1,043
Less: Non-current portion of other bank balances disclosed separately under 'Other Non-Current Assets' (refer Note No. 16)	(446)	(1,043)
	<b>(B) 43,094</b>	<b>16,630</b>
<b>Total (A+B)</b>	<b>54,955</b>	<b>38,680</b>

<sup>1</sup>Cheques on Hand have been since realised.

\*Includes

Under Lien:

- Letter of credit	36,717	16,567
- Bank Guarantees	752	38
- Unclaimed Public Deposit & Interest	25	25
Not under Lien	5,600	-



**NOTES TO FINANCIAL STATEMENTS (CONTD.)****19. OTHER SHORT-TERM ADVANCES**

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, Considered Good</b>		
Advances		
Advance to Vendors for Operating Expenses	758	3,222
Employee Advances	41	63
Advance to Related parties	56	332
Security Deposits		
To Others	226	783
Prepaid Expenses	207	85
Cenvat Input Credit	-	43
<b>Total</b>	<b>1,288</b>	<b>4,528</b>

**20. OTHER CURRENT ASSETS**

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unamortised Ancillary Borrowing Costs	2,427	2,575
Interest Accrued but not due	18,675	53,417
Income Accrued but not due	115	137
Stock for Trade ( <i>refer Annexure I to Notes to Financial Statements</i> )	71	1,428
Receivable on Derivative Contracts to hedge foreign currency borrowings	9,733	7,566
Other Receivables	6,696	3,592
<b>Total</b>	<b>37,717</b>	<b>68,715</b>



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 21. REVENUE FROM OPERATIONS

(Rs. in Lacs)		
Particulars	2015-16	2014-15
Income from Loan Assets	1,76,027	1,59,426
Income from Leases	4,855	8,730
Fee Based Income	3,372	13,127
Income from Long-Term Trade Investments	330	5,057
Interest on Fixed Deposits and Other Receivables	4,392	3,080
<b>Total</b>	<b>1,88,976</b>	<b>1,89,420</b>

### 22. OTHER INCOME

(Rs. in Lacs)		
Particulars	2015-16	2014-15
Dividend Income	25	173
Liabilities No Longer Required Written Back	3	6
Profit on Sale of Fixed Assets	59	-
Profit on Sale of Long term Trade Investments (net)	107	-
Profit on Sale of Current Investments (net)	27	16
Other Non-Operating Income	436	388
<b>Total</b>	<b>657</b>	<b>583</b>

### 23. FINANCE COSTS

(Rs. in Lacs)		
Particulars	2015-16	2014-15
Interest Expense	1,41,743	1,32,851
Other Borrowing Costs	15,612	18,291
Applicable net (gain)/loss on foreign currency transactions and translations	1,196	942
<b>Total</b>	<b>1,58,551</b>	<b>1,52,084</b>

### 24. EMPLOYEE BENEFITS EXPENSE

(Rs. in Lacs)		
Particulars	2015-16	2014-15
Salaries, Allowances, Commission & Bonus	4,121	3,725
Contribution to Provident and Other Funds	259	327
Staff Welfare Expenses	180	160
<b>Total</b>	<b>4,560</b>	<b>4,212</b>



**NOTES TO FINANCIAL STATEMENTS (CONTD.)****25. ADMINISTRATIVE AND OTHER EXPENSES**

(Rs. in Lacs)

Particulars	2015-16	2014-15
Communication Expenses	84	101
Legal & Professional Fees	2,201	2,555
Electricity Charges	226	220
Rent	871	744
Rates and Taxes	225	73
Commission, Brokerage and Service Charges	82	69
Payments to the Auditor ( <i>refer Note No. 25.1</i> )	82	70
Repairs - Machinery	434	564
- Others	758	653
Travelling and Conveyance	1,093	1,084
Directors' Fees	57	57
Insurance	82	54
Printing and Stationery	89	79
Advertisement, Subscription and Donation	622	243
Corporate Social Responsibility Expenses	135	138
Loss on sale of Fixed Assets	-	5
Miscellaneous Expenses	218	232
<b>Total</b>	<b>7,259</b>	<b>6,941</b>

**25.1 Payments to the Auditor (including Service Tax)**

(Rs. in Lacs)

Particulars	2015-16	2014-15
As Auditor - Statutory Audit & Limited Reviews	59	56
For Other Services (Certification etc.)	21	13
For Reimbursement of Expenses	2	1
<b>Total</b>	<b>82</b>	<b>70</b>

**26. EARNINGS PER EQUITY SHARE**

Particulars	2015-16	2014-15
(a) Profit after tax attributable to Equity Shareholders (Rs. in Lacs)	5,740	9,093
(b) Weighted average number of Equity Shares (Basic)	503086333	503086333
(c) Weighted average number of Potential Equity Shares	-	-
(d) Weighted average number of Equity Shares (Diluted)	503086333	503086333
(e) Nominal Value of Equity per share (Rs.)	10	10
(f) Basic Earnings per share [(a)/(b)] (Rs.)	1.14	1.81
(g) Diluted Earnings per share [(a)/(d)] (Rs.)	1.14	1.81



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

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

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>A. Contingent Liabilities</b>		
(a) Claims against the Company not acknowledged as debts:		
Income Tax	5,766	6,154
Service Tax	1,281	302
Central Sales Tax	567	406
Entry Tax	5	2
(b) Guarantees:		
Bank Guarantees <sup>1</sup>	8,051	3,124
Guarantees to Banks and Others against credit facilities extended by them to third parties	16,853	18,522
Guarantees to Banks and others, in the form of Put Option against loan facilities	10,905	39,189
<b>Total</b>	<b>43,428</b>	<b>67,699</b>
<b>B. Commitments</b>		
Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)	711	828
On account of Letter of Credit	1,16,671	53,752
On account of Derivative Instruments (refer Note No. 28)		

<sup>1</sup> Includes Rs. 56 Lacs (Previous year Rs. 697 Lacs) issued on Company's behalf by the Banker of Joint Venture Company.

28. The Company has entered into Options/Swaps/Forward contracts (being derivative instruments) which are not intended for trading or speculation, for the purpose of hedging currency and interest rate related risks. Options, Swaps and Forward contracts outstanding as at year end are as follows:

(Amount in Lacs)

Category	Currency	As at 31st March, 2016		As at 31st March, 2015	
		Number of Contracts	Amount in Foreign Currency	Number of Contracts	Amount in Foreign Currency
Options /Swaps	USD/INR	7	USD 663.06	8	USD 810.18
Options /Swaps	EUR/INR	2	EUR 251.90	1	EUR 150
Forwards	USD/INR	16	USD 60.48	2	USD 18.7
Interest Rate Swaps	USD/INR	8	USD 693.06	7	USD 703.75

Foreign currency exposures, which are not hedged by derivative instruments, amount to Rs. 14,609 Lacs (Previous year Rs. 22,707 Lacs).



**NOTES TO FINANCIAL STATEMENTS (CONTD.)****29. C.I.F. VALUE OF IMPORTS**

(Rs. in Lacs)

Particulars	2015-16	2014-15
Operating Lease Assets	502	34
Own Use Assets	9	117
<b>Total</b>	<b>511</b>	<b>211</b>

**30. EXPENDITURE IN FOREIGN CURRENCY**

(Rs. in Lacs)

Particulars	2015-16	2014-15
Finance Charges	9,594	7,929
Professional / Consultation Fees	118	90
On Other Matters	801	357
<b>Total</b>	<b>10,513</b>	<b>8,376</b>

**31. EARNINGS IN FOREIGN CURRENCY**

(Rs. in Lacs)

Particulars	2015-16	2014-15
Income from Loan Assets	-	14
<b>Total</b>	<b>-</b>	<b>14</b>

**32. DIVIDEND REMITTED IN FOREIGN CURRENCIES**

The company remits the equivalent of the dividend payable to equity shareholders and holders of GDRs. For GDR holders, the dividend is remitted in Indian rupees to the custodian bank.

Particulars	2015-16	2014-15
Number of Non-Resident Shareholders	8	8
Number of shares held (Equity shares of Rs. 10/- par value, per share)	1928802	1928802
Dividend Remitted (Rs. in Lacs)	10	10
Related Financial Year	2014-15	2013-14



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

## 33. LEASES

## a. In the capacity of Lessee

- (i) The Company has certain cancellable operating lease arrangements for office premises and equipments, which range between 11 months to 15 years and are usually renewable by mutual consent, on mutually agreeable terms. Some of these lease agreements have rent escalation upto 5% p.a. or 10% p.a. on renewals. Lease payments charged to the Statement of Profit and Loss with respect to such leasing arrangements aggregate to Rs. 831 Lacs (Previous year Rs. 735 Lacs).

Contingent rent recognised for agreements which stipulate rent payment based on usage is Rs. 32 Lacs (Previous year Rs. Nil).

- (ii) Further, the Company also has certain non-cancellable operating lease arrangements for office premises, which is of 21 years and is usually renewable by mutual consent on mutually agreeable terms. In respect of such arrangements, lease payments for the year aggregating to Rs. 8 Lacs (Previous year Rs. 9 Lacs) have been recognised in the Statement of Profit and Loss.

The future lease payments in respect of the above non-cancellable operating leases are as follows: (Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Not later than 1 year	8	8
Later than 1 year but not later than 5 years	34	34
Later than 5 years	70	78
<b>Total</b>	<b>112</b>	<b>120</b>

- (iii) Sub lease payments received (or receivable) recognised in the Statement of Profit and Loss for the year is Rs. 2,856 Lacs (Previous year Rs. 2,675 Lacs). Future minimum sublease payments expected to be received under non-cancellable subleases is Rs. 449 Lacs (Previous year Rs. 436 Lacs).

## b. In the capacity of Lessor

- (i) The Company has given assets on Operating lease (*refer Note No. 12*) for periods ranging between 5 to 15 years. Some of these lease agreements stipulate rental computation on the basis of earnings of the Lessee. Such contingent rent recognised during the year is Rs. 237 Lacs (Previous year Rs. 3,014 Lacs).

The future minimum lease receivables in respect of non-cancellable operating leases are as follows: (Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Not later than 1 year	-	1,285
Later than 1 year but not later than 5 years	-	4,929
Later than 5 years	-	5,386
<b>Total</b>	<b>-</b>	<b>11,600</b>



**NOTES TO FINANCIAL STATEMENTS (CONTD.)**

- (ii) Further, the Company also has cancellable operating lease arrangements for office premises, which range between 1 to 3 years and are usually renewable by mutual consent on mutually agreeable terms. In respect of non-cancellable arrangements, lease earning for the year aggregating to Rs. Nil (Previous year Rs. 25 Lacs) have been recognised in the Statement of Profit and Loss.

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

(Rs. in Lacs)		
Particulars	As at 31st March, 2016	As at 31st March, 2015
Not later than 1 year	-	30
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
<b>Total</b>	<b>-</b>	<b>30</b>

**34. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD (AS) 15 - EMPLOYEE BENEFITS**

The trustees of the gratuity scheme for the employees of the Company have entrusted the administration of the scheme to the Life Insurance Corporation of India (LIC).

- (a) Expenses recognised in the Statement of Profit and Loss are as follows:

(Rs. in Lacs)				
Particulars	Gratuity		Leave	
	Year ended		Year ended	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Current service cost	81	64	83	74
Interest cost	29	25	14	12
Expected return on plan assets	(15)	(15)	-	-
Past Service Cost	-	-	-	-
Net actuarial losses/(gains)	(52)	42	30	86
<b>Net benefit expense</b>	<b>43</b>	<b>116</b>	<b>127</b>	<b>172</b>
Actual return on plan assets	8.50%	9.25%	N.A.	N.A.

- (b) Net Liability recognised in the Balance Sheet is as follows:

(Rs. in Lacs)				
Particulars	Gratuity		Leave	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Defined benefit obligation	428	385	365	344
Fair value of plan assets	(183)	(183)	-	-
<b>Net liability</b>	<b>245</b>	<b>202</b>	<b>365</b>	<b>344</b>
- Non-Current	245	202	307	292
- Current	-	-	58	52



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(c) Changes in the present value of the defined benefit obligations are as follows:

(Rs. in Lacs)

Particulars	Gratuity		Leave	
	Year ended		Year ended	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Opening defined benefit obligation	385	273	344	276
Interest cost	29	25	14	12
Current service cost	81	64	83	74
Benefit paid	(15)	(19)	(106)	(104)
Actuarial losses / (gains)	(52)	42	30	86
<b>Closing defined benefit obligation</b>	<b>428</b>	<b>385</b>	<b>365</b>	<b>344</b>

(d) The details of fair value of plan assets at the Balance Sheet date are as follows:

(Rs. in Lacs)

Particulars	Gratuity	
	As at 31st March, 2016	As at 31st March, 2015
Opening fair value of plan assets	183	162
Expected return on plan assets*	15	15
Contribution by the Company	-	25
Benefits paid	(15)	(19)
Actuarial (losses) / gains	-	-
<b>Closing fair value of plan assets</b>	<b>183</b>	<b>183</b>

\*Determined based on government bond rate

(e) The principal assumptions used in determining the gratuity and leave liability are as shown below:

Particulars	As at 31st March, 2016	As at 31st March, 2015
Discount rate (%)	7.80%	7.80%
Return on Plan Assets (Gratuity Scheme)	8.50%	8.50%
Mortality Rate	India Assured Lives Mortality (2006-08) (modified) Ult	India Assured Lives Mortality (2006-08) (modified) Ult



**NOTES TO FINANCIAL STATEMENTS (CONTD.)**

(f) The amounts for the current and previous years are as follows:

(Rs. in Lacs)

Particulars	Gratuity				
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Defined benefit obligation	428	385	273	284	228
Fair value of plan assets	183	183	162	135	108
Deficit	245	202	111	149	120
Experience adjustments on plan liabilities – gain/ (loss)	52	22	56	39	(6)
Experience adjustments on plan assets – gain/(loss)	-	-	(1)	(2)	(0)
Actuarial gain/(loss) due to change on assumptions	-	(64)	39	(17)	9

(Rs. in Lacs)

Particulars	Leave				
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Defined benefit obligation	365	344	276	300	256
Fair value of plan assets	-	-	-	-	-
Deficit	365	344	276	300	256
Experience adjustments on plan liabilities – gain/ (loss)	(31)	(55)	21	(33)	(47)
Experience adjustments on plan assets – gain/(loss)	-	-	-	-	-
Actuarial gain/(loss) due to change on assumptions	-	(30)	20	(10)	5

(g) The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

(h) The amount provided for defined contribution plan is as follows:

(Rs. in Lacs)

Particulars	Year ended	
	31st March, 2016	31st March, 2015
Provident fund	214	211
Employee state insurance	-	1
<b>Total</b>	<b>214</b>	<b>212</b>



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

### 35. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 18 - RELATED PARTY DISCLOSURES

#### Related Parties:

Holding Company:	Country of Origin
Adisri Commercial Private Limited	India
Subsidiaries & Step-down Subsidiaries:	Country of Origin
Srei Capital Markets Limited	India
Srei Alternative Investment Managers Limited	India
Srei Infrastructure Advisors Limited	India
Controlla Electrotech Private Limited	India
Srei Mutual Fund Asset Management Private Limited	India
Srei Mutual Fund Trust Private Limited	India
Srei International Infrastructure Services GmbH, Germany	Germany
Srei Forex Limited	India
Srei Insurance Broking Private Limited	India
Bengal Srei Infrastructure Development Limited (Subsidiary of Srei Infrastructure Advisors Limited)	India
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India
Cyberabad Trustee Company Private Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India
ZAO Srei Leasing, Russia (Subsidiary of Srei International Infrastructure Services GmbH, Germany)	Russia
Srei Advisors Pte Limited, Singapore (Subsidiary of Srei International Infrastructure Services GmbH, Germany)	Singapore
Goldensons Construction Private Limited (ceased to be Subsidiary w.e.f 30.06.2015)	India
Quippo Oil & Gas Infrastructure Limited	India
Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd ) (Subsidiary of Quippo Oil & Gas Infrastructure Limited )	India
Quippo Energy Limited (Formerly Quippo Energy Private Limited )	India
Srei Asset Reconstruction Private Limited	India
Joint Venture:	Country of origin
Srei Equipment Finance Limited	India
Associates:	Country of origin
Sahaj e-Village Limited	India
Attivo Economic Zone (Mumbai) Private Limited	India
Trusts:	Country of origin
Srei Mutual Fund Trust	India
Srei Growth Trust	India



**NOTES TO FINANCIAL STATEMENTS (CONTD.)**

Key Management Personnel (KMP):	
Name	Designation
Mr. Hemant Kanoria	Chairman & Managing Director
Mr. John Moses Harding (Upto 31-Jan-2016)	Group Chief Executive Officer & Chief Economist - Liability & Treasury Management
Mr. Bijoy Kumar Daga	Chief Executive Officer, Infrastructure Project Finance
Mr. Bajrang Kumar Choudhary	Chief Executive Officer, Infrastructure Project Development
Mr. Kishore Kumar Lodha	Chief Financial Officer
Mr. Sandeep Lakhotia	Company Secretary
Enterprise over which relative of a KMP has significant influence.	
Viom Networks Limited	



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

Details of Related Party Transactions:

(Rs. in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	Year ended 31st March, 2016		Year ended 31st March, 2015	
		For the Year	Balance as at 31st March, 2016	For the Year	Balance as at 31st March, 2015
(A) Subsidiaries:					
Srei Alternative Investment Managers Limited	Loan advanced	-	-	2,000	2,000
	Refund of Advance Given	-	-	900	-
	Advance received for Purchase of Share Warrant	-	-	2,000	2,000
	Interest Received on Loan	-	-	71	54
	Refund of Loan Advanced	2,000	-	-	-
	Refund of Advance Received	2,000	-	-	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	-	-	10
Srei Capital Market Limited	Refund of Loan Advanced	-	-	80	-
	Interest Received on Loan	-	-	2	-
Bengal Srei Infrastructure Development Limited	Loan advanced	100	135	-	153
	Refund of Loan Advanced	118	-	100	-
	Interest Received on Loan	19	-	26	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	0.05	-	13
Srei Forex Limited	Advance Given	2	-	-	-
	Refund of Advance Given	2	-	-	-
Srei Mutual Fund Asset Management Private Limited	Deposits Received	2,378	1,057	4,678	1,201
	Deposits Refunded	2,522	-	4,500	-
	Interest Paid on Deposits	123	-	143	-
	Finance Charges on Commercial Paper	200	-	54	-
	Refund Received against Subscription to Share Warrant	4,500	-	-	-
	Commercial Paper Redeemed [Face Value Rs. 4,675 Lacs (Previous year - Rs. Nil)]	4,309	-	-	-
	Subscription to Share Warrant	-	-	4,500	-
	Subscription to Commercial Paper Received [Face Value Rs. Nil (Previous year - Rs. 4,675 Lacs)]	-	-	4,255	4,309
	Subscription to Equity Shares	-	-	50	-
	Balance Payable-Interest accrued but not due (Net of TDS)	-	0.27	-	-
	Srei Mutual Fund Trust Private Limited	Subscription to Equity Shares	-	-	5
Subscription to Share Warrant		5	-	-	-
Attivo Economic Zone (Mumbai) Private Limited(ceased to be Subsidiary w.e.f. 30.12.2014)	Loan advanced	-	-	5,160	-
	Refund of Loan Advanced	-	-	8,453	-
	Interest Received on Loan	-	-	4,445	-



**NOTES TO FINANCIAL STATEMENTS (CONTD.)**

(Rs. in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	Year ended 31st March, 2016		Year ended 31st March, 2015	
		For the Year	Balance as at 31st March, 2016	For the Year	Balance as at 31st March, 2015
Controlla Electrotech Private Limited	Rental Paid	8	-	8	-
	Property mortgaged as a collateral security against the allotment of Secured Redeemable Non-Convertible debentures of its Holding Company	-	6,070	-	16,670
	Balance Receivable-Deposit	-	2,400	-	2,400
Srei Insurance Broking Private Limited	Rental Received	3	-	1	-
	Advance Given	50	50	221	-
	Refund of Advance Given	-	-	371	-
	Subscription to Equity Shares	-	-	240	-
Quippo Energy Limited	Loan advanced	1,900	1,900	2,080	468
	Refund of Loan Advanced (including through Assets taken over for Rs. Nil (Previous year: Rs. 7,719 Lacs))	468	-	8,143	-
	Sale of Assets	706	502	-	-
	Advance Received	-	-	44	44
	Rental Received	209	48	410	26
	Interest Received on Loan	101	-	767	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	1	-	48
	Balance Receivable-Rental accrued but not due (Net of TDS)	-	18	-	90
	Guarantee in the form of Put Option to Bank against Loan facility closed	4,000	-	-	-
	Commitment given against credit facility from Bank [Commitment Amount - Rs. 4,881 Lacs (Previous year - Rs. 4,881 Lacs), liability to the extent of outstanding facility and accrued interest - Rs. 204 Lacs (Previous year - Rs. 282 Lacs)]	-	204	-	282
	Outstanding Guarantee in the form of Put Option to Bank against loan facility [ Guarantee Amount - Rs. 3,250 Lacs (Previous year - Rs. 7,250 Lacs) liability to the extent of facility utilised Rs. 2,380 Lacs (Previous year - Rs. 3,949 Lacs)]	-	2,380	-	3949



**NOTES TO FINANCIAL STATEMENTS (CONTD.)**

(Rs. in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	Year ended 31st March, 2016		Year ended 31st March, 2015	
		For the Year	Balance as at 31st March, 2016	For the Year	Balance as at 31st March, 2015
Quippo Oil & Gas Infrastructure Limited	Loan advanced	9,449	7,756	17,424	6,674
	Refund of Loan Advanced (including through Assets taken over for Rs. Nil (Previous year: Rs. 5,975 Lacs)	8,367	-	18,575	-
	Rental Received	68	-	2,922	2,937
	Interest Received on Loan	827	-	1,257	-
	Subscription to Preference Shares	5,005	-	-	-
	Guarantee in the form of Put Option to Bank against Loan facility closed	4,000	-	-	-
	Recovery of Bank Guarantee Charges	-	-	2	-
	Bank Guarantee issued	-	-	200	-
	Bank Guarantee closed	-	-	200	-
	Corporate Guarantee Issued	3,000	-	4,568	-
	Corporate Guarantee closed	-	-	3,000	-
	Guarantee in the form of Put Option to Bank against Loan facility issued	4,000	-	2,000	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	84	-	67
	Balance Receivable-Rental accrued but not due (Net of TDS)	-	67	-	-
	Corporate Guarantee [Guarantee Amount - Rs. 9,000 Lacs (Previous year - Rs. 6,000 Lacs), liability to the extent of outstanding loan and Bank Guarantee - Rs. 3,896 Lacs (Previous year - Rs. 4,568 Lacs)]	-	3,896	-	4,568
Srei International Infrastructure Services GmbH	Guarantee in the form of Put option to bank against Loan facility [Put Option Amount - Rs. 7,000 Lacs (Previous year - Rs. 7,000 Lacs), liability to the extent of outstanding loan and accrued interest - Rs. 6,438 Lacs (Previous year - Rs. 2,750 Lacs)]	-	6,438	-	2,750
	Interest Received on Loan	16	30	14	14
Goldensons Construction Private Limited(ceased to be subsidiary w.e.f 30.06.2015)	Loan advanced	-	264	-	235
	Loan advanced	5	-	5	31
	Interest Received on Loan	1	-	3	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	-	-	0.41



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	Year ended 31st March, 2016		Year ended 31st March, 2015	
		For the Year	Balance as at 31st March, 2016	For the Year	Balance as at 31st March, 2015
<b>(B) Joint Venture:</b>					
Srei Equipment Finance Limited	Rental Received	1,734	-	1,643	-
	Fees Income for Services	15	-	14	-
	Security Deposit Received	22	1,551	69	1,528
	Sale of Equity Shares of Srei Asset Reconstruction Pvt. Limited	-	-	5	-
	Purchase of units of Debt Fund	-	-	3,554	-
	Balance Receivable-Others	-	-	-	351
	Balance Payable-Others	-	-	-	25
<b>(C) Associates:</b>					
Sahaj e-Village Limited	Loan Advanced	5,048	25,985	6,093	20,937
	Refund of Loan Advanced	-	-	11,098	-
	Rental Received	224	90	125	-
	Purchase of Services (Excluding Service Tax)	32	154	417	489
	Interest Received on Loan	1,971	1,133	2,009	1,036
	Recovery of Bank Guarantee Charges	-	-	14	-
	Purchase of Receivables	-	-	12,333	-
	Guarantee in the form of Put Option to Bank against Loan facility	2,500	-	-	-
	Commitment given against Performance of Services issued	520	-	-	-
	Commitment given against Performance of Services closed	520	-	-	-
	Commitment given against credit facility from Bank-Issued	380	-	-	-
	Commitment given against credit facility from Bank-Closed	1,380	-	-	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	81	-	56
	Security Deposit Received	-	2	-	2
	Commitment given against credit facility from Bank [Commitment Amount - Rs. 380 Lacs (Previous year - Rs. 1,380 Lacs), liability to the extent of outstanding facility and accrued interest - Rs. 135 Lacs (Previous year - Rs. 1,019 Lacs)]	-	135	-	1,019
	Corporate Guarantee-Outstanding [Guarantee Amount - Rs. 9,544 Lacs (Previous year - Rs. 9,544 Lacs), liability under CG to the extent of outstanding loan and accrued interest - Rs. 1,113 Lacs (Previous year - Rs. 1,059 Lacs)]	-	1,113	-	1,059



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	Year ended 31st March, 2016		Year ended 31st March, 2015	
		For the Year	Balance as at 31st March, 2016	For the Year	Balance as at 31st March, 2015
Sahaj e-Village Limited	Outstanding Guarantee in the form of Put option to bank against Loan facility [Put Option Amount - Rs. 8,500 Lacs (Previous year - Rs. 6,000 Lacs), liability to the extent of outstanding loan and accrued interest - Rs. 2,088 Lacs (Previous year - Rs. 3,000 Lacs)]	-	2,088	-	3,000
Attivo Economic Zone (Mumbai) Private Limited (associate w.e.f. 30.12.2014)	Loan advanced	17,564	40,845	655	26,294
	Refund of Loan Advanced	3,013	-	12,469	-
	Interest Received on Loan	4,166	-	1,162	-
	Fees Income for Services	3	-	-	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	275	-	394
Quippo Construction Equipment Limited (ceased to be Associate w.e.f. 29.09.2014)	Loan advanced	-	-	125	-
	Refund of Loan Advanced	-	-	950	-
	Suppliers Credit on LC facility arranged by the Company	-	-	47,921	-
	Suppliers Credit on LC facility arranged by the Company - Closed	-	-	48,864	-
	LC facility charges	-	-	122	-
	Interest Received on Loan	-	-	760	-
<b>(D) Trusts:</b>					
Srei Growth Trust	Income Received	243	-	241	-
	Dividend Paid	243	-	243	-
<b>(E) Key Management Personnel (KMP):</b>					
Mr. Hemant Kanoria	Remuneration	247	-	162	-
	Commission	60	60	60	60
	Dividend paid	2	-	2	-
Mr. Sanjeev Sancheti*	Remuneration	-	-	62	-
	Dividend Paid	-	-	0.13	-
	Loan advanced	-	-	-	36
Mr. Sandeep Lakhota	Remuneration	79	-	69	-
	Dividend Paid	0.49	-	0.33	-
Mr. Bajrang Kumar Choudhary	Remuneration	123	-	91	-
	Dividend paid	0.39	-	0.18	-
Mr. Rajdeep Khullar*	Remuneration	-	-	48	-
Mr. Shashi Bhushan Tiwari*	Remuneration	-	-	32	-
	Dividend Paid	-	-	0.29	-
Mr. Deepak Chatrath*	Remuneration	-	-	21	-
Mr. Rajesh Jain*	Remuneration	-	-	30	-
Mr. Kishore Kumar Lodha	Remuneration	53	-	44	-
	Dividend paid	0.03	-	-	-
Mr. Bijoy Kumar Daga	Remuneration	214	-	222	-
	Dividend paid	1	-	-	-



**NOTES TO FINANCIAL STATEMENTS (CONTD.)**

(Rs. in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	Year ended 31st March, 2016		Year ended 31st March, 2015	
		For the Year	Balance as at 31st March, 2016	For the Year	Balance as at 31st March, 2015
Mr. John Moses Harding@	Remuneration	137	-	174	-
*Ceased to be the KMPs of the Company w.e.f. 10.11.2014					
@Ceased to be the KMP of the Company w.e.f. 01.02.2016					
<b>(F) Transaction with Relative of KMP:</b>					
Shashi Bhushan Tiwari (HUF), (HUF of Mr. Shashi Bhushan Tiwari)	Car Hire Charges		-	0.50	-
Mrs. Seema Jain, (Spouse of Mr. Rajesh Jain)	Car Hire Charges		-	0.50	-
Mr. Sunil Kanoria (Brother of Mr. Hemant Kanoria)	Commission	5	5	5	5
	Sitting Fees	11	-	11	-
<b>(G) Enterprise over which relative of a KMP has significant influence:</b>					
Viom Networks Limited (ceased w.e.f. 21.04.2016) - (Refer Note No. 38)	Rent Received	866	47	879	16
	Security Deposit Received	6	670	1	664



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

## 36. DETAILS OF LOANS / ADVANCES TO SUBSIDIARY COMPANIES AND ASSOCIATES

(Rs. in Lacs)

Name of the Company	Maximum Amount Outstanding during		Amount Outstanding as at 31st March,*	
	2015-16	2014-15	2016	2015
Srei Capital Markets Limited	-	80	-	-
Sahaj e-Village Limited	27,118	29,944	27,118	21,973
Bengal Srei Infrastructure Development Limited	160	253	135	153
Controlla Electrotech Private Limited	2,401	2,400	2,400	2,400
Srei Alternative Investment Managers Limited	2,053	2,054	-	2,054
Quippo Energy Limited	1,900	8,182	1,900	468
Quippo Oil & Gas Infrastructure Limited	9,799	15,354	7,756	6,674
Quippo Construction Equipment Limited (ceased to be associate w.e.f 29.09.2014)	-	18,376	-	-
Attivo Economic Zone (Mumbai) Private Limited	43,858	46,470	40,845	26,294
Srei Insurance Broking Private Limited	50	330	50	-
Srei International Infrastructure Services GmbH	294	306	294	249
Goldensons Construction Private Limited (ceased to be subsidiary w.e.f 30.06.2015)	36	32	-	31
Srei Forex Limited	2	-	-	-

\* Refer Note No. 35

37. Disclosure in respect of company's joint venture in india pursuant to accounting standard 27 'financial reporting of interest in joint ventures'

Name of the Venture	Country of Incorporation	Proportion of Ownership Interest
Srei Equipment Finance Limited (Formerly Srei Equipment Finance Private Limited)	India	50%

The aggregate of the Company's share in the above venture is:

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Current & Non-Current Liabilities	6,64,909	7,02,316
Current & Non-Current Assets	7,83,108	8,14,752
Contingent Liabilities	3,649	837
Capital Commitments (Net of Advances)	790	713

Particulars	2015-16	2014-15
Income	1,30,755	1,30,489
Expenses (Including Depreciation & Taxation)	1,24,992	1,22,838



**NOTES TO FINANCIAL STATEMENTS (CONTD.)**

38. During the month of April 2016, the Company has exited its investment in Viom Networks Limited and the consequential impact will be reflected in the financial statements for FY 2016-17.
39. Information as required by Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 and Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015 is furnished vide Annexure – II attached herewith.
40. Figures pertaining to the previous year have been rearranged / regrouped, wherever necessary, to make them comparable with those of current year.

**Signatories to Notes 1 to 40**For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W

**Anand Kumar Jhunjunwala**

Partner

Membership No. 056613

Place : Kolkata

Date : May 12, 2016

For and on behalf of the Board of Directors

**Hemant Kanoria**

Chairman &amp; Managing Director

**Shyamalendu Chatterjee**

Director

**Sandeep Lakhota**

Company Secretary

**Kishore Kumar Lodha**

Chief Financial Officer



## ANNEXURE I TO NOTES TO FINANCIAL STATEMENTS

## Stock for Trade as at 31st March, 2016

Equity Shares: Trade	Face Value	Quantity	Cost	Value
	(Rs.)	(Nos.)	(Rs. in Lacs)	
Bala Techno Industries Ltd	10	5000	1	-
Hotline Glass Ltd.	10	110609	12	-
Kamala Tea Co. Ltd.	10	25000	11	11
Shanghi Polyesters Ltd.	10	2000	0@	0#
IDBI Bank	10	60000	105	42
Ortel Communications Limited	10	10000	16	18
Quippo Telecom Infrastructure Private Ltd.	10	25929041	0*	0#
L.D.Textile Industries Ltd.	10	42000	0*	0#
Shentracon Chemicals Ltd.	10	99400	0*	0#
India Lead Ltd.	10	418668	0*	0#
Mega Marketshare Resources Ltd.	10	6000	0*	0#
PAAM Pharmaceuticals (Delhi) Ltd.	10	1210	0*	0#
Standard Chrome Limited	10	300	0*	0#
Kanel Oil & Export Ltd.	10	3100	0*	0#
Kesoram Textiles Ltd.	10	20	0*	0#
NEPC Agro Foods Ltd.	10	1333	0*	0#
			<b>145</b>	<b>71</b>
Less: Provision for diminution			74	
<b>Total</b>			<b>71</b>	

@ Book value Rs. 19,800;

\* Book value Re. 1;

# Valued at Re. 1



**ANNEXURE II TO NOTES TO FINANCIAL STATEMENTS (REFER NOTE 39)**

Disclosure of details as required in terms of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 and Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015

**1. Capital to Risk Assets Ratio (CRAR)**

(Rs. in Lacs)

Sl.	Items	As at 31st March, 2016	As at 31st March, 2015
i)	CRAR (%)	17.54	16.97
ii)	CRAR – Tier I Capital (%)	12.51	11.21
iii)	CRAR – Tier II Capital (%)	5.03	5.76
iv)	Amount of subordinated debt raised as Tier-II capital*	-	-
v)	Amount raised by issue of Perpetual Debt Instruments*	-	-

\*During the year figure

**2. Exposure to Real Estate Sector**

(Rs. in Lacs)

Category	As at 31st March, 2016	As at 31st March, 2015
<b>a) Direct exposure</b>		
i) Residential Mortgages	-	-
ii) Commercial Real Estate	-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures	-	-
iv) Infrastructure Real Estate (SEZ's, Industrial Parks, IT Parks)	2,12,018	1,81,705
<b>b) Indirect exposure</b>	-	-



**ANNEXURE II TO NOTES TO FINANCIAL STATEMENTS (REFER NOTE 39) (CONTD.)**

Disclosure of details as required in terms of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 and Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015

**3. Asset Liability Management**

Maturity pattern of certain items of assets and liabilities as at 31st March, 2016 are as follows:

(Rs. in Lacs)

Particulars	1 day to 30 / 31 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits (Unclaimed)	16	-	-	-	-	-	-	-	16
Advances (refer note-1 below)	1,35,546	22,840	27,924	69,088	1,00,523	3,94,907	2,59,045	3,33,343	13,43,216
Investments (including Current Investments & Stock for trade)(refer note-2 below)	1,59,801	-	1,202	-	-	-	-	1,12,538	2,73,541
Borrowings	90,252	20,938	62,329	68,449	1,48,627	4,35,593	2,74,495	2,78,429	13,79,112
Foreign Currency Assets	-	-	-	-	-	-	264	3,390	3,654
Foreign Currency Liabilities	4,196	-	3,781	2,037	12,277	35,876	4,250	18,388	80,805

Notes:

- Advances represent the maturity pattern of loan assets and rentals on operating lease assets.
- The maturity pattern of Investments has been considered on the basis of Managements best estimates.
- The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in ratio of the maturity pattern of Advances.

(Rs. in Lacs)

Particulars	Amount Outstanding	Amount Overdue
<b>Liabilities Side:</b>		
<b>4 Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>		
(a) Debentures / Bonds:		
Secured	2,01,508	-
Unsecured (Other than falling within the meaning of public deposit)	1,18,989	-
(b) Deferred Credits	-	-
(c) Term Loans	3,31,167	-
(d) Inter-corporate loans and borrowing	1,866	-
(e) Commercial Papers	44,819	-
(f) Other Loans:		
Working capital facility	7,83,055	191
Public Deposit	16	16



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(Rs. in Lacs)

Assets Side:		Amount Outstanding
<b>5</b>	<b>Break-up of Loans and Advances including bills receivables [other than those included in (6) below]:</b>	
(a)	Secured	12,96,294
(b)	Unsecured	1,02,284
<b>6</b>	<b>Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities</b>	
(a)	Financial assets	-
(b)	Assets and advance for Operating Lease	-
(c)	Repossessed Assets	-
<b>7</b>	<b>Break up of Investments</b>	
Current Investments*		
1	Quoted:	
(i)	Shares: Equity	60
(ii)	Debentures and bonds	-
(iii)	Units of mutual funds	-
(iv)	Government Securities	-
(v)	Others	-
2	Unquoted:	
(i)	Shares: Equity	11
(ii)	Debentures and bonds	-
(iii)	Units of mutual funds	-
(iv)	Government Securities	-
(v)	Others (Investment in Funds & Trust)	1,131
Long-Term Investments		
1	Quoted:	
(i)	Shares: Equity	192
(ii)	Debentures and bonds	-
(iii)	Units of mutual funds	0.24
(iv)	Government Securities	-
(v)	Others	-

\* Including Stock for Trade



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(Rs. in Lacs)

Assets Side:	Amount Outstanding
2 Unquoted:	
(i) Shares: (a) Equity	2,32,774
(b) Preference	5,005
(ii) Debentures, bonds / units	28,914
(iii) Units of mutual funds	-
(iv) Government Securities	0.15
(v) Others (Investment in Funds & Trust)	8,844

**8. Borrower group-wise classification of assets financed as in (5) and (6) above:**

(Rs. in Lacs)

Category	Amount net of provisions		
	Secured	Unsecured	Total
1 Related Parties			
(a) Subsidiaries	9,789	2,687	12,476
(b) Companies in the same group	-	-	-
(c) Other related parties	68,071	6	68,077
2 Other than related parties	12,01,925	99,564	13,01,489
<b>Total</b>	<b>12,79,785</b>	<b>1,02,257</b>	<b>13,82,042</b>

**9. Investor group wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted):**

(Rs. in Lacs)

Category	Market Value / Break up or fair value or NAV	Book Value (net of provisions)
1 Related Parties		
(a) Subsidiaries	42,529	42,529
(b) Companies in the same group	17,473	17,473
(c) Other related parties	1,68,924	1,68,924
2 Other than related parties	47,999	48,005
<b>Total</b>	<b>2,76,925</b>	<b>2,76,931</b>



**ANNEXURE II TO NOTES TO FINANCIAL STATEMENTS (REFER NOTE 39) (CONTD.)**

Disclosure of details as required in terms of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 and Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015

**10. Other Information:**

(Rs. in Lacs)

Particulars	Amount
i. Gross Non-Performing Assets	
(a) Related Parties	264
(b) Other than related Parties	80,162
ii. Net Non-Performing Assets	
(a) Related Parties	237
(b) Other than related Parties	63,653
iii. Assets acquired in satisfaction of debt (Outstanding)	20,964

**11. Investments**

(Rs. in Lacs)

Sl. Particulars	As at 31st March, 2016	As at 31st March, 2015
1) Value of Investments		
i) Gross Value of Investments		
a) In India	2,73,739	2,80,951
b) Outside India,	3,390	3,390
ii) Provisions for Depreciation		
a) In India	269	490
b) Outside India,	-	-
iii) Net Value of Investments		
a) In India	2,73,470	2,80,461
b) Outside India,	3,390	3,390
2) Movement of provisions held towards depreciation on investments		
i) Opening Balance	490	765
ii) Add : Provisions made during the year	-	-
iii) Less : Write-off / write-back of excess provisions during the year	221	275
iv) Closing Balance	269	490



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**12. Forward Rate Agreement / Interest Rate Swap**

(Rs. in Lacs)

Sl.	Particulars	As at 31st March, 2016	As at 31st March, 2015
i)	The notional principle of swap agreements	45,915	43,981
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	Nil	Nil
v)	The fair value of the swap book <sup>@</sup>	(866)	(870)

<sup>@</sup> The fair value is the estimated amount that the Company will receive or pay to terminate the swap agreements as on the balance sheet date.

**13. Exchange Traded Interest Rate (IR) Derivatives**

(Rs. in Lacs)

Sl.	Particulars	As at 31st March, 2016
i)	Notional Principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	Nil
ii)	Notional Principal amount of exchange traded IR derivatives outstanding as on 31st March, 2016 (instrument-wise)	Nil
iii)	Notional Principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil
iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil



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**14. Disclosures on Risk Exposure in Derivatives****(i) Qualitative Disclosure**

The structure and organization for management of risk in derivatives trading, is not applicable since the Company is not engaged in derivative trading.

Besides other market risks / core functions, Asset Liability Committee (ALCO) manages the Foreign Currency and Interest Rate Risks also. The company has put in place the policies for hedging / mitigating risks / strategies and processes for continuous monitoring of risks, which will enable the company to quantify risk, both on account of Foreign Currency and Interest Rate Risks. Apart from ALCO there is a Risk Committee of the Board which guides the company in these risks.

The Board has delegated authority to company officials in the Forex Treasury department for entering into Generic derivative products besides Forward Contracts, on behalf of the company, to hedge the Foreign Currency and Interest Rate Risk exposures.

The company has a Market Risk Policy which paves the way for risk reporting and risk monitoring systems. The marked-to-market values are obtained from the banks with whom the hedge deals are done.

The Company, in order to hedge itself against the adverse impact of fluctuations in foreign currency rates / variable interest benchmark on underlying liability, enters into the derivative contracts in the nature of forward exchange contracts. The Company does not enter into derivative contracts for speculation or trading purposes. Derivate contracts which are closely linked to the existing assets and liabilities are accounted for as per the policy stated for foreign currency transactions and translation.

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are "marked to market" on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored. The Company believes that the above treatment reflects the true effect of the hedge and also reflects the economic substance of the impact of derivative contracts.

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense in the year in which it is cancelled or renewed.

**(ii) Quantitative Disclosures**

(Rs. in Lacs)

Sl.	Particulars	Currency Derivatives	Interest Rate Derivatives
i)	Derivatives (Notional Principal Amount)		
	For hedging	66,196	45,915
ii)	Marked-to-Market Positions [1]		
	a) Asset (+)	8,887	-
	b) Liability (-)	(75)	(866)
iii)	Credit Exposure [2]	Nil	Nil
iv)	Unhedged Exposures	14,609	18,990



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**15. Exposure to Capital Market**

(Rs. in Lacs)

Sl.	Particulars	As at 31st March, 2016	As at 31st March, 2015
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;	2,55,880	2,48,480
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;	444	-
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;	1,71,308	57,535
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)	8,118	29,020
<b>Total Exposure to Capital Market</b>		<b>4,35,750</b>	<b>3,35,035</b>



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**16. Provisions and Contingencies**

(Rs. in Lacs)

Sl.	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss	As at 31st March, 2016	As at 31st March, 2015
i)	Provisions for depreciation on Investment*	-	927
ii)	Provision for Bad Debts / Advances	4,708	8,881
iii)	Provision made towards Income tax	2,402	2,859
iv)	Other Provision and Contingencies (with details)	-	-
v)	Provision for Standard Assets	856	36

\*Including Stock for Trade

**17. Concentration of Advances**

(Rs. in Lacs)

Total Advances to twenty largest borrowers	6,87,386
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	51.16%

**18. Concentration of Exposures**

(Rs. in Lacs)

Total Exposure to twenty largest borrowers / customers	7,06,526
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	43.60%

**19. Concentration of NPAs**

(Rs. in Lacs)

Total Exposure to top four NPA accounts	64,000
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**20. Sector-wise NPAs**

(Rs. in Lacs)

Sl.	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	*
2	MSME	
3	Corporate borrowers	
4	Services	
5	Unsecured personal loans	
6	Auto loans	
7	Other personal loans	

\*The Company is engaged in the business of Infrastructure financing and registered as an Infrastructure Finance Company under the RBI regulations. Our portfolio has been bifurcated in Infrastructure sectors like Transport, Energy, Water Sanitation, Communication, Social & Commercial Infrastructure etc.



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**21. Movement of NPAs**

(Rs. in Lacs)

Sl.	Particulars	As at 31st March, 2016	As at 31st March, 2015
i)	Net NPAs to Net Advances (%)*	4.76%	5.34%
ii)	Movement of NPAs (Gross)		
	a) Opening Balance	77,813	38,683
	b) Additions during the year	6,341	39,376
	c) Reductions during the year	3,728	246
	d) Closing Balance	80,426	77,813
iii)	Movement of Net NPAs		
	a) Opening Balance	65,205	33,725
	b) Additions during the year	2,146	31,711
	c) Reductions during the year	3,461	231
	d) Closing Balance	63,890	65,205
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening Balance	12,608	4,958
	b) Provisions made during the year	4,195	7,665
	c) Write-off / write-back of excess provisions	267	15
	d) Closing Balance	16,536	12,608

\*Net NPA to Advances

**22. Details of Non-performing Loan Assets purchased**

Sl.	Particulars	As at 31st March, 2016	As at 31st March, 2015
(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	-	-



## ANNEXURE II TO NOTES TO FINANCIAL STATEMENTS (REFER NOTE 39)

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### 23. Details of Non-performing Loan Assets sold

Sl.	Particulars	As at 31st March, 2016	As at 31st March, 2015
i)	No. of accounts sold	-	-
ii)	Aggregate outstanding	-	-
iii)	Aggregate consideration received	-	-

### 24. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

(Rs. in Lacs)

Name of the Joint Venture / Subsidiary	Other Partner in the JV	Country	Total Assets
Srei International Infrastructure Services GmbH, Germany	N.A.	Germany	6,155

### 25. Ratings

Sl.	Particulars	CARE	ICRA	Brickwork
i)	Long Term Banking facilities	CARE A+		
ii)	Short Term Banking Facilities	CARE A1+		
iii)	Short Term Debt Instruments	CARE A1+		BWR A1+
iv)	NCDs/Bonds	CARE A+		BWR AA
v)	Unsecured Subordinated/Tier-II Debentures/Bonds	CARE A	ICRA A+	BWR AA

### 26. Customer Complaints

a)	No. of complaints pending at the beginning of the year	Nil
b)	No. of complaints received during the year	1
c)	No. of complaints redressed during the year	1
d)	No. of complaints pending at the end of the year	Nil



## INDEPENDENT AUDITOR'S REPORT

### To the Members of Srei Infrastructure Finance Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Srei Infrastructure Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates, jointly controlled entity and trusts comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates, jointly controlled entity and trusts in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its associates and jointly controlled entity and the respective trustees of the trusts are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act / other relevant regulations applicable, for safeguarding the assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates, jointly controlled entity and trusts as at 31st March, 2016, their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Other Matters

- (a) We did not audit the financial statements / financial information of fifteen subsidiaries and the jointly controlled entity, whose financial statements / financial information reflect total assets of Rs. 15,95,527 Lacs as at 31st March, 2016, total revenues of Rs. 2,69,688 Lacs and net cash outflows amounting to Rs. 5,429 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 0.65 Lacs for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of one associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entity and associate, is based solely on the reports of the other auditors.



- (b) We did not audit the financial statements / financial information of three subsidiaries and two trusts, whose financial statements / financial information reflect total assets of Rs. 10,332 Lacs as at 31st March, 2016, total revenues of Rs. 1,346 Lacs and net cash outflows amounting to Rs. 234 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited, have been certified by the management of the respective entities and furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and trusts and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and trusts is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management of the Holding Company, these unaudited financial statements / financial information are not material to the consolidated financial statements.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the unaudited financial statements / financial information certified by the management of the respective entities.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company, the reports of the statutory auditors of its subsidiaries companies, associate companies and jointly controlled entity incorporated in India and according to the information and

explanations given to us by the Management of the Holding Company in respect of unaudited entities, none of the directors of the Group companies, its associate companies and jointly controlled entity incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

- With respect to the adequacy of the internal financial controls over financial reporting of the Group, its associates and jointly controlled entity and the operating effectiveness of such controls, we give our separate Report in the "Annexure".
- 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:
  - The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates, jointly controlled entity and trusts – Refer Note No.29 to the consolidated financial statements;
  - There were no long-term contracts including derivative contracts, having any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled entity incorporated in India.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

**Anand Kumar Jhunjunwala**

Kolkata

Partner

May 12, 2016

Membership No. 056613



## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (2)f under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Holding Company on the consolidated financial statements for the year ended 31st March, 2016]

### Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of the Group, its associates and jointly controlled entity, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the entities of the Group, its associates and jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to the respective company's policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



**Opinion**

In our opinion, the Group, its associates and jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March , 2016, based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial

controls over financial reporting, in so far as it relates to fifteen subsidiaries, two associates and the jointly controlled entity of the Holding Company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

**Anand Kumar Jhunjunwala**

Partner

Membership No. 056613

Kolkata

May 12, 2016



**CONSOLIDATED BALANCE SHEET** as at 31st March, 2016

(Rs. in Lacs)

	Note	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	50,324	50,324
Reserves and Surplus	3	3,12,177	3,08,139
		<b>3,62,501</b>	<b>3,58,463</b>
<b>Minority Interest</b>		<b>120</b>	<b>1,256</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	6,21,260	6,80,418
Deferred Tax Liabilities		18,926	20,170
Other Long-Term Liabilities	5	14,177	10,887
Long-Term Provisions	6	5,245	4,657
		<b>6,59,608</b>	<b>7,16,132</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	7	12,10,118	11,35,745
Trade Payables			
- Due to Micro and Small Enterprises	8.1	-	-
- Due to Others	8.2	40,371	22,054
Other Current Liabilities			
- Current Maturities of Long-Term Borrowings	4	2,35,890	2,16,413
- Others	9	40,089	35,045
Short-Term Provisions	10	5,067	4,284
		<b>15,31,535</b>	<b>14,13,541</b>
<b>TOTAL</b>		<b>25,53,764</b>	<b>24,89,392</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	11		
- Tangible Assets		1,34,985	1,47,203
- Intangible Assets		1,985	2,282
- Capital Work in Progress		6,227	5,649
Goodwill		30,774	30,774
Non-Current Investments	12.1	2,15,465	2,22,966
Deferred Tax Assets		1,921	1,591
Long-Term Loans and Advances			
- Financial Assets	13	3,91,290	3,68,801
- Loan Assets	14	9,18,316	8,48,262
- Other Long-Term Advances	15	50,028	31,225
Other Non-Current Assets	16	16,293	23,334
		<b>17,67,284</b>	<b>16,82,087</b>
<b>Current Assets</b>			
Current Investments	12.2	1,517	2,028
Inventories		1,696	1,337
Trade Receivables	17	10,465	26,542
Cash and Cash Equivalents	18	66,415	57,476
Short-Term Loans and Advances			
- Financial Assets	13	1,08,922	1,15,477
- Loan Assets	14	13,535	30,852
- Other Advances	19	12,259	8,647
Other Current Assets			
- Current Maturities of Long-Term Financial Assets	13	1,81,567	2,08,798
- Current Maturities of Long-Term Loan Assets	14	3,46,066	2,81,940
- Other Current Assets	20	44,038	74,208
		<b>7,86,480</b>	<b>8,07,305</b>
<b>TOTAL</b>		<b>25,53,764</b>	<b>24,89,392</b>
Significant Accounting Policies and Notes to Consolidated Financial Statements	1 to 36		

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

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

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W

**Anand Kumar Jhunjunwala**

Partner

Membership No. 056613

For and on behalf of the Board of Directors

**Hemant Kanoria**

Chairman & Managing Director

**Shyamalendu Chatterjee**

Director

**Sandeep Lakhota**

Company Secretary

**Kishore Kumar Lodha**

Chief Financial Officer

Place : Kolkata

Date : May 12, 2016



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS** for the year ended 31st March, 2016

(Rs. in Lacs)

	Note	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>INCOME</b>			
Revenue from Operations	21	3,23,198	3,33,302
Other Income	22	2,996	2,730
<b>Total Income</b>		<b>3,26,194</b>	<b>3,36,032</b>
<b>EXPENSES</b>			
Finance Costs	23	2,31,075	2,27,415
Employee Benefits Expense	24	14,486	14,429
Depreciation / Amortisation and Impairment Expense	11	21,529	20,143
Administrative and Other Expenses	25	21,262	24,242
<b>Total Expenses</b>		<b>2,88,352</b>	<b>2,86,229</b>
<b>Profit before Bad Debts, Provisions &amp; Tax</b>		<b>37,842</b>	<b>49,803</b>
Bad Debts / Advances written off (net)		21,297	18,090
Provision for Bad Debts / Advances		4,630	11,484
Contingent Provisions against Standard Assets		1,198	54
Provision for Diminution in Value of Stock for Trade and Investment	6.1	-	928
Loss on Sale of Stock for Trade and Investment (net)	6.2	123	427
		<b>27,248</b>	<b>30,983</b>
<b>Profit Before Exceptional Items &amp; Tax</b>		<b>10,594</b>	<b>18,820</b>
Adjustment on disposal / cessation of Subsidiaries, Step-down Subsidiaries and Joint Ventures of Subsidiaries	34	-	24
<b>Profit Before Tax</b>		<b>10,594</b>	<b>18,844</b>
Tax Expense:			
- Current Tax		6,037	4,369
- Mat Credit Entitlement		(6)	(22)
- Deferred Tax		(1,590)	2,354
<b>Total Tax Expense</b>		<b>4,441</b>	<b>6,701</b>
<b>Profit After Tax for current year</b>		<b>6,153</b>	<b>12,143</b>
Income Tax in respect of earlier years		-	3
<b>Profit After Tax but before Share of Loss of Associate and Minority Interest</b>		<b>6,153</b>	<b>12,140</b>
Share of Loss of Associate		25	-
Minority Interest		(1,124)	(771)
<b>Profit After Tax</b>		<b>7,252</b>	<b>12,911</b>
Pre Acquisition Profit / (Loss)		-	109
<b>Profit After Tax after adjustment for Minority Interest</b>		<b>7,252</b>	<b>13,020</b>
<b>Earnings per Equity Share (Basic and Diluted) (in Rs.)</b>			
(Par Value Rs. 10/- per Equity Share)	26	1.44	2.57
Significant Accounting Policies and Notes to Consolidated Financial Statements	1 to 36		

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

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

For **Haribhakti & Co. LLP**

For and on behalf of the Board of Directors

Chartered Accountants

ICAI Firm Registration No. 103523W

**Anand Kumar Jhunjunwala**

Partner

Membership No. 056613

**Hemant Kanoria**  
Chairman & Managing Director

**Shyamalendu Chatterjee**  
Director

Place : Kolkata  
Date : May 12, 2016

**Sandeep Lakhota**  
Company Secretary

**Kishore Kumar Lodha**  
Chief Financial Officer



**CONSOLIDATED CASH FLOW STATEMENT** for the year ended 31st March, 2016

(Rs. in Lacs)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit Before Tax</b>	<b>10,594</b>	<b>18,844</b>
Adjustment for:		
Depreciation / Amortisation and Impairment Expense	21,529	20,143
Bad Debts / Advances written off (net)	21,297	18,090
Provision for Bad Debts / Advances	4,630	11,484
Contingent Provision against Standard Assets	1,198	54
Adjustment on disposal / cessation of Subsidiaries, Step-down Subsidiaries and Joint Ventures of Subsidiaries	-	(24)
Miscellaneous Expenditure written off	-	14
Liabilities No Longer Required written back	(3)	(6)
Loss on Sale of Fixed Assets	24	210
Profit on Sale of Fixed Assets	(717)	(1,235)
Profit on Sale of Long-Term Trade Investments (net)	(107)	-
Loss on Sale of Stock for Trade and Investment (net)	123	427
Profit on Sale of Current Investments (net)	(27)	(392)
Dividend Income	(82)	(214)
Foreign Exchange Fluctuation Reserve	(186)	(1,046)
Provision for Diminution in value of Stock for Trade and Investment	-	928
<b>Operating Profit before Working Capital Changes</b>	<b>58,273</b>	<b>67,277</b>
<b>Changes in Working Capital</b>		
Adjustments for:		
(Increase) / Decrease in Receivables / Others	(6,564)	(27,833)
(Increase) / Decrease in Financial & Loan Assets	(86,632)	(96,335)
(Increase) / Decrease in Current Investments / Stock for Trade	1,413	29,697
(Increase) / Decrease in Fixed Deposit (having balance maturity of more than 3 months and less than 12 months)	(22,724)	949
(Decrease) / Increase in Trade Payables / Others	22,197	(5,360)
<b>Cash Generated from Operations</b>	<b>(34,037)</b>	<b>(31,605)</b>
Direct Taxes paid	(9,518)	(8,410)
<b>Net Cash (Used in) / Generated from Operating Activities</b>	<b>(43,555)</b>	<b>(40,015)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(19,292)	(17,374)
Proceeds from Sale of Fixed Assets	10,393	14,452
(Increase) / Decrease in Non Current Investments (net)	7,583	(15,360)
Dividend Received	82	214
<b>Net Cash (Used) / Generated in Investing Activities</b>	<b>(1,234)</b>	<b>(18,068)</b>
<b>C. Cash Flow from Financing Activities</b>		
(Increase) / Decrease of Goodwill on Consolidation	-	8,083
Adjustment on disposal of Step-down Subsidiaries and Joint Venture of Subsidiary	-	24
Increase / (Decrease) in Debentures (net)	(2,835)	48,796
Increase / (Decrease) in Working Capital facilities (net)	70,858	66,449
Increase / (Decrease) in Other Loans (net)	(33,343)	(60,340)
Dividend Paid	(2,516)	(2,517)
Corporate Dividend Tax Paid	(512)	(428)
<b>Net Cash (Used) / Generated in Financing Activities</b>	<b>31,652</b>	<b>60,067</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(13,137)</b>	<b>1,984</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>29,901</b>	<b>27,917</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>16,764</b>	<b>29,901</b>

**Explanations:**

1. The above Consolidated Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 'Cash Flow Statements'.

2. Previous year's figures have been rearranged/regrouped wherever necessary to conform to the current year's classification.

This is the Consolidated Cash Flow Statement referred to in our report of even date

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W

**Anand Kumar Jhunjunwala**

Partner

Membership No. 056613

Place : Kolkata

Date : May 12, 2016

For and on behalf of the Board of Directors

**Hemant Kanoria**

Chairman & Managing Director

**Shyamalendu Chatterjee**

Director

**Sandeep Lakhota**

Company Secretary

**Kishore Kumar Lodha**

Chief Financial Officer



## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **1 SIGNIFICANT ACCOUNTING POLICIES**

#### **1.1 Basis of Preparation**

The consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India, under the historical cost convention, on accrual basis. As per Rule 7 of The Companies (Accounts) Rules, 2014, the standards of accounting as specified under the Companies Act, 1956 shall be deemed to be the accounting standards until accounting standards are specified by the Central Government under Section 133 of the Companies Act, 2013. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211 (3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006], the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to an 'Infrastructure Finance Company - Non Deposit Taking' Non-Banking Finance Company ('NBFC'). The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.

#### **Operating Cycle**

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III of the Companies Act, 2013.

For the Company, there is generally no clearly identifiable normal operating cycle and hence the normal operating cycle for the Company is assumed to have a duration of 12 months.

#### **1.2 Use of estimates**

The preparation of consolidated financial statements requires the management to make estimates and assumptions which are considered to arrive at the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and the estimates are recognized in the periods in which the results are known / materialized. Any revision to the accounting estimates is recognized prospectively in the current and future accounting years.

#### **1.3 Principles of Consolidation**

Srei Infrastructure Finance Limited (the Holding Company) and its Subsidiaries (including their subsidiaries), Associates, Trusts and Joint Venture are collectively referred to as 'the Group'. The consolidated financial statements of the Group have been prepared in accordance with Accounting Standard 21 (AS-21) "Consolidated Financial Statements", Accounting Standard 23 (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS-27) "Financial Reporting of Interests in Joint Ventures". The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Holding Company and its subsidiary companies have been combined on line by line basis by adding together the book value of like items of Assets, Liabilities, Income and Expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- b) In case of investments in subsidiaries, where the shareholding is less than 100%, minority interest in the net assets of consolidated subsidiaries consist of:
  - i) The amount of equity attributable to minorities at the date on which Investment in the subsidiary is made.
  - ii) The minorities' share of movements in equity since the date the holding subsidiary relationship came into existence.
- c) Foreign subsidiaries representing non integral foreign operations are translated for the purpose of consolidation, as follows (in accordance with AS – 11):
  - i) The assets and liabilities, both monetary and non-monetary, are translated at closing rate.
  - ii) Income and expense items are translated at average rate for the period.
  - iii) All resulting exchange differences are accumulated in foreign currency translation reserve until disposal of the net investment.



## SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

- d) Uniform accounting policies for like transactions and other events in similar circumstances have been adopted and presented, to the extent possible, in the same manner as the Holding Company's separate financial statements.
- e) The excess of cost of the Holding Company of its investment in the subsidiary over the Holding Company's portion of equity of the subsidiary as at the date of investment is recognised in the consolidated financial statements as Goodwill. It is tested for impairment on a periodic basis and written-off if found impaired.
- f) The excess of Holding Company's portion of equity of the Subsidiary, over cost as at the date of investment, is treated as Capital Reserve.
- g) Investment in associate is accounted using the equity method and disclosed separately in the Consolidated Balance Sheet.
- h) Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures".

### 1.4 Fixed Assets, Depreciation / Amortisation and Impairment

#### i) Fixed Assets

Tangible fixed assets are carried at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, which take substantial period of time to get ready for their intended use, are also capitalised to the extent they relate to the period till such assets are ready to put to use.

Intangible Assets comprising of computer software and licenses expected to provide future enduring economic benefits are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises of purchase price and directly attributable expenditure on making the asset ready for its intended use. Any technology support cost or annual maintenance cost for such software is charged to the Statement of Profit and Loss.

#### ii) Depreciation / Amortisation

Depreciation on tangible assets other than Leasehold Improvements, is provided over the estimated useful life of assets, in accordance with Schedule II to the Companies Act, 2013.

The Company has adopted the useful life as specified in Schedule II to the Companies Act, 2013, except for certain assets for which the useful life has been estimated based on Independent technical advice.

The assets for which useful life are adopted as specified in Schedule II to the Companies Act, 2013 are as follows :

	Asset Description (as per Note No. 11)	Estimated useful Life as per Schedule II
<b>I</b>	<b>Assets for Own Use</b>	
i)	Buildings	60 years
ii)	Furniture and Fixtures	10 years
iii)	Motor Vehicles	8 years
iv)	Computers	3, 6 years
v)	Office Equipment	5 years
vi)	Plant & Machinery	15 years
<b>II</b>	<b>Assets given on Operating Lease</b>	
i)	Plant & Machinery	15, 30 years
ii)	Windmill	22 years



## SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

The useful life of tangible asset which is different from the useful life as specified by Schedule II is as given below:

	Asset Description (as per Note No. 11)	Estimated useful Life duly supported by technical advice	Estimated useful Life as per Schedule II
<b>I</b>	<b>Assets for Own Use</b>		
i)	Computer Equipment	5 years	3, 6 years
ii)	Motor Vehicles	7 years	8 years
iii)	Plant and Machinery	8, 25 years	15, 30 years
<b>II</b>	<b>Assets given on Operating Lease</b>		
i)	Computer Equipment	5 years	3, 6 years
ii)	Earth Moving Equipment	7 years	9 years
iii)	Motor Vehicles	7 years	8 years
iv)	Plant and Machinery	8 years	15 years
v)	Windmill	20 years	22 years
vi)	Aircrafts	18 years	20 years

In case of entities which are incorporated outside India and have prepared their Financial Statement in accordance with International Financial Reporting Standards (IFRS), generally followed in the country of their incorporation, depreciation is provided over estimated useful life of fixed assets on straight-line basis.

Fixed Assets costing up to Rs. 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

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

Lease-hold assets including improvements are amortised over the period of the lease or the estimated useful life of the asset, whichever is lower.

Amortisation of intangible assets is provided on straight line basis which reflect the managements estimate of useful life of such assets:

	Asset Description	Useful Life as followed by the management
<b>I</b>	<b>Assets for Own Use</b>	
i)	Intangible Assets	2 - 6 years

### iii) Impairment

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment, based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.



## **SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

### **1.5 Capital Work in Progress / Advance for Operating Lease**

Capital work in progress / advance for operating lease is stated at cost and includes development and other expenses, including interest during construction period.

### **1.6 Borrowing Costs**

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Borrowing costs consist of interest and other ancillary cost that an entity incurs in connection with borrowing of funds and includes exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the borrowing cost. The ancillary costs incurred in connection with the arrangement of borrowings are amortised over the life of underlying borrowings. Premium payable on redemption of bonds is amortised over the tenure of the bonds. These form part of the borrowing costs.

All other costs related to borrowings are recognised as expense in the period in which they are incurred.

### **1.7 Operating Leases**

#### **Where the company is lessee**

Leases under which all the risks and benefit of ownership are effectively retained by the lessor are classified as operating leases. Amount due under the operating leases are charged to the Statement of Profit and Loss, on a straight-line method over the lease term in accordance with Accounting Standard 19 on 'Leases'.

#### **Where the company is lessor**

Leases under which the company does not transfer substantially all the risks and benefit of ownership of the asset are classified as operating leases. Assets given on operating leases are included in fixed assets. Initial direct costs incurred before the asset is ready to be put to use, are included in the cost of the asset and those incurred afterwards, are recognised in the Statement of Profit and Loss as they are incurred. Lease income in respect of operating leases is recognised in the statement of Profit and Loss on a straight-line method over the lease term in accordance with Accounting Standard 19 on 'Leases'. Maintenance cost including depreciation is recognised as an expense in the Statement of Profit and Loss.

### **1.8 Investments**

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 on 'Accounting for Investments'. Current investments also include current maturities of long-term investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and market price determined category-wise. All non-current investments including investments in Subsidiary Companies, are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognise a decline, on an individual basis. The cost of investments acquired on amalgamations is determined as per the terms of the scheme of amalgamation.

Cost is arrived at on weighted average method for the purpose of valuation of investment.

### **1.9 Stock for Trade**

Stock for trade is carried at lower of cost and market price, determined category-wise.

### **1.10 Financial Assets**

Financial Assets include assets under loan / hypothecation facility. These are shown net of assets securitized / assigned.



## SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

Financial Assets are carried at net investment amount including installments fallen due, interest accrued and assets acquired in satisfaction of debt.

Reposessed Assets and assets acquired in satisfaction of debt are valued at lower of cost and estimated net realizable value calculated based on the valuation of the underlying assets, where applicable, carried out by an external valuer.

### 1.11 Loan Assets

Loan Assets include loans advanced by the Company, secured by collateral offered by the customers, if applicable.

Loan assets are carried at net investment amount including installments fallen due, amounts received, assets not paid for, etc. and include assets acquired in satisfaction of debt.

### 1.12 Provisioning / Write-off of Assets

The Company makes provision for Standard, Restructured and Non-Performing Assets as per the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, as amended from time to time. The Company also makes additional provision, to the extent considered necessary, based on the management's best estimate. Provision for other receivables is also made on similar basis.

Loan & Advances which, as per the management are not likely to be recovered, are considered as bad debts and written off.

In the financial statements of a foreign sub-subsidiary, provision for doubtful debtors has been determined based on specific customer identification, customer payment trends, subsequent receipts and settlements and analysis of expected future cash flows.

### 1.13 Foreign Currency Transactions, Translations and Derivative Contracts

The reporting currency of the Company is the Indian Rupee (Rs.).

#### i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the prevailing exchange rate between the reporting currency and the foreign currency, as on the date of the transaction.

#### ii) Conversion

Year end foreign currency monetary items are reported using the year end rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates prevailing at the date when the values were determined.

#### iii) Exchange Differences

Exchange differences arising on the settlement or reporting of monetary items, at rates different from those at which they were initially recorded during the year or reported in previous financial statements and / or on conversion of monetary items, are recognised as income or expense in the year in which they arise. Exchange differences arising out of foreign currency borrowings are considered as an adjustment to interest cost and recognised in accordance to para 1.6 above.

#### iv) Forward Exchange Contracts (not intended for trading or speculation purpose)

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense in the year in which it is cancelled or renewed.



**SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****v) Derivatives and Hedges**

The Company, in order to hedge itself against the adverse impact of fluctuations in foreign currency rates / variable interest benchmark on underlying liability, enters into derivative contracts in the nature of forward exchange contracts. The Company does not enter into derivative contracts for speculation or trading purposes. Derivate contracts which are closely linked to the existing assets and liabilities are accounted for as per the aforesaid policy for Foreign Currency Transactions and Translations.

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are “marked to market” on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored as a matter of prudence. The Company believes that the above treatment reflects the true effect of the hedge and also reflects the economic substance of the impact of derivative contracts.

**1.14 Revenue Recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company, it can be reliably measured and it is reasonable to expect ultimate collection.

- a) Income from Financial assets, Loans and Leases are recognised in the Statement of Profit and Loss on accrual basis, except in the case of non-performing assets where it is recognised, upon realisation, as per the Prudential Norms / Directions of RBI, applicable to NBFCs.
- b) Interest income from financial and loan assets is recognised based on the internal rate of return, to provide a constant periodic rate of return on the net investment outstanding over the period of the contract, or as per the terms of the contract.
- c) Income from operating lease is recognised on straight line basis over the lease term or other systematic basis which is more representative of the time pattern of the users benefit.
- d) Processing fees are recognised when a binding obligation for granting loan has been entered into.
- e) Income from Funds is recognised as and when it is distributed by the Fund.
- f) Delayed payment interest / incremental in interest pursuant to upward revision in benchmark interest rate is accrued, due to uncertainty of realisation, only to the extent of probable recovery, as per the best estimate of the management.
- g) Gains arising on securitisation / assignment of assets, if any, are recognised over the tenure of agreements as per guideline on securitisation of standard assets issued by RBI, while loss, if any is recognised upfront. These are considered as income from financial / loan assets.
- h) Income from Equipment Rental is recognised on the basis of rendering of services to customers on a proportionate time basis, in accordance with the respective Contracts / Agreements.
- i) Fees for advisory services is accounted based on the stage of completion of assignments, when there is reasonable certainty of its ultimate realisation / collection. Other fee based income is accounted for on accrual basis.
- j) Income from Dividend of shares of corporate bodies is accounted when the Company's right to receive the dividend is established.
- k) Interest income on fixed deposits / margin money / pass through certificates is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- l) Profit or Loss on sale of non-current and current investments are recognised when a binding obligation has been entered into.



## SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

- m) Claims lodged with the insurance companies are accounted for on accrual basis, to the extent these are measurable and ultimate collection is reasonably certain.
- n) All other income is accounted for on accrual basis.

### 1.15 Retirement and Other Employee Benefits

- a) Retirement and employee benefits in the form of Provident Fund and Employee State Insurance are defined contribution plans and the Company's contributions, paid or payable during the reporting period, are charged to the Statement of Profit and Loss.
- b) Gratuity liability is a defined benefit plan and is provided for on the basis of actuarial valuation on projected unit credit method at the Balance Sheet date.
- c) Long-Term compensated absences are provided for based on actuarial valuation as per projected unit credit method at the Balance Sheet date.
- d) Actuarial gains / losses are charged to the Statement of Profit and Loss and are not deferred.

### 1.16 Taxes on Income

Tax expense comprises of current tax [(net of Minimum Alternate Tax (MAT) credit entitlement)] and deferred tax.

Current tax is the amount of tax payable on the taxable income for the period determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax reflects the impact of timing differences between taxable income and accounting income for the current period and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the period in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 1.17 Segment Reporting

Based on the risks and returns associated with business operations and in terms of Accounting Standard 17 (Segment Reporting), the Group is predominantly engaged in 'Financial Services' and 'Infrastructure Equipment Services' as primary reportable segments.



## **SIGNIFICANT ACCOUNTING POLICIES**

### **1.18 Provision, Contingent Liabilities and Contingent Assets**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the consolidated financial statements.

### **1.19 Earnings Per Share (EPS)**

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

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### **1.20 Assets under Management**

Contracts securitised, assigned or co-branded are derecognised from the books of accounts. Contingent liabilities thereof, if any, are disclosed separately in the notes to consolidated financial statements.

### **1.21 Prior Period and Extra Ordinary Items**

Prior Period and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed separately.

### **1.22 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Cost of inventory is determined using the 'weighted average' basis and includes all costs incurred in bringing the goods to their present location and condition.

The Company provides for obsolete, slow-moving and damaged inventory based on management estimates of the usability of such inventory.

### **1.23 Miscellaneous Expenditure**

The expenses incurred on issue of Equity Shares, Long-Term Bonds and Debentures are amortised as follows:-

- i) Expenses on issue of Equity Shares are amortised over a period of ten years.
- ii) Expenses on issue of Bonds and Debentures are amortised over the tenure of the respective Bonds and Debentures.

Preliminary expenses are written off in the year of incurrence.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 2. SHARE CAPITAL

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Rs. in Lacs	No. of Shares	Rs. in Lacs
<b>Authorised</b>				
Equity Shares, Rs. 10/- par value per share	1000000000	1,00,000	1000000000	1,00,000
Preference Shares, Rs. 100/- par value per share	50000000	50,000	50000000	50,000
		<b>1,50,000</b>		<b>1,50,000</b>
<b>Issued and Subscribed</b>				
Equity Shares, Rs. 10/- par value per share	503559160	50,356	503559160	50,356
<b>Fully Paid-up</b>				
Equity Shares, Rs. 10/- par value per share	503086333 <sup>1</sup>	50,309	503086333 <sup>1</sup>	50,309
<b>Forfeited Shares</b>	472827	15	472827	15
		<b>50,324</b>		<b>50,324</b>

<sup>1</sup>Includes 21600 shares represented by 5400 Global Depository Receipts (GDRs) issued vide Prospectus dated 18.04.2005.

#### 2.1 Reconciliation of the Number of Equity Shares outstanding

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

Equity Shares	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Rs. in Lacs	No. of Shares	Rs. in Lacs
At the beginning of the year	503086333	50,309	503086333	50,309
Add: Issued during the year	-	-	-	-
At the end of the year	503086333	50,309	503086333	50,309



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 2.2 Rights, preferences and restrictions in respect of each class of shares

The Company's authorised capital consists of two classes of shares, referred to as Equity Shares and Preference Shares having par value of Rs. 10/- and Rs. 100/- each respectively. Each holder of equity shares is entitled to one vote per share. Preference Shareholder has a preferential right over equity share holders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Company during the year ended 31st March, 2016 and 31st March, 2015.

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

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

### 2.3 Shares allotted as fully paid-up without payment being received in cash / by way of bonus shares (during 5 years preceding 31st March, 2016)

Pursuant to amalgamation of Quippo Infrastructure Equipment Limited (Transferor Company) into and with the Company, approved by the Equity Shareholders of the Company and sanctioned by the Hon'ble High Court of Calcutta on 18th January, 2011, the Company issued and allotted 92915839 equity shares of Rs. 10/- par value, as fully paid up bonus shares, to the pre-amalgamation equity shareholders of the Company on 5th March, 2011.

### 2.4 Details of Shareholders holding more than 5% of the equity shares each, are set out below:

Name of the shareholders	As at 31st March, 2016		As at 31st March, 2015	
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
Adisri Commercial Private Limited (Holding Company)	293201250	58.28	268191250	53.31
Srei Growth Trust*	48600000	9.66	48600000	9.66
Fidelity Investment Trust Fidelity Series Emerging Markets Fund	42943661	8.54	47462511	9.43
Opulent Venture Capital Trust	Nil	Nil	35474595	7.05

\*Held in the name of Trustees



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)****3. RESERVES AND SURPLUS**

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Capital Reserve</b>		
Opening balance	1,979	2,015
Add: Addition / (deduction) during the year	-	(36)
Closing balance	<b>1,979</b>	<b>1,979</b>
<b>Securities Premium Reserve</b>		
Opening balance	62,578	62,578
Add: Addition / (deduction) during the year	-	-
Closing balance	<b>62,578</b>	<b>62,578</b>
<b>Bond / Debt Redemption Reserve</b>		
Opening balance	44,115	32,678
Add: Transfer from Surplus in the Consolidated Statement of Profit and Loss	1,427	11,437
Less: Transfer to Surplus, on repayment of Bond / Debt	-	-
Closing balance	<b>45,542</b>	<b>44,115</b>
<b>Special Reserve (Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934)</b>		
Opening balance	31,003	27,641
Add: Transfer from Surplus in the Consolidated Statement of Profit and Loss	2,302	3,362
Closing balance	<b>33,305</b>	<b>31,003</b>
<b>Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)</b>		
Opening balance	2,491	-
Add: Transfer from Surplus in the Consolidated Statement of Profit and Loss	2,593	2,491
Closing balance	<b>5,084</b>	<b>2,491</b>
<b>General Reserve</b>		
Opening balance	1,36,804	1,36,804
Add: Addition / (deduction) during the year	-	-
Closing balance	<b>1,36,804</b>	<b>1,36,804</b>
<b>Foreign Currency Translation Reserve</b>		
Opening balance	(1,578)	(532)
Add: Addition / (deduction) during the year	(186)	(1,046)
Closing balance	<b>(1,764)</b>	<b>(1,578)</b>
<b>Surplus in the Consolidated Statement of Profit and Loss</b>		
Opening balance	30,747	38,178
Add: Net profit for the year	7,252	13,020
Amount available for appropriation	<b>37,999</b>	<b>51,198</b>
<b>Appropriations:</b>		
Proposed Equity dividend	2,516	2,516
Corporate dividend tax on proposed dividend	512	512
Carrying value of assets where the remaining useful life of an asset is nil as at 1st April, 2014	-	133
Transferred to Bond / Debt Redemption Reserve (net)	1,427	11,437
Transferred to Special Reserve	2,302	3,362
Transferred to Income Tax Special Reserve	2,593	2,491
Closing balance	<b>28,649</b>	<b>30,747</b>
<b>Total Reserves and Surplus</b>	<b>3,12,177</b>	<b>3,08,139</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**
**4. LONG-TERM BORROWINGS**

(Rs. in Lacs)

Particulars	As at 31st March, 2016			As at 31st March, 2015		
	Non-Current Maturities	Current Maturities	Total	Non-Current Maturities	Current Maturities	Total
<b>A. Secured</b>						
<b>Bonds / Debentures</b>						
Long-Term Infrastructure Bonds	-	2,489	2,489	2,489	-	2,489
Non-Convertible Debentures	1,62,101	51,913	2,14,014	1,85,174	41,905	2,27,079
<b>Term Loans</b>						
From Banks						
- Rupee Loans	1,93,183	1,13,344	3,06,527	2,05,936	1,27,130	3,33,066
- Foreign Currency Loans	40,494	34,323	74,817	64,811	26,434	91,245
From Other Financial Institutions						
- Rupee Loans	6,590	6,030	12,620	12,620	6,030	18,650
- Foreign Currency Loans	15,286	12,742	28,028	26,773	13,293	40,066
<b>(A)</b>	<b>4,17,654</b>	<b>2,20,841</b>	<b>6,38,495</b>	<b>4,97,803</b>	<b>2,14,792</b>	<b>7,12,595</b>
<b>B. Unsecured</b>						
<b>Bonds / Debentures</b>						
Subordinated Perpetual debentures (Tier I Capital)	1,875	-	1,875	1,875	-	1,875
Subordinated bonds / debentures (Tier II Capital)	1,59,684	10,835	1,70,519	1,55,039	-	1,55,039
Foreign currency non-convertible bonds / debentures	2,087	-	2,087	-	-	-
0.1% Non-Convertible Cumulative Redeemable Preference Shares	14	-	14	14	-	14
<b>Term Loans</b>						
From Banks						
- Rupee Loans						
Subordinated loans from banks (Tier II Capital)	12,500	2,500	15,000	12,500	-	12,500
Other term loans from banks	4,813	1,625	6,438	1,938	812	2,750
- Foreign Currency Loans						
Other term loans from banks	11,925	-	11,925	11,249	-	11,249
From Other Parties						
- Foreign Currency Loans						
Other term loans from financial institution	9,943	-	9,943	-	720	720
<b>Deposits</b>						
Inter Corporate Deposits from Others	765	89	854	-	89	89
<b>(B)</b>	<b>2,03,606</b>	<b>15,049</b>	<b>2,18,655</b>	<b>1,82,615</b>	<b>1,621</b>	<b>1,84,236</b>
<b>Total (A+B)</b>	<b>6,21,260</b>	<b>2,35,890</b>	<b>8,57,150</b>	<b>6,80,418</b>	<b>2,16,413</b>	<b>8,96,831</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)****5. OTHER LONG-TERM LIABILITIES**

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Acceptances	1,170	214
Interest Accrued but not due on Borrowings	2,644	3,776
Sundry liabilities (Interest Capitalisation) Account (As per RBI guidelines)	3,283	2,453
Security Deposits & Retentions	7,050	4,358
Other Liabilities	30	86
<b>Total</b>	<b>14,177</b>	<b>10,887</b>

**6. LONG-TERM PROVISIONS**

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Provision for Employee Benefits (Non-Current Portion)</b>		
Gratuity	707	565
Unavailed leave	867	801
<b>(A)</b>	<b>1,574</b>	<b>1,366</b>
<b>Other Provisions</b>		
Contingent Provision against Standard Assets	3,671	3,291
<b>(B)</b>	<b>3,671</b>	<b>3,291</b>
<b>Total (A+B)</b>	<b>5,245</b>	<b>4,657</b>

**6.1 Provision for Diminution in Value of Stock for Trade and Investment**

(Rs. in Lacs)

Particulars	2015-16	2014-15
Provision for Diminution in Value of Long-Term Trade Investment	-	(29)
Provision for Diminution in Value of Stock for Trade	-	957
<b>Total</b>	<b>-</b>	<b>928</b>

**6.2 Loss on Sale of Stock for Trade and Investment (net)**

(Rs. in Lacs)

Particulars	2015-16	2014-15
Loss on Sale of Long-Term Trade Investment (net)	-	51
Loss on Sale of Stock for Trade (net)	1,085	376
Less:		
Provision for Diminution in Value of Stock for Trade	962	-
<b>Total</b>	<b>123</b>	<b>427</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 7. SHORT-TERM BORROWINGS

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>A. Secured</b>		
<b>Bonds / Debentures</b>		
Non-Convertible Debentures	3,250	8,500
<b>Term loans</b>		
From Banks		
- Rupee Loans	6,250	6,250
<b>Loans Repayable on Demand</b>		
Working Capital Facilities from banks		
- Rupee Loans	8,78,300	6,27,200
- Foreign Currency Loans	1,247	-
Cash Credit		
- Rupee Loans	2,296	2,100
<b>Other Loans</b>		
Working Capital Facilities from banks	2,65,657	4,49,498
Buyer's Credit from Banks - Foreign Currency Loans	7,597	5,441
<b>(A)</b>	<b>11,64,597</b>	<b>10,98,989</b>
<b>B. Unsecured</b>		
<b>Deposits</b>		
Inter Corporate Deposits from Others	702	-
<b>Other Loans</b>		
Commercial Papers from Others (net of prepaid discount)	44,819	36,756
<b>(B)</b>	<b>45,521</b>	<b>36,756</b>
<b>Total (A+B)</b>	<b>12,10,118</b>	<b>11,35,745</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)****TRADE PAYABLES****8.1 Due to Micro and Small Enterprises**

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**8.2 Due to Others**

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Trade Payables</b>		
For Services	3,691	5,119
Acceptances	16,022	3,629
<b>Others</b>		
Operating Lease	20,658	13,306
<b>Total</b>	<b>40,371</b>	<b>22,054</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

## 9. OTHER CURRENT LIABILITIES - OTHERS

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest Accrued but not due on Borrowings	28,671	21,476
Interest Accrued and due on Borrowings	191	167
Interest Accrued but not due on others	46	26
Unclaimed Dividend (refer Note No. 9.1)	36	36
Unclaimed Matured Public Deposits and Interest Accrued thereon (refer Note No. 9.1)	16	23
For Capital Goods	4	12
Sundry liabilities (Interest Capitalisation) Account (As per RBI guidelines)	-	718
Advance from Customers	658	921
Statutory Liabilities	1,045	1,016
Security Deposits & Retentions	4,584	6,305
Payable to Employees	852	730
Premium payable on Forward Contract	417	309
Commission Payable to Directors	168	187
Liability for Operating Expenses	3,353	2,620
Bank Overdraft	-	52
Other Liabilities	48	447
<b>Total</b>	<b>40,089</b>	<b>35,045</b>

9.1 To be credited to Investor Education and Protection Fund as and when due.

## 10. SHORT-TERM PROVISIONS

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Provision for Employee Benefits (Current Portion)</b>		
Unavailed leave	162	147
Gratuity	1	51
<b>(A)</b>	<b>163</b>	<b>198</b>
<b>Other Provisions</b>		
Proposed Equity Dividend	2,516	2,516
Provision for Corporate Dividend Tax	512	512
Contingent Provision against Standard Assets	1,876	1,058
<b>(B)</b>	<b>4,904</b>	<b>4,086</b>
<b>Total (A+B)</b>	<b>5,067</b>	<b>4,284</b>



## 11. FIXED ASSETS

(Rs. in Lacs)

[illegible]



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 12.1 NON-CURRENT INVESTMENTS

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
In Associates [includes goodwill Rs. 3,923 Lacs (Previous year Rs. 3,923 Lacs)]	8,047	8,047
In Other Securities	2,07,418	2,14,919
<b>Total</b>	<b>2,15,465</b>	<b>2,22,966</b>

### 12.2 CURRENT INVESTMENTS

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
In Other Securities	1,517	2,028
<b>Total</b>	<b>1,517</b>	<b>2,028</b>

### 13. FINANCIAL ASSETS

(Rs. in Lacs)

Particulars	As at 31st March, 2016			As at 31st March, 2015		
	Long-Term		Short-Term	Long-Term		Short-Term
	Non- Current Maturities	Current Maturities		Non- Current Maturities	Current Maturities	
Secured, Considered Good <sup>1</sup>	4,18,316	1,81,567	1,08,922	3,92,713	2,08,798	1,15,477
Less: Bad debts for the year / Provision against Non Performing Assets	(27,026)	-	-	(23,912)	-	-
<b>Total</b>	<b>3,91,290</b>	<b>1,81,567</b>	<b>1,08,922</b>	<b>3,68,801</b>	<b>2,08,798</b>	<b>1,15,477</b>

<sup>1</sup> The above financial assets are secured by underlying hypothecated assets and in certain cases, are additionally secured by immovable properties and pledge of equity shares of the borrowers by way of collateral security. Securities, created / to be created by borrowers, against financial assets are based on the valuation of underlying assets, where applicable, carried out by an external valuer.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)****14. LOAN ASSETS**

(Rs. in Lacs)

Particulars	As at 31st March, 2016			As at 31st March, 2015		
	Long-Term		Short-Term	Long-Term		Short-Term
	Non- Current Maturities	Current Maturities		Non- Current Maturities	Current Maturities	
<b>Considered Good, unless otherwise stated</b>						
<b>Secured <sup>1</sup></b>						
Loans to Others	8,69,854	3,43,686	9,086	8,12,187	2,79,607	29,903
Loans to Related parties	65,710	2,357	-	47,231	1,027	-
<b>(A)</b>	<b>9,35,564</b>	<b>3,46,043</b>	<b>9,086</b>	<b>8,59,418</b>	<b>2,80,634</b>	<b>29,903</b>
<b>Unsecured</b>						
Loans to Others	1,243	23	4,449	2,692	1,306	949
Loans to Related parties	-	-	-	31	-	-
<b>(B)</b>	<b>1,243</b>	<b>23</b>	<b>4,449</b>	<b>2,723</b>	<b>1,306</b>	<b>949</b>
Less: Provision for Bad Debts / Advances	(18,491)	-	-	(13,879)	-	-
<b>(C)</b>	<b>(18,491)</b>	<b>-</b>	<b>-</b>	<b>(13,879)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B+C)</b>	<b>9,18,316</b>	<b>3,46,066</b>	<b>13,535</b>	<b>8,48,262</b>	<b>2,81,940</b>	<b>30,852</b>

<sup>1</sup> Secured by underlying assets and in certain cases are additionally secured by immovable properties and / or pledge of equity shares of the borrowers by way of collateral security. Exposures which are secured by a charge over future toll revenue / cash flows / receivables etc. have been considered as secured.

**15. OTHER LONG-TERM ADVANCES**

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, Considered Good</b>		
<b>Advances</b>		
Capital Advances	3,044	2,929
Advance to Vendors for Operating Expenses	122	174
Employee Advance	43	67
Advance against investments	23	23
Prepaid Expenses	1,534	1,103
Balance with Revenue Authorities	17,611	13,965
Security Deposits - to Others	27,270	12,262
MAT Credit Entitlement	378	372
Other Advances	3	330
<b>Total</b>	<b>50,028</b>	<b>31,225</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 16. OTHER NON-CURRENT ASSETS

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, Considered Good</b>		
Non-Current portion of other Bank Balances		
Fixed Deposit Account with balance maturity of more than twelve months :		
- Not Under Lien	2	40
- Under Lien	2,114	1,428
Unamortised Ancillary Borrowing Costs	3,650	5,386
Interest Accrued but not due	1,203	619
Income Accrued but not due	314	342
Receivable on Derivative Contracts	3,918	7,510
Other Receivables	5,092	8,009
<b>Total</b>	<b>16,293</b>	<b>23,334</b>

### 17. TRADE RECEIVABLES

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured</b>		
Considered Good		
Outstanding for more than Six Months	5,986	5,995
Other Debts	4,619	21,085
	<b>10,605</b>	<b>27,080</b>
Less: Bad Debts / Provision for Bad Debts	(140)	(538)
<b>(A)</b>	<b>10,465</b>	<b>26,542</b>
Considered Doubtful		
Outstanding for more than Six Months	472	144
Other Debts	-	-
Less: Bad Debts / Provision for Bad Debts	(472)	(144)
<b>(B)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>10,465</b>	<b>26,542</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)****18. CASH AND CASH EQUIVALENTS**

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Cash on Hand	480	341
Balances with Banks - in Current Account	6,437	14,456
Cheques on Hand	6,906	3,782
Fixed Deposits with Banks having original maturity of 3 months or less	2,905	11,286
Unclaimed Dividend Account	36	36
<b>(A)</b>	<b>16,764</b>	<b>29,901</b>
Other Bank Balances :		
Fixed Deposit with bank having balance maturity of twelve months or less :		
- Not Under Lien	5,807	417
- Under Lien	43,844	27,158
Fixed Deposit with bank having balance maturity of more than twelve months	2,116	1,468
Less: Non-current portion of other bank balances disclosed separately under 'Other Non-Current Assets' (refer Note No. 16)	(2,116)	(1,468)
<b>(B)</b>	<b>49,651</b>	<b>27,575</b>
<b>Total (A+B)</b>	<b>66,415</b>	<b>57,476</b>

**19. OTHER SHORT-TERM ADVANCES**

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, Considered good</b>		
Advances		
Advance to Vendors for Operating Expenses	1,252	3,690
Employee Advance	193	375
Advance to Related parties	6	-
Security Deposits - to Others	1,094	949
Prepaid Expenses	980	1,179
Balance with Revenue Authorities	691	840
Other Advances	8,043	1,614
<b>Total</b>	<b>12,259</b>	<b>8,647</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

## 20. OTHER CURRENT ASSETS

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unamortised Ancillary Borrowing Costs	2,427	2,575
Interest Accrued but not due	18,969	53,500
Income Accrued but not due	29	47
Stock for Trade	71	1,428
Receivable on Derivative Contracts to hedge foreign currency borrowings	15,603	11,586
Derivative Asset Forward	-	1,248
Advance against Insurance	-	10
Other Receivables	6,938	3,730
Miscellaneous Expenditure to the extent not written off or adjusted	1	84
<b>Total</b>	<b>44,038</b>	<b>74,208</b>

## 21. REVENUE FROM OPERATIONS

(Rs. in Lacs)

Particulars	2015-16	2014-15
Income from Loans / Financial Assets	2,86,209	2,69,647
Income from Leases	22,969	22,569
Fee Based Income	5,025	16,134
Income from Equipment Rental	3,416	15,211
Income from Long-Term Trade Investments	363	5,057
Interest from Long-Term Trade Investments	34	23
Interest on Fixed Deposits and Other Receivables	5,182	4,661
<b>Total</b>	<b>3,23,198</b>	<b>3,33,302</b>

## 22. OTHER INCOME

(Rs. in Lacs)

Particulars	2015-16	2014-15
Liabilities No Longer Required Written Back	3	6
Dividend Income	82	214
Profit on Sale of Long-Term Trade Investments (Net)	107	-
Profit on Sale of Current Investments (Net)	27	392
Profit on Sale of Fixed Assets	717	1,235
Other Non-Operating Income	2,060	883
<b>Total</b>	<b>2,996</b>	<b>2,730</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)****23. FINANCE COSTS**

(Rs. in Lacs)

Particulars	2015-16	2014-15
Interest Expense & Finance Charges	2,04,463	1,92,022
Other Borrowing Costs	24,917	34,047
Applicable net (gain) / loss on foreign currency transactions and translations	1,695	1,346
<b>Total</b>	<b>2,31,075</b>	<b>2,27,415</b>

**24. EMPLOYEE BENEFITS EXPENSE**

(Rs. in Lacs)

Particulars	2015-16	2014-15
Salaries, Allowances, Commission & Bonus	13,355	13,187
Contribution to Provident and Other Funds	678	797
Staff Welfare Expenses	453	445
<b>Total</b>	<b>14,486</b>	<b>14,429</b>

**25. ADMINISTRATIVE AND OTHER EXPENSES**

(Rs. in Lacs)

Particulars	2015-16	2014-15
Communication Expenses	341	342
Outsourced Manpower Expenses	53	362
Site & Site Mobilisation Expenses	1,757	2,556
Legal & Professional Fees	5,606	6,739
Power & Fuel	560	526
Rent	1,458	1,273
Equipment Hire & Leasing	186	1,074
Rates and Taxes	337	279
Brokerage and Service Charges	1,091	869
Payments to the Auditor	210	159
Repairs - Machinery	1,569	2,874
- Others	1,643	1,559
Travelling and Conveyance	2,803	2,781
Directors' Fees	82	78
Insurance	481	486
Printing and Stationery	205	179
Advertisement, Subscription and Donation	764	556
Corporate Social Responsibility Expenses	240	202
Loss on Sale of Fixed Assets	24	210
Miscellaneous Expenditure Written off	-	14
Miscellaneous Expenses	1,852	1,124
<b>Total</b>	<b>21,262</b>	<b>24,242</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

## 26. EARNINGS PER EQUITY SHARE

Particulars	2015-16	2014-15
(a) Profit after tax attributable to Equity Shareholders (Rs. in Lacs)	7,252	12,911
(b) Weighted average number of Equity Shares (Basic)	503086333	503086333
(c) Weighted average number of Potential Equity Shares	-	-
(d) Weighted average number of Equity Shares (Diluted)	503086333	503086333
(e) Nominal Value of Equity per share (Rs.)	10	10
(f) Basic Earnings per share [(a) / (b)] (Rs.)	1.44	2.57
(g) Diluted Earnings per share [(a) / (d)] (Rs.)	1.44	2.57

27 In accordance with Accounting Standard 21 "Consolidated Financial Statements", the Consolidated Financial Statements of the Group include the financial statements of the Holding Company and all its subsidiaries and sub-subsidiaries which are more than 50% owned and controlled. Enterprises over which the Company exercises significant influence are considered for preparation of the Consolidated Financial Statements as per Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements" and Interests in Joint Ventures (JV) have been accounted by using the proportionate consolidation method as per Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures". Investments that are acquired and held exclusively with a view to subsequent disposal in the near future are not considered for consolidation.

28. The details of subsidiaries (including their subsidiaries), associates, trusts and joint venture are as follows:—

Name of the Company	Country of incorporation	% Holding	
		As at 31st March, 2016	As at 31st March, 2015
Subsidiaries			
Srei Capital Markets Limited	India	100	100
Srei Alternative Investment Managers Limited	India	100	100
Srei Infrastructure Advisors Limited	India	100	100
Controlla Electrotech Private Limited	India	100	100
Srei Mutual Fund Asset Management Private Limited	India	100	100
Srei Mutual Fund Trust Private Limited	India	100	100
Srei International Infrastructure Services GmbH, Germany	Germany	92.54	92.54
Srei Forex Limited	India	100	100
Srei Insurance Broking Private Limited	India	100	100
Quippo Oil & Gas Infrastructure Limited	India	100	99.90
Quippo Energy Limited (Formerly Quippo Energy Private Limited)	India	100	100
Goldensons Construction Private Limited (ceased to be Subsidiary w.e.f 30.06.2015)	India	-	100
Srei Asset Reconstruction Private Limited (Subsidiary between 30.06.2014 to 01.09.2014 and w.e.f. 31.03.2015)	India	100	100



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

Name of the Company	Country of incorporation	% Holding	
		As at 31st March, 2016	As at 31st March, 2015
Step-down Subsidiaries			
Bengal Srei Infrastructure Development Limited (Subsidiary of Srei Infrastructure Advisors Limited)	India	51	51
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India	51	51
Cyberabad Trustee Company Private Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India	51	51
ZAO Srei Leasing (Subsidiary of Srei International Infrastructure Services GmbH)	Russia	64.20	64.20
Srei Advisors Pte Limited (Subsidiary of Srei International Infrastructure Services GmbH)	Singapore	100	100
Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd ) (Subsidiary of Quippo Oil & Gas Infrastructure Limited w.e.f. 23.01.2015)	India	100	100
Joint Venture			
Srei Equipment Finance Limited (SEFL)	India	50	50
Associates			
Sahaj e-Village Limited	India	49.47	48.32
Attivo Economic Zone (Mumbai) Private Limited (ceased to be Subsidiary and has become Associate w.e.f. 30.12.2014)	India	48.78	48.78
Trusts			
Srei Growth Trust		India	
Srei Mutual Fund Trust		India	



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>A. Contingent Liabilities</b>		
(a) Claims against the Company not acknowledged as debts:		
Direct Tax demands	8,484	6,461
Indirect Tax demands	5,742	4,671
(b) Guarantees:		
Bank Guarantees	13,464	6,220
Guarantees to Banks and Others against credit facilities extended by them to third parties	9,539	13,672
Guarantees to Banks and others, in the form of Put Option against loan facilities	2,088	32,490
<b>Total</b>	<b>39,317</b>	<b>63,514</b>
<b>B. Commitments</b>		
Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)	3,158	3,036
On account of Letter of Credit	1,16,671	53,752
On account of Derivative Instruments ( <i>refer note 29.1</i> )		
Other Commitments	90	43

**29.1** The Company has entered into Options / Swaps / Forward contracts (being derivative instruments) which are not intended for trading or speculation, for the purpose of hedging currency and interest rate related risks. Options, Swaps and Forward contracts outstanding as at year end are as follows:

(Amount in Lacs)

Category	Currency	As at 31st March, 2016	As at 31st March, 2015
Options / Swaps	EUR / INR	EUR 252	EUR 159
Options / Swaps	SGD / USD	SGD 63	SGD 105
Options / Swaps	USD / INR	USD 1,252	USD 1,636
Forwards	EUR / INR	EUR 48	EUR 29
Forwards	SGD / INR	-	SGD 14
Forwards	USD / INR	USD 147	USD 42
Forwards	USD / RUR	-	USD 28
Forwards	AUD / INR	-	AUD 5
Interest Rate Swaps	EUR	EUR 3	EUR 9
Interest Rate Swaps	USD	USD 1,054	USD 1,254



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

- 30** a) Management accounts of Srei International Infrastructure Services GmbH (Srei IIS) upto 31st March, 2016 have been prepared in accordance with International Financial Reporting Standards (IFRS), generally followed in the country of their incorporation. Differences in accounting policies as between IFRS and Indian GAAP are not material, in the context of consolidation of Srei IIS in these consolidated financial statements.
- b) Management accounts of ZAO Srei Leasing (ZAO), subsidiary of Srei IIS have been prepared up to 31st March, 2016 in accordance with IFRS, generally followed in the country of their incorporation and considered for consolidation with Srei IIS. Differences in accounting policies as between IFRS and Indian GAAP are not material, in the context of consolidation of ZAO in these consolidated financial statements.
- c) The audited financial statements of Srei Advisors Pte Limited (SAPL) subsidiary of Srei IIS is prepared upto 31st December every year. Management accounts for the period 1st January, 2015 to 31st March, 2015 and 1st January, 2016 to 31st March, 2016 have been used for consolidation with Srei IIS. The financial statements of SAPL have been prepared in accordance with IFRS, generally followed in the country of it's incorporation. Differences in accounting policies as between IFRS and Indian GAAP are not material, in the context of consolidation of SAPL in these consolidated financial statements.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

31. The Reporting Company's proportionate share in the assets, liabilities, income and expenses of its Joint Venture Company included in these consolidated financial statements are given below:

(Rs. in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>		
Share Capital	2,983	2,983
Reserves and Surplus	1,15,216	1,09,453
	<b>1,18,199</b>	<b>1,12,436</b>
<b>Non-Current Liabilities</b>		
Long-Term Borrowings	1,38,942	1,60,748
Deferred Tax Liabilities (Net)	8,583	9,078
Other Long-Term Liabilities	8,128	6,871
Long-Term Provisions	1,986	2,036
	<b>1,57,639</b>	<b>1,78,733</b>
<b>Current Liabilities</b>		
Short-Term Borrowings	3,81,575	4,09,283
Trade Payables	38,406	19,182
Other Current Liabilities		
- Current Maturities of Long-Term Borrowings	72,169	83,196
- Other Current Liabilities	13,648	10,298
Short-Term Provisions	1,472	1,624
	<b>5,07,270</b>	<b>5,23,583</b>
<b>TOTAL</b>	<b>7,83,108</b>	<b>8,14,752</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Fixed Assets		
- Tangible Assets	69,161	80,973
- Intangible Assets	1,738	1,945
Non-Current Investments	109	403
Long-Term Loans and Advances		
- Financial Assets	3,91,290	3,68,801
- Other Long-Term Advances	1,160	1,707
Other Non-Current Assets	6,721	8,552
	<b>4,70,179</b>	<b>4,62,381</b>
<b>Current Assets</b>		
Current Investments	286	363
Trade Receivables	3,492	3,295
Cash and Bank Balances	10,392	17,665
Short-Term Loans and Advances		
- Financial Assets	1,08,922	1,15,477
- Other Advances	1,521	1,639
Other Current Assets		
- Current Maturities of Long-Term Financial Assets	1,81,567	2,08,798
- Other Current Assets	6,749	5,134
	<b>3,12,929</b>	<b>3,52,371</b>
<b>TOTAL</b>	<b>7,83,108</b>	<b>8,14,752</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

(Rs. in Lacs)

Particulars	2015-16	2014-15
<b>STATEMENT OF PROFIT AND LOSS</b>		
<b>INCOME</b>		
Revenue from Operations	1,30,695	1,30,072
Other Income	61	417
<b>TOTAL</b>	<b>1,30,756</b>	<b>1,30,489</b>
<b>EXPENDITURE</b>		
Employee Benefits Expense	7,299	7,128
Finance Costs	70,886	72,114
Depreciation / Amortization and Impairment	16,130	14,628
Administrative and Other Expenses	8,610	8,422
<b>TOTAL</b>	<b>1,02,925</b>	<b>1,02,292</b>
<b>PROFIT BEFORE BAD DEBTS, PROVISIONS AND TAX</b>	<b>27,831</b>	<b>28,197</b>
Bad debts written off (Net) / Provision for Non Performing Assets and Standard Assets	19,809	16,829
<b>PROFIT BEFORE TAX</b>	<b>8,022</b>	<b>11,368</b>
Provision for Tax	2,259	3,717
<b>PROFIT AFTER TAX</b>	<b>5,763</b>	<b>7,651</b>
<b>Proportionate Share in Reserves of Joint Venture:</b>		
Capital Reserves	16	16
Securities Premium Account	51,990	51,990
Debt Redemption Reserve	29,300	27,873
Special Reserve as per Reserve Bank of India Directions	12,665	11,511
Income Tax Special reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	4,198	1,986
Surplus in the Statement of Profit and Loss	17,048	16,077
<b>TOTAL</b>	<b>1,15,217</b>	<b>1,09,453</b>
Contingent Liabilities	3,649	837
Capital Commitments (Net of Advances)	790	713



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

## 32. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 18 - RELATED PARTY DISCLOSURES

## List of related parties:

## Holding Company:

Adisri Commercial Private Limited (w.e.f 26.02.2015)

## Joint Venture:

Srei Equipment Finance Limited

## Key Management Personnel (KMP):

Name	Designation
Mr. Hemant Kanoria	Chairman & Managing Director
Mr. John Moses Harding (Upto 31-Jan-2016)	Group Chief Executive Officer - Liability & Treasury Management
Mr. Bijoy Kumar Daga	Chief Executive Officer - Infrastructure Project Finance
Mr. Bajrang Kumar Choudhary	Chief Executive Officer - Infrastructure Project Development
Mr. Kishore Kumar Lodha	Chief Financial Officer
Mr. Sandeep Lakhotia	Company Secretary

## Enterprise over which relative of a KMP has significant influence

Viom Networks Limited (ceased w.e.f 21.04.2016)

## Summary of transactions with related parties:

(Rs. in Lacs)

Name of related party	2015-16		2014-15	
	Value of Transaction / Outstanding	Amount Considered in Consolidation	Value of Transaction / Outstanding	Amount Considered in Consolidation
<b>(A) Joint Venture :</b>				
<b>Srei Equipment Finance Limited</b>				
<b>Transactions during the year :</b>				
Rent Received	1,734	867	1,643	822
Fees Income for Services	15	7	14	7
Sale of Equity Shares of Srei Asset Reconstruction Private Limited	-	-	5	2
Purchase of units of Debt Fund	-	-	3,554	1,777
Security Deposit Received	22	11	69	35
<b>Outstanding as at year end:</b>				
Balance Receivable-Others	-	-	351	176
Balance Payable-Others	-	-	25	13
Balance Payable-Security Deposit	1,551	775	1,528	764



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

(Rs. in Lacs)

Name of related party and Nature of relationship	Nature of Transactions	Year ended 31st March, 2016		Year ended 31st March, 2015	
		For the Year	Balance as at 31st March, 2016	For the Year	Balance as at 31st March, 2015
<b>(B) Key Management Personnel (KMP) :</b>					
Mr. Hemant Kanoria	Remuneration	247	-	162	-
	Commission	60	60	60	60
	Dividend paid	2	-	2	-
Mr. Sanjeev Sancheti*	Remuneration	-	-	62	-
	Dividend Paid	-	-	0.13	-
	Loan advanced	-	-	-	36
Mr. Sandeep Lakhotia	Remuneration	79	-	69	-
	Dividend Paid	0.49	-	0.33	-
Mr. Bajrang Kumar Choudhary	Remuneration	123	-	91	-
	Dividend paid	0.39	-	0.18	-
Mr. Rajdeep Khullar*	Remuneration	-	-	48	-
Mr. Shashi Bhushan Tiwari*	Remuneration	-	-	32	-
	Dividend Paid	-	-	0.29	-
Mr. Deepak Chatrath*	Remuneration	-	-	21	-
Mr. Rajesh Jain*	Remuneration	-	-	30	-
Mr. Kishore Kumar Lodha	Remuneration	53	-	44	-
	Dividend paid	0.03	-	-	-
Mr. Bijoy Kumar Daga	Remuneration	214	-	222	-
	Dividend paid	1	-	-	-
Mr. John Moses Harding@	Remuneration	137	-	174	-

\* Ceased to be the KMPs of the Company w.e.f. 10.11.2014

@ Ceased to be the KMP of the Company w.e.f. 01.02.2016

<b>(C) Transaction with Relative of KMP :</b>					
Shashi Bhushan Tiwari (HUF), (HUF of Mr. Shashi Bhushan Tiwari)	Car Hire Charges	0	-	0.50	-
Mrs. Seema Jain, (Spouse of Mr. Rajesh Jain)	Car Hire Charges	0	-	0.50	-
Mr. Sunil Kanoria (Brother of Mr. Hemant Kanoria)	Commission	5	5	5	5
	Sitting Fees	11	-	11	-
<b>(D) Enterprise over which relative of a KMP has significant influence :</b>					
Viom Networks Limited (ceased w.e.f 21.04.2016)	Rent Received	866	47	879	16
	Security Deposit				
	Received	6	670	1	664



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### 33. SEGMENT REPORTING

Segment wise details (information provided in respect of revenue items for the year ended 31st March, 2016 and in respect of assets / liabilities as at 31st March, 2016 – denoted as “CY” below, previous year denoted as “PY”) as required by AS - 17 “Segment Reporting” are as under:-

(Rs. in Lacs)

Particulars	Financial Services		Infrastructure Equipment Services		Others		Total	
	CY	PY	CY	PY	CY	PY	CY	PY
Segment Revenue	3,22,280	3,25,698	5,055	15,585	91	139	3,27,426	3,41,422
Segment Result before Interest & Finance Charges								
Charges	2,42,894	2,42,370	(1,221)	3,864	(4)	25	2,41,669	2,46,259
Interest & Finance Charges	2,30,165	2,26,184	910	1,231	-	-	2,31,075	2,27,415
Tax Expenses							4,441	6,704
Net Profit After Tax							6,153	12,140
Segment Assets	24,99,421	24,42,862	31,327	27,304	2,379	2,422	25,33,127	24,72,588
Segment Liabilities	21,54,710	20,94,418	14,329	11,915	114	106	21,69,153	21,06,439
Capital Expenditures	18,354	47,811	360	134	-	-	18,714	47,945
Depreciation / Impairment	21,044	18,647	440	1,451	45	45	21,529	20,143
Other non-cash Expenditure	-	84	1	-	-	-	1	84

34. Adjustment on disposal / cessation of Subsidiaries and Step-down subsidiaries is Rs. Nil Lacs (Previous Year: Rs. 24 Lacs). It has been accounted for as per Accounting Standard 21, “Consolidated Financial Statements”.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)****35. ADDITIONAL INFORMATION AS PER SCHEDULE III OF THE COMPANIES ACT, 2013**

(Rs. In Lacs)

Sl. No.	Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss (Profit after tax)	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent					
1	Srei Infrastructure Finance Limited	58.58%	2,12,404	60.92%	4,419
Subsidiaries					
Indian:					
1	Srei Capital Markets Limited	0.11%	405	0.01%	1
2	Srei Alternative Investment Managers Limited	0.41%	1,463	1.46%	106
3	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)	0.01%	42	-0.01%	(1)
4	Cyberabad Trustee Company Pvt. Limited (Subsidiary of Srei Alternative Investment Managers Limited)	0.00%	3	0.00%	0.08
5	Srei Infrastructure Advisors Limited	0.00%	(5)	0.12%	8
6	Bengal Srei Infrastructure Development Limited (Subsidiary of Srei Infrastructure Advisors Limited)	0.04%	150	0.34%	25
7	Controlla Electrotech Private Limited	0.56%	2,045	-0.62%	(45)
8	Srei Mutual Fund Asset Management Private Limited	0.01%	33	-3.70%	(268)
9	Srei Mutual Fund Trust Private Limited	0.00%	4	-0.06%	(4)
10	Srei Forex Limited	0.03%	108	0.00%	-
11	Srei Insurance Broking Private Limited	0.10%	372	0.06%	4
12	Quippo Oil & Gas Infrastructure Limited	3.08%	11,151	-29.27%	(2,123)
13	Quippo Drilling International Private Limited (Subsidiary of Quippo Oil & Gas Infrastructure Limited w.e.f. 23.01.2015)	0.00%	-	0.00%	-
14	Quippo Energy Limited (Formerly Quippo Energy Private Limited)	2.40%	8,706	4.50%	326
15	Srei Mutual Fund Trust	0.00%	0	0.00%	-
16	Srei Growth Trust	0.00%	1	-0.01%	(1)
17	Srei Asset Reconstruction Private Limited	0.00%	9	0.00%	-
Subsidiaries					
Foreign:					
1	Srei International Infrastructure Services GmbH	-0.43%	(1,567)	-2.55%	(185)
2	ZAO Srei Leasing (Subsidiary of Srei International Infrastructure Services GmbH)	0.45%	1,627	-37.75%	(2,737)
3	Srei Advisors Pte Limited (Subsidiary of Srei International Infrastructure Services GmbH)	0.02%	78	-0.12%	(9)
Minority Interests in all subsidiaries		0.03%	120	-15.50%	(1,124)
Associates (investment as per equity method)					
Indian:					
1	Sahaj e-Village Limited	0.00%	-	-0.34%	(25)
2	Attivo Economic Zone (Mumbai) Private Limited	2.22%	8,047	0.00%	-
Joint Ventures (as per proportionate consolidation / investment as per the equity method)					
Indian:					
1	Srei Equipment Finance Limited	32.38%	1,17,425	91.52%	6,637
TOTAL		100.00%	3,62,621	100.00%	7,252

Note: Figures are after elimination of related party transactions between entities considered for consolidation.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

36. Figures pertaining to the previous year have been rearranged / regrouped, wherever necessary, to make them comparable with those of current year.

**Signatories to Note 1 to 36**

For **Haribhakti & Co. LLP**

Chartered Accountants  
ICAI Firm Registration No. 103523W

**Anand Kumar Jhunjunwala**

Partner  
Membership No. 056613

Place : Kolkata

Date : May 12, 2016

For and on behalf of the Board of Directors

**Hemant Kanoria**

Chairman & Managing Director

**Shyamalendu Chatterjee**

Director

**Sandeep Lakhota**

Company Secretary

**Kishore Kumar Lodha**

Chief Financial Officer



## FORM AOC-1

## Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures under section 129(3)

## Part "A" : Subsidiaries

(Rs. In Lacs)

Names of Companies	Srei Capital Markets Ltd.	Srei Alternative Investment Managers Ltd.	Bengal Srei Infrastructure Development Ltd.	Srei Forex Ltd.	Controlla Electrotech Pvt Ltd	Srei Infrastructure Advisors Ltd.	Srei Mutual Fund Asset Management Pvt. Ltd.	Srei Mutual Fund Trust Pvt. Ltd.	Srei Insurance Broking Pvt Ltd.	Hyderabad Information Technology Ventures Enterprises Ltd.	Cyberabad Trustee Company Pvt. Ltd.
	1	2	3	4	5	6	7	8	9	10	11
SI. No.											
Reporting year	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Exchange rate on last day of reporting year (In INR)											
Share Capital	505.00	25.00	5.00	50.00	3.53	50.00	1,600.00	15.00	490.00	25.00	5.00
Reserves & Surplus	110.61	1,267.97	(3.19)	(14.86)	(359.57)	(34.89)	(509.79)	(16.80)	(169.45)	55.11	1.02
Total Assets	650.78	1,737.45	239.67	109.43	2,045.45	22.51	1,130.19	3.55	539.57	80.53	6.30
Total Liabilities	650.78	1,737.45	239.67	109.43	2,045.45	22.51	1,130.19	3.55	539.57	80.53	6.30
Investments	1.80	651.37	100.00	-	-	3.25	-	-	-	-	-
Turnover	144.14	803.54	63.49	3.00	13.71	9.72	323.49	0.03	705.36	6.67	0.52
Profit / (Loss) before Tax	2.31	138.85	16.10	0.44	(32.67)	3.11	67.25	(3.60)	2.62	(1.67)	0.21
Provision for Taxation	1.51	32.71	4.96	0.09	4.18	0.61	13.72	-	1.13	-	0.05
Profit / (Loss) after Tax	0.80	106.14	11.14	0.36	(36.85)	2.50	53.53	(3.60)	1.49	(1.67)	0.16
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
% of shareholding (effective)	100%	100%	51%	100%	100%	100%	100%	100%	100%	51%	51%



## Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures under section 129(3)

### Part "A" : Subsidiaries

(Rs. In Lacs)

Names of Companies	Srei International Infrastructure Service, GmbH	ZAO SREI Leasing	Srei Advisors Pte Ltd	Quippo Oil & Gas Infrastructure Limited	Quippo Energy Limited <sup>3</sup>	Srei Asset Reconstruction Private Limited	Quippo Drilling International Private Limited <sup>1</sup>
Sl. No.	12	13	14	15	16	17	18
Reporting year	March 31, 2016 <sup>4</sup>	March 31, 2016 <sup>4</sup>	Dec 31, 2015	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016
Reporting Currency	Euro	Rubles	Singapore Dollar	INR	INR	INR	INR
Exchange rate on last day of reporting year (In INR)	75.3860	0.9893	49.1250				
Share Capital	4,802.09	3,635.68	181.81	4,430.00	113.97	10.00	1.00
Reserves & Surplus	(1,355.51)	(3,343.53)	(102.90)	(5,993.10)	(506.07)	(0.23)	-
Total Assets	6,155.27	4,241.45	85.44	17,069.61	5,666.79	10.38	1.49
Total Liabilities	6,155.27	4,241.45	85.44	17,069.61	5,666.79	10.38	1.49
Investments	4,146.40	-	-	1.00	-	-	-
Turnover	66.88	1,060.43	-	3,067.13	3,037.21	0.84	-
Profit / (Loss) before Tax	(205.80)	(2,557.18)	(9.29)	(3,063.99)	(272.87)	0.14	-
Provision for Taxation	(18.48)	69.84	-	(46.15)	(288.17)	0.03	-
Profit / (Loss) after Tax	(187.32)	(2,627.02)	(9.29)	(3,017.84)	15.30	0.11	-
Proposed Dividend	-	-	-	-	-	-	-
% of shareholding (effective)	92.54%	59.41%	92.54%	100%	100%	100%	100%

### Notes:

#### 1. Names of subsidiaries which are yet to commence operations:

(i) Quippo Drilling International Private Limited (Formerly Performance Drilling International Private Limited)

#### 2. Names of subsidiaries which have been liquidated or sold during the current reporting year:

(i) Goldensons Construction Private Limited      Sold

#### 3. Formerly Quippo Energy Private Limited

#### 4. Figures are based on un-audited financial statement



## FORM AOC-1

**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures****Part “B”: Associates and Joint Ventures**

(Rs. In Lacs)

Name of Associates / Joint Ventures	Sahaj e-Village Limited	Attivo Economic Zone (Mumbai) Private Limited	Srei Equipment Finance Limited
Relationship	Associate	Associate	Joint Venture
1. Latest Balance Sheet date	March 31, 2016	March 31, 2016	March 31, 2016
2. Shares of Associate / Joint Ventures held by the company on the year end			
No.	1,07,60,000	10,000	2,98,30,000
Amount of Investment in Associates / Joint Venture	1,076.06	8,046.60	17,473.00
Extent of Holding %	49.47%	48.78%	50.00%
3. Description of how there is significant influence	Control of 49.47% of Total Share Capital	Control of 48.78% of Total Share Capital	Control of 50% of Total Share Capital
4. Reason why the associate / joint venture is not consolidated	NA	NA	NA
5. Networth attributable to Shareholding as per latest Balance Sheet	(7,743.06)	4,122.85	1,16,109
6. Profit / (Loss) for the year			
i. Considered in Consolidation	(25.00)	(0.65)	5,763
ii. Not Considered in Consolidation	(1,744.63)	-	-

- Names of associates or joint ventures which are yet to commence operations : None
- Names of associates or joint ventures which have been liquidated or sold during the year : None

**For and on behalf of the Board of Directors**

**Hemant Kanoria**  
Chairman & Managing Director

**Shyamalendu Chatterjee**  
Director

Place : Kolkata  
Date : May 12, 2016

**Sandeep Lakhota**  
Company Secretary

**Kishore Kumar Lodha**  
Chief Financial Officer



## NOTE

[illegible]



## Cautionary Statement

This report contains forward-looking statement, which may be identified by their use of words like 'plans', 'expects'. 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.





**Srei Infrastructure Finance Limited**

CIN : L29219WB1985PLC055352

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

[srei.com](http://srei.com)





## SREI INFRASTRUCTURE FINANCE LIMITED

CIN: L29219WB1985PLC055352

Registered Office : 'Vishwakarma'

86C, Topsia Road (South), Kolkata - 700 046

Tel No. 033 – 6160 7734, Fax No. 033 – 2285 7542 / 8501

Website : [www.srei.com](http://www.srei.com), Email : [investor.relations@srei.com](mailto:investor.relations@srei.com)

# Notice

**NOTICE** is hereby given that the Thirty - First Annual General Meeting (AGM) of the Members of Srei Infrastructure Finance Limited will be held on **Saturday, August 06, 2016 at 10.30 a.m. at the Science City Mini Auditorium, JBS Haldane Avenue, Kolkata - 700 046** to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt -
  - a) The Standalone Financial Statement of the Company for the year ended March 31, 2016, and the report of the Directors and Auditors thereon.
  - b) The Consolidated Financial Statement of the Company for the year ended March 31, 2016, and the report of the Auditors thereon.
2. To declare dividend on the Equity Shares of the Company.
3. To elect a Director in place of Mr. Hemant Kanoria (holding DIN 00193015) who retires by rotation and being eligible, seeks re-appointment.
4. To ratify the appointment of Statutory Auditors of the Company, and to fix their remuneration and to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), recommendation of the Audit Committee and pursuant to the resolution passed by the members at the Thirtieth Annual General Meeting (AGM) held on August 01, 2015, the appointment of Haribhakti & Co. LLP, Chartered Accountants having Registration No. 103523W allotted by

The Institute of Chartered Accountants of India (ICAI), as Statutory Auditors of the Company (for 5 (five) years till the conclusion of the Thirty - Fifth Annual General Meeting (AGM) of the Company) be and is hereby ratified and that the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to them, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company.”

### SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Articles of Association of the Company, Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015, and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) or re-enactment for the time being in force), Nomination and Remuneration Policy, Policy on Board Diversity and Policy on “Fit and Proper” criteria for Directors, Mr. Ram Krishna Agarwal (holding DIN 00416964), who was appointed as an Additional Director (Category: Non-Executive and Non-Independent) of the Company with effect from May 12, 2016, and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section



160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive and Non-Independent Director of the Company, liable to retirement by rotation.”

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment, statutory modification(s) or re-enactment thereof for the time being in force) read with the relevant rules, regulations, guidelines, amendments, if any, prescribed by the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and/or any other regulatory authority, the relevant provisions of the Articles of Association of the Company, the consent, authority and approval of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as ‘Board’) of the Company, to issue on private placement basis, in one or more tranches, Redeemable Non-Convertible Debentures (NCDs) (including secured debentures, unsecured debentures, bonds, subordinated debt securities, covered bonds or other debt securities) for cash, such that the aggregate amount of such non-

convertible Debt Securities during the period of 1 (one) year from the date of passing of the Special Resolution by the Members shall not exceed Rs. 10,000 Crores (Rupees Ten Thousand Crores only) and on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said securities be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised and empowered to arrange/determine or settle the terms and conditions of the issue of such NCDs within the aggregate limit above, including the nature and type of investors;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of the Company be and is hereby authorised to do all such acts, deeds, matters and things and give such directions as it may in its sole discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to delegate to the extent permitted by law, all or any of the powers herein conferred to any Committee of Directors or the Managing Director or any Director(s) or any Key Managerial Personnel (KMPs) or any other Officer(s) of the Company.”

**NOTES:**

1. **PROXIES: A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE ‘MEETING’) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to the provisions of Section 105 of the Companies Act, 2013 and Rules framed thereunder, a person can act as Proxy on behalf of Members not exceeding 50 (fifty) in number and holding in the aggregate not more than 10 (ten) per cent of the total share capital of the Company carrying voting rights. However, a Member holding more than 10 (ten) per cent of the total share capital of the Company carrying voting rights may appoint

a single person as Proxy and such person shall not act as Proxy for any other Member. The Instrument appointing the Proxy, in order to be valid and effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty-eight) hours before the commencement of the meeting. No Proxy Form shall be considered as valid on its receipt after 10.30 a.m. on August 04, 2016. Proxies submitted on behalf of companies, societies etc. must be supported by an appropriate resolution/authority, as applicable. Every Member entitled to vote at the Meeting can inspect the proxies lodged at the Company, at any time during the business hours of the Company, during the period beginning 24 (twenty-four) hours before the time fixed



for the commencement of the Meeting and ending on the conclusion of the Meeting. However, a prior notice of not less than 3 (three) days in writing of the intention to inspect the proxies lodged shall be required to be provided to the Company.

In case of joint holders attending the meeting, only such joint holder whose name appears first in the Register of Members will be entitled to vote.

2. **Statement pursuant to Section 102:** The Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of special business to be transacted at the Meeting is annexed hereto and forms part of the Notice.
3. **Communication:** Electronic copy of the Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of Electronic Voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company's Registrar and Share Transfer Agents/ Depository Participants for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email IDs, physical copies of the Notice of the AGM of the Company inter alia indicating the process and manner of Electronic Voting along with Attendance Slip and Proxy Form is being sent through permitted mode.
4. **Registrar & Share Transfer Agents and Depository Participant:** Members holding Shares in physical mode are requested to intimate changes in their address to Karvy Computershare Private Limited, Registrar and Share Transfer Agents (RTA) of the Company located at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032. Members holding Shares in electronic mode are requested to send the intimation for change of address to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.
5. **Nomination Facility:** Members holding shares in the physical form and desirous of making/changing Nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit the prescribed Form No. SH-13 and SH-14, as applicable for this purpose to the Company's Registrar and Share Transfer Agents (RTA), Karvy Computershare Private Limited, who will provide the form on request. In respect of shares held in electronic/demat form, the Members may please contact their respective Depository Participant.
6. **Book Closure:** Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, July 29, 2016 to Friday, August 05, 2016 (both days inclusive) for the purpose of electronic credit/despatch of dividend.
7. **Dividend:** Subject to the provisions of Section 123 of the Companies Act, 2013, Dividend on Equity Shares for the year ended March 31, 2016 as recommended by the Board, if sanctioned at the Meeting, will be electronically credited/despatched between Tuesday, August 16, 2016 to Wednesday, August 24, 2016 -
  - a. to those Members, holding Equity Shares in physical form, whose names appear on the Company's Register of Members, at the close of business hours on Friday, August 05, 2016 after giving effect to all valid transfers in physical form lodged on or before Thursday, July 28, 2016 with the Company and/or its Registrar and Share Transfer Agents; and
  - b. in respect of Shares held in electronic form, to all beneficial owners as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

Members who are holding Shares in electronic form may note that bank particulars registered with their respective Depository Participants will be used by the Company for electronic credit/despatch of dividend. The Company or its Registrar and Share Transfer Agents (RTA) cannot act on any request received directly from the Members holding Shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised by the Members concerned to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the



Company's subsequent records.

8. **Unclaimed Dividend:** Dividends for the financial year ended March 31, 2009, which remain unpaid or unclaimed for a period of 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Central Government. Members who have not encashed the dividend warrant(s), so far for the financial year ended March 31, 2009, or any subsequent financial years are requested to make their claim to the Company at its Registered Office. It may please be noted that once the unclaimed dividend is transferred to the said Fund, as above, no claims shall lie against the Company or the aforesaid Fund in respect of such amount. The Company has already sent reminder letters to Members concerned through physical as well as electronic means in January, 2016. Further, pursuant to the provisions of the Investor Education and Protection Fund (Uploading of Information regarding Unpaid and Unclaimed amounts lying with the Companies) Rules, 2012, the details of unpaid and unclaimed amounts lying with the Company as on August 01, 2015 (date of the last Annual General Meeting) have been uploaded on the website of the Company [www.srei.com](http://www.srei.com) and also on the website of the Ministry of Corporate Affairs.
9. **Go Green Initiative:** The Company is sending periodic communications including Notices for General Meetings, Financial Statements, etc. through email to Members whose email IDs are registered with the Company. While going through the Register of Members, it is noticed that there are Members who have not registered their email IDs with the Company. Consequently, the Company is unable to send communications to them electronically. In compliance with provisions of Rule 18 of the Companies (Management and Administration) Rules, 2014 and applicable provisions of the Companies Act, 2013, Members holding Shares in physical form are requested to register their email IDs with the Company's Registrar and Share Transfer Agents (RTA) i.e. Karvy Computershare Private Limited and Members holding Shares in electronic/demat mode are requested to register their email IDs with their respective Depository Participants (DPs). Members whose email IDs have undergone any change or whose

IDs require any correction, may kindly update the same with the RTA or the DPs, as stated above.

Copies of the Annual Report will not be distributed at the Meeting. Members are requested to carry their copies of the Annual Report to the Meeting.

10. **Dematerialisation of Shareholding:** Members are requested to dematerialise their shareholding to avoid inconvenience. Members whose shares are in electronic mode are requested to inform change of address and updates of bank account(s) to their respective Depository Participants. Members are encouraged to use the National Electronic Clearing Services (NECS) for receiving dividends. Members desirous of availing NECS facility for payment of dividend may download the required NECS mandate form from the website of the Company [www.srei.com](http://www.srei.com).
11. **Consolidation of Multiple Folios:** Members who hold Shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited, enclosing their Share Certificates to enable the Company to consolidate their holdings into a single folio.
12. **New Certificates:** Members who have not yet surrendered their old Share Certificate(s) for exchange with new Certificate(s) bearing hologram, logo and barcoding are requested to surrender the same to the Company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited.
13. **Mandatory PAN Submission:** The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited.
14. **Inspection by Members:** All Statutory Registers and relevant documents referred to in the Notice and the Statement pursuant to Section 102 of the Companies Act,



2013, shall be available for inspection by the Members at the Registered Office and copies thereof shall also be available for inspection at the Corporate Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and also at the Meeting.

The Register of Directors and Key Managerial Personnel (KMPs) and their shareholding maintained under Section 170 of Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.

Members desirous of obtaining any relevant information with regard to the accounts of the Company at the Meeting are requested to send their requests to the Company at least 7 (seven) days before the date of the Meeting, so as to enable the Company to keep the information ready.

- 15. Subsidiary Accounts:** In accordance with the provisions of Section 136 of the Companies Act, 2013, the Company will provide a copy of separate audited financial statements in respect of each of its subsidiary, to any shareholder of the Company on making requisition to the Company Secretary at the registered office of the Company or email at investor.relations@srei.com.

A Statement containing the salient features of the financial statement of subsidiaries forms part of the Annual Report of the Company. The audited financial statements will also be available for inspection at the Registered Office of the Company and the concerned subsidiary companies during business hours on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting. Further, the documents shall also be available on the website of the Company [www.srei.com](http://www.srei.com).

**16. Voting through electronic means (E- Voting)**

- I. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants]:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.



- vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Srei Infrastructure Finance Limited'.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email krchandratreoffice@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents

should be in the naming format "Srei Infrastructure Finance Limited 31st AGM".

(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants]:

- i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
- ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

Other Instructions:

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. S. V. Raju, Deputy General Manager (Unit: Srei Infrastructure Finance Limited) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at [evoting@karvy.com](mailto:evoting@karvy.com) or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- b. Members can also update their mobile number and e-mail id in the user profile details of the folio which



may be used for sending future communication(s).

- c. The remote e-voting period commences on Wednesday, August 03, 2016 (9.00 a.m. IST) and ends on Friday, August 05, 2016 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, July 30, 2016, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. Saturday, July 30, 2016.
- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., Saturday, July 30, 2016, he/she may obtain the User ID and Password in the manner as mentioned below:
  - i. If the mobile number of the Member is registered against Folio No./ DP ID Client ID, the Member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399  
 Example for NSDL:  
 MYEPWD <SPACE> IN12345612345678  
 Example for CDSL:  
 MYEPWD <SPACE> 1402345612345678  
 Example for Physical:  
 MYEPWD <SPACE> XXXX1234567890
  - ii. If e-mail address or mobile number of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

- iii. Member may call Karvy's toll free number 1800-3454-001.

- iv. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

17. **Web Check- in / Attendance Registration:** Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. Alternatively, to facilitate hassle free and quick registration/entry at the venue of the AGM, the Company has provided a Web-Check in facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters.

Procedure of Web Check-in is as under:

- a. Log on to <https://karisma.karvy.com> and click on "Web Check-in for General Meetings (AGM/EGM/CCM)".
- b. Select the name of the Company: Srei Infrastructure Finance Limited.
- c. Pass through the security credentials viz., DP ID/ Client ID/Folio no. entry, PAN No & "CAPTCHA" as directed by the system and click on the submission button.
- d. The system will validate the credentials. Then click on the "Generate my attendance slip" button that appears on the screen.
- e. The attendance slip in PDF format will appear on the screen. Select the "PRINT" option for direct printing or download and save for the printing.
- f. A separate counter will be available for the online registered Members at the AGM Venue for faster and hassle free entry and to avoid standing in the queue.
- g. After registration, a copy will be returned to the Member.



h. The Web Check-in (Online Registration facility) is available for AGM during e-voting Period only i.e., Wednesday, August 03, 2016 (9.00 A.M. IST) to Friday, August 05, 2016 (5.00 P.M. IST).

i. The Members are requested to carry their valid photo identity along with the above attendance slip for verification purpose.

**18. Scrutinizer:** The Company has appointed Dr. K. R. Chandratre, Practising Company Secretary, Pune (FCS No. 1370, CP No. 5144) as Scrutinizer for conducting the electronic voting process (both remote e-voting and voting at the AGM through Insta Poll) in a fair and transparent manner.

**19. Declaration of Results:** The Scrutinizer shall immediately after the conclusion of voting at the Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses who are not in the employment of the Company and within a period not exceeding 3 (three) days from the conclusion of the meeting make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman for counter signature.

The Results shall be declared either by the Chairman or by any Director authorized by the Chairman and the resolution will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).

Further, in accordance with Regulation 44(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall submit to the Stock Exchange, details of the Voting results in the prescribed format within 48 (forty-eight) hours of conclusion of the Annual General Meeting (AGM). The results shall also be uploaded on the NEAPS (NSE Electronic Application Processing System), BSE Corporate Compliance & Listing Centre and the Electronic Platform of CSE.

Immediately after declaration of results, the same shall be placed along with the Scrutinizer's Report on the

Company's website [www.srei.com](http://www.srei.com) and on the website of Karvy <https://evoting.karvy.com> and communicated to The Calcutta Stock Exchange, BSE Limited and National Stock Exchange of India Limited, where the Equity Shares of the Company are listed, for placing the same on their website. The results shall also be placed on the notice board of the Company at its Registered Office as well as Corporate Office.

**20. Distribution of Gifts:** In conformity with regulatory requirements, the Company will NOT be distributing any gift, gift coupons or cash in lieu of gifts at the AGM or in connection therewith.

**21. Route Map:** A Route Map showing directions to reach to the venue of the 31st AGM of the Company is given at the end of this Notice as per the requirement of the Secretarial Standard - 2 on "General Meeting" issued by The Institute of Company Secretaries of India (ICSI). The prominent landmark near the Venue is Milan Mela Ground.

**22. Information of Directors pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meeting:** At the ensuing Meeting of the Company, Mr. Hemant Kanoria (DIN: 00193015), Chairman and Managing Director (CMD), retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible, seeks re-appointment. Further, pursuant to the provisions of Sections 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013, Mr. Ram Krishna Agarwal (DIN: 00416964) is being proposed to be appointed as a Non-Executive and Non-Independent Director of the Company.

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard – 2 on General Meeting, the particulars of the aforesaid Directors seeking appointment/ re-appointment at the AGM are given below:



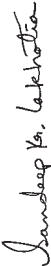
PARTICULARS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE AGM

Name of Director		Mr. Hemant Kanoria (DIN: 00193015)		Mr. Ram Krishna Agarwal (DIN: 00416964)	
Date of Birth		05.08.1962 (53 Years)		28.08.1952 (63 Years)	
Date of Appointment		30.10.1990 (Appointed as Managing Director w.e.f. 07.05.1994 and as Chairman w.e.f. 14.05.2008). He has been re-appointed as Chairman and Managing Director for a period of 5 years w.e.f 01.04.2015 on terms and conditions as mentioned in the Agreement dated 01.08.2015.		12.05.2016 (Additional Director)	
Expertise in specific functional areas		Over 36 years of experience in industry, trade and financial services. He has held the position of Chairman of FICCI National Committee on Infrastructure and is presently Council Member of Indo-German Chamber of Commerce. He has been on the Board of Governors of Indian Institute of Management (IIM) - Kolkata, was a Member of Regional Direct Taxes Advisory Committee, Government of India and had served as President of Calcutta Chamber of Commerce. He is a Member of the Governing Board, Neotia University and New Delhi Institute of Management. He also serves as a Board Member of the Indian Institute of Information Technology, Guwahati and a Member on the Advisory Board of Calcutta Business School.		Over 40 years of experience in various fields like Audit, Taxation, Company Law, Consultancy etc. He has been a Partner with S. R. Batiboi & Co. (Member firm of Ernst & Young in India) since 1978 and was the Managing Partner of the Firm at the time of his retirement in June, 2013. Mr. Agarwal is the past President of The Institute of Internal Auditors, India and was a member of the Central Council of The Institute of Chartered Accountants of India during 1991-97. Mr. Agarwal is connected with various Chambers of Commerce as the Committee Chairman / Executive Committee member, permanent invitee etc. and is a past Chairman of CII (Eastern Region). He was the National Chairman of Direct Tax Sub - Committee of CII in the year 2013-14.	
Qualification		B. Com. (Hons.) ■ Srei Capital Markets Limited ■ Srei Equipment Finance Limited ■ India Power Corporation Limited ■ Indian Chamber of Commerce Calcutta ■ Bhavah Enterprise Private Limited		Practising Chartered Accountant (FCA) ■ Electro Steel Castings Limited ■ South City Projects (Kolkata) Limited ■ Emami Cement Limited ■ Bengal NRI Complex Limited ■ Sistema Shyam TeleServices Limited ■ RKA Advisory Services Private Limited ■ Indocean Developers Private Limited	
Chairman/Member of the Committees of Board of Directors of the Company		Member - Stakeholders Relationship Committee Chairman - Committee of Directors Chairman - Credit Committee Chairman - Investment Committee Chairman - Corporate Social Responsibility Committee Member - Risk Committee		Member - Business Responsibility Committee	
Chairman/Member of the Committees of Board of Directors of other Indian Public Limited Companies in which he is a Director – a) Audit Committee		Nil		■ Emami Cement Limited ■ South City Projects (Kolkata) Limited ■ Bengal NRI Complex Limited ■ Sistema Shyam TeleServices Limited Nil	
b) Stakeholders Relationship Committee		1 (Chairman) (India Power Corporation Limited)			
Shareholding in the Company		3,80,000 Equity shares		Nil	
Relationship with other Directors and KMP's		Mr. Sunil Kanoria (Brother)		–	



Name of Director	Mr. Hemant Kanoria (DIN: 00193015)	Mr. Ram Krishna Agarwal (DIN: 00416964)
No. of Board Meetings attended during FY 2015-16 [out of 5 (Five) held]	5 (Five)	N.A.
Terms and conditions of Appointment or Re-appointment	In accordance with the Agreement dated 01.08.2015 executed between Mr. Hemant Kanoria and the Company.	Liable to retirement by rotation
Details of Remuneration sought to be paid and the Remuneration last drawn	The details of Remuneration paid to Mr. Kanoria during FY 2015-16 have been disclosed in the Corporate Governance Report of the Company.  Further, the Remuneration to be paid to Mr. Kanoria shall be in accordance with the Agreement dated 01.08.2015 executed between Mr. Hemant Kanoria and the Company.	Mr. Agarwal has undertaken various consultancy assignments from time to time with the Srei Group companies and has received consultancy fees.  Mr. Agarwal shall be entitled to sitting fees for attending meetings of the Board and Committees thereof and annual commission on net profits as may be approved by the Nomination and Remuneration Committee and / or the Board of Directors of the Company, from time to time.

Dated : May 12, 2016  
Place : Kolkata

By Order of the Board of Directors  
For **Srei Infrastructure Finance Limited**  
  
**Sandeep Lakhota**  
Company Secretary  
FCS 7671



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 5

Mr. Ram Krishna Agarwal was appointed as an Additional Director (Category: Non-Executive and Non-Independent) of the Company w.e.f. May 12, 2016, pursuant to the provisions of Section 161 of the Companies Act, 2013 and holds office as such upto the date of this Annual General Meeting.

In view of the extensive and rich experience of Mr. Agarwal, and considering the best interests of the Company, it is proposed to appoint him as a Non-Executive and Non-Independent Director of the Company from the date of 31st AGM of the Company.

The Company has received a Notice in writing under the provisions of Section 160 of the Companies Act, 2013, along with a deposit of Rs. 1,00,000/- proposing the candidature of Mr. Ram Krishna Agarwal for the office of Director.

Mr. Agarwal has been earlier associated in the capacity of a partner with S. R. Batliboi & Co. (Member firm of Ernst & Young in India), erstwhile Statutory Auditors of one of the associate company of the Company and has also undertaken various Consultancy assignments with Srei Group companies.

The Company has received from Mr. Ram Krishna Agarwal (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013, and (iii) Declaration and Undertaking as well as Deed of Covenant as prescribed under Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015.

In the opinion of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Ram Krishna Agarwal fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as a Non-Executive and Non-Independent Director of the Company, liable to retirement by rotation. Mr. Agarwal shall be entitled to sitting fees for attending meetings of the Board and Committees thereof of which he is or will be a Member / Chairman and annual commission on net profits as may be approved by the Nomination and Remuneration Committee and / or the Board of Directors of the Company, from time to time provided that the same is within the overall limits specified under the relevant provisions of the Companies Act, 2013.

The Board of Directors is of the opinion that the professional expertise and vast experience of Mr. Agarwal will be of significant value to the Company.

The Directors, therefore, recommend the Resolution to be passed as an Ordinary Resolution by the Members.

Mr. Ram Krishna Agarwal and his relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own appointment.

None of the other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution.

### Item No. 6

In order to augment resources, the Company has been issuing various non-convertible debt securities on private placement basis from time to time, within the limits approved by the Members of the Company and they constitute a significant source of borrowings for the Company. These debt securities are integral to the management of long term funds to be used for existing business of the Company and are considered essential for providing leverage to the Company.

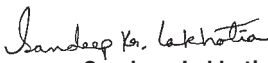
In terms of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company can make a private placement of its non-convertible debt securities subject to prior approval of the Members by way of a Special Resolution. The Rules further provides that the said Special Resolution shall be passed only once in a year in respect of all offers/invitations on private placement basis for the non- convertible debt securities proposed to be issued during the year.

Accordingly, it is proposed to offer or invite subscriptions for non-convertible debt securities on private placement basis, in one or more tranches, during the period of 1 (one) year from the date of passing of the Special Resolution by the Members, within the overall borrowing limits of the Company.

The Directors, therefore, recommend the Resolution to be passed as a Special Resolution by the Members.

None of the Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution.

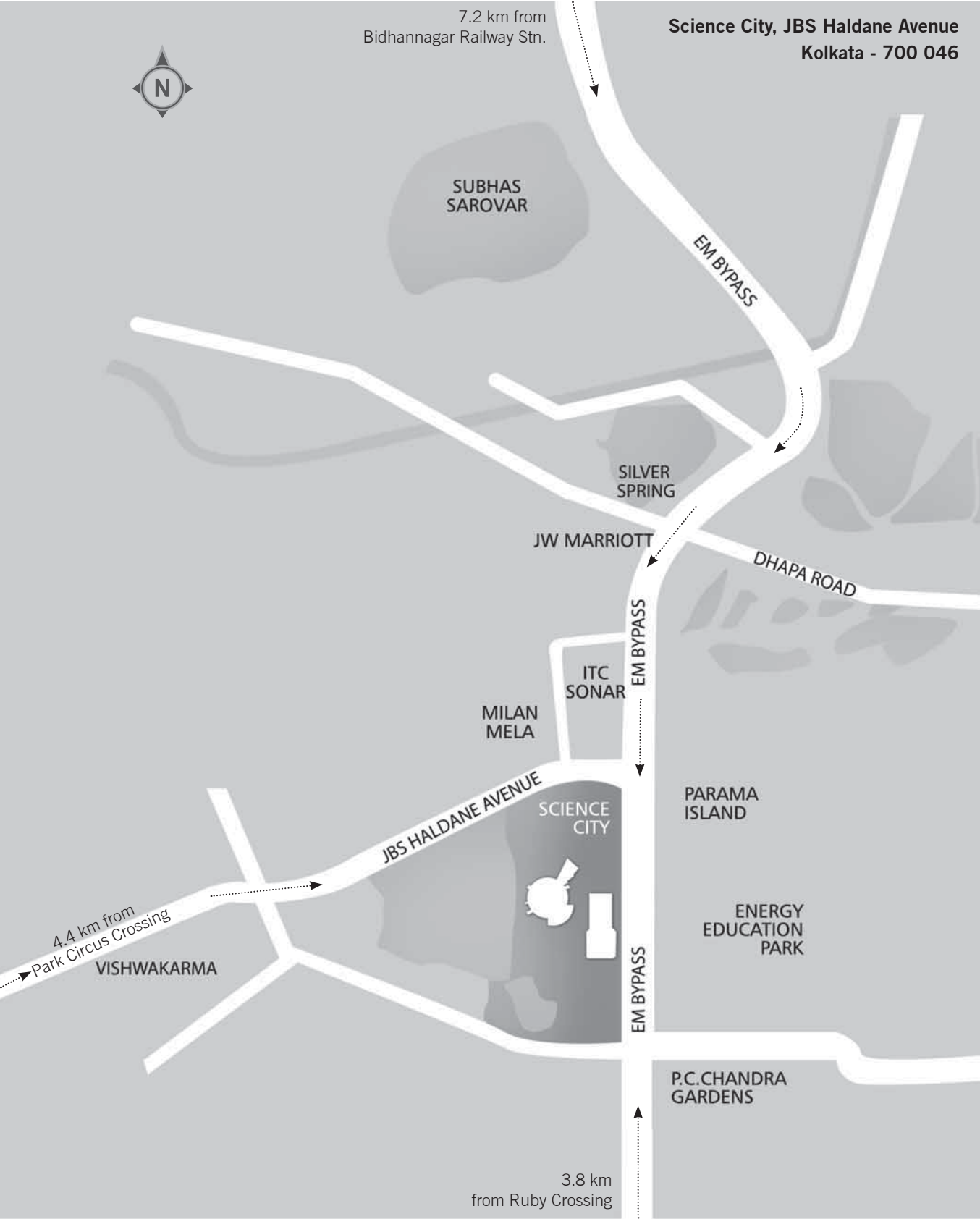
By Order of the Board of Directors  
For **Srei Infrastructure Finance Limited**

  
**Sandeep Lakhotia**  
**Company Secretary**  
**FCS 7671**

Dated : May 12, 2016  
Place : Kolkata



Route map to the venue of the 31st AGM







**SREI INFRASTRUCTURE FINANCE LIMITED**  
CIN : L29219WB1985PLC055352  
Registered Office : 'Vishwakarma'  
86C, Topsia Road (South), Kolkata - 700 046  
Tel No. 033 - 6160 7734, Fax No. 033 - 2285 7542/8501  
Website : www.srei.com, Email : investor.relations@srei.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN :	L29219WB1985PLC055352		
Name of the Company :	Srei Infrastructure Finance Limited		
Registered Office :	'Vishwakarma', 86C, Topsia Road (South), Kolkata – 700 046		
Name of the Member(s) :			
Registered address :			
E-mail Id :			
Folio No. / Client Id :		DP ID :	

I / We, being the Member(s) of ..... shares of the above named Company, hereby appoint

1.	Name		
	Address		
	E-mail Id	Signature	
	or failing him		
2.	Name		
	Address		
	E-mail Id	Signature	
	or failing him		
3.	Name		
	Address		
	E-mail Id	Signature	



as my / our proxy to attend and vote for me/us and on my/our behalf at the **Thirty-First Annual General Meeting** of the Company, to be held on Saturday, August 06, 2016 at 10.30 a.m. at the Science City Mini Auditorium, JBS Haldane Avenue, Kolkata - 700 046, West Bengal and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional) (See Note No. 4)	
		For	Against
Ordinary Business			
1.	Adoption of - a. The Standalone Financial Statement of the Company for the year ended March 31, 2016, and the report of the Directors and Auditors thereon. b. The Consolidated Financial Statement of the Company for the year ended March 31, 2016, and the report of the Auditors thereon.		
2.	Declaration of Dividend for the financial year ended March 31, 2016.		
3.	Appointment of a Director in place of Mr. Hemant Kanoria (holding DIN 00193015) who retires by rotation and being eligible, seeks re-appointment.		
4.	Ratification of appointment of Statutory Auditors of the Company, and to fix their remuneration.		
Special Business			
5.	Appointment of Mr. Ram Krishna Agarwal (holding DIN 00416964) as a Non-Executive and Non-Independent Director of the Company.		
6.	Issuance of Non - Convertible Debt Securities (NCDs) upto Rs. 10,000 Crores on private placement basis.		

Signed this ..... day of ..... 2016.

Signature of Shareholder: \_\_\_\_\_

Signature of 1st Proxy holder: \_\_\_\_\_

Signature of 2nd Proxy holder: \_\_\_\_\_

Signature of 3rd Proxy holder: \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note:**

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. If appointed for more than fifty Members, the Proxy shall choose any fifty Member and confirm the same to the Company before the commencement of specified period for inspection. In case the Proxy fails to do so, the Company shall consider only the first fifty proxies received as valid.
3. Any alteration or correction made to this Proxy form must be initialled by the signatory / signatories.
4. If you wish to vote for a Resolution, place a tick in the corresponding box under the column marked **“For”**. If you wish to vote against a Resolution, place a tick in the corresponding box under the column marked **“Against”**. If no direction is given, your Proxy may vote or abstain as he / she thinks fit.



**SREI INFRASTRUCTURE FINANCE LIMITED**

CIN : L29219WB1985PLC055352

Registered Office : 'Vishwakarma'

86C, Topsia Road (South), Kolkata - 700 046

Tel No. 033 - 6160 7734, Fax No. 033 - 2285 7542/8501

Website : www.srei.com, Email : investor.relations@srei.com

**ATTENDANCE SLIP**

(to be handed over at the Registration Counter)

Regd. Folio No. / DP ID* / Client ID*:	Sl. No.
Name :	
Address :	
Joint Holder :	

\*Applicable for shares held in electronic form

I/We hereby record my/our presence at the **Thirty-First Annual General Meeting** of the Company on Saturday, August 06, 2016 at 10.30 a.m. at the Science City Mini Auditorium, JBS Haldane Avenue, Kolkata - 700 046.

Full name of Member/Proxy \_\_\_\_\_  
(IN BLOCK LETTERS)

\_\_\_\_\_  
**Signature of the Member/Proxy**

**Note:**

- Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.
- Special assistance is available to differently abled Members upon request in advance.

**ELECTRONIC VOTING PARTICULARS**

<b>EVEN</b> <b>(Electronic Voting Event</b> <b>Number)</b>	<b>USER ID</b>	<b>PASSWORD</b>

The Remote e-voting facility will be available during the following period:

Commencement of Remote e-voting	End of Remote e-voting
From 9.00 a.m. (IST) on August 03, 2016	Upto 5.00 p.m. (IST) on August 05, 2016

The cut-off date for the purpose of remote e-voting & voting at the AGM is Saturday, July 30, 2016.