

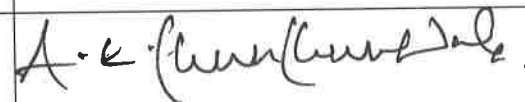





May 01, 2015

FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)

1.	Name of the Company	Srei Infrastructure Finance Limited
2.	Annual Financial Statements for the year ended	31st March, 2015
3.	Type of Audit observation	Un-qualified/ Matter of Emphasis
4.	Frequency of observation	Whether appeared first time..../ repetitive..../ since how long period..... N.A.
5.	To be signed by -	
	CEO/Managing Director	
	CFO	
	Auditors of the Company	
	Audit Committee Chairman	

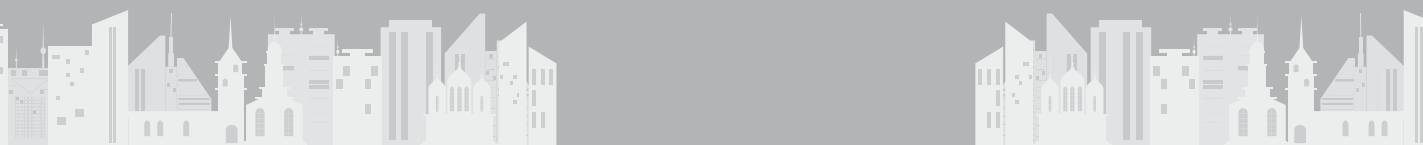
Srei Infrastructure Finance Limited

CIN: L29219WB1985PLC055352

Registered Office : 'Vishwakarma' 86C, Topsia Road (South), Kolkata - 700 046
Tel.: +91 33 22850112-15, 61607734 Fax: +91 33 2285 8501/7542

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

Srei Infrastructure Finance Limited
Annual Report 2014-15



INDIAN INFRASTRUCTURE

A JOURNEY



SREI
Together We Make Tomorrow Happen

Board of Directors

Mr. Salil K. 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

Chief Executive Officers

Mr. John Moses Harding
Mr. Bajrang Choudhary
Mr. Bijoy Daga

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. Srinivasachari Rajagopal
Mr. Shyamalendu Chatterjee
Mr. Sandeep Lakhota
Secretary

Committee of Directors

Mr. Hemant Kanoria
Chairman

Mr. Salil K. Gupta
Mr. Sunil Kanoria
Mr. Sandeep Lakhota
Secretary

Stakeholders Relationship Committee

Mr. Salil K. Gupta
Chairman

Mr. Hemant Kanoria
Mr. Sunil 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. Moses Harding John
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. Hemant Kanoria
Mr. Sunil 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

Corporate Identification Number

L29219WB1985PLC055352

Registered Office

'Vishwakarma'
86C, Topsia Road (South)
Kolkata – 700 046

Telephone : 91-33-6160 7734
Facsimile : 91-33-2285 7542/8501
E-mail : corporate@srei.com
Website : www.srei.com

Listing

The Calcutta Stock Exchange Limited
BSE Limited
National Stock Exchange of India Limited
London Stock Exchange - Global
Depository Receipts

Depositories

National Securities Depository Limited
Central Depository Services (India)
Limited

Registrar and Share Transfer Agents

Karvy Computershare Private Limited

30th Annual General Meeting on Saturday, August 01, 2015 at 10.30 a.m. at
Science City Main 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.

**BUILD ROADS.
ACCELERATE NATIONAL
GROWTH.**

**GENERATE POWER.
ENERGISE THE NATION.**

**CONSTRUCT TOWERS.
CONNECT WITH THE WORLD.**

**SO WHEN YOU WISH TO WIDEN
THE POOL OF PROSPERITY,
ALL YOU REALLY NEED TO DO
IS INVEST IN THE BUILDING
BLOCK OF NATIONAL GROWTH.**

**BECAUSE ALL HUMAN
PROGRESS ESSENTIALLY
STARTS WITH STRONG
INFRASTRUCTURE.**



**ROADS AND HIGHWAYS.
SCHOOLS. HOSPITALS.
EXPRESSWAYS. PORTS.
AIRPORTS. TRANSMISSION
LINES. MINING. OIL AND GAS
EXPLORATION. THERMAL
POWER. HYDRO POWER.
WIND AND SOLAR ENERGY.
RAILWAYS AND METRO
RAIL SYSTEM. AIRPORTS
AND PORTS. LOGISTICS.
HOUSING AND TOWNSHIPS.
HOSPITALITY AND HEALTHCARE.
SEWAGE AND SOLID WASTE
MANAGEMENT. WATER SUPPLY
UTILITIES. COMMERCIAL AND
INDUSTRIAL INFRASTRUCTURE.
TELECOMMUNICATIONS AND
BROADBAND.**

India invested significantly in these infrastructural building blocks over the last 25 years – higher than in the preceding 40 years.

The result: India has emerged among the fastest growing nations. The third largest global economy in PPP terms. Its GDP growth climbed from an average of 5.7 per cent between 1990 and 2000 to over 8 per cent in the later half of past decade. India's foreign exchange strengthened from merely 15 days of import cover in 1991 to over nine months today.



Probably, the only thing bigger than India's infrastructure industry is the hope of its billion-plus citizens for a better tomorrow.

India needs about USD 1 trillion worth investment in its infrastructure over the next 5-7 years.

TO BUILD AN INFRASTRUCTURALLY STRONG NATION. TO ENSURE THE COMPLETE WELFARE OF ITS CITIZENS.

IN THE LAST 25 YEARS, SREI INFRASTRUCTURE FINANCE LIMITED HAS GROWN TO EMERGE AS ONE OF THE LARGEST PRIVATE SECTOR INFRASTRUCTURE FOCUSED PUBLIC FINANCE INSTITUTIONS.

The big idea

25 years in existence | 42,554 customers

Srei was born as the child of a dream to make India's infrastructure world-class.

The Company was conceived with the objective to fund infrastructure growth at a time (1989) when the concept of private sector infrastructure financing was virtually non-existent in the country.

Srei today is more than just a company; it is an integral part of India's infrastructure growth story.

Promoters

Deep sectoral knowledge | Rich experience

Srei Infrastructure Finance Limited is spearheaded by Hemant Kanoria (Chairman and Managing Director) and Sunil Kanoria (Vice Chairman) with a team of high calibre professionals.

The Company is recognised for its deep industry knowledge, integrated value proposition for customers and partners, sound business practices and strong financials.

The result is that Srei has been an innovator and pioneer in India's infrastructure sector as well as a preferred partner. Global and local corporations exploring opportunities in India's infrastructure development seek

Srei as a trusted knowledge partner.

The Company was classified as an 'Infrastructure Finance Company' by the Reserve Bank of India and as a 'Public Financial Institution' by the Ministry of Corporate Affairs in 2011.

Activities

Rs. 35,241 crore of assets under management

Srei is more than a financier; it is an integrated infrastructure institution serving the entire ecosystem of the country's infrastructure sector.

- ▶ Offering customised project financing solutions across various sectors.
- ▶ Offering structured financing solutions that mitigate risks and meet unique equipment financing needs of customers
- ▶ Ideating, developing and executing infrastructure projects
- ▶ Providing strategic equity solutions for infrastructure projects
- ▶ Offering project advisory solutions, and
- ▶ Investment banking advisory solutions, among others

The result is that Srei is respected for its ability to offer simple, out-of-the-box solutions addressing complex

problems across sectors - power, ports, logistics, transportation, urban infrastructure and telecom.

Presence

86 branch offices | 2,088 employees

Srei is a national player headquartered in Kolkata with 86 pan-Indian branches. The Company enjoys a sizeable international presence with branches in Germany, Nigeria, Mauritius, Russia and Singapore, among others. Srei's shares are listed and traded actively on the Bombay Stock Exchange and the National Stock Exchange. The company was among the first from India to have its Global Depository Receipts (GDRs) listed on the London Stock Exchange.

Vision

To be the most inspiring global holistic infrastructure institution.

Mission

To be an Indian multinational company providing innovative infrastructure solutions.

Values

Customer partnership: Intense customer engagement, affection and understanding facilitate us to create a mutually profitable partnership.

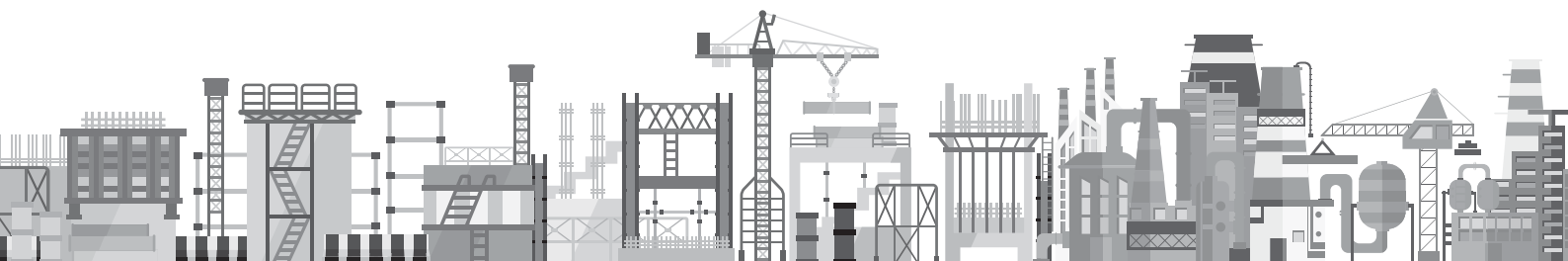
Respect for people: We treat our employees like family, providing them with an inspiring work environment that encourages initiative and recognises excellence.

Integrity: All our actions are guided by strong morals 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, solution-focused and impactful.

Professional entrepreneurship: With over 26 years of experience, our spirit of entrepreneurship enables us to overcome obstacles and complexities with professional expertise.



JOURNEY OF INDIA'S INFRASTRUCTURE SECTOR

1989	National Highways Authority of India constituted
1991	Oil & Gas E&P policy liberalised ▶ Private investment allowed in power generation and distribution
1992	Telecom sector liberalised; private sector allowed to participate ▶ Private and foreign companies allowed to develop already -discovered oil & gas fields
1993	Directorate General of Hydrocarbons sets up independent regulatory body to supervise E&P activities of all companies
1993	National Mineral Policy announced
1994	License for providing cellular mobile services granted for four metros – Delhi, Mumbai, Kolkata and Chennai
1995	Kolkata becomes the first metro with a cellular network ▶ National Highways Authority of India becomes formally operational as an autonomous entity ▶ Airports Authority of India comes into being by merging the erstwhile National Airports Authority and International Airports Authority of India ▶ Orissa becomes the first state to introduce major power sector reforms through enactment of Orissa Reforms Act, 1995 ▶ Mega Power Policy, 1995 introduced to accelerate investments in power generation by giving additional incentives to plants with >1,000 MW-capacity
1997	Telecom Regulatory Authority of India and Tariff Authority for major ports launched
1998	New Exploration Licensing Policy to provide level playing field for all players and concessions to public and private sector companies in E&P of hydrocarbons announced ▶ Refining sector de-licensed ▶ Electricity (Amendment) Act, 1998 passed to make transmission a separate activity for inviting investment from public and private sectors ▶ Electricity Regulatory Commission Act, 1998 paves the way for forming the Central Electricity Regulatory Commission
1999	National Telecom Policy announced
	Golden Quadrilateral and North-South East-West highway projects announced
2002	Indian Railway Catering & Tourism Corporation Limited become operational
2003	Promulgation of the Electricity Act 2003; creates an open environment for investment and competition
2005	The National Electricity Policy (2005) provides detailed initiatives and programmes to carry out mandates of The Electricity Act, 2003 ▶ Bharat Nirmaan announced; objective to spruce rural infrastructure in areas of electricity, roads, telecom, housing, water and irrigation ▶ Jawaharlal Nehru National Urban Renewal Mission launched to improve life quality and urban infrastructure
2006	National Tariff Policy (2006) aimed to strengthen financial viability of the power sector
2008	Wagon Leasing Scheme introduced in the Railway Budget
2009	Airports Economic Regulatory Authority set up with the objective of determining tariff levels
2011	Wagon Leasing Scheme made more attractive to investors ▶ National Optical Fibre Network (NOFN) programme approved
2012	National Telecom Policy announced
2013	Real Estate (Regulation and Development) Bill, 2013 that makes the process of real estate development transparent ▶ New Civil Aviation Policy aims to create regional and international aviation hubs in India, build and modernise airports in Tier-II and Tier-III cities and promote MRO (maintenance-repair-overhaul) business
2015	Telecom frequency re-auction ▶ 4G airwave auction ▶ Announced 5,000 km Bharat Mala road corridor connecting Gujarat and North-east India ▶ Coal mining auction

Over the years, Srei has capitalised on these government policies to emerge bigger, nimbler and stronger.

JOURNEY OF SREI'S INFRASTRUCTURE SECTOR BUSINESS

1989

Commenced operations and identified the infrastructure sector as its core business

1992

Initial Public Offering. Currently listed on all major Stock Exchanges – BSE, NSE and CSE

1997

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

2005

First Indian NBFIs to be listed on the London Stock Exchange

2008

JV with BNP Paribas for equipment financing business

2009

Strategic partnership with Tata Group for Passive Telecom Infrastructure business

2010

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

2011

'Infrastructure Finance Company' and 'Public Finance Institution' status

2012

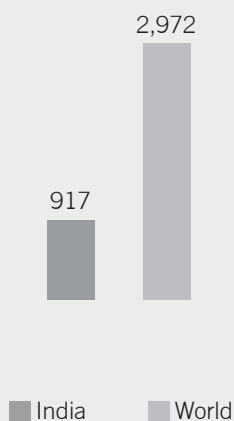
Received Certificate of Registration for Mutual Fund (Infrastructure Debt Fund) from SEBI

2014

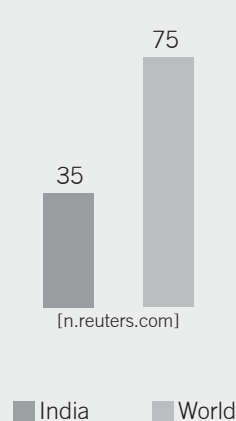
Received Certificate of authorization from RBI to set up, own and operate White Label ATMs

INDIA'S INFRASTRUCTURE GAP

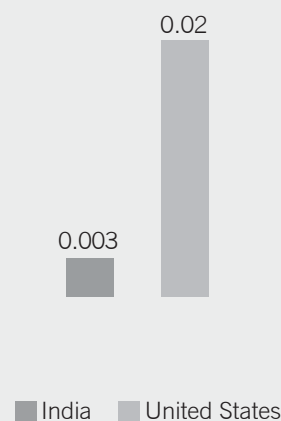
Per capita electricity consumption (units)*



Average speed of trucks on Indian roads (kmph)**



Per capita road availability (km)



Mining

Coal reserve position	Share of global production
5th globally	7.8 per cent (2013)

Iron ore reserve position	Share of global production
5th globally	8 per cent

*[Source: Key world energy statistics, 2014]

**[Source: n.reuters.com]

CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE

Hemant Kanoria, Chairman and Managing Director, Srei Infrastructure Finance Limited



Dear
Shareholders,

Now that we are through with our 25th year's celebrations, it is time to look ahead and gear up for the next 25 years and onwards on a path that will be more exciting, enriching, challenging and fulfilling. It has been a great learning experience and a journey of building long term partnerships. We started the journey with a noble intention, pursued our goals sincerely and built an organization on strong foundations of values, ethics and principles. We are sure that the next decades and centuries for this institution would be full of opportunities and promises.

The infrastructure sector in our country is at a cusp. Some are under the impression that the private sector has not been able to live up to the country's expectations, but I think that instead of being self-deprecating, as a nation, we should be proud that we have come a long way since independence. In the last two decades, we have been able to get the private sector increasingly involved in infrastructure creation, nowhere in the world any country has been able to achieve this feat. However, as a country, we have made some mistakes. It is for us to learn and move forward.

As you are aware, the last three years have been extremely testing for the infrastructure sector in India. Quite naturally this has also affected the performance of your Company's business, but in spite of this, your Company has remained profitable and continued to grow, although at a slower pace. I continue to remain upbeat because your Company has gone through much more difficult times than now, and those were at a time when the organization was much smaller and more vulnerable. Yet we faced those challenges and emerged stronger. I do not see any reason why we need to get worried about the current scenario. Your Company is now a much bigger and stronger entity, and I have full faith in the resilience of our business model and the enterprising nature of our team to weather this storm too.

I believe there are several reasons to be optimistic. The economy is doing much better than what it was a year ago. The present government, which has completed one year at the Centre, has taken a number of steps towards improving the business sentiment and they have been largely successful

The government has set a target of awarding road projects totaling **10,000 km** of which **7,000 km** is slated for EPC and **3,000 km** through PPP.

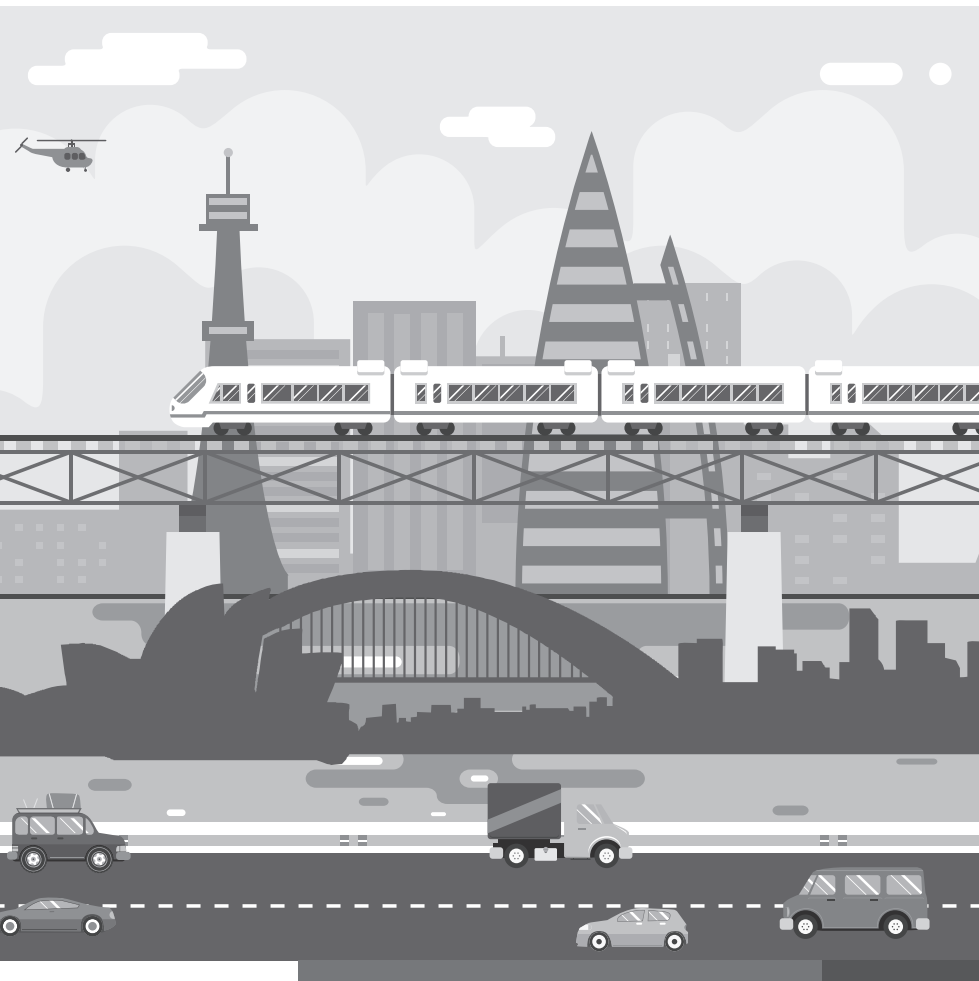
in doing so. A fortuitous drop in international crude prices during the last year has also helped strengthen our economy's macro-fundamentals to a large extent. Our Hon'ble Prime Minister has very clearly articulated his vision statement "Make in India" that calls for positioning India as a manufacturing hub. One of the pre-requisites to achieve it is capacity creation in infrastructure and this clearly features in the new government's priority agenda. The previous regime's policy complexities had stalled infrastructure development, but this government has made some concerted efforts to usher in far reaching policy changes for the infrastructure sector, some of which are still in 'work-in-progress' stage. The benign inflation scene has also set the stage for policy rate cut. I am upbeat that infrastructure will take off in a big way post-monsoon, and with that your Company will also soon be back on a high growth trajectory.

The government has set for itself a road building programme at the rate of 30 km/day. Acknowledging the limitations of the BOT (build-operate-transfer) projects and some unrealistic bids that such projects invited in its later

days leading ultimately to many pains, this government intends to undertake a large part of its target road construction under the EPC (engineering-procurement-construction) route. Realizing that road construction must also be pursued through PPP (public-private partnership) mode, the present government has also introduced the hybrid annuity model which leads to greater risk sharing between public and private sector. Allowing private

sector to exit projects after two years of completion of construction and facilitating private equity funds and sovereign wealth funds to pick up stake in such projects will provide a fillip to the BOT projects as well. Top-up loan from National Highway Authority of India (NHAI) to road builders will also encourage more private players to come in. The government has set a target of awarding road projects totaling 10,000 km of which 7,000 km is slated for EPC and 3,000 km through PPP. Thus, I expect road projects to pick up in a big way this fiscal. Your Company, which now has a moderate exposure to road sector, will definitely stand to benefit from these government initiatives.

Coal is the principal fuel for India's power generation and India has enough coal reserves to supply fuel for such projects. Yet, coal production has always lagged behind demand and we have been importing coal in spite of the fact that we have the fifth largest coal reserves in the world. The government has auctioned many coal mines to the private sector and is in the process of augmenting coal production. I am sure within the next few years there will be abundant supply of coal to the



Income grew by 3.1 per cent from Rs. 3,260 crore in 2013-14 to **Rs. 3,361 crore in 2014-15.**

power plants which, in turn, will bring down the power tariff in the country thereby accelerating the pace of all round development of the nation. Your Company, which has a presence in both power and mining, stands to benefit from such reforms in the days to come.

The telecom sector has also picked up and the telecom tower companies specifically have been doing extremely well. Viom Networks, the telecom tower infrastructure business of your Company, has had a stellar year of performance and all parameters has exceeded its targets. Viom Networks is expected to benefit from the ongoing telecom reforms and continue to do well in the years to come.

The Digital India initiative aims to expand the reach of e-governance to the farthest corners of the country. Sahaj, with its existing network of 28,000 rural Customer Service Centres (CSCs) spread across six states, can provide the government an excellent opportunity to leverage its existing infrastructure for service delivery. The management of your Company is in talks with the government so that the existing set-up can be optimally utilized and any duplication of infrastructure is avoided. The Digital India initiative can also be explored to expand the delivery of education and health services. The existing Sahaj network and your Company's expansion into financing of IT and healthcare assets stand to benefit immensely from a successful roll-out of Digital India initiative.

Railways, which has been in government domain even post-liberalization, is gradually opening up and as many as 17 areas of operation have been identified for private sector participation with 100 per cent foreign direct investment (FDI) allowed for those. Going beyond expected lines, like high speed railway and dedicated freight corridors and suburban lines, the Railways has opened up areas like standalone passenger lines (hill railways), passenger terminals, bio-toilets, technological solutions for unmanned level-crossings, mechanized laundries, construction of bridges and a number of other areas wherein the private investor is allowed to recoup investment by levying toll.

The Railways has decided to e-auction 100 PPP contracts to private players for converting railway stations into world class transit facilities. Erstwhile schemes like Wagon Leasing Scheme or Own Your Wagon which did not elicit much response are being reviewed to make them investor-friendly. All these open up a new vista of business and finance opportunities for your Company.

The budget announcement to allow NBFCs with assets worth Rs. 500 crore and above access the services of ARCs (Asset Reconstruction Companies) under the coverage of SARFAESI Act will be tremendously beneficial for your Company.

Another development that can open up new opportunities for the likes of your Company is the high level of stressed assets in India's banking system. Incidentally infrastructure accounts for a large portion of these stressed assets. Government is exploring options how to free the banks from such stressed assets. Infrastructure Finance Companies (IFCs) like Srei, which have specialized skill sets in managing infrastructure assets, are ideally suited to ameliorate the problems of the banks. The management of your Company is actively pursuing this matter with the government and suggesting that the IFCs should be provided the necessary policy support to successfully carry out the task. Government also realizes that banks may not have the requisite expertise to turn around such assets.

Even during an economic slowdown, your Company has registered reasonable growth. Income grew by 3.1 per cent from Rs. 3,260 crore in 2013-14 to Rs. 3,361 crore in 2014-15. During the year under review, your Company registered net profit of Rs. 129 crore and your Company's consolidated disbursements stood at Rs. 12,546 crore. The total consolidated assets under management were at Rs. 35,241 crore.

We, at the Company, are fully ready for the future. We are exploring new areas of business and new geographies where the Company contemplates entry. For that, we are reviewing our existing talent-pool and also looking into the manpower requirement, whether there is adequate in-house talent who can fit into new roles or whether there is a need to recruit fresh talent. The aim is to create leaders who can bring in new ideas and successfully steer your Company into the future.

Human intellect has been the driving force for our organization. We have relied on innovations and out-of-the-box thinking for our growth. However, today we realize that tomorrow's innovations will essentially be technology-driven. Technology is emerging as a key differentiator in every sphere of life. Therefore, to stay ahead of competition, our investment in training and knowledge acquisition is now being supplemented with investment in technology. Training our manpower, making them tech-savvy and equipping

them with the latest technology tools are part of the process of nurturing human capital. I am happy to share with you that there exists a core group within the Company which regularly tracks technological developments and brainstorm to assess the implications of such technology on business and also to take a call on what needs to be done internally to prepare ourselves accordingly. The members of the group are also in touch with experts in this field.

The next 25 years will be vastly different from the last 25. The next decades will see your Company transitioning to a much higher orbit. There will be new challenges, and new hurdles, but we will continue to capitalize on the opportunity that each such situation will usher in. It is this journey that excites us and keeps the adrenaline pumping. Our journey has just begun. 'Srei' is now an established brand in the Indian infrastructure fraternity. We now need to build on our strengths and position ourselves as a global infrastructure player.

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

Thank you.



HEMANT KANORIA

Chairman & Managing Director

A conversation with
Sunil Kanoria, Vice Chairman, Srei Infrastructure Finance Limited



Q&A

“There is a need to reignite India’s growth engine through infrastructure development”

Q How would you review the performance of the Company in FY15?

► **A.** The year under review was easily one of the most challenging at Srei in a long time. A change in the base year of calculation led to an increase in the GDP growth to 7.3 per cent in FY15 over FY14. However, the ground reality was quite the contrary; the growth rate of the country's infrastructure sector was very slow in FY15.

Being an integrated infrastructure institution, the multi-year slowdown affected us as well. The year under review in particular was extremely difficult and we had to use our deep experience to protect and grow the businesses in an uncertain economic environment. Despite the challenges, Srei grew revenues by 3.1 per cent. We were cautious in lending and carefully managed the health of our assets.

Q What could have been the reason behind the infrastructural slowdown and hence, economic sluggishness?

► **A.** The economic growth of a country depends on many factors, the ease of doing business being critical. While nearly 20,000 km of road projects were awarded during 2010-11 and 2011-12, a bulk of these projects could not be commissioned due to various impediments – land unavailability, delay in environmental and other statutory clearances, among others. With a large part of private funds stuck in these projects, infrastructure players found it challenging to invest afresh and get projects off the ground.

Q What is the likely impact of this infrastructural slowdown?

► **A.** It is estimated that infrastructure projects (across all categories) worth Rs. 8.7 trillion are stuck in various stages due to litigious and financial difficulties. The result is that an entire entrepreneurial class of small and mid-level players has been virtually wiped out while the competitiveness of the large players has been substantially impaired. Srei has been no exception. Nearly 40 per cent of our projects are stalled; the cost of one of our projects is expected to increase 20-fold; another is likely to miss its original completion date by 21 years.

Q How did the Company's various segments perform?

► **A. Equipment financing business:** The growth of the infrastructure equipment business is linked with the fortunes of the country's infrastructure sector. Infrastructure equipment accounts for 20-25 per cent of a road contract value, 40-45 per cent of a mining contract value and 15-20 per cent of a power contract value. As long as projects cannot be implemented, infrastructure equipment offtake will remain muted and the market will progressively shrink.

At Srei, we recognised this reality proactively; if we were not be able to finance new equipment for reasons beyond our immediate control, then the next best thing that we could do was strengthen the business of our existing customers when they needed us most. One of the ways in which we chose to do so was finance equipment with versatile applications so that if a customer failed to deploy it in a specific project, he could do so in another.

Besides, we extended from mere equipment financing to solutions orientation; when a customer struggled to deploy his asset, we leveraged our entrenched sectoral understanding to identify profitable asset deployment opportunities. The result is that a number of Srei customers continued to stay in business, remained liquid and duly fulfilled their repayment obligations. Helping manage the cash flow of our customers made it possible for them to contribute to ours.

Project financing: The business remained subdued due to the weak implementation of new projects. Here too, we recognised that merely sitting and waiting for the market to rebound would not help. We assisted customers to respond to the prevailing challenges and helped them preserve the health of their Balance Sheet.

Strategic investments: Srei made a number of strategic equity investments in businesses across the telecom, roadways, Special Economic Zones and environmental sectors. We did not just build our investment portfolio; we took timely calls in exiting investments that reached desired valuations. For instance, we are engaged in discussions to divest our telecom sector investment (through Viom Networks).

Rural infrastructure: Our Sahaj e-village service strengthened its rural presence. Towards the close of the financial year under review, our enterprise was present in 36,603 gram panchayats and 1,388 blocks.

Q So what is the overarching assurance that you would like to provide the Company's shareholders?

► **A.** **One**, the management at Srei is not merely waiting for the economy to improve; it is taking stock of the situation in a real-time. The objective being to protect and strengthen performance.

Two, we are investing in training and cost rationalisation initiatives, so that when the economy revives we are adequately positioned to capitalise on the upturn. **Three**, we are bolstering our customer focus; the key to our sustainable success lies in our ability to strengthen the businesses of our customers during this protracted downturn so that they are empowered to invest afresh and grow their business when the economy rebounds.

The government must consider **plug-and-play** projects in areas such as power, roads, ports, railways and airports

Q What are the various reasons that still make you positive about the country's infrastructure?

► **A.** There are no two opinions about the central role of infrastructure driving national growth. It has been enunciated by the Central Government, policy planners and opinion-makers that infrastructure investments lead economic recovery, and not vice versa. So, if India needs to return to a high growth trajectory, then the role of infrastructure growth cannot be impressed enough. Infrastructural growth

has to be twice that of the GDP growth rate. The question then, is not how much, but when.

Q What are some of the learnings to have emerged from the slowdown?

► **A.** Interestingly, the global meltdown of 2008 did not impact India's growth the way the slowdown of the last three years has. The recent de-growth has been largely driven by internal challenges: high cost of funds, inflation, weak governance and policy paralysis. There is another point: following the 2008 meltdown, the US Government introduced economic stimulus packages, which helped their economy regain lost steam. The Government of India too should step up spending, particularly in the infrastructure space, to reignite the country's growth. The one thing that India did do efficiently was create an effective public-private-partnership model where private companies would bring equity and execution efficiency to projects. However, a number of hurdles emerged, including clearances (land and forest) and inefficient policies, resulting in high costs and time overruns affecting project viability. Some of the biggest casualties were banks who funded long-term infrastructure projects with a short-term perspective and were caught with difficult assets on their books that now make it necessary to recapitalise stressed banks.

Going forward, the Central Government needs to focus on how to revive these stalled infrastructure projects, which constitute the lion's share of stressed assets in the banking sector. Presently, the government is considering the option of allowing banks to take projects over from borrowers so that they can try to turn them around. While the banks are good at lending, managing the projects may not be their core competence.

This is where specialist players like IFCs (infrastructure finance companies) can complement the banks by taking over such assets from their' books. IFCs are equipped with the requisite skills to own, operate and manage infrastructure projects. IFCs like Srei follow an asset-centric and solution-oriented approach whereby we analyse and assess the risks associated with the assets and mitigate them, improving project viability. Infrastructure loans generally do not go bad. There might be some cost and time overruns, but once the assets are revived, they can generate long-term benefits for the economy. In order to revive stressed assets, the Central Government may consider encouraging banks to change the management of the special purpose vehicles to manage such assets. The turnaround of brownfield projects can lead to a win-win situation for all stakeholders - the project's viability can be improved leading to steady revenue generation and the cleaning of banks' books. This will allow banks to take on fresh exposure in new projects while the IFCs can get a chance to showcase their specialist skills. IFCs should ideally be given a 3-5 year window to turn around stressed assets, considering the long-term nature of such assets.

If the Central Government can usher in this critical policy change, it could lead to a paradigm shift in India's infrastructure financing. This can become the best possible outcome of this slowdown resulting in increased private sector participation in the infrastructure development of India.

Q Where is the hope in this environment?

► **A.** The good news is that unlike in the past, the current Indian Government possesses some fiscal room to channelise public investments into

infrastructure. The government has stuck to its fiscal deficit targets; it has desisted from wasteful spending. What is worth remembering is that even if the government were to commit 1 per cent of India's GDP annually to infrastructure spending, that would only amount to USD 100 billion over the next five years, barely a tenth of the required investment. In the unlikely event that the government slashed all subsidies on food and fertilisers and utilised the proceeds to invest up to 2 per cent of the GDP annually in infrastructure, we would still fall 80 per cent short of the targeted infrastructure spending.

That leaves two sustainable ways to mobilise infrastructural resources – a thriving bond market or through state-owned development finance institutions. The bond market, by far the best avenue to raise long-term finance, is largely underdeveloped in India on account of the tight governmental regulation that has traditionally used it to raise cheap finance for its own spending. So the first step would be to build a truly vibrant bond market.

The Central Government also needs to consider funding costs, which (while they may have declined) are still high enough to render the most well-meaning infrastructure projects unviable. The government needs to recognise that the cost of funding framework for the manufacturing sector cannot be applied to the infrastructure sector.

The government must consider plug-and-play projects in areas such as power, roads, ports, railways and airports. All clearances and linkages should be in place before the project is awarded through a transparent auction system. I am optimistic that this approach alone should help unlock investments worth Rs. 1 trillion and accelerate project completion.

So, even though there remain sectoral challenges that need to be addressed, I am optimistic of a number of opportunities for the sector to grow attractively and sustainably across the long-term.

Q How does Srei expect to enhance its relevance in this environment?

► **A.** Srei has been a pioneer and a frontrunner in India's infrastructure financing segment for more than 25 years. We have survived sectoral cyclicity even though many have failed and exited. What satisfies me is that we are present across the entire infrastructure value chain - from equipment financing and project financing to project execution and advisory services – which provides us with the opportunity to work on the gamut of infrastructure projects.

The ongoing fiscal will continue to remain challenging, a positive turnaround is expected post-monsoons as governmental initiatives start gaining momentum. During FY15, we improved our processes, lowered fund costs, reformulated our risk management framework, explored means to shelve non-performing asset and strengthened a culture of austerity to mitigate the impact of external contingencies.





MINING FOR VALUE

Mining not only generates massive employment but also is the foundation on which industries thrive.

India's mining sector remained completely under the purview of the Central Government till the Nineties with restrictions on private investment. The mining of major minerals like coal, lignite, mineral oils, iron ore, copper, zinc and atomic minerals was reserved for the public sector; private sector participation was permitted in minor minerals.

However, liberalisation transformed sectoral realities. A National Mineral Policy was announced in 1993. FDI (foreign direct Investment) into the sector was allowed up to 50 per cent. In February 2006, this limit was raised to 100 per cent for non-fuel and non-atomic minerals.

Despite significant coal reserves, India's failure to modernise mining forced it to become the world's third-biggest importer of the resource. The country needs significant investments to enhance its mining output.

At the beginning of this decade, a number of mining licenses for private players were cancelled; mining was banned in several places for environmental reasons. This created job losses for thousands employed by the sector. Also, various contractors suffered huge losses, creating a cascading effect on the economy. The scenario improved only recently as various mines restarted operations. Due to

a growing mineral appetite from the power, steel and other industries, the country's mining sector is now poised for rapid multi-year growth.



Role of Srei

Mining equipment comprises 40-45 per cent of the mining contract value. Srei's equipment financing arm, Srei BNP Paribas, partners mining equipment manufacturers and is one of India's leading private equipment financiers. It services the downstream needs of key players through its pan-India network of 86 branches. Srei is bullish of the positive changes expected in the sector and is geared to meet the expected demand surge across the country.





Road ahead

As a relief to the industry, the Indian apex court lifted the ban on iron mining in Goa. Moreover, the government also reduced export duty on iron ore fines to 10 per cent from 30 per cent, making Indian iron ore fines competitive in the global market. The e-auction of coal mines will improve the mining scenario in the country and is expected to create significant job opportunities. An ASSOCHAM-Yes Bank study suggested that the Central Government needs to undertake progressive policy initiatives like single window clearances for greenfield and brownfield projects to encourage private sector participation, improve financing avenues and promote sustainable practices through larger community engagements as well as responsible mining.

Rapid urbanisation, coupled with growth in the manufacturing sector, is expected to fuel a 9-11 per cent annual growth in demand for various metals and minerals, which is expected to grow four to five times during the next decade.



Coal concerns and solutions

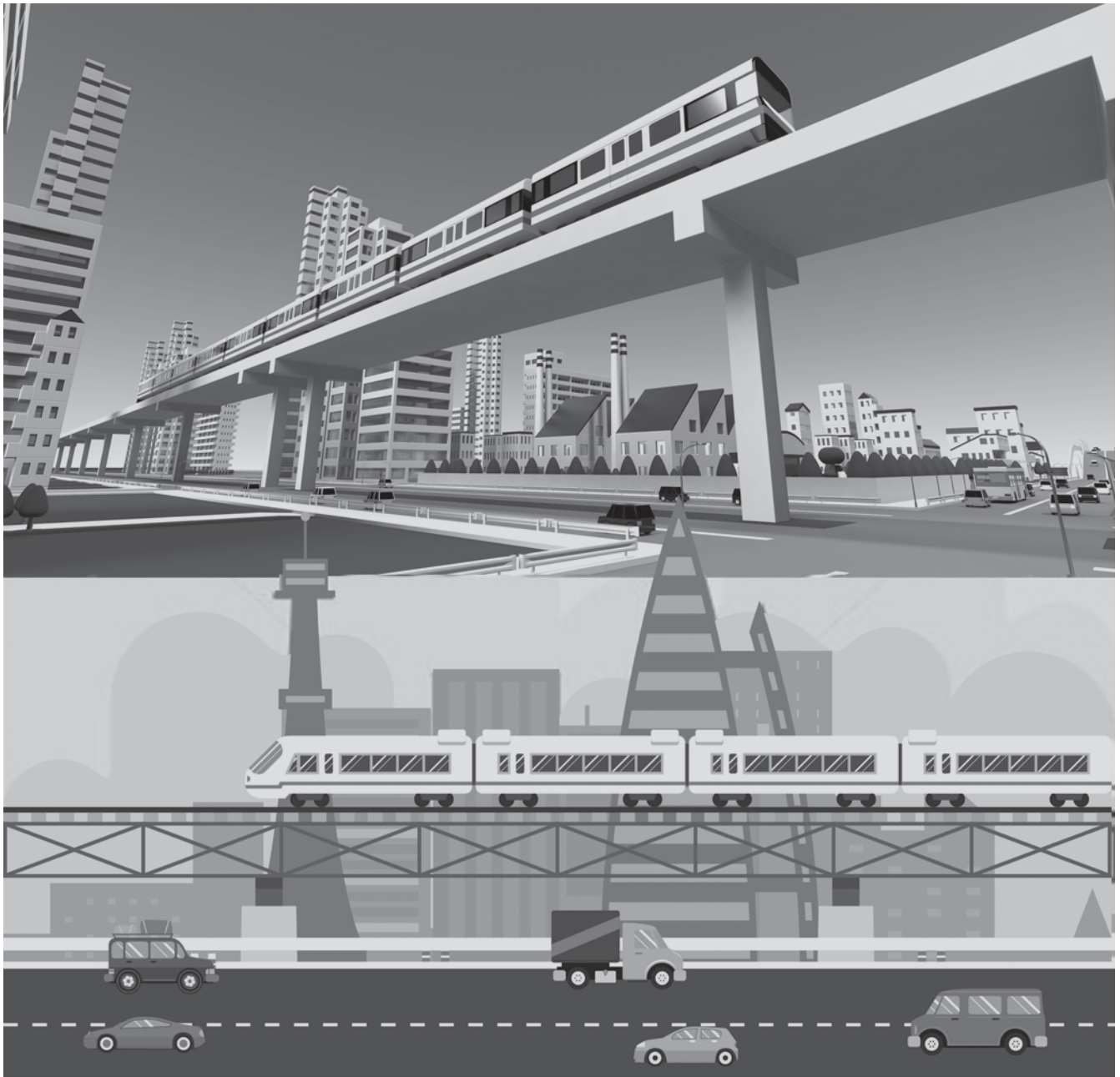
India has estimated coal reserves of 302 billion tonne. Of this, 126 billion tonne comprise proven reserves. At the current rate of annual coal production of 570 million tonne, the proven reserves alone are good enough to last generations. And yet, coal production falls short of our requirements with India needing to import coal. Presently, around 170 million tonne of coal is imported annually to address India's domestic shortfall. The sector's lack of modernisation is also another key area of concern.

The situation can be handled in the following ways:

- ▶ Allow contract mining where domestic and international players can participate while the government retains the ownership of mines
- ▶ Involve the private sector (especially international

mining players with proven track record) to bring in investments and latest technologies as well as expose this sector to global-best practices in terms of eco-friendly mining management, safety standards and logistics management, among others.

- ▶ The government to act as a facilitator in providing all necessary clearances and approvals.
- ▶ The government to create a national databank of coal blocks and the quality of coal available in those so that the user industries can get coal from the nearest blocks, thus minimising transportation costs.
- ▶ To set up an independent regulator empowered to specify the principles and methodology for determining the price of raw coal, washed coal and any other byproduct generated during washing.



BUILDING NEW ROADS

Roadways and highways are critical to India's infrastructure.

A network of world-class roads and highways will usher in incremental savings, ensure faster, safer and more comfortable journeys, moderate fuel consumption, benefit trade, reduce maintenance and unleash ancillary benefits.

The reality is that India's road network transports more than 60 per cent of the total cargo and 85 per cent of the country's passenger traffic. The country's road network grew 7x in the past ten years.

The National Highways Authority of India was formed to focus on the National Highway Development Project. The last few years have seen minimal movement in the sector owing to administrative hurdles and policy delays, the sector is now poised to grow. After awarding 7,900 km of projects in 2014-15, the Central Government plans to award 10,000 km in 2015-16. The objective is to increase the pace of road construction from 12 km/day to 30 km/day.



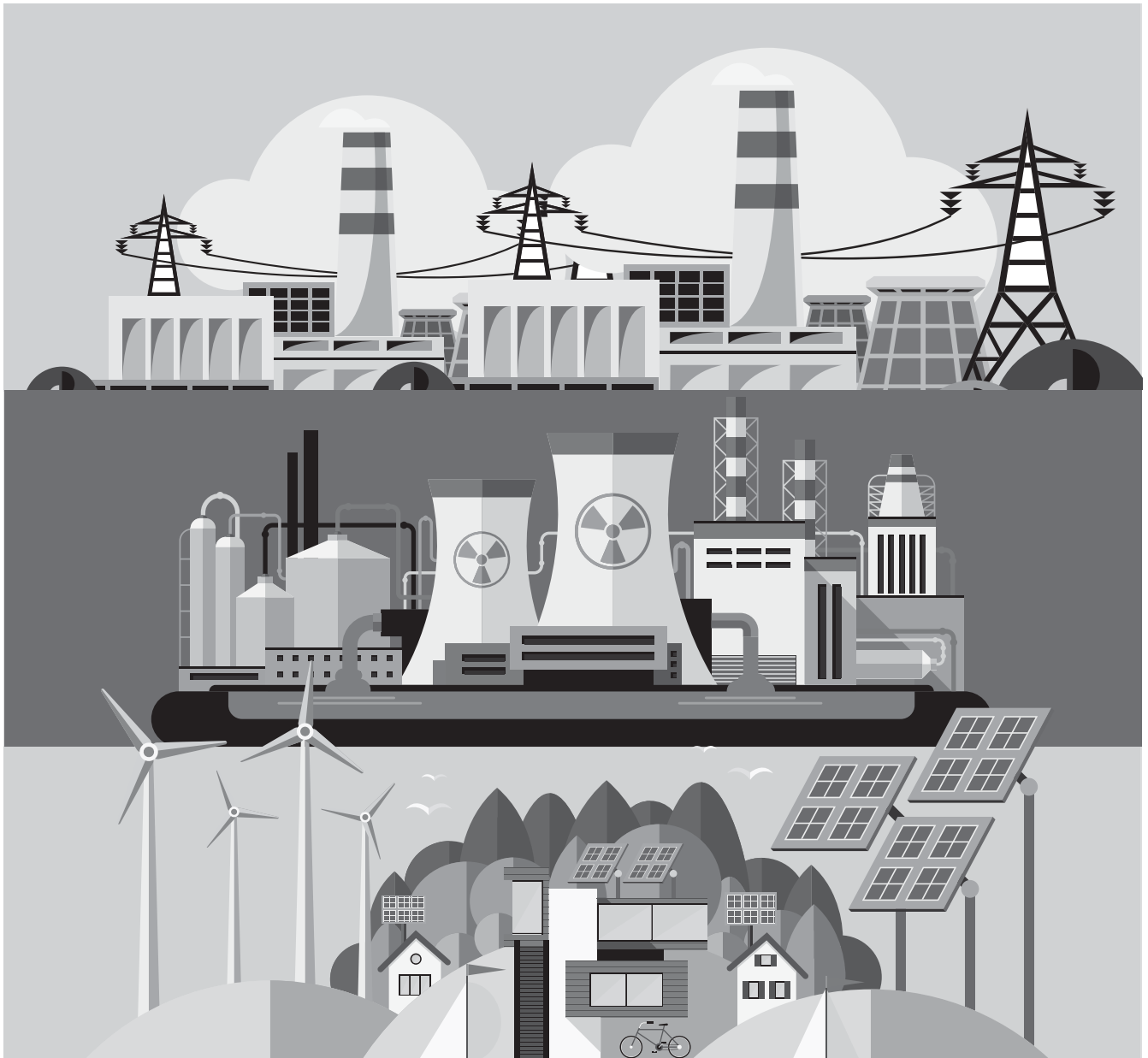
Role of Srei

Road equipment accounts for nearly 20-25 per cent of road project contract value. Srei enjoys significant market share in the infrastructure equipment finance segment in India. The Company presently has seven road projects under various stages of implementation.



Road ahead

One of the major challenges plaguing the road sector has been land acquisition. Even after the completion of bids, a number of projects are stuck owing to land acquisition issues and non-receipt of clearances, resulting in huge delays and cost overruns. Presently the Land Acquisition Bill is under review by a Joint Parliamentary Committee. Meanwhile, the government has announced a plug-and-play approach for infrastructure projects where all necessary approvals would be obtained by the concerned ministry before the projects were put up for bidding. Once the issues regarding land acquisition and clearances get addressed, the road sector will receive a fresh impetus.



POWERING THE ECONOMY

Adequate infrastructure for the generation and transmission of power is essential for sustained economic growth.

India enjoyed total power generation capacity of 1,362 MW in 1947; this reached 69,065 MW by the end of FY92. Over the next two-and-a-half decades, India's power generation capacity reached 272 GW.

The Central Government has an ambitious plan to provide 24x7 power to all households by 2019 and to this end intends to add generation capacity of 217 GW between now and 2022, including 100 GW of solar power and 60 GW of wind power.

Despite increase in generation capacity, the PLF (plant load factor) has kept on decreasing and FY15 recorded the lowest PLF in 15 years as generation companies operated at an average 65 per cent capacity. This has essentially happened because the financial condition of the distribution companies have kept deteriorating as they have very little flexibility in raising power tariffs and are thus left with little purchasing power.



Role of Srei

Srei has, over the years, cemented its position as an integrated infrastructure player in India. The Company finances and provides advisory services to various power projects.



Road ahead

India's power sector calls for comprehensive reforms both at generation and distribution ends. Coal being the principal fuel for power generation in India, domestic coal production needs to be significantly stepped up in order to bring down cost of fuel. At the same time power tariff needs to reflect cost incurred so that power distribution utilities remain viable. Also, investments are to be made in the distribution sector to minimize aggregate technical & commercial (ATC) losses.



CONNECTING COUNTLESS LIVES

The Indian telecom industry has undergone significant transformation since it was liberalised in the early Nineties. During the last two decades, the Indian telecom industry has evolved from a small supplier-dominated market marked by public sector monopoly into a vibrant multi-segment market with private sector playing the leading role.

With a total subscriber base of 996.5 million and a tele-density of 79.38%, India's telecom market is the second largest in the world. Telecom sector set a scorching pace of growth ever since this sector was liberalized during the nineties and the growth has been mostly private sector driven. One of the major reasons why mobile telephony witnessed exponential growth in India is because the tariff levels had been amongst the lowest in the world.

Prime Minister of India has called for working towards the creation of a Digital India to enable e-governance. With the rise of 3G, 4G and mobile broadband services, e-commerce and a host of other internet-enabled services (like financing, education, healthcare, etc.) are now becoming a reality in India. The number of broadband subscribers currently stands at 99.2 million.

However, nearly 950 million Indians do not have access to internet. Although India is gearing up for 4G, network coverage is far from satisfactory in the villages as most service providers are yet to expand their optic fibre networks. The government is working towards making broadband available in every Indian village.

While the recent round of spectrum auction resulted in bids worth Rs. 1.1 trillion, the operators who have won the bids are now left with limited resources to expand their networks. In order to make Digital India a reality, the Central Government must explore every possible option to bring down cost of operations.



Role of Srei

Srei offers passive telecom infrastructure solutions through a strategic investment in Viom Networks. Viom is India's largest independent telecommunications infrastructure company; it has been profitable for last three years. The company enjoys the highest tenancy ratio in the industry. Viom pioneered the evolution of a radical model for new anchor sites built with innovations around design and modular structure that moderated capex and improved efficiencies.



Road ahead

In order to bring down cost of operations, sharing of passive infrastructure must now expand beyond Infrastructure Provider Category-I (IP-I) types namely Telecom Towers, Dark Fibre, Right Of Way, Duct Space. In fact, with Voice Networks rapidly migrating to Data Networks, the definition of passive infrastructure needs to be widened and government needs to allow sharing not only for towers, but for all facets of infrastructure which do not conflict with spectrum usage/activation. The coverage of IP-I infrastructure should unambiguously include Optic Fibre, Antenna and In-Building Solutions (IBS) so that infrastructure companies can play a more meaningful role in partnering the mobile operators. In addition, spectrum sharing guidelines need to be liberalised.



DIVERSE NEEDS OF THE INFRASTRUCTURE SECTOR

As India's infrastructure sector liberalised, widened and deepened, the country required specialised financiers, executors, operators and advisors. Srei consolidated these roles, emerging as an integrated infrastructure solutions provider.

Being an integrated infrastructure solutions provider has its own advantages. Srei brings to the table advisory services, project financing, project management services, equipment financing as well as equipment sourcing, enhancing customer convenience.

Infrastructure project financing

Srei entered this segment in 1996, well before India's infrastructure boom. The Company now enjoys a presence across segments like roads, power, mining, ports, railways, telecom, oil and gas, among others. The project finance division had a loan book of Rs. 12,243 crore as on March 31, 2015, reporting a CAGR of 25 per cent over the preceding five years.

Srei does not just provide funds; it leverages its rich experience to advise entrepreneurs on diverse options, financial structures, project management and business planning, among others. The result is that Srei has evolved from being a mere financier to a trusted advisor.

Infrastructure equipment financing

Srei's joint venture with BNP Paribas infused fresh capital into the business and helped the Company extend to the financing of new product segments (IT, medical, agriculture and logistics).

Mentoring services: Srei does not just fund equipment purchase; it advises customers on what equipment would best serve their business objectives, what procurement mode would be most suitable, and what would be the most optimal cost structure for the deployment. The result of this seamless support is a loyal customer base – nearly 18 per cent of Srei's 42,500-plus client base are repeat customers.

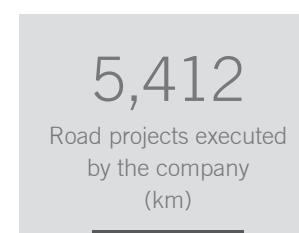
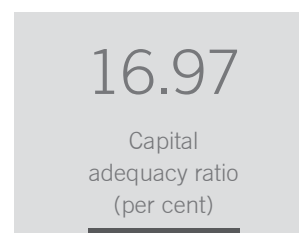
Infrastructure project development

Strategic investments: Srei gradually evolved from financing infrastructure companies to investing in them as well. The Company made strategic investments in India's largest independent passive telecom infrastructure provider (Viom), one of the largest IT-enabled distribution networks in rural India (Sahaj e-village), one of the largest equipment banks in India (Quippo) and a number of SPVs (Special Purpose Vehicles) in the country's road sector.

Advisory services

Srei provides fee-based advisory services, an extension of the Company's conventional financing business. These services span the entire value chain from project conceptualisation and feasibility studies to bidding, funding, debt syndication, insurance and project management.

SREI'S ROBUST BUSINESS MODEL





CORPORATE SUSTAINABILITY

Srei Infrastructure Finance Limited initiated several CSR activities during FY15.

Education and skills development

► Srei organised a series of training programmes on toll operations for the youth in Lucknow, Aligarh,

Bulandshahr and Delhi. Some 75 students were trained during a month-long programme. The students were

required to pay a minimal fee to retain their interest while the rest was borne by Srei. These students were then provided sustainable livelihood opportunities. The programme was executed by Sahaj-e-village Limited (a Srei Group company aiming to bridge the rural-urban digital divide).

► Srei extended monetary aid to educational institutes like IIT – Guwahati and Arya Kanya Degree College towards supporting research and educational initiatives.

► The Company supported Suryodaya Schools at two locations in Kolkata, with over 700 students hailing from humble backgrounds. They were provided quality education in English at these schools. Suryodaya Schools do not charge regular fees but accept any amount they are able to muster. The children were provided mid-day meals which encouraged parents to continue with their education.



Healthcare and wellness

► The Company is active in the field of creating social awareness regarding drug addiction, through entertaining and informal channels. Srei came forward as a corporate partner to support Sonata Foundation in its anti-drug awareness campaign, which saw active participation from prominent police officials and volunteers. Besides

extending financial support, Mr. Madhusudan Dutta, Group Head – Corporate Strategy & Planning, Human Capital, was an integral part of this year-long initiative.

The campaign started with the release of a music album, which was distributed to over 500 Community Durga Puja committees in Kolkata during the festive season of Navratri and Durga Puja. It was played frequently to create widespread awareness against the social menace. The album contained a message from Srei's Chairman & Managing Director, Mr. Hemant Kanoria, and songs based on the ill-effects of drug addiction by some notable Kolkata singers. Srei took adequate measures to ensure this anti-drug message reached around 50 lac people.

The team reached schools and colleges to educate students about drug abuse and the legal consequences of being involved in drugs trafficking.

► The 'Swasth Srei' initiative was introduced with the objective to measure health indices and promote a culture of physical fitness among Srei employees. The health indices made the employees aware of their fitness and sensitised them to be cautious and adopt preventive measures for healthy living. The employees were encouraged to participate in different sports clubs (Srei Cricket Club, Srei Football Club), marathons, yoga and meditation

sessions in the office premises and go for regular health checks.

► The Srei Kolkata team joined hands with a hospital to organise a blood donation camp for thalassaemia patients. The initiative was a success as many employees participated in this camp. The blood collected by the hospital was channelised towards children suffering from this disease.

► Eyes are the window to the world and soul. Srei organised eye check-up camps for employees in its Kolkata offices in October as a part of the 'The World Sight Month'.

Social and economic welfare

► Srei partnered an NGO by sponsoring its art gallery, wherein paintings were auctioned and the proceeds were used for resolving helpline cases of senior citizens. The helpline for senior citizens is an important programme run by the NGO. It offers three kinds of services, namely legal counseling, police counseling and crisis counseling. It offers rescue and protection from physical violence from within and outside the family as well as arranging police help. Through trained counselors the NGO provides psychological and emotional support as well as strategies for coping with difficult circumstances. It could address 12 Helpline cases in October and 20 cases in November across India.

Environmental sustainability

► The employees of Srei took up the challenge of cleaning the entire office premises and surrounding areas on the occasion of Netaji Subhas Chandra Bose's birth day on 23rd January. The Swachh Bharat campaign forces us to look beyond our walls and assume responsibility of the world outside. The cleanliness drive inculcated value about the importance of hygiene and cleanliness among employees. Srei continues to encourage similar initiatives.

The CSR Annual Report pursuant to Section 135 of Companies Act, 2013 read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014] forms a part of the Annual Report.



ANALYSIS OF OUR FINANCIAL STATEMENTS

1. Review of Statement of Profit and Loss

Highlights, 2014-15

Total income increased 3 per cent from Rs. 3,260 crore in 2013-14 to Rs. 3,361 crore in 2014-15.

Assets under management increased from Rs. 34,070 crore in 2013-14 to Rs. 35,241 crore in 2014-15.

Disbursement during 2014-15 was Rs. 12,546 crore. Disbursement recorded by equipment financing business was Rs. 7,719 crore whereas that for project finance was Rs. 4,827 crore in 2014-15.

Profit before tax during 2014-15 was Rs. 188 crore as against Rs. 226 crore in 2013-14.

Profit after tax and minority interest was Rs. 129 crore in 2014-15 as against Rs. 139 crore in 2013-14. Earnings per share was Rs. 2.57 in 2014-15 as against Rs. 2.75 in 2013-14.

Gross interest spread was 2.56 per cent in 2014-15 as against 2.47 per cent in 2013-14.

Revenue

Group revenues grew from Rs. 3,260 crore in 2013-14 to 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 from Rs. 2,929 crore in 2013-14 to Rs. 2,945 crore in 2014-15.

The income accrued by Company's fee-based businesses increased 13 per cent from Rs. 143 crore in 2013-14 to Rs. 161 crore in 2014-15. Total contribution of fee based income in total income is about 5 percent. Income from investments increased from Rs. 12 crore in 2013-14 to 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. 152 crore to the total income in 2014-15 as against Rs. 131 crore in 2013-14. Group's non-core income was Rs. 45 crore in 2014-15 as against Rs. 46 crore in 2013-14.

Operational expenses

Group's total operating cost (before interest and depreciation)

was Rs. 400 crore in 2014-15 (Rs. 353 crore in 2013-14). This increase was mainly due to increased scale of operations.

Employee cost in 2014-15 was Rs. 144 crore compared to Rs. 129 crore in 2013-14. Number of employees has increased from 2,056 in 2013-14 to 2,088 in 2014-15.

Administrative costs (including provision for diminution in value of stock for trade and investment) in 2014-15 was Rs. 256 crore compared to Rs. 224 crore in 2013-14 owing to increase in costs like equipment hiring & leasing, repairs & maintenance, site & site mobilization expense etc. Most of these cost increases were driven by increased scale of operations and general inflation.

Finance charges

Finance charges decreased by 3 per cent from Rs. 2,350 crore in 2013-14 to Rs. 2,274 crore in 2014-15. This decrease was due to lower unhedged position and better cost management.

Taxation

Group tax expense reduced by about 24 per cent from Rs. 88 crore in 2013-14 to Rs. 67 crore in 2014-15. The average tax rate was about 36 per cent in 2014-15 as against 39 per cent in 2013-14.

2. Analysis of the Balance Sheet

Highlights, 2014-15

Capital to Risk Asset Ratio was 16.97 per cent as on March 31, 2015 against 17.78 per cent as on March 31, 2014. Book value per share increased from Rs. 62 as on March 31, 2014 to Rs. 63 as on March 31, 2015. Net Worth increased from Rs. 3,109 crore as on March 31, 2014 to Rs. 3,174 crore as on March 31, 2015. Debt-equity ratio was 6.40 as on March 31, 2015 against 6.36 as on March 31, 2014.

Capital employed

Capital employed increased from Rs. 22,877 crore as on March 31, 2014 to Rs. 23,499 crore as on March 31, 2015 owing to the increase in the level of activity within various business verticals.

Equity: Share capital comprised of 503086333 equity shares with a face value of Rs. 10 totaling to Rs. 503 crore. There was no increase in equity capital as compared to the previous year.

As on March 31, 2015 Promoters' holding constituted 53.75 per cent and foreign institutional investor constituted 12.42 per cent.

Reserves: Group Reserves & Surplus grew by 3 per cent from Rs. 2,994 crore as on March 31, 2014 to Rs. 3,081 crore as on March 31, 2015.

External funds: Secured debt increased by about 3 per cent from Rs. 17,646 crore as on March 31, 2014 to Rs. 18,116 crore as on March 31, 2015. Secured loans comprised debentures, term loans and working capital facilities. The growth in secured debt was largely due to increase in Non-convertible debenture (25 per cent) and working capital facilities from banks (7 per cent). Of the outstanding secured debt, 92.45 per cent was rupee denominated debt and 7.55 per cent was foreign currency borrowing. During the year, the group increased its subordinated debentures / bonds / loans exposure by 1 per cent. Buyer's credit exposure during the year decreased to Rs. 54 crore from Rs. 130 crore in the previous financial year.

Other Current & Non-Current Liabilities: Other current & non-current liabilities increased 9 per cent from Rs. 623 crore as on March 31, 2014 to Rs. 680 crore as on March 31, 2015. This was mainly due to 20 per cent increase in trade payables from Rs. 183 crore as on March 31, 2014 to Rs. 221 crore as on March 31, 2015 and 4 percent increase in other long term and current liabilities from Rs. 440 crore as on March 31, 2014 to Rs. 459 crore as on March 31, 2015.

Current & Non-Current Provisions: Provisions increased by 7 percent to Rs. 89 crore in 2014-15 from Rs. 83 crore in 2013-14 mainly due to increase in provision for employee benefits. Provision for employee benefits increased from Rs. 11 crore

as on March 31, 2014 to Rs. 16 crore as on March 31, 2015. Total provision on standard assets increased from Rs. 43 crore as on March 31, 2014 to Rs. 44 crore as on March 31, 2015.

Net Block: Group's net block (including CWIP) was Rs. 1,551 crore as on March 31, 2015 against Rs. 1,715 crore as on March 31, 2014. The decrease in net block was mainly due to increase in depreciation charge for change in useful life of assets in compliance with Companies Act, 2013.

Financial Assets:

This largely comprises of outstanding equipment finance loans given to customers. This amount reflects the growth in the equipment finance business. Outstanding finance loan was Rs. 7,170 crore as on March 31, 2015 as against Rs. 7,056 crore as on March 31, 2014 (representing 50 per cent of Srei's share in the business). Gross NPA on a consolidated basis increased from 3.25 per cent to 4.71 percent, whereas net NPA increased from 2.75 per cent to 3.84 percent as on March 31, 2014 and March 31, 2015 respectively

Loan Assets: This largely comprises of outstanding project finance loan book, which grew from Rs. 10,610 crore as on March 31, 2014 to Rs. 11,750 crore as on March 31, 2015, an increase of about 11 per cent.

Trade Receivables: Trade receivables increased 25 per cent to Rs. 265 crore as on March 31, 2015 from Rs. 212 crore as on March 31, 2014.

Cash and Cash Equivalents: Cash and cash equivalents have increased 2 per cent to Rs. 575 crore as on March 31, 2015 as against Rs. 564 crore as on March 31, 2014.

Other Current and Non-Current Asset and Advances: Other current and non-current asset and advances decreased 4 per cent from Rs. 1,426 crore as on March 31, 2014 to Rs. 1,374

Total income	Profit before tax	Disbursement	Asset under management
34%	12%	20%	30%
10-year CAGR	10-year CAGR	10-year CAGR	10-year CAGR

crore as on March 31, 2015. This decrease is mainly on account of interest accrued but not due, which was Rs. 535 crore as on March 31, 2015 as against Rs. 665 crore as on March 31, 2014.

Current and Non-Current Investments: Current and non-current investments have decreased from Rs. 2,420 crore as

on March 31, 2014 to Rs. 2,250 crore as on March 31, 2015, a decrease of 7 per cent. This decrease is due to decrease in current investment from Rs. 343 crore as on March 31, 2014 to Rs. 20 crore as on March 31, 2015, a decrease of 94 percent. Non-current investment increased from Rs. 2,076 crore as on March 31, 2014 to Rs. 2,230 crore as on March 31, 2015.

CONSOLIDATED

Sources of funds

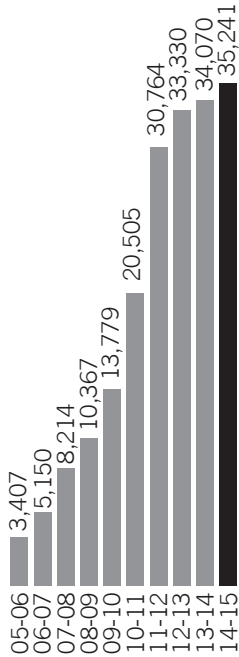
	2014-15		2013-14		Y-O-Y Growth (%)
	Amount (Rs. Crore)	Percentage of Total	Amount (Rs. Crore)	Percentage of Total	
Share Capital	503	2.02	503	2.08	0%
Reserves and Surplus	3,081	12.38	2,994	12.38	3%
Minority Interest	13	0.05	30	0.12	-57%
Long-Term Borrowings	6,804	27.33	7,104	29.37	-4%
Short-Term Borrowings	11,357	45.62	10,609	43.87	7%
Current Maturities of Long-Term Borrowings	2,164	8.69	2,055	8.5	5%
Deferred Tax Liabilities (Net)	202	0.81	183	0.76	10%
Other Long-Term Liabilities	109	0.44	80	0.33	36%
Trade Payables	221	0.89	183	0.76	21%
Others Current Liabilities	350	1.41	360	1.49	-3%
Long-Term Provisions	47	0.19	31	0.13	52%
Short-Term Provisions	43	0.17	52	0.21	-17%
Total	24,894	100.00	24,184	100.00	3%

Application of funds

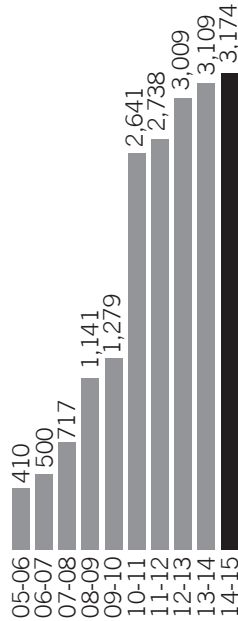
	2014-15		2013-14		Y-O-Y Growth (%)
	Amount (Rs. Crore)	Percentage of Total	Amount (Rs. Crore)	Percentage of Total	
Fixed Assets	1,551	6.23	1,715	7.09	-10%
Goodwill	308	1.24	387	1.60	-20%
Deferred Tax Assets (Net)	16	0.06	20	0.08	-20%
Non-Current Investments	2,230	8.96	2,076	8.58	7%
Long Term Financial Assets	3,688	14.82	3,776	15.61	-2%
Short-Term Financial Assets	1,155	4.63	852	3.52	36%
Current Maturities of Long-Term Financial Assets	2,088	8.39	2,241	9.27	-7%
Long Term Loan Assets	8,483	34.08	7,061	29.20	20%
Short-Term Loan Assets	309	1.24	239	0.99	29%
Current Maturities of Long-Term Loan Assets	2,819	11.32	3,260	13.48	-14%
Trade Receivables	265	1.07	213	0.88	24%
Inventories	13	0.05	10	0.04	30%
Current Investments	20	0.08	343	1.42	-94%
Cash and Cash Equivalents	575	2.31	564	2.33	2%
Other Long-Term Advances	311	1.25	359	1.49	-13%
Other Short-Term Advances	88	0.35	70	0.29	26%
Other Non-Current Assets	233	0.94	184	0.76	27%
Other Current Assets	742	2.98	814	3.37	-9%
Total	24,894	100.00	24,184	100.00	3%

OUR PERFORMANCE OVER THE YEARS

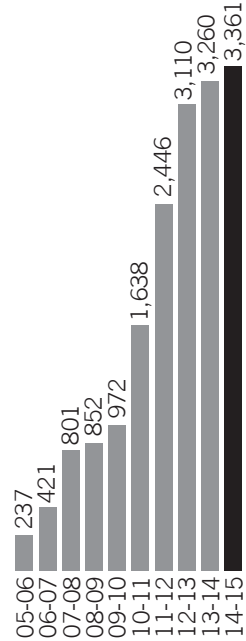
AUM#
(Rs. Crore)



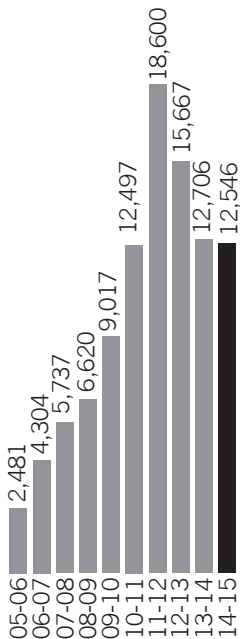
Net Worth\$
(Rs. Crore)



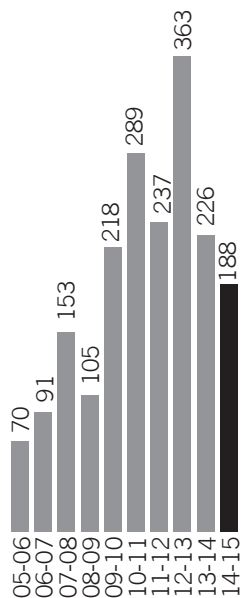
Total Income
(Rs. Crore)



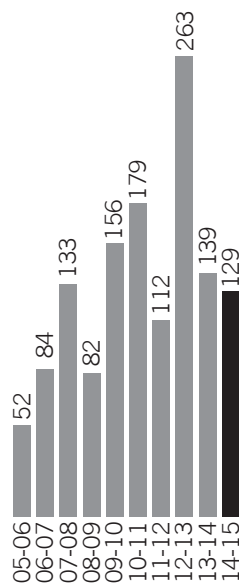
Disbursement#
(Rs. Crore)



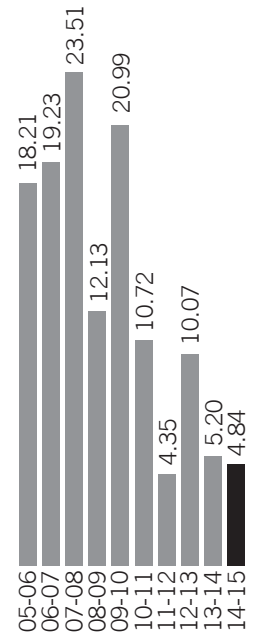
PBT
(Rs. Crore)



PAT**
(Rs. Crore)



**Return On Average
Net Worth*****
(%)



** Based on Profit after Minority Interest

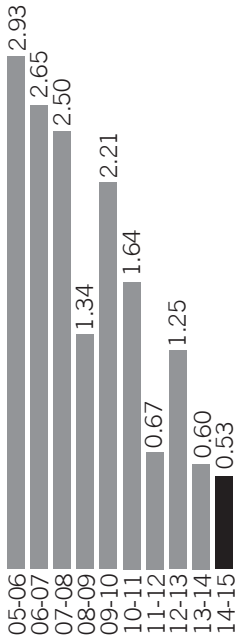
Based on Standalone Net worth

\$ Net worth for 2014-15 is calculated as per Companies Act, 2013, whereas for earlier years are based on Companies Act, 1956

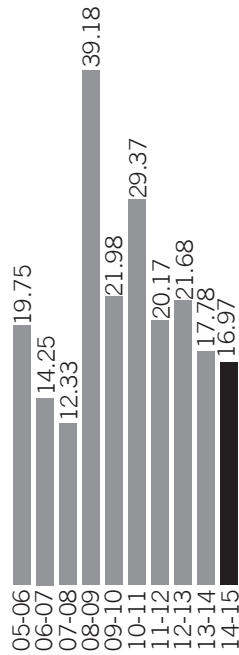
For Disbursement and AUM 100% of Srei BNP Paribas

(50:50 JV between Srei & BNP Paribas) has been considered.

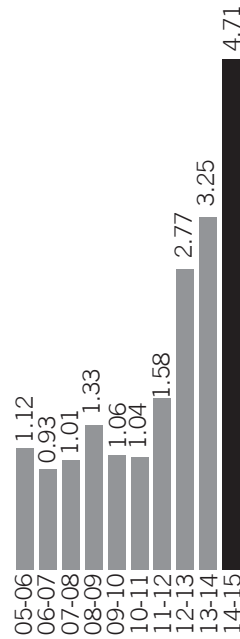
Return On Average Asset (%)**



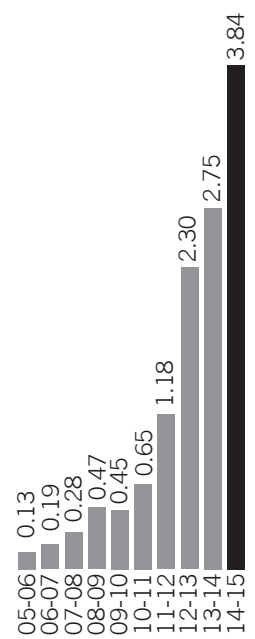
CAR* (%)



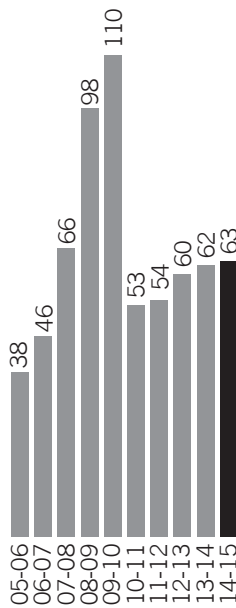
Gross NPA (%)



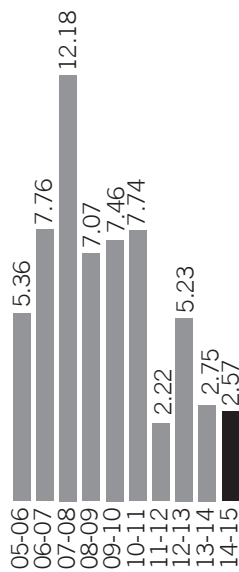
Net NPA (%)



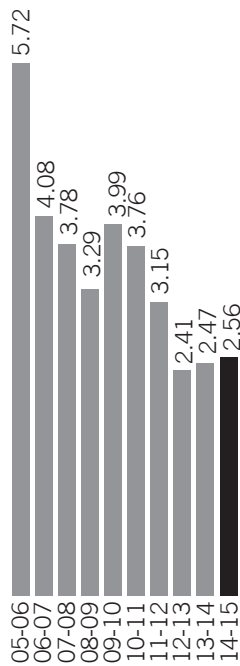
Book Value (Rs.)



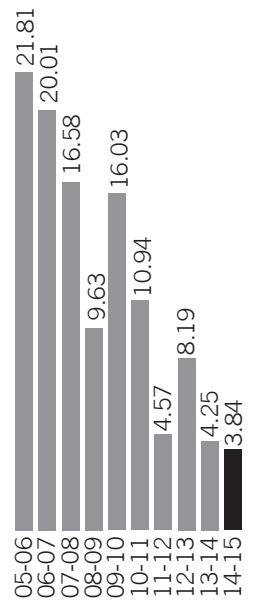
EPS (Rs.)



Gross Interest Spread (%)



NPM (%)**



* Based on Standalone numbers

** Based on Profit after Minority Interest

DIRECTORS' PROFILE

Salil K. Gupta He has more than 57 years of experience and has served as the former Chairman of West Bengal Industrial Development Corporation Limited - A leading state financial institution.
Chief Mentor, Independent Director He has also served as the President of The Institute of Chartered Accountants of India.

Hemant Kanoria With over 35 years of experience in industry, trade and financial services, he has held Chairman & Managing Director 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.

Sunil Kanoria He is a Chartered Accountant with more than 27 years of experience in the financial Vice Chairman, Non-Executive Director services industry. He is presently the Senior Vice President of The Associated Chambers of Commerce & Industry of India, (ASSOCHAM) Member of the Central Direct Taxes Advisory Committee and the Governing body member of the Construction Industry Development Council (CIDC).

T. C. A. Ranganathan Mr. T. C. A. Ranganathan has over 38 years of banking experience, after completing his Independent Director graduation / post-graduation in Economics from St. Stephen's College, Delhi School of Economics. He was the Chairman, Export Import Bank of India. He started his career with State Bank of India wherein he had diverse assignments in International Banking, Investment Banking, Corporate Finance and Consultancy in addition to Domestic Banking as Branch Head / Branch Controller. As Chair 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 etc. 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 U.N 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.

DIRECTORS' PROFILE

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

S. Chatterjee He has over 47 years of experience in Commercial and Investment Banking. He was the Independent Director Executive Director of Axis Bank Limited, Mumbai. He has extensive exposure in the areas of International Banking having worked in SBI, London for 3 years and in Washington D. C. for 5 years. He has expertise in the areas of Corporate Finance, International Business, Retail Banking, Project Financing and Balance Sheet Management, among others.

Dr. Tamali Sengupta Dr. Tamali Sengupta has over 20 years of experience in the legal field and is a specialist Independent Director 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.

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

Dr. Punita Kumar Sinha A Doctorate from the Wharton School, University of Pennsylvania, she has over 24 years of experience in asset management in international and emerging markets. She served as a Senior Managing Director of The Blackstone Group LP and Chief Investment Officer (CIO) of Blackstone Asia Advisors L.L.C. She was also the CIO and Senior Portfolio Manager of the NYSE listed India Fund Inc. and Asia Tigers Fund Inc. Independent Director

DIRECTORS' REPORT

Dear members

Your Directors are pleased to present the Thirtieth Annual Report together with the Audited Accounts of your Company for the financial year ended March 31, 2015. The summarised consolidated and standalone financial performance of your Company is as follows:

FINANCIAL RESULTS

(Rs. in Lacs)

	Consolidated		Standalone	
	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2015	Year ended 31st March, 2014
Total Revenue	3,36,032	3,26,030	1,90,003	1,80,585
Total Expenses (including depreciation etc.)	2,86,656	2,86,209	1,67,573	1,67,922
Profit before bad debts, provisions & tax	49,376	39,821	22,430	12,663
Bad Debts & Provisions etc.	30,556	17,265	10,478	3,900
Profit Before Tax	18,820	22,556	11,952	8,763
Exceptional Items	(24)	(6)	-	-
Current Tax	4,369	8,654	1,818	2,157
Mat Credit entitlement	(22)	(5)	-	-
Deferred Tax	2,354	142	1,041	660
Income Tax in respect of earlier years	3	20	-	14
Profit After Tax Before Minority Interest	12,140	13,751	9,093	5,932
Share of loss of Associate	-	-	-	-
Minority Interest	(771)	(100)	-	-
Net Profit	12,911	13,851	9,093	5,932
Minority Interest of Pre Acquisition Profit / (Loss)	109	-	-	-
Profit After Tax after adjustment of Minority Interest	13,020	13,851	9,093	5,932
Surplus brought forward from Previous Year	38,178	39,317	26,244	25,955
Profit Available For Appropriation	51,198	53,168	35,337	31,887
Paid up Equity Share Capital	50,324	50,324	50,324	50,324
Amount transferred to Reserves	17,290	12,044	6,365	2,700
Reserves and Surplus	3,08,139	2,99,362	2,23,478	2,17,419

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. 22,430 Lacs as against Rs. 12,663 Lacs in the last year.
- Profit before taxation is Rs. 11,952 Lacs as against Rs. 8,763 Lacs in the last year.
- Net profit after taxation is Rs. 9,093 Lacs as against Rs. 5,932 Lacs in the last year.
- The total assets under management of the Srei Group is Rs. 35,24,073 Lacs as against Rs. 34,06,999 Lacs in the last year.

The Capital to Risk Assets Ratio (CRAR) of your Company stood at 16.97 per cent as on March 31, 2015, 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 11.21 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 in terms of Rule 7 of The Companies (Accounts) Rules, 2014) and the relevant provisions of the Companies Act, 1956 / Companies Act, 2013, as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. Your Company discloses standalone unaudited financial results on a quarterly basis,

standalone audited financial results on an annual basis, consolidated unaudited financial results on a quarterly basis 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

Your Company has had a consistent dividend policy that balances the dual objectives of appropriately rewarding Members through dividends and retaining capital.

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 2014-15 to the Members of your Company. The dividend shall be subject to tax on dividend to be paid by your Company but will be tax-free in the hands of the Members. The dividend together with the dividend distribution tax will entail a cash outflow of Rs. 3,028 Lacs (previous year Rs. 2,943 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. The amount payable to the depositors as on March 31, 2015 is Rs. 21,21,000.

Being a non-deposit taking Company, your Company has not accepted any deposits from the public 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)
09.05.2014	75	150	3 years/5 years	28.05.2014	150.00
29.09.2014	250	Upto 1,500	2 years/3 years/5 years	12.11.2014	326.14

Debt Trust Agreement(s) in favour of Axis Trustee Services Limited for the aforesaid issues were duly executed. The Debentures issued on May 09, 2014 are listed on the Debt Segment of the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and the Debentures issued on September 29, 2014 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 issues launched in FY 2014-15, your Company has acquired nearly 20,000 retail investors. Along with previous issues, your Company has broad-based the retail base of nearly 50,000 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 4.9753 per cent from 48.7717 per cent to 53.7470 per cent. The aggregate shareholding of Promoter/Promoters' Group of your Company as on March 31, 2015 is as follows:

Sl. No.	Name	Shareholding	
		No.	%
1.	Hemant Kanoria	3,80,000	0.08
2.	Sunil Kanoria	18,02,714	0.36
3.	Adisri Commercial Private Limited*	26,81,91,250	53.31
4.	Param Commercial Private Limited*	10,000	0.00
5.	Bhavah Enterprise Private Limited*	10,000	0.00
Total		27,03,93,964	53.75

*Part of the Promoter/Promoters' Group with effect from August 12, 2014

As on March 31, 2015, none of the Promoter/Promoters' Group shareholding is under pledge.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC REVIEW

a. Global Outlook

According to the World Bank, global GDP actually grew at 2.6 per cent in

2014 after growing at 2.5 per cent in 2013. While the World Bank's earlier projection for 2014 was 3.2 per cent, the growth momentum failed to pick up in several developed and developing nations during the second half of 2014. The World Bank expects the

global growth rate for 2015 to be 3.0 percent. The estimates by International Monetary Fund (IMF) are slightly more optimistic than that of World Bank. IMF expects global economy to grow by 3.5 per cent in 2015 and by 3.8 per cent in 2016.

The global economic recovery has been slow, with very weak growth during last 3 years. While conditions have improved in USA and UK, growth in Eurozone and Japan are yet to pick up. The slowdown in China is policy induced. Chinese policymakers believe that in order to ensure financial stability of the country, a soft-landing of the economy is imperative.

Different nations are pursuing divergent policies. USA has completed its quantitative easing (QE) programme, but the Federal Reserve is unlikely to start raising interest rate before September, 2015. On the other hand, Japan and Eurozone have started their versions of QE. World's three big currencies are likely to realign over the next few years – while the USD has been appreciating ever since the QE tapering started, Euro and Yen are gradually depreciating. Central banks are finding it increasingly difficult to exit accommodative monetary policies as they run the risk of affecting fledgling recovery processes in their respective economies. Slow growth in global demand has resulted in weak global trade too.

Both World Bank and IMF expect the emerging and developing economies (EDEs) to be the main drivers of global growth. The soft commodity prices, low oil prices and easy liquidity are actually expected to help the EDEs. The World Bank forecasts that after registering a 4.4 per cent growth rate in 2014, the EDEs will clock a growth rate of 4.8 per cent in 2015 and thereafter growth rate will further strengthen to 5.3 per cent and 5.4 per cent in 2016 and 2017

respectively.

b. Indian Scenario

In a bid to make India's GDP data more accurate, relevant and globally comparable, a new series of GDP data has been released where the new base year is 2011-12 instead of 2004-05 used earlier. Previously, India's GDP implied GDP at factor cost, but from now onwards the calculation will be on the basis of globally accepted GDP at market prices. India's revised GDP growth rate now stands revised upwards at 5.1 per cent (from 4.7 per cent) for FY13 and 6.9 per cent (from 5.0 per cent) for FY14. This year's Economic Survey suggests that GDP growth for FY15 is likely to be 7.4 per cent. In FY16, the growth rate is likely to go up further to anything between 8.1 - 8.5 per cent making India world's fastest growing large economy. IMF also expects India to overtake China in terms of growth rate in 2016.

The Government of India has been successful in containing inflation and the low oil prices are unlikely to put any upward pressure on inflation. RBI has initiated the cutting of policy rate which is expected to stimulate investment. However, the central government believes in setting in motion the investment cycle by itself by channelizing investments in infrastructure projects. The government is working towards restarting the stalled projects and at the same time is trying to ensure that any new borrowing is only for capital expenditure. The government is also focusing on reducing leakages in subsidies and social expenditures. The

government has initiated a number of measures towards easing the business climate and expects private investment to pick up soon.

Controlled inflation, a stable currency, the economy's resilience, coupled with Indian government's ability to adhere to fiscal targets and a willingness to implement economic reforms, have resulted in increased investor attention. In FY15, till January 2015, India has been able to attract foreign direct investment (FDI) to the tune of USD 26 billion. Also, India has received record investments to the tune of USD 43.5 billion from foreign institutional investors (FIIs) till mid-March 2015. Of this, USD 26.3 billion has been invested in debt, while equities absorbed USD 17.2 billion. Foreign investors preferred Indian bonds in order to take advantage of the yield differential between India and developed markets such as the US. FII limits for government securities have been exhausted and the limits for some corporate debt have also been utilized. Once US interest rates start rising, and as Indian rates fall further, the narrowing yield differentials are likely to adversely impact flows into the Indian debt markets.

While government is willing to add momentum to the investment cycle by investing on its own in infrastructure projects, going forward private capital would need to play an important role. Public-Private-Partnership (PPP) being the preferred mode of infrastructure creation in India, government has to work towards creation of an enabling environment whereby both domestic and foreign funds can be mobilized

into infrastructure. Keeping in mind the constraints of the banking system, special efforts are to be made in attracting foreign capital.

NBFIs IN INDIA

Non-banking Finance Companies (NBFCs) like Asset Finance Companies (NBFC-AFCs) and Infrastructure Finance Companies (NBFC-IFCs) form an integral part of the financial fabric of the Indian economy. Most of the banks are unable to cater to the finance needs of micro, small and medium enterprises (MSMEs) and it is these NBFCs which bridge the gap and act as an extended arm of the banking system in India.

During the year under review, several regulatory changes took place in the NBFC space. The important ones are mentioned hereafter:

- NBFCs desirous of issuing co-branded prepaid instruments need to apply for one-time approval from RBI
- RBI simplified documentation for NBFC registration
- No Debenture Redemption Reserve is required to be created by NBFCs for privately placed debentures and only 25 per cent is required in case of publicly issued debentures
- Banks have been allowed to engage non-deposit taking NBFCs (NBFC-NDs) as Business Correspondents (BCs) provided (a) there is no comingling of bank funds and those of NBFC-ND appointed as BC, and (b) there is a specific contractual agreement between bank and NBFC-ND to ensure that all possible areas of conflict of interest are adequately taken care of
- Any NBFC with asset size of Rs. 1,000 crore or more can participate in interest rate futures market in recognized stock exchanges as trading members subject to RBI / SEBI guidelines
- NBFCs with asset size of Rs. 1,000 crore or more need to report online to stock exchanges information on shares pledged in their favour by borrowers for availing loans
- RBI limited the amount NBFCs can lend against shares pledged as collateral to 50 per cent of the value of shares. For giving out loans of Rs. 5 Lacs or more, NBFCs are allowed to accept only Group 1 shares (i.e. frequently traded shares). NBFCs are subject to different regulations when it comes to loans to volatile sectors such as capital market and real estate
- In case of FDI in NBFCs, minimum capitalization shall include share premium received along with the face value of the share, only when it is received by the company upon issue of the shares to the non-resident investor
- A panel set up by RBI has recommended that NBFCs, along with banks, should undertake 360 degree feedback in order to ensure a transparent and comprehensive performance assessment that can adequately differentiate performance among employees

India's revised GDP growth rate now stands revised upwards at 5.1 per cent (from 4.7 per cent) for FY13 and 6.9 per cent (from 5.0 per cent) for FY14.

NBFCs with asset size of Rs. 1,000 crore or more need to report online to stock exchanges information on shares pledged in their favour by borrowers for availing loans.

- NBFCs now figure among the list of eligible entities which can promote a Small Finance Bank subject to fulfilment of other eligibility criteria
- NBFCs with minimum net worth of Rs. 500 crore and with consistent track record of distributable profit for last 3 years and with rating of not less than 'AA-' or equivalent will be eligible to file shelf prospectus for public issue of debt securities
- RBI relaxed guidelines for issuance of private placement of NCDs (maturity of more than 1 year) by NBFCs. Guidelines stipulated for 2 categories – (a) issuance can be with a maximum subscription of less than Rs. 1 crore (Category A) and (b) can be with minimum subscription of Rs. 1 crore (Category B), which can be unsecured and such unsecured debentures will not be treated as public deposits
- RBI aligned loan restructuring norms of NBFCs with those of banks in order to minimize risk of defaults
- NBFCs planning to provide investment advisory services need to obtain approvals from both RBI and SEBI
- NBFCs with minimum asset size of Rs. 500 crore to be empowered to enforce security interest in NPAs and the SARFAESI Act, 2002 to be amended to this effect
- For NBFCs, the security for the debentures by way of charge or mortgage shall be created in favour of the debenture trustee on any

movable property of the NBFC which in case of any other Company shall only be created on specific movable property.

Keeping in mind the rising share of NBFCs in Indian industry, the RBI has come out with new guidelines for the NBFC sector. As per revised norms:

- NBFCs in operation before April, 1999 are to raise their minimum net owned funds (NOF) to Rs. 1 crore by March, 2016 from the current level of Rs. 25 Lacs and then to Rs. 2 crore by March, 2017
- Till now, NBFCs marked a loan as bad loan only if interest was not paid for 180 days. That period has now got reduced to 90 days, same as that of banks
- Provisions for standard assets have also been raised from 0.25 per cent of loans outstanding to 0.40 per cent of loans
- For deposit taking NBFCs, it has become mandatory to get an investment grade rating by March 2016, or else they would have to stop accepting deposits
- All asset financing NBFCs are now allowed to accept deposits up to 1.5 times their NOF, down from 4 times NOF earlier
- Previously, NBFC-NDs with assets over Rs. 100 crore were considered systemically important. That threshold now stands increased to Rs. 500 crore
- A Board approved policy for

ascertaining the fit and proper criteria of the directors at the time of appointment is required to be put in place and to be reviewed on a continuing basis

- A declaration and undertaking from the directors and a Deed of Covenant signed by the directors in the prescribed format must be obtained
- There must be rotation of the partner/s of the Chartered Accountant firm conducting the audit, every three years so that same partner does not conduct audit of the company continuously for more than a period of three years.

BUSINESS OUTLOOK AND FUTURE PLANS

At this juncture India is fortunately at a 'sweet spot' due to a number of domestic and international factors. The government realizes how crucial it is now to improve the ease of doing business in India in order to take advantage of the situation. To this end, a number of steps have been taken through the Union Budget 2015-16. Basic corporate tax rate is being reduced from 30 per cent to 25 per cent over the next 4 years. The General Anti Avoidance Rules (GAAR) stand deferred by another two years which will address some of the concerns of the foreign investors. A focussed effort is being made to cut down red-tapism by creating an expert committee which is to draft a legislation where need for multiple

prior permissions will be replaced by a pre-existing regulatory mechanism is a huge plus for all businesses. Setting up of a Task Force to develop a sector-neutral financial redressal agency has also been proposed which will address grievance against all financial service providers. A new comprehensive Bankruptcy Code will be put in place by FY16 that will meet global standards.

Keeping in mind the present subdued investment climate in India, the government has decided to step up investments in infrastructure on its own and for that it is even willing to slightly relax the fiscal discipline targets so that more funds can be channelized into infrastructure creation. This is a very pragmatic approach as without a robust infrastructure sector our quest for a double-digit economic growth will only remain a pipedream. Public sector units are also to step up investments in infrastructure. An additional Rs. 70,000 crore has been earmarked for infrastructure.

PPP is expected to be the mainstay for infrastructure creation in India. To this end, the government will revisit, revitalise and fine-tune the existing PPP modalities so that private sector can become more active in infrastructure creation. The budget also outlined that the sovereign has to bear part of the PPP project risks so that PPP projects can be successfully implemented.

Some of the specific steps pertaining to infrastructure announced in the budget include:

- Setting up of a National Investment & Infrastructure Fund with an annual outlay of Rs. 20,000 crore from the Centre
- Tax-free infrastructure bonds to be floated for mobilising resources for projects in rail, road and irrigation
- Conversion of existing excise duty on petrol and diesel to the extent of Rs. 4 per litre into Road Cess to fund investment
- Ports in public sector to be encouraged to corporatize and leverage their idle assets
- 5 new Ultra Mega Power Projects, each of 4000 MW generation capacity, to be built in Plug-and-Play mode
- Increased outlays for building rural infrastructure like roads, housing, power supply, hygiene, water supply, cold storages.

The Rail Budget 2015-16 has aimed at modernization, capacity augmentation, better governance and laying out a roadmap for partnerships with both state governments and private sector. A capex plan of Rs. 1.1 Lacs crore for FY16 has been finalised with main focus on capacity augmentation of India's rail infrastructure. Centre would be providing 41% of the planned investments, the remaining amount is targeted to be tapped from a mix of other sources – foreign Insurance and Pension Funds, other bilateral and multilateral funds, domestic private sector, monetization of existing idle assets of railways, etc. A number of

steps towards improving customer experience have also been proposed some of which will entail extra costs. IT is expected to be embraced in a big way towards improving enterprise resource planning and safety in railways. Dedicated institutes for fundamental research towards advancement of coach design, rail tracks, improvement of rail technology, etc. and for upskilling rail personnel are also to be set up.

To mark the Amrut Mahotsava i.e. the 75th year of independence in 2022, the Government has set for itself certain targets:

- Housing for all – 2 crore houses in urban areas and 4 crore houses in rural areas to be built – each equipped with basic facilities like 24x7 power supply, access to clean drinking water, toilet and road connectivity
- Electrification of remaining 20,000 villages
- Renewable energy capacity to be increased to 175,000 MW
- Connectivity in terms of surface transport and telecom to the un-connected habitations
- Access to medical services in each village and city
- A senior secondary school within 5 km reach of every child
- Improvement of irrigation facilities
- Making India a manufacturing hub by focusing on skill development and encouraging entrepreneurship

- Development of the Eastern and North Eastern regions of India and bringing them at par with rest of the Country.

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 government can restart the stalled projects and how effectively it is able to reach a consensus on the crucial land acquisition issue. The government must address these issues expeditiously because once these are taken care of private sector will become more active in infrastructure creation.

Your Company is actively tracking all these developments and the management is upbeat that the business scenario is poised to improve significantly during FY 2015-16.

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

India's macroeconomic outlook, political and business environment, and focused policy direction plays an important role in driving growth. India has made substantial headway in the past decade, recording an annual average growth rate of 7.3 per cent from 2005 to 2014 in spite of low growth rate around 5 per cent in FY 2013 & FY 2014 due

to high inflation, fiscal deficits, currency depreciation, poor business investment and sentiments. The general election in FY 2014 has established a stable Government with a single-party majority for the next five years. A political mandate for reform and a benign external environment have created a historic moment of opportunity to propel India onto a double-digit growth trajectory. Decisive shifts in policies controlled by the Centre combined with a persistent, encompassing and creative incrementalism in other areas could cumulate to strong reforms. India's growth rate has started moving upwards from around 5 per cent in last two financial years to above 6 per cent for first three quarters in FY 2014-15.

Infrastructure sector requires US\$ 1 trillion of investment over the next four years. It has been estimated that the Government of India needs to invest USD 1.7 trillion on infrastructure projects to achieve its 2020 vision. Keeping in view the above projections, the new Government has started on a proactive note, putting key emphasis on infrastructure sector and friendly foreign policy as a key tool for economic development with could act as a catalyst. The Government has adopted a three-pronged approach to address this sector's problems, which includes modifying the regulatory framework, speeding up clearances and removing execution bottlenecks for existing projects and reviving the capital-expenditure cycle by awarding new projects. In addition, various reforms over the past few years have looked to

liberalize rules and regulations, provide tax incentives and concessions and simplify rules.

In Union Budget FY 2015, Government has formulated a multi-dimensional approach to revive the investment cycle by focusing on increasing public investments on infrastructure (railways – 33 per cent increase in budgetary allocation, road sector – 200 per cent increase in allocation, corporatization of ports), prodding PSUs to increase capital spends, set-up of NIIF (National Investment and Infrastructure Fund) with capital of INR 200 billion. Government has also formulated a ‘plug-and-play’ model for big-ticket infrastructure projects such as power plants, airports and roads, where all regulatory clearances will be put in place before they are awarded to private developers through a transparent auction. Also formation of Public Debt Management Agency will deepen Indian Bond market and bring India’s external borrowings and domestic debt under one roof. Further, Public-Private-Partnership (PPP) framework in different sectors of infrastructure will be strengthened by Government assuming higher risk and providing clearance upfront to enable plug-n-play framework for project development.

Power

The Indian power sector is one of the most diversified in the world. Sources for power generation range from conventional ones such as coal, lignite, natural gas, hydro, oil and nuclear power to other viable non-conventional

sources such as wind, solar, tidal and agriculture & domestic waste (biogas & biomass).

As per the International Energy Agency (IEA) publication on World Energy Statistics 2013, India ranks 5th in Electricity production and 110th in the per-capita consumption of electricity. As per the Ministry of Power, energy deficit in India has reduced from 9.5 per cent in 2010-11 to 4.5 per cent in 2013-14. The Indian power sector is undergoing a significant change that is redefining the industry outlook. Sustained economic growth continues to drive power demand in India. The focus of Government of India to attain ‘Power For All’ has accelerated capacity addition in the Country. At the same time, the competitive intensity is increasing on both market side as well as supply side (fuel, logistics, finances and manpower).

During FY 2014, electricity production stood at 967 TWh (Terawatt-hour) registering a compound annual growth rate (CAGR) of 5.6 per cent. As of April 2014, total thermal installed capacity stood at 168.4 Gigawatt (GW), while hydro and renewable energy installed capacity totalled 40.5 GW and 31.7 GW respectively. At 4.8 GW, nuclear energy capacity remained broadly constant from that in the previous year.

The Ministry of New and Renewable Energy (MNRE) has initiated scheme for setting up of 25 Solar Parks, each with the capacity of 500 MW and above, to be developed over the next 5 years in various States. Indian Renewable

It has been estimated that the Government of India needs to invest USD 1.7 trillion on infrastructure projects to achieve its 2020 vision.

India ranks 5th in Electricity production and 110th in the per-capita consumption of electricity.

Energy Development Agency Ltd (IREDA) has signed a MoU with the US Exim Bank with respect to cooperation on clean energy investment.

The major reasons for slippage of power projects from the capacity addition target are slow progress of civil works, poor geology, flash flood, local agitation, law and order problems, shortage of manpower and difficult site conditions etc.

Some of the specific challenges in the power sector are a) Fuel Availability, b) Problems of Coal Blocks c) Equipment Shortage primarily in the core components of Boilers, Turbines and Generators, d) Land Acquisition and Environment Clearance, e) Financial Problem, f) Manpower, and g) Schedule Dependency on Transmission Lines.

Significant enhancement in construction activity is likely to be required to meet the 11th plan target of additional transmission capacity. A significant portion of this enhancement is likely to be in the North Eastern region, Sikkim and Bhutan, which have difficult terrain reducing the margin of error for project execution. Additional transmission capacity is required to evacuate power from surplus regions to supply to deficit regions and to enable electricity trading. This is essential to meet the target of 'Power For All'. Hence, the criticality of implementing transmission projects cannot be ignored. In this context, it is imperative to establish sound project management principles to the sector to help ensure timely completion of projects.

The coal mine auction is being conducted in line with the Government's plan, will boost domestic output of coal and will rejuvenate power plant which was closed on account of shortage of raw material. However, aggressive bidding may act as a pressure on the producers. Government is proactively addressing the concerns related to fuel shortage, difficulty in obtaining environmental approval and land clearances, poor health of State distribution utilities which has led to the slowdown in the power sector.

Your Company has allocated around 32 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 18 per cent of its total power sector investment in renewable energy sector.

Roads

India has the second largest road network in the world, aggregating 4.8 million km. Roads form the most common mode of transportation and account for about 85 per cent of passenger traffic and close to 60 per cent of freight. In India, national highways, with a length of close to 92,000 km, constitute a mere 2 per cent of the road network but carry about 40 per cent of the total road traffic. On the other hand, state roads and major district roads are the secondary system of road carries another 60 per cent of traffic and account for 98 per cent of

road length.

Road traffic growth, estimated at around 7-8 per cent in the past, has declined to about 2-4 per cent during the past couple of years. This is mainly due to commercial vehicle traffic that has remained largely flat, impacted by a slowdown in the economy. However, with an improvement in economic activity, traffic growth is expected to gradually inch up to about 5 per cent, over the next couple of years. Private participation is picking up and financial position of developers is expected to improve as many of them would successfully sell of their operational assets and/or secure funds through equity infusion. In the meantime, execution of EPC contracts awarded by NHAI will ensure some cash flows to these developers.

Problems in road sector were attributed to several factors viz. lengthy land acquisition processes, environmental clearances, prolonged dispute resolution procedures with concessioning authorities, lack of participation from developers due to their deteriorating financial health, rising construction costs and high financing costs. Recently, the Government announced a host of policy changes to address prevailing concerns related to delays in land acquisition and clearances. Few key measures such as delinking of forest and environmental clearances, ensuring substantial land acquisition before project is awarded and simplifying the process to obtain clearances from railways, will help reduce delays. On the other hand, the new exit policy

and premium rescheduling will offer some respite to ailing road developers. The Government's focus has clearly shifted towards ensuring on-the-ground implementation instead of merely hiking number of projects awarded. While these moves are set in the right direction, actual impact in terms of higher execution numbers will be visible soon.

The Indian Government plans to develop a total of 66,117 km of roads under different programmes such as National Highways Development Project (NHDP), Special Accelerated Road Development Programme in North East (SARDP-NE) and Left Wing Extremism (LWE), and has set an objective of building 30 km of road a day from 2016 against the target of 20 km per day set up in 2009. The Indian Government plans to set up a finance corporation with an amount of Rs. 1 trillion (~US\$ 16 billion), in collaboration with Japanese investors, to fund projects in the roads segment. Also, about two-thirds of NHDP road projects (ex-phase IV) have not been awarded as yet, thus offering a massive opportunity to private players in future.

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 16 per cent of its total allocation to this sector.

Ports and Port Equipment

The Indian ports and shipping industry plays a vital role in sustaining growth in the Country's trade and commerce.

India currently ranks 16th among maritime countries, with a coastline of about 7,517 km. Around 95 per cent of India's trade by volume and 70 per cent by value takes place through maritime transport.

While the optimal capacity utilisation of ports should be 70 per cent, major ports in India faces 90 per cent capacity utilisation implying traffic congestion and high berth occupancy. PPPs within the ports sector are facing large concerns including heavy litigation during the tendering, delays in obtaining clearances, difficulties with land acquisition and lack of supporting infrastructure at terminals such as container freight stations.

The number of containers handled at major ports in India increased 8.32 per cent year-over-year from April through November 2014, the first eight fiscal months, continuing an accelerating growth trend that leaves state-owned port authorities on track to meet annual throughput targets. The Indian ports sector received FDI worth US\$ 1,637.30 million in the period April 2000 - November 2014, as per the Department of Industrial Policy and Promotion (DIPP).

The ports sector was also awarded 30 projects in FY14, investing over Rs. 20,000 crore (~US\$ 3.25 billion) which is a threefold increase over the preceding year. A massive investment into India's ports and its road sector has been announced by government along with reform measures such as allowing upto 100 per cent FDI under the automatic route for port development

projects, Income tax incentives are allowed as per Income Tax Act, 1961, standardising bidding documents like RFQ, RFP and Concession Agreement etc. which will facilitate growth.

During the year, 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 9 per cent of the portfolio.

Telecommunications

Driven by strong adoption of data consumption on handheld devices, the total mobile services market revenue in India will reach US\$ 29.8 billion in 2014 and is expected to touch US\$ 37 billion in 2017, registering a compound annual growth rate (CAGR) of 5.2 per cent, according to research firm IDC.

According to a study by GSMA (UK-based GSM Association), it has been expected that smartphones will account for two out of every three mobile connections globally by 2020 and India is all set to become the fourth largest smartphone market. India is projected to have 213 million mobile internet users by June 2015, a 23 per cent rise over a six month period, according to Mobile Internet in India 2014 report. The broadband services user-base in India is expected to grow to 250 million connections by 2017, according to the UK-based GSM Association (GSMA).

The Government has fast-tracked reforms in the telecom sector and has cleared the proposal allowing spectrum trading and sharing ahead of the year-

end deadline as it wants to lift the business sentiment for the forthcoming airwave auction. The auction has been conducted smoothly which has removed all ambiguity and biasness prevailing in the market.

With the government's favourable regulation policies and 4G services hitting the market, rapid growth is expected in the Indian telecommunication sector in the next few years. Also, with developments in this sector, services such as installation of more towers with latest technology and security & surveillance, remote monitoring of ATM machines, home automation, traffic management, could eventually rejuvenate this sector.

Your Company has structured financing packages that include investment in telecom towers, and rural connectivity and telecom sector now comprises around 11 per cent of the portfolio.

Railways and Logistics

The Indian Railways is among the world's largest railway networks and has strongly emerged as the main vehicle for the Country's socio economic development.

The total approximate earnings of Indian Railways on originating basis during 1st April, 2014 to 30th November, 2014 were Rs. 1 trillion (~US\$ 16 billion) compared to Rs. 0.89 trillion (~US\$ 14.25 billion) during the same period last year, registering an increase of 12.63 per cent. The total approximate earnings from goods during 1st April, 2014 to 30th November, 2014 were

Rs. 0.67 trillion (US\$ 10.9 billion) compared to Rs. 0.60 trillion (~US\$ 9.8 billion) during the same period last year, registering an increase of 11.62 per cent.

Railway traffic growth is positively correlated with IIP growth. However, Indian Railways has not been able to capture this growth due to the unavailability of wagons and lack of infrastructure. In FY 2014-15 Budget major thrust has been given towards revival of Indian Railways and building Metro in key cities. Memorandum of Understanding (MoU) and an Action Plan has been signed with China and Association of Czech Railway Industry to improve technical cooperation for building strong infrastructure. Further, the Government has allowed 100 per cent FDI in railway infrastructure, barring operations, via the automatic route which will drive the growth ahead.

Aviation and Airports

India's scheduled airlines carried 67.73 million passengers in 2014 compared with 61.42 million passengers in 2013 and 58.81 million in 2012, according to the DGCA. FDI inflows in air transport (including air freight) during April, 2000 to January, 2015 stood at US\$ 562.65 million, as per data released by Department of Industrial Policy and Promotion (DIPP).

Aircraft movements, passengers and freight at all Indian airports are expected to grow at a rate of 4.2 per cent, 5.3 per cent and 5 per cent, respectively, for the next five years, according to estimates by Airports Authority of India (AAI).

Government agencies have projected that around 500 airports in all, both brownfield and Greenfield would be required by 2020. The private sector is sought to be involved in a big way through different PPP models, with substantial involvement of state support in terms of financing, concessional land allotment, tax holidays and other incentives.

There is large untapped potential for growth in the Indian aviation industry due to the fact that access to aviation is still a dream for nearly 99.5 per cent of its large population, nearly 40 per cent of which is the upwardly mobile middle class. It is critical for the industry stakeholders to engage and collaborate with the policy makers to come up with efficient and rational decisions that will shape the future of the Indian civil aviation industry.

Your Company has exposure in the aviation sector comprising of about 4 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. The Special Economic Zones Act, 2005 was passed in order to achieve many objectives like export promotion, attract foreign investment, infrastructure development, earning foreign exchange, employment

generation etc.

During FY06-FY14, exports from SEZs increased at a CAGR of 46 per cent to USD 82.35 billion. As at 31st December, 2014 SEZ had attracted investment of USD 516 billion in India and is providing employment to nearly 14 Lacs people.

As on March 2015, 436 formal approvals have been granted for setting up of Special Economic Zones, out of which 347 SEZs have been notified and are in various stages of operation. The total land area involved in the formally approved SEZs including notified SEZs is around 53,236 Hectares. Currently, of the operational SEZs, 55 per cent of them are catering to the IT/ITES industry. Another 11 per cent of them are operating as multi-product or multi-service SEZs. Apparel, Textiles, Pharmaceuticals and Biotechnology are other major industries which have operational SEZs.

Land acquisition problem has been a major issue in many of the large SEZs. There have been several protests in the recent past against land acquisition for industrial purposes, therefore stalling the development of SEZs. To reduce the revenue loss, Government had levied a minimum alternate tax (MAT) of 18.5 per cent (besides surcharges) and 15 per cent dividend distribution tax (DDT) on SEZ developers.

To revive investors' interest in SEZs, a package of measures had been introduced in April, 2013 which includes a) minimum land requirement downsized by 50 per cent for SEZ

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development; b) minimum land area for IT/ITES SEZ replaced by minimum built up area requirement; and c) land tracts falling between 50-450 hectares - a graded scale for minimum land criteria allows an additional sector for each adjacent 50 hectares parcel of land. From FY2014 onwards, it has been permitted to transfer ownership of SEZ units, including sale. This will immensely help companies which have already set up units in the SEZ but are finding it unprofitable.

During the year, your Company has selectively participated in financing projects in this sector. Your Company has allocated about 20 per cent of its total allocation to this sector.

INFRASTRUCTURE EQUIPMENT FINANCE - SREI EQUIPMENT FINANCE LIMITED (SREI BNP PARIBAS)

Srei Equipment Finance Limited (Srei BNP Paribas), 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, Technology and Solutions, Healthcare equipment, Captive financing solutions for leading manufacturers like Atlas Copco & Case New Holland (CNH).

Srei BNP Paribas 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. 9,238 crores.

The infrastructure equipment market had a de-growth of around 12 per cent last year but the Company managed to improve its market share in standard assets with unit sales of approximate 52,500 in 2014, the Indian earth moving and construction equipment industry had sales of approximately Rs. 18,000 crores (USD 3 bn).

The year 2014-15 was challenging for construction companies and contractors. Cash flows were strained due to non-availability of debt & equity. With the new government coming in, industry is enthusiastic and hopeful of new orders.

During the year under review, the total disbursements in terms of asset cost of Srei BNP Paribas had witnessed a de-growth in line with the industry and the profits declined by nearly 36 per cent from Rs. 358 crores to Rs. 227 crores during the year, mainly due to cost of risk.

During the year under review, performance was in line considering the difficult macro-economic conditions and challenging business environment. Key performance vectors stable inspite of stagnant operating environment. Rural, Pre-owned & Retail have been 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 MSME business space to expand market & retain market leadership, Srei BNP Paribas will focus on technology implementation, product & process innovation which will give competitive advantage in the changing business environment. The relationship between both the Members, Srei Infrastructure Finance Limited and BNP Paribas Lease Group, continues to be at the best terms and cross selling opportunities are being continuously explored.

INTERNATIONAL BUSINESS OPERATIONS

The first overseas subsidiary company of your Company was set up in Germany in the year 2003 in the name of IIS International Infrastructure Services GmbH (IIS) as a limited liability company, now known as Srei International Infrastructure Services GmbH (SIIS). The objective for setting up SIIS was to provide infrastructure advisory and equipment renting company in Europe and other foreign countries. Through SIIS, your Company has made investments in leasing and advisory business in Russia and Singapore.

Your Company commenced operations in Russia in year 2006 through its step down subsidiary, ZAO Srei Leasing (ZSL). Your Company holds 64.20 per cent share capital in ZSL through SIIS with the balance 35.80 per cent being held by reputed International financial institutions like EBRD, DEG and FMO.

ZSL is in active operation since last nine years.

The Russian economy is near stagnation, with continued lowered domestic demand leading to growth of 0.5 per cent in 2014, similar to 0.9 per cent in 2013. It was operating on the threshold of recession in the first half of 2014 with quarterly seasonally adjusted growth for the first two quarters close to zero. As a result, Russia's growth dipped in the first quarter under that of all other relevant comparator country groups. Consumer and business sentiments were already weak in 2013 due to lingering structural problems and contributed to the wait-and-see attitudes of households and companies and leading to a slowdown of the Russian economy to 1.3 per cent from 3.4 per cent in 2012. Russia is passing through a tough time due to falling oil prices and economic sanctions from European Nations and United States. On one hand, Ruble has depreciated by over 80 per cent in last one year and on the other hand, local interest rate has increased from the level of 7-8 per cent to 20 per cent. The infrastructure construction activities have reduced considerably. The prices of imported equipment have increased by 50-60 per cent due to depreciation of Ruble. The overall sale of construction equipment has fallen by 35-40 per cent. The liquidity in the Russian market is very tight which has led to increase in non-performing loans. All these have impacted the business of ZSL quite significantly. As a result ZSL,

has adopted a "wait & watch" approach and not undertaken any new business since the beginning of last year.

Your Company is waiting for some economic stability in Russia and once the situation improves, ZSL will commence the new business again. ZSL is confident to be back on the growth track in Russia once there is stability in the economy.

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's thrust on development of sustainable Smart Cities, your Company backed by its credence of City Development Planning in select towns in MP, Rajasthan and Odisha, has now initiated dialogue with reputed international consulting organizations having experience in handling similar projects for forging partnership for providing comprehensive consulting services for Smart City projects.

Your Company has made further inroads towards establishing its credence in Food Processing Industries sector. The Ministry of Food Processing Industries, Government of India has

since appointed your Company as Program Management Agency (PMA) 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. In line with the National Food Policy and for maintaining satisfactory level of buffer stock of food grains to ensure national food security, the Food Corporation of India (FCI) has since engaged your Company to undertake Feasibility Study and Bid Process Management for construction of silos for storage of wheat at eleven locations across six States in the Country through PPP on Design, Build, Finance, Operate and Transfer (DBFOT) basis. Incidentally, your Company has recently successfully provided Transaction Advisory services for selection of Independent Engineers for steel silo projects at ten locations for MP Warehousing & Logistic Corporation. During the year under review, your Company has secured new mandates and prepared DPRs for additional rice milling capacity of about 1.30 Lacs MT / p.a. in Bihar which have also been approved by the State Government. In Jharkhand, where your Company has been working as PMA for National Mission for Food Processing, it has been mandated with the preparation of ten model Project Profiles in food processing sector for the guidance and benefit of the prospective entrepreneurs.

In view of scarcity of parking spaces in metropolis, various State Governments / Urban Local Bodies have been planning for multi-layer car parking projects. To this end, your Company has bagged an assignment from West Bengal Highway Development Corporation Limited for providing Consultancy Services for the construction and development of a commercial complex cum computerized multiple layer car parking in Kolkata including preparation of a detailed feasibility report, structuring of the project on public private partnership mode, preparation of Concession Agreement and assistance in selection of the concessionaire for such construction and development work.

In view of satisfactory performance and considering technical expertise, your Company has been again mandated as Project Management Consultant by Sewerage & Infrastructural Development Corporation of Goa for the work of Sewerage Scheme for Navelim and its Sub-urban areas. With the continuation of earlier PMC assignments in sewerage sector coupled with the new mandate, your Company now has a visible footprint in municipal infra space in Goa.

Engaged by the Ministry of Tourism, Government of India, during the year your Company has worked as the State Level Project Management Agency for development of tourism infrastructure projects in the States of West Bengal, Maharashtra, Andhra Pradesh and Odisha. Presently, your Company is working on a heritage conservation tourism project viz., Mega Darbar

Circuit linking historical cities in Punjab and several tourism infrastructure development projects in West Bengal.

Your Company has also been working as Transaction Advisor for several clients across the country, which, among others, include (i) Infrastructure Development Authority, Bihar for PPP Projects, (ii) Delhi Tourism & Transportation Development Corporation (DTTDC) for construction of Budget Hotels (at six locations) on existing Bus Depots of Delhi Transport Corporation (DTC) in Delhi on DBFOT basis, (iii) Goa Housing Board for development of commercial infrastructure in Goa on PPP model, (iv) Maharashtra Jeevan Pradhikaran (MJP) for carrying out the Financial Feasibility and Bid Process Management for Operation and Maintenance of Akola Water Supply Scheme, and (v) Kerala Road Fund Board for Kozhikode (Calicut) City Improvement Project.

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.

Presently, your Company, in consortium with other established companies, has been managing diversified portfolio of annuity and toll-based road projects close to 5,500 lane km 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.

During the year under review, Solapur

Tollways Private Limited, a special purpose vehicle of your Company, commenced construction of its 100 km road project - four laning of Solapur – Maharashtra/Karnataka Border Section of NH-9 in the State of Maharashtra. Shri Narendra Modi, Hon'ble Prime Minister of India and Shri Nitin Gadkari laid the foundation stone for the road project in August, 2014.

Due to overall slowdown in the sector, your Company's focus was 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 Indian economy has witnessed significant revival in sentiment and Government's strong mandate for policy action. Recently, Moody upgraded India's sovereign rating outlook from Stable to Positive which will help pick-up in investment. The Indian economy growth during FY 2015-16 is projected to be 7.8 per cent (Source: RBI). The new Government focuses on bringing structural reforms to education, labor and product market to raise competitiveness and productivity. The prospect of good monsoon coupled with lower oil prices will keep the inflation under control and will provide RBI with the opportunity to lower interest rates. Softening of interest rates and comfortable liquidity position will improve the financing conditions in the economy.

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

During the year under review, your Company focused on enhancing the portfolio value despite economic challenges through continuous monitoring of portfolios and regular review of existing processes and systems in line with best practices. Given the positive economic scenario, your Company is putting continuous efforts to explore divestment opportunities of existing portfolio to realize better value.

Your Company's investment encompasses infrastructure sector such as transportation, energy, special economic zone & industrial parks, telecommunication, urban infra and social infrastructure. The new Government impetus is to create business environment which promotes and develops the entire ecosystem around infrastructure domain. The new Government has rolled out flexible financing structure to take care of long term funding needs and is already working on additional reforms to boost the infrastructure sector. Your Company expects that the new Government policies will not only create the right economic environment during FY 2015-16 but also develop investment framework in line with global practises which will promote private investment in infrastructure sector. Infrastructure sector provides attractive investment opportunities for long term investors in emerging economy such as India. Therefore, your Company expects better economic condition during FY 2015-16 and will continue to look out for right opportunities to unlock true value in its investments.

Your Company believes that continuous emphasis on operational efficiency through economies of scale, optimise resources through robust process and focus on employee retention & training will optimize shareholder returns on its investment portfolio.

RESOURCES

In spite of sluggish economic environment and tight monetary policy, the Treasury department of your Company has been able to raise required resources throughout the year and contain the cost of borrowings. Your Company continued to keep tight control over the cost of borrowings through negotiations with lenders and thus raising resources at competitive rates from its lenders and also ensuring proper asset liability match.

i. Bank Finance

Your Company continued to leverage on its long term relationship with banks and thus enhanced the tied-up fund based working capital limit to Rs. 8,466.50 crores from 30 Consortium member banks as at the end of financial year. Your Company also raised long term Loans aggregating to Rs. 800 crores and short term Loan aggregating to Rs. 100 crores during the year at the most competitive rates available in the market and continued its focus on domestic sources.

ii. Bonds / Debentures / Commercial Papers

Your Company has allotted debentures aggregating to Rs. 541.14 crores by issue of long term Non-Convertible

Debentures (NCDs) during the year under review. Out of total NCDs allotted during the year under review, Rs. 476.14 crores was mobilised through public issue and Rs. 65.00 crores was mobilised through private placement issue. The issuance of long term NCDs is one of the primary focus areas of your Company, going forward, to augment long term resources and to maintain healthy assets liability profile. Your Company has also raised Rs. 18,914.10 crores through Commercial Papers during the year under review.

iii. Foreign Institutional Borrowings

Your Company has signed an agreement with SACE (S.p.A) for principal amount of Euro 15 mio and would be drawing the same in FY 2015-16 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). Your Company has also signed an agreement with Deutsche Bank for USD 30 mio to be used for financing renewable energy projects. Your Company has drawn USD 18 mio out of this credit line and would be drawing balance USD 12 mio in FY 2015-16 after utilization of USD 18 mio.

RISK MANAGEMENT

Risk management remains an important and integral part of your Company's business, given the imperatives to effect optimal allocation of capital while enhancing Members' value, to maintain

high standards of asset quality along with achieving business growth, and to hedge against unforeseen events and market conditions, especially in an environment characterised by increasing uncertainties. The risk management strategy of your Company is based on a clear understanding of various risks, and adherence to well-laid out risk policies and procedures that are benchmarked with industry best practices. The Company has developed robust systems and embraced adequate practices for identifying, measuring and mitigating various risks – business, strategic, operational, market, credit, liquidity, reputational and process risks – and ensuring that they are maintained within pre-defined risk appetite levels.

Risk is managed through a framework of policies and principles supported by an independent risk function which ensures that your Company operates within a pre-defined risk contours.

Your Company has a structured Risk Committee which meets from time to time to identify and assess areas of potential risks and put in place controls and suggest various mitigants thereof. The Credit Risk Policy and Market Risk Policy of your Company is monitored and reviewed by the Risk Committee on a regular basis. The broad objective of the Policy is to evaluate and measure the risks and sensitivity and to adhere to all the guidelines/policies for credit risk management in infrastructure finance companies as specified by Reserve Bank of India and other regulators applicable to NBFC business. As a matter of policy, the risks are assessed

and steps as appropriate are taken to mitigate the same. Further, your Company has a designated Risk Head who is responsible for monitoring and implementation of the said Policies.

Governance Structure

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

Credit Risk

Assessment of credit risk of your Company's borrowers or lessees or

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

Your Company has a strong framework for the appraisal and execution of project finance transactions that involves a detailed evaluation of technical, commercial, financial, marketing and management factors including sponsor's financial strength and experience. A team of qualified and experienced personnel scrutinises proposals at various stages and analyses all relevant information which are gathered from relevant sources during the assessment process to facilitate credit decisions of the Credit Committee. For every proposal, project risks and mitigating factors are identified. Residual risks are taken care of through various mechanisms, which

may include creation of adequate security cover and debt service reserves and channelling project revenues through a trust & retention account, besides taking additional credit comforts such as corporate or personal guarantees from one or more project sponsors or a pledge of the sponsors' equity holding in the project company. Besides well-laid out procedures for credit sanctioning, there are robust mechanisms to monitor and review existing credit exposure in the portfolio. Portfolio level performance, including delinquency, is tracked at regular intervals with focus on detection of early warning signals of stress. The RCB periodically reviews the adherence to sector, borrower and group credit limits and impact of the stress scenarios or drop in the asset values in case of secured exposures on the portfolio. Key sectors are analysed in details to suggest strategies considering both risks and opportunities.

Market risk

Market risk is the risk of diminution in the value of investments on account of extraneous market factors like inadequate market liquidity, or volatile interest rates and foreign exchange rates. As an integral part of the overall risk management system, your Company addresses different forms of market risks, viz., liquidity risk, interest rate risk and foreign exchange risk. Your Company has adopted a comprehensive approach for market risk that not only hedges, where appropriate, against market risks, but also endeavours to

maximise the risk-adjusted rate of return of the portfolio by keeping close track of macro-economic developments including changes and its impact on movement in interest rates, foreign exchange rates and liquidity position in the market.

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

Liquidity risk is two-dimensional: risk of being unable to fund portfolio of assets at appropriate maturity and rates (liability dimension) and the risk of being unable to liquidate assets in a timely manner at a reasonable price (asset dimension). The ALCO lays down a broad framework for

liquidity risk management to ensure that it is in a position to meet its daily liquidity obligations as well as to withstand a period of liquidity stress from industry, market or a combination of them. The liquidity profile is analyzed on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically. The Asset Liability position of your Company is being periodically reported to ALCO, RCB and also to the RBI.

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

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

Operational risk

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

Your Company has built into its operational process proper segregation of functions, clear reporting structures, well-defined processes, operating manuals, staff training, verification of high value transactions and strong audit trails to control and mitigate operational risks. New product and activity notes prepared by business units are reviewed by all concerned departments including compliance, risk management and legal. Measurement and reporting is also achieved through the various management information systems, providing easily retrievable information, intertwined with each operational process which are generated and monitored regularly. All concerned departments coordinate and discuss key operational risk issues involving people, process, and technology, external factors etc. so as to minimise them or ensure adequate controls over them.

Your Company has a well-designed Business Continuity Plan (BCP) which ensures continuity of business in the unlikely event of business disruption or even disruption. The effectiveness

Your Company's
Asset Liability
Management
Committee (ALCO)
periodically reviews
benchmark rates, your
Company's borrowing
mix and liquidity,
funding and currency
risk, and monitors the
actual risk positions.

of the BCP in the event of a business interruption or termination is gauged by proper testing mechanisms. In order to provide continued and uninterrupted service even during natural disasters, a Disaster Recovery (DR) Site is 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., which provide protection against disruption and modification of information. To further enhance the Standard Operating Procedures and various technological functions, your Company has been investing so as to keep its technological systems constantly updated across the various domain functions. 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.

Your Company's risk management framework emphasises proper analysing and understanding the underlying risks before undertaking any transactions and changing or implementing processes and systems. This enables a proper assessment of all risks and ensures that the transactions and processes conform to your Company's risk appetite

and regulatory requirements. This is facilitated by a robust governance structure, which includes multi-tiered approval levels for all transactions and processes. This mechanism is aided by a regular reviewing of the portfolio and control mechanisms, undertaking self-assessment programmes and monitoring of key risk indicators.

HUMAN RESOURCES ACTIVITIES

In commensuration with the existing business and economic scenario, this year, your Company focused on strategies that enhance talent development, talent management and talent acquisition. But this year the key differentiator in shouldering all responsibilities with the Human Resources (HR) Team was 'People Council'. People Council constitutes key leaders of business who actually run the talent hence their interventions in all facets of talent management led to a difference felt in the business.

On the onboarding of People Council, first and foremost requirements was a robust alignment to the business objectives. Therefore the People Council draws its agenda's from 'Business Council', basis that People Council has recommended that a new Performance Management System (PMS) and Compensation Policy be rolled out in your Company.

While your Company kept a constant and strong employee communications flowing through various channels like Townhalls, newsletters and employee engagement activities

Your Company has a well-designed Business Continuity Plan (BCP) which ensures continuity of business in the unlikely event of business disruption or even disruption.

round the year and continued to build employee bonding, it did not stop there, but extended. The extended engagement programme for employees family called 'Srei Bandhan' hosted a number of activities for employee's spouses and children. Your Company to institutionalize the culture of appreciation continued the annual reward programmes and spot recognition 'Shabash'. Your Company realized the developmental needs of talent is different in every level. Hence the employee segment between middle and senior level was categorized and developmental needs were identified and addressed through several workshops partnering Institutes like ISB, IIM (Kashipur), MDI as well as an enriching session by Dr. Ram Charan.

Your Company believes employees to be the most valuable asset hence through 'Swasth Srei' it intends to keep 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 various ways of keeping healthy.

To keep a check on the talent inflow, your Company became more stringent by using competency based hiring. Your Company kept fostering employer brand relationships across B schools, Engineering colleges and round the year a good number of interns were working with your Company and delivering value.

Your Company intends on benchmarking itself, therefore it has undertaken

surveys with Aon Hewitt and Great Place to Work to comprehend itself with the market.

The employee count of your Company stands at 224 as on March 31, 2015, and automating employee services has supported your Company to improve response time and service.

INFORMATION TECHNOLOGY

Information Technology (IT) in your Company had been treading the path of transformation for the last few years, moving smoothly through the various steps of the intial-consolidate-leverage stages and adding value and strength to all aspects of your business. FY 2014-15 has been the most significant year for this transformation, with more than seven major projects and ten minor projects having been rolled out in one single year.

Indeed, by the end of FY 2014-15, your Company achieved an all-round robustness in functionality and process and a significant degree of platform integration in its application landscape, along with effective governance, automation and scalability in infrastructure; process wise, many of the recommended best practices in the industry were adopted and several more will be implemented shortly, thus enabling your Company to add synergy, flexibility and business continuity.

Oracle E Business Suite for financials and human resources has been further enhanced this year by rollout of the variable pay module for field officers.

Your Company achieved a smooth migration to a new managed service vendor PWC, resulting in significant savings in cost. It also integrated into multiple bank systems to make the process of remittance fast and seamless and implemented a slew of enhancements for the welfare needs of the workforce. Your Company developed a bill tracking system for tracking the bills and came up with an online CRM and portal for retail liability and with a faster cycle time. The treasury solution 'Kastle' had all liability products implemented and got integrated to Oracle Financials. Your Company also rolled out an integrated document management system with a single window for all sanctions and invoices and integrated with Oracle for HR and F&A.

It was a big year for the core lending functionality, which moved to version 5 that boasts of an in-house developed payment management system leading to a savings of Rs. 15 Lacs annually on licenses and a 50 per cent increase in the efficiency of the payment team. The year was also special for the core lending functionality, as we could make available more than 125 MIS reports to aid in status reporting and decision making.

It was a great year for the front end applications as well, your Company automated its collection process, rolled out an integrated GPS asset tracking and achieved real time integration with its lending function. The Loan Origination System moved into production as a stand-alone application and is currently

being integrated. Your Company also achieved call centre integration to assist in the collection effort. Online CRM portal for Retail Liability, Service Request Tracking System (SRTS) integration, In-house developed ticket tracking system, Contact Management System, Srei Swasth portal, Automated Server Monitoring, a revamped Srei website having more dynamic content, migration to Google a unified enterprise wide collaboration and mailing solution, VDI rollout initiation, rollout of Airwatch MDM, achieving the ISMS ISO 27001:2013 certification and VPN dual authentication are other significant achievements of the IT Department during the year under review.

Information Technology function in your Company has now completely metamorphosed into the next wave of maturity that will position IT as a key organizational enabler and drive future business growth. By establishing IT Innovations as a dedicated function, we are now ready to reap the benefits of state-of-the-art innovations in the mobility, data analytics and cloud computing space, with the aim to achieve improved process efficiency, enhanced management decision making, a deeper risk management capability and overall organizational flexibility at a reduced total cost of ownership.

INTERNAL CONTROL AND AUDIT

Your Company's vision, mission and core values have laid down the foundation for the entire internal control

mechanism. On the administrative controls side, your Company has a proper reporting structure, several oversight committees, defined roles and responsibilities at all levels and rigorous performance appraisal system to ensure appropriate checks and balances. On the financial controls side, management with the knowledge and understanding of the business, its organization, operations, and processes has put in place appropriate controls including segregation of duties and reporting mechanism to deter and detect misstatements in financial reporting.

The Company has an Internal Financial Control System, commensurate with the nature of its business and the size and complexity of its operations. The Company's system of internal control has been designed to provide a reasonable assurance with regard to policies and procedures for ensuring the orderly and efficient conduct of business, maintaining of proper accounting controls, protecting assets from unauthorized use or losses, prevention and detection of frauds and errors, compliance with regulations and for ensuring timeliness and reliability of financial reporting.

Your Company has a dedicated and independent Internal Audit Department commensurate with the size and nature of operations and reporting directly to the Audit Committee of the Board. The Internal Audit Department is adequately staffed with Chartered Accountants and other professionals, who are well experienced in financial

services and related risks and controls. 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. It acts as an active and effective change agent. The Team ensures seamless efficient business operation and supports mitigation of associated risks by the process owners.

Furthermore, the Audit Committee of your Company evaluates and reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen them. Your Company has a robust Management Information System, which is an integral part of the control mechanism. Significant deviations are brought to the notice of the Audit Committee periodically and corrective measures are recommended for implementation. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. All these steps facilitate timely detection of any irregularities and early remedial measures.

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

Your Company has been in the process of sustainable business practice through its implemented Environmental

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

The core element of your Company's ESMS is a self declared Policy Framework which includes 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.

Your Company does not invest in any projects that do not comply with the environmental & social norms and laws of the Country. Your Company neither

participates nor invests in certain activities and industries, which fall in the exclusion list of your Company. 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.

Another sustainability strategy of your Company is to increase investment in green projects steadily. 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. In FY 2014-15, your Company rejected several business opportunities due to non-conformity to E&S policy like absence of sufficient regulatory clearances, PIL, land acquisition and other E&S issues. On the other hand, your Company has encouraged sustainable development by investing in various renewable energy projects.

As a part of its 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 Rollout Programme (CRP) on ESMS for its clients across the Country for carrying out business with better management of E&S risks, thereby enhancing your Company's brand image in the market. This ESMS-CRP will help clients to build their own sector specific ESMS Policy, and facilitate training program on different ESHS (Environmental, Social, Health & Safety) issues. This programme will reduce business risk substantially from your Company's portfolio and will help your Company to gain Third Party control. Your Company believes in a Sustainable Finance Business Approach by considering conservation, management & sustainable use of human & natural resources. This endeavour helps in creating 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 2014-15 aggregated to approximately Rs. 2.26 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

Your Company perceives Corporate Social Responsibility (CSR) as a strategic social investment aimed at uplifting the society at large, empowering individuals, making them self-reliant.

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 2014-15.

Your Company also made donation aggregating to Rs. 5,00,000/- (Rupees Five Lac only) to Sonata Foundation towards supporting the cause of a year-long anti-drug awareness campaign. Besides extending financial support for the entire initiative, your Company actively steered this campaign along with the Sonata Foundation and volunteers to fight against this social evil.

Your Company is cognizant towards promoting and encouraging education and hence contributed Rs. 80,00,000/- (Rupees Eighty Lac only) to IIIT, Guwahati for setting up the Institute. Your Company also extended fund amounting to Rs. 2,45,962/- (Rupees Two Lacs Forty Five Thousand Nine Hundred Sixty Two only) to Arya Kanya Degree College towards the Institute's Convocation event for motivating and felicitating the students.

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 Dignity India Foundation with a sum of Rs. 1,00,000/- (Rupees One Lac only) for its event - Art Auction. The

proceeds of the event went into running a helpline that helps senior citizens in difficult circumstances.

Your Company perceives Corporate Social Responsibility (CSR) as a strategic social investment aimed at uplifting the society at large, empowering individuals, making them self-reliant. The CSR philosophy of your Company is embedded in its commitment to all stakeholders 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 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.

Three meetings of the CSR Committee were held during the year 2014-15 on August 02, 2014, November 10, 2014 and February 13, 2015.

In the year under review, your Company could not spend the entire allocated budget of Rs. 2.26 crores since during the year it used 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 in 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. 1,38,45,962/- (Rupees One Crore Thirty Eight Lacs Forty Five Thousand Nine Hundred and Sixty Two 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 newly revamped website of your Company www.srei.com was launched on March 30, 2015. 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 our 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. 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 mega events (like Kolkata Marathon) 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, the Listing Agreement with the Stock Exchanges 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 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
Attivo Economic Zones Private Limited (formerly Global Investment Trust Limited)	Ceased to be Subsidiary w.e.f. 21.11.2014
Attivo Economic Zone (Mumbai) Private Limited	Subsidiary till 29.12.2014 and became an Associate w.e.f. 30.12.2014
Srei Asset Reconstruction Private Limited	Subsidiary between 30.06.2014 to 01.09.2014 and w.e.f. 31.03.2015
Performance Drilling International Private Limited	Became a Step down-subsiidiary w.e.f. 23.01.2015
Srei Insurance Broking Private Limited	Became wholly-owned subsidiary w.e.f. 16.12.2014
Quippo Mauritius Private Limited, Mauritius	Ceased to be Step down-subsiidiary w.e.f. 25.02.2015
Quippo Energy Nigeria Private Limited, Nigeria	Ceased to be Step-down subsidiary w.e.f. 25.02.2015
Quippo CJ Exploration & Production Private Limited	Ceased to be Step down subsidiary w.e.f. 08.07.2014
Quippo Construction Equipment Limited	Ceased to be an Associate w.e.f. 29.09.2014
Quippo Telecom Infrastructure Private Limited	Became an Associate w.e.f. 30.09.2014

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

During the year under review, your Company has formulated and put in place a Policy for determining 'Material'

Subsidiaries as per the revised Clause 49(V)(D) of the Listing Agreement with the Stock Exchanges. A subsidiary shall be considered as material if the investment of your Company in the subsidiary exceeds 20% (twenty per cent) of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated 20% (twenty per cent) of the consolidated income of your Company during the previous financial year. The said Policy is available on your Company's website www.srei.com and a link to the said Policy has been provided elsewhere in this Annual Report.

As on March 31, 2015, none of the subsidiaries of your Company are material Subsidiaries.

KEY MANAGERIAL PERSONNEL (KMPs)

Pursuant to the resolution of the Board of Directors passed at its meeting held on May 23, 2014, as modified by a resolution passed on November 10, 2014, the following directors/executives of the Company are whole-time Key Managerial Persons (KMPs) as on March 31, 2015 in accordance with the provisions of Section 203 of the Companies Act, 2013

Name	Designation	Effective Date
Mr. Hemant Kanoria	Chairman & Managing Director	01.04.2014
Mr. Bajrang Kumar Choudhary	Chief Executive Officer Infrastructure Project Development	
Mr. Bijoy Kumar Daga	Chief Executive Officer Infrastructure Project Finance	
Mr. John Moses Harding	Group Chief Executive Officer & Chief Economist Liability & Treasury Management	
Mr. Sandeep Lakhota	Company Secretary	
Mr. Kishore Kumar Lodha	Chief Financial Officer	

NOMINATION AND REMUNERATION COMMITTEE

During the year under review, the Board of Directors of your Company constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement. 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 2014-15 on November 10, 2014 and February 13, 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 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 revised

Clause 49 of the Listing Agreement, 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 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'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 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.

The following is a summary of sexual harassment complaints received and disposed off by your Company during the year 2014-15:

Complaints (No.)	
Received	Disposed off
Nil	Nil

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 the revised Clause 49 of the Listing Agreement with Stock Exchanges 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 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 Directors 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 Clause 49(II)(B)(7) of the Listing Agreement, your Company is required to conduct the Familiarisation Programme for Independent Directors (IDs) to familiarise them about their roles, rights, responsibilities in your Company, nature of the industry in which your Company operates, business model of your Company, etc., through various initiatives.

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

Significant Statutory updates are circulated on a quarterly basis 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 regularly apprises the Directors about their roles, rights and responsibilities in your Company from time to time as per the

requirements of the Listing Agreement with the Stock Exchanges and Companies Act, 2013 read together with the Rules and Schedules thereunder.

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 details of such familiarisation programmes are available on your Company's website www.srei.com and a link to the said programmes 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, 2015 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 Listing

Agreement. There are no materially significant transactions made by the Company with Promoters, Directors or Key Managerial Personnel (KMPs) which have potential conflict with the interest of your Company at large. 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.

In terms of Clause 49 (VII) of the Listing Agreement, your Company obtained prior approval of the Audit Committee for entering into any transaction with related parties. Further, the Audit Committee granted omnibus approval for repetitive transactions to be entered with the related parties, during the year. The Audit Committee reviews all related party transactions on a quarterly basis.

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 and a link to the said Policy has been provided elsewhere in this Annual Report.

During the year under review, material Related Party Transactions (RPTs) have been entered by your Company with 1 (One) Associate Company namely Sahaj e-Village Limited. Details of all material transactions with related parties

are disclosed quarterly to the Stock Exchanges along with the Compliance Report on Corporate Governance and the first such Compliance Report has been submitted to the Stock Exchanges from December, 2014 quarter onwards. All material RPTs entered during the Financial Year 2014-15 which are likely to continue beyond March 31, 2015 is being placed for approval of the Members at the ensuing 30th Annual General Meeting in accordance with the Securities & Exchange Board of India (SEBI) Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014.

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

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 Rs. 14 Lacs and Rs. 6,112 Lacs respectively (previous year Rs. 16 Lacs and Rs. 11,944 Lacs respectively).

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

During the year under review, your Company transferred a sum of Rs. 3,90,293/- (Rupees Three Lacs Ninety Thousand Two Hundred and Ninety Three 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, 2007, 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, 2015 aggregates to Rs. 43,35,930.69 (Rupees Forty Three Lacs Thirty Five Thousand Nine Hundred Thirty and Paise Sixty Nine only).

AUDIT COMMITTEE

The Audit Committee presently 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 & 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 2014-15 on May 23, 2014, August 02, 2014, November 10, 2014 and February 13, 2015.

AUDITORS

Haribhakti & Co. LLP, Chartered Accountants, having registration No. 103523W allotted by The Institute of Chartered Accountants of India (ICAI), retire as Auditors of your Company at the conclusion of the ensuing Annual General Meeting (AGM) and have confirmed their eligibility and willingness to accept the office of Auditors, if re-appointed. Your Company has received a confirmation from Haribhakti & Co. LLP, Chartered Accountants, to the effect that their re-appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013 and the rules framed thereunder. They have also confirmed that they hold a valid peer review certificate as prescribed under Clause 41(1)(h) of the Listing Agreement.

The Audit Committee and the Board of Directors of your Company recommend the re-appointment of Haribhakti

& Co. LLP, Chartered Accountants, as the Auditors of your Company. Members are requested to consider their re-appointment as Auditors of your Company to hold office from conclusion of ensuing 30th AGM until the conclusion of 35th AGM (subject to ratification of such appointment by the Members at every AGM) by way of passing of an ordinary resolution and on remuneration to be decided by the Board of Directors based on recommendation of the Audit Committee of your Company.

AUDIT QUALIFICATIONS

There are no qualifications, 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, 2015. 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 2014-15 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, Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996, Listing Agreements with the Stock Exchanges, Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of 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, the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and the Reserve Bank of India Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC –ND – SI).

The Secretarial Audit Report for the financial year ended March 31, 2015 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.

A separate section on Corporate Governance and a Certificate from the Auditors of your Company regarding compliance with the requirements of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges (revised effective October 01, 2014 vide SEBI Circular nos. CIR/CFD/POLICY/

CELL/2/2014 dated April 17, 2014 and CIR/CFD/POLICY/CELL/7/2014 dated September 15, 2014), 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.

Four Board meetings were held during the year 2014-15 on May 23, 2014, August 02, 2014, November 10, 2014 and February 13, 2015. The maximum time gap between any two consecutive meetings did not exceed 120 days.

DIRECTORS

During the year under review, Mr. Salil Kumar Gupta (DIN 00651223), Mr. Shyamalendu Chatterjee (DIN 00048249), Mr. Srinivasachari Rajagopal (DIN 00022609), Mr. Sujitendra Krishna Deb (DIN 03524764), Dr. Satish Chandra Jha (DIN 00247427) and Dr. Punita Kumar Sinha (DIN 05229262) were appointed as Independent Directors of your Company for a period of 5 (five) consecutive years from the date of the Twenty-Ninth Annual General Meeting (AGM) of your Company held on August 02, 2014 pursuant to the provisions of Section 149 of the Companies Act, 2013 (Act) read with Companies (Appointment and Qualification of Directors) Rules, 2014, revised Clause 49 of the Listing Agreement with Stock Exchanges and

your Company's Articles of Association. In this regard, your Company issued formal letter of appointment to the Independent Directors and the same is also hosted on the website of your Company.

Dr. Satish Chandra Jha, Independent Director of your Company expired on January 25, 2015. The Board wishes to place on record its deep appreciation for the dedication, foresightedness, leadership and contribution made by him to the growth of your Company.

The Board of Directors of your Company re-appointed 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 based on the recommendation of the Nomination and Remuneration Committee of your Company, subject to approval of Members at the ensuing Annual General Meeting (AGM) of your Company.

Based on the recommendation of the Nomination and Remuneration Committee of your Company, the Board of Directors of your Company has appointed both Dr. Tamali Sengupta (DIN 00358658) and Mr. T. C. A. Ranganathan (DIN 03091352) as Additional Directors (Category - Independent) with effect from May 01, 2015 to hold office as such upto the date of Thirtieth AGM of your Company. Subject to approval of the Members of your Company, the Board recommends appointment of both Dr. Tamali Sengupta and Mr. T. C. A. Ranganathan as Independent Directors

of your Company for a period of 5 (five) consecutive years from date of the Thirtieth AGM 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. Sunil Kanoria (DIN 00421564) retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

Mr. Sujitendra Krishna Deb (DIN 03524764) and Mr. Saud Ibne Siddique (DIN 01873293) resigned as Directors of your Company w.e.f. May 01, 2015, due to their personal preoccupations. The Board wishes to place on record its sincere appreciation of the contribution, advice and guidance extended by them during their tenure as Directors of your Company.

The brief resume / details relating to 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.

All the Independent Directors of your 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 Act and revised Clause 49 of the Listing Agreement. All requisite declarations were placed before the Board.

Pursuant to the provisions of Clause 49(II)(C) of the revised Listing Agreement with the Stock Exchange(s) 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 Sections 198 of the Act to Non-Executive Directors and Independent Directors of your Company for the financial year 2014-15. The payment is within the limit of one per cent of the net profits of your Company for the financial year 2014-15 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 Listing Agreement 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 of the Companies Act, 2013 (Act), your Directors confirm that:

- (i) in the preparation of the annual accounts for the financial year ended March 31, 2015, 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, 2015 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 01, 2015

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

[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, 2015 ('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, 2015 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;
 - (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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**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).

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified during the audit period, hence not applicable to the Company).
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive 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:

- (i) the Company has made following offering of Non-Convertible Debentures (NCDs):-
 - (a) Public Issue of Secured, Redeemable, Non-Convertible Debentures of Face Value of Rs. 1,000/- each (the “Debentures” or the “NCDs”) vide Prospectus dated May 05, 2014 aggregating to Rs. 1,500 Million (“Overall Issue Size”) and September 22, 2014 aggregating upto Rs. 15,000 Million (“Shelf Limit”)
 - (b) Private Placement of Rated, Listed, Secured Redeemable Non-Convertible Debentures (NCDs) of Face Value of Rs. 10,00,000 (Rupees Ten Lacs only) each vide ‘Shelf Disclosure Document and Private Placement Offer Letter of Debentures on a Private Placement basis’ dated June 06, 2014 aggregating to Rs. 150 crore.
- (ii) Authority to the Board to borrow upto Rs. 25,000 Crores u/s 180(1)(c) of the Companies Act, 2013 (‘Act’) & authority to mortgage and/or create charge u/s 180(1)(a) of the Act was granted by the Members of the Company at the Annual General Meeting held on August 02, 2014.

sd/-

Place: Pune

Dr. K. R. Chandratre

Date: May 01, 2015

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: <http://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: <http://www.srei.com/our-belief>

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. 112.86 Crore

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

Rs. 2.26 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. 1.38 Crore against the mandated Rs. 2.26 Crore

b. Amount unspent, if any: Rs. 0.88 Crore

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.(i) Health; Cl.(ii) Education; Cl.(ii) Vocational skills; Cl.(v) Protection of Art and Culture including restoration of buildings and sites of historical importance	West Bengal; Bihar	50,00,000	50,00,000	50,00,000	Direct
2.	Anti – Drug awareness campaign (voluntary participation + financial aid)	Cl.(i) Health	Suburbs of Kolkata and neighboring districts of Kolkata	5,00,000	5,00,000	5,00,000	Through Sonata Foundation, Calcutta, registered under Societies Act XXVI of 1961
3.	IIIT Guwahati	Cl.(ii) Education	Guwahati	80,00,000	80,00,000	80,00,000	Direct
4.	Arya Kanya Degree College	Cl.(ii) Education	Allahabad	2,45,962	2,45,962	2,45,962	Direct
5.	Dignity Foundation	Cl.(iii) Facilities for Senior Citizens	Pan India	1,00,000	1,00,000	1,00,000	Direct
TOTAL				1,38,45,962	1,38,45,962	1,38,45,962	

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 spend Rs. 1.38 Crore only, out of the allocated budget of Rs. 2.26 Crore since during the year it used 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 the Company in the thrust areas of CSR (education & skill development, healthcare/medical facilities, social and economic welfare, environmental sustainability).

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)

Place: Kolkata

Date: May 01, 2015

Sd/-

Shyamalendu Chatterjee

DIN: 00048249

Member of Committee

(Independent Director)

FORM NO. MGT-9**EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2015**

[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	99.69

*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 Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Adisri Commercial Private Limited 3, Middle Road, Hastings, Kolkata- 700 002	U67190WB2014PTC199720	Holding	53.31	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 Company	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 117465, Moscow, Generala Tyuleneva str. 4a, bld.3	Foreign Company	Step-down Subsidiary	59.41	2(87)
12	Srei Advisors PTE. Limited (Singapore) 9 Battery Road, # 15-01, Straits Trading Building, Singapore – 049910	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	Goldensons Construction Private Limited 'Mirania Gardens', Plot No. – 32, 11/1C, East Topsia Road, Kolkata – 700046	U45400WB2012PTC183979	Subsidiary	100	2(87)
17	Quippo Oil and Gas Infrastructure Limited D-2, 5th Floor, Southern Park, Saket Place, Saket, New Delhi – 110 017	U11120DL2005PLC138226	Subsidiary	99.90	2(87)
18	Performance Drilling International Private Limited D-2, 5th Floor, Southern Park, Saket Place, Saket, New Delhi – 110 017	U11100DL2015PTC275903	Step-down Subsidiary	99.90	2(87)
19	Quippo Energy Private Limited D-2, 5th Floor, Southern Park, Saket Place, Saket, New Delhi – 110 017	U70109DL2007PTC168478	Subsidiary	100	2(87)
20	Srei Asset Reconstruction Private Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U65999WB2014PTC202301	Subsidiary	100	2(87)
21	Srei Equipment Finance Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U70101WB2006PLC109898	Joint Venture	50	2(6)
22	Sahaj e-Village Limited 'Mirania Gardens', Plot No. 43, 10/B, Topsia Road (East), Kolkata – 700 046	U67190WB2002PLC095455	Associate	48.32	2(6)
23	Quippo Telecom Infrastructure Private Limited D-2, 5th Floor, Southern Park, Saket Place, Saket, New Delhi – 110 017	U64203DL2005PTC138225	Associate	45.18	2(6)
24	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	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2182714		2182714	0.43	2182714		2182714	0.43	0
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	243181250		243181250	48.34	268211250		268211250	53.32	4.98
e) Banks / FI									
f) Any other									
Sub Total (A)(1)	245363964		245363964	48.77	270393964		270393964	53.75	4.98
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp									
d) Banks / FI									
e) Any Other									
Sub Total (A)(2)									
Total shareholding of Promoter A =(A)(1) + (A)(2)	245363964		245363964	48.77	270393964		270393964	53.75	4.98
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1711268	16120	1727388	0.34		16120	16120	0.00	(0.34)
b) Banks / FI	158801		158801	0.03	460908		460908	0.09	0.06
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs	58807985	180000	58987985	11.73	62286229	180000	62466229	12.42	0.69
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)	60678054	196120	60874174	12.10	62747137	196120	62943257	12.51	0.41
2. Non-Institutions									
a) Bodies Corp.	26297694	107279	26404973	5.25	27712474	107279	27819753	5.53	0.28
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	28545708	1170268	29715976	5.91	25666652	1133836	26800488	5.33	(0.58)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	77966339	21635	77987974	15.50	75599037	10636	75609673	15.03	(0.47)
c) Others (specify)									
Non Resident Indians	1820083	16357	1836440	0.37	1729196	16357	1745553	0.35	(0.02)
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	1125840		1125840	0.22	536153		536153	0.11	(0.11)
Trusts	58019675		58019675	11.53	35480175		35480175	7.05	(4.48)
Foreign Bodies - D R		1735717	1735717	0.35		1735717	1735717	0.35	0
Sub-total (B)(2)	193775339	3051256	196826595	39.13	166723687	3003825	169727512	33.74	(5.39)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	254453393	3247376	257700769	51.23	229470824	3199945	232670769	46.25	(4.98)
C. Shares held by Custodian for GDRs & ADRs	21600		21600	0.00	21600		21600	0.00	0
Grand Total (A+B+C)	499838957	3247376	503086333	100	499886388	3199945	503086333	100	0

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	380000	0.08	-	380000	0.08	-	0
2	Sunil Kanoria	1802714	0.36	-	1802714	0.36	-	0
3	Adisri Investment Private Limited	86702840	17.23	-	-	-	-	(17.23)
4	Bharat Connect Private Limited	115589420	22.98	-	-	-	-	(22.98)
5	Adhyatma Commercial Private Limited	40888990	8.13	-	-	-	-	(8.13)
6	Adisri Commercial Private Limited	-	-	-	268191250	53.31	-	53.31
7	Param Commercial Private Limited	-	-	-	10000	0.00	-	0.00
8	Bhavah Enterprise Private Limited	-	-	-	10000	0.00	-	0.00

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.	Hemant Kanoria				
	At the beginning of the year	380000	0.08		
	Changes during the year	No Changes during the year			
	At the end of the year			380000	0.08
2.	Sunil Kanoria				
	At the beginning of the year	1802714	0.36		
	Changes during the year	No Changes during the year			
	At the end of the year			1802714	0.36
3.	Adisri Investment Private Limited				
	At the beginning of the year	86702840	17.23		
	Changes during the year				
	Date	Reason			
	31.12.2014	Sale	86702840	(17.23)	
	18.02.2015	Buy	22500000	4.47	
	26.02.2015	Sale	22500000	(4.47)	
	At the end of the year			-	-
4.	Bharat Connect Private Limited				
	At the beginning of the year	115589420	22.98		
	Changes during the year				
	Date	Reason			
	03.07.2014	Buy	2500000	0.50	
	31.12.2014	Sale	118089420	(23.47)	
	At the end of the year			-	-
5.	Adhyatma Commercial Private Limited				
	At the beginning of the year	40888990	8.13		
	Changes during the year				
	Date	Reason			
	31.12.2014	Sale	40888990	(8.13)	
	At the end of the year			-	-
6.	Adisri Commercial Private Limited				
	At the beginning of the year	-	-		
	Changes during the year				
	Date	Reason			
	12.08.2014	Buy	10000	0.00	
	31.12.2014	Buy	245681250	48.84	
	26.02.2015	Buy	225000000	4.47	
	At the end of the year			268191250	53.31
7.	Param Commercial Private Limited				
	At the beginning of the year	-	-		

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
	Changes during the year Date 12.08.2014 Reason Buy	10000	0.00		
	At the end of the year			10000	0.00
8.	Bhavah Enterprise Private Limited				
	At the beginning of the year	-	-		
	Changes during the year Date 12.08.2014 Reason Buy	10000	0.00		
	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	57974595	11.52	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	47462511	9.43
4.	Milan Commercial Private Limited	9714286	1.93	8714286	1.73
5.	Subrata Ghosh	8204986	1.63	5861693	1.17
6.	Roopchand Bhanshali	3936934	0.78	1032422	0.21
7.	AADI Financial Advisors LLP	1905041	0.38	1200000	0.24
8.	Jai-Vijay Resources Pvt Ltd	314370	0.06	2854209	0.57
9.	Akash Bhanshali	-	-	2735365	0.54
10.	Infrastructure Development Investor Limited	1735717	0.35	1735717	0.35
11.	Reliance Capital Trustee Co Ltd – Reliance Long Term Equity Fund	1711268	0.34	-	-
12.	Vistar Financiers Pvt Ltd	1607242	0.32	-	-
13.	Vanguard Total International Stock Index Fund	970190	0.19	1494498	0.30
14.	Dimensional Emerging Markets Value Fund	1470670	0.29	1470670	0.29

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
	Directors				
1.	Mr. Salil K. Gupta				
	At the beginning of the year	-	-		
	Changes during the year	No Change during the year			
	At the end of the year			-	-
2.	Mr. Hemant Kanoria				
	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.	Mr. Sunil Kanoria				
	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
4.	Mr. Saud Ibne Siddique				
	At the beginning of the year	300000	0.06		
	Changes during the year	No Change during the year			
	At the end of the year			300000	0.06
5.	Mr. Srinivasachari Rajagopal				
	At the beginning of the year	-	-		
	Changes during the year	No Change during the year			
	At the end of the year			-	-
6.	Mr. Shyamalendu Chatterjee				
	At the beginning of the year	-	-		
	Changes during the year	No Change during the year			
	At the end of the year			-	-
7.	Dr. Punita Kumar Sinha				
	At the beginning of the year	-	-		
	Changes during the year	No Change during the year			
	At the end of the year			-	-
8.	Mr. Sujitendra Krishna Deb				
	At the beginning of the year	-	-		
	Changes during the year	No Change during the year			
	At the end of the year			-	-

Key Managerial Personnel					
1.	Hemant Kanoria - Chairman and Managing Director				
	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.	Mr. John Moses Harding - Group CEO and Chief Economist - Treasury and Liability Management				
	At the beginning of the year	-	-		
	Changes during the year	No Change during the year			
	At the end of the year			-	-
3.	Mr. Bajrang K. Choudhary - Chief Executive Officer (CEO)- Infrastructure Project Development				
	At the beginning of the year	36340	0.01		
	Changes during the year				
	Date	Reason			
	10.10.2014	Buy	25000	0.00	
	09.01.2015	Buy	16878	0.00	
	At the end of the year			78218	0.02
4.	Mr. Bijoy Daga - Chief Executive Officer (CEO)- Infrastructure Project Finance				
	At the beginning of the year	-	-		
	Changes during the year				
	Date	Reason			
	26.02.2015	Buy	150000	0.03	
	At the end of the year			150000	0.03
5.	Mr. Sandeep Lakhota - Company Secretary				
	At the beginning of the year	65010	0.01		
	Changes during the year				
	Date	Reason			
	13.10.2014	Buy	18750	0.00	
	01.12.2014	Buy	13833	0.00	
	At the end of the year			97593	0.02
6.	Mr. Kishore K. Lodha - Chief Financial Officer				
	At the beginning of the year	-	-		
	Changes during the year				
	Date	Reason			
	02.12.2014	Buy	6565	0.00	
	At the end of the year			6565	0.00

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	11,64,076	1,31,937	27	12,96,040

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
ii) Interest due but not paid	317		4	321
iii) Interest accrued but not due	13,721	3,354		17,075
Total (i+ii+iii)	11,78,114	1,35,291	31	13,13,436
Change in Indebtedness during the financial year				
Addition	70,475	4,259		74,726
Reduction			8	
Net Change	70,475	4,259	(8)	74,726
Indebtedness at the end of the financial year				
i) Principal Amount	12,33,439	1,36,161	21	13,69,621
ii) Interest due but not paid	167		2	169
iii) Interest accrued but not due	14,983	3,389		18,372
Total (i+ii+iii)	12,48,589	1,39,550	23	13,88,162

*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	2,30,70,212
	(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(a))
5.	Others, please specify	
	Total (A)	2,30,70,212
	Ceiling as per the Act	5,96,00,000

B. Remuneration to other directors

(Amount in Rs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Salil K. Gupta	Mr. S. Rajagopal	Mr. Shyamalendu Chatterjee	Mr. S. K. Deb	Dr. Punita Kumar Sinha	Mr. S.C.Jha*	
1.	Independent Directors							
	Fee for attending Board and Committee Meetings	9,40,000	5,50,000	7,05,000	7,75,000	5,25,000	2,25,000	37,20,000
	Commission	10,00,000	5,00,000	5,00,000	5,00,000	10,00,000	5,00,000	40,00,000
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	19,40,000	10,50,000	12,05,000	12,75,000	15,25,000	7,25,000	77,20,000

*Deceased on January 25, 2015.

(Amount in Rs)

Sl No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Sunil Kanoria	Mr. Saud Ibne Siddique	
2.	Other Non-Executive Directors			
	Fee for attending Board and Committee Meetings	10,70,000	3,00,000	13,70,000
	Commission	5,00,000	5,00,000	10,00,000
	Others, please specify	-	-	-
	Total (2)	15,70,000	8,00,000	23,70,000
	Total (B)=(1+2)			1,00,90,000
	Total Managerial Remuneration*			2,80,70,212
	Overall Ceiling as per the Act			7,15,20,000

*Exclusive of sitting fees

C. Remuneration to Key Managerial Personnel other than MD

(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	1,67,66,425	83,51,916	2,12,34,168	65,59,507	41,25,487	5,70,37,503
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	NIL	32,400	32,400	32,400	32,400	1,29,600
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961						
2.	Stock Option						
3.	Sweat Equity						
4.	Commission - 1 % of Profit - others, specify						
5.	Others, please specify						
	Total (C)	1,67,66,425	83,84,316	2,12,66,568	65,91,907	41,57,887	5,71,67,103

VII. PENALTIES / PUNISHMENTS / COMPOUNDING OF OFFENCES

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

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	7,56,624	1.32x
2.	Mr. Hemant Kanoria	2,22,24,898		29.37x
3.	Mr. Sunil Kanoria	5,00,000		0.66x
4.	Mr. Saud Ibne Siddique	5,00,000		0.66x
5.	Mr. Srinivasachari Rajagopal	5,00,000		0.66x
6.	Mr. Shyamalendu Chatterjee	5,00,000		0.66x
7.	Mr. Sujitendra Krishna Deb	5,00,000		0.66x
8.	Dr. Punita Kumar Sinha	10,00,000		1.32x

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 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	2,24,40,000	2,22,24,898	(-).0.96	
2.	Mr. Sunil Kanoria	Non-Executive Director	5,00,000	5,00,000	-	
3.	Mr. Saud Ibne Siddique		5,00,000	5,00,000	-	
4.	Mr. Salil Kumar Gupta	Independent Director	10,00,000	10,00,000	-	
5.	Mr. Srinivasachari Rajagopal		5,00,000	5,00,000	-	
6.	Mr. Shyamalendu Chatterjee		5,00,000	5,00,000	-	
7.	Mr. Sujitendra Krishna Deb		5,00,000	5,00,000	-	
8.	Dr. Punita Kumar Sinha		10,00,000	10,00,000	-	
9.	Mr. John Moses Harding		Group Chief Executive Officer & Chief Economist-Liability & Treasury Management	71,86,373	1,73,56,671	141.52
10.	Mr. Bajrang K. Choudhary		Chief Executive Officer, Infrastructure Project Development	90,53,663	91,25,834	0.80
11.	Mr. Bijoy Daga	Chief Executive Officer, Infrastructure Project Finance	1,30,04,777	2,22,33,439	70.96	
12.	Mr. Sandeep Lakhota	Company Secretary	53,16,038	68,97,755	29.75	
13.	Mr. Kishore K. Lodha	Chief Financial Officer	27,61,344	43,89,523	58.96	

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 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
7,37,662	7,56,624	2.57

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

There were 224 employees as on 31st March, 2015.

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

The Profit before tax of the Company increased by 36.39% and Profit after tax increased by 53.29% in the financial year 2014-15. Further, the Company considers various parameters including internal benchmarks, external benchmarks, financial performance etc.

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

For the Financial year 2014-15, the Key Managerial Personnel (KMPs) were paid approximately 6.88% 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, 2015		As at March 31, 2014	
1.	Market Capitalisation (Rs.)	BSE	21,40,63,23,469	BSE	13,75,94,11,208
		NSE	21,45,66,32,102	NSE	13,68,39,48,258
2.	Price Earnings Ratio (Considering consolidated EPS)	BSE	23.51	BSE	23.18
		NSE	23.56	NSE	23.05

The Company came with an Initial Public Offer in 1992 at the price of Rs. 10/- per equity share. As on March 31, 2015 the Market Quotation of the Company Share Price (Closing Price) is as follows:

- BSE Limited (BSE): Rs. 42.55
- The National Stock Exchange of India Limited (NSE): Rs. 42.65

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	17
2	Increase in salary of employee (other than Managerial Personnel)	18

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. 2014-15
1.	Mr. Hemant Kanoria	1.86
2.	Mr. John Moses Harding	1.45
3.	Mr. Bajrang K. Choudhary	0.76
4.	Mr. Bijoy Daga	1.86
5.	Mr. Sandeep Lakhota	0.58
6.	Mr. Kishore K. Lodha	0.37

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:

There is 1 (one) Key Managerial Personnel (KMP) who is not a Director but has received remuneration in excess of the highest paid Director during the year -

Remuneration of highest paid Director (Rs.)	Remuneration of employee who receive remuneration exceeding highest paid Director (Rs.)	Ratio
2,22,24,898 (Chairman & Managing Director)	2,22,33,439 * (Chief Executive Officer, Infrastructure Project Finance)	1.00038x

* Includes one-time incentive paid during the FY 2014-15

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 01, 2015

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	Percentage of equity shares held by the employee in the Company
1	Hemant Kanoria	Chairman & Managing Director	22,224,898	B. Com (Hons.)	35	52	07.05.1994	None	0.08
2	Rajdeep Khullar	Legal: Group Head	8,143,601	LLB	31	53	02.02.1998	M/s The Right Address Limited- Sr. Manager- Law (Group)	0.01
3	Sandeep Lakhota [#]	Company Secretary: Head	6,897,755	FCA, FCS	17	40	26.06.2000	None	0.02
4	Bajrang Kumar Choudhary	Infrastructure Project Development :CEO	9,125,834	B. Com (Hons.), ACA	20	46	05.09.2005	Apeejay Surrendra Group- Wholtime Director	0.02
5	Ratiranj Mandal*	Infrastructure Project Advisory : CEO	1,836,917	BSc Tech, M Tech, MSc, Ph. D	39	65	01.12.2005	Planning Commission Government of India- The Advisor	0.00
6	Sanjeev Sancheti	Chief Strategy Officer	10,775,620	B.Com (Hons.), ACA, AICWA	24	47	14.11.2007	Tebma Shipyards Limited - CFO	0.01
7	Arunava Sengupta	Infrastructure Project Development :COO	7,908,200	BE (Civil)	29	51	07.12.2007	Banowaril & Agarwal (P) Limited - Executive Director (Technical)	NIL
8	Ganesh Prasad Bagree	Infrastructure Project Finance: Sr. VP	7,191,972	B. Com (Hons.), CA	21	45	19.06.2008	ICICI - West Bengal Infrastructure Development Corporation Limited (ICICI - WINFRA) - Assistant General Manager	0.01
9	Murli Manohar Khemka	Corporate Strategy & Planning : Sr. VP	8,944,925	BSc, MMS (Finance)	22	41	02.07.2008	Self Employed	0.00
10	Shailesh Pathak*	Corporate Strategy & Planning : President	3,876,836	B.Com, MBA (Finance), LLB	29	50	15.12.2010	Principle Indian Infrastructure Fund - Managing Director	0.00
11	Eswararao Nandam	SEZ: President	6,804,951	BS (Engineering Technology), MS (Manufacturing Technology)	25	45	21.09.2012	GMR Krishnagiri SEZ Limited - Head Operation	0.00
12	Bijoy Daga [#]	Infarstructure Project Finance: CEO	22,233,439	ACA	20	42	24.04.2013	IL & FS Financial Services Limited- Head - Project Finance & Joint Head - Advisory Business	0.03
13	Indranil Dasgupta*	Industrial Zone: CEO	1,680,166	BE (Chemical)	24	46	01.05.2013	IDIADA Automotive Technology India Private Limited - Managing Director	NIL
14	Nitin Ramanand Kanchan**	Resource Mobilisation : President	6,705,412	B.Sc, MFM	23	50	02.09.2013	Affarstrategerna Capital Partners - Chairman & CEO	0.00
15	John Moses Harding [#]	Chief Economist & Liability & Treasury Management : Group CEO	17,356,671	CAIIB, MA	34	55	07.10.2013	Lakshmi Vilas Bank- Executive Director	NIL
16	Sugato Banerji [#]	Corporate Communication & Brand Management : Head	7,805,539	B.Tech, PGDEBM	25	51	03.01.2014	What's On Media Pvt. Ltd - COO	0.00
17	Nalin Kumar	International and Strategic Alliance : President	9,592,478	B.Tech, PGDM	22	46	07.04.2014	First Rand Bank India - CEO (Corporate & Investment Bank), India	NIL
18	Murari Rajan*	Corp Strategy & Plng Dev : CIO	5,186,519	B.Com, CA, MBA	25	53	21.11.2014	JSW Steel Limited - Executive Director	NIL
19	Abhik Sinha**	Human Resources : AVP	5,48,585	BE, MBA	8	33	12.03.2015	Tata Motors Finance Ltd - Head - Talent Management, Employee Engagaement, New Initiatives	

*Employed for part of the financial year. [#]Includes one-time payment

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 01, 2015

CMD & CFO CERTIFICATION

(Pursuant to Clause 49)

The Board of Directors

May 01, 2015

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, 2015 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) instances of significant fraud, if any of which we have become aware and the involvement therein, if any, 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)

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Srei Infrastructure Finance Limited

We have examined the compliance of conditions of Corporate Governance by Srei Infrastructure Finance Limited, for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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 01, 2015

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 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. Srei has

complied in all material respects with the features of Corporate Governance Code as per revised Clause 49 of the Listing Agreement with the domestic Stock Exchanges (revised effective October 01, 2014 vide SEBI Circular nos. CIR/CFD/POLICY/CELL/2/2014 dated April 17, 2014 and CIR/CFD/POLICY/CELL/7/2014 dated September 15, 2014). In accordance with revised Clause 49 of the Listing Agreement with the domestic Stock Exchanges, the details of compliances by the Company for the year ended March 31, 2015 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.

2. Board of Directors

■ Composition

The Board has a strength of 8 (Eight) Directors as on March 31, 2015. The Board comprises Executive, Non-Executive and Independent Directors. 2 (Two) Directors are Non-Executive Director, 1 (One) Director is Executive

Director (Chairman) and 5 (Five) Directors are Independent Directors including one Woman Director.

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

None of the Directors on the Board serve as an Independent Director of more than 7 (Seven) listed companies across all companies in which he / she is a Director. Further, the Director on the Board serving as a whole time Director in a listed company is not serving as an Independent Director of more than 3 (Three) listed companies across all companies in which he / she is a Director. 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 companies in which he / she is a Director. 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 companies in accordance

with revised Clause 49 of the Listing Agreement with the Stock Exchanges and Companies Act, 2013.

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.

During the year under review, the Company implemented an application called Board Information System (BIS), enabling the Directors to instantly

access information on their respective I-Pads, and 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 and seek responses online; 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 and half yearly basis.

Recently, the Company has launched a mobile application 'Srei Chanakya' whereby all significant regulatory alerts are made available on real-time basis. Also, a Compliance Dashboard encompassing the 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. A comprehensive Booklet on various Codes and Policies of the Company was compiled during the year under review and circulated to all the Directors as a measure of added convenience to Directors.

The Composition of the Board of Directors as on March 31, 2015 is in conformity with the provisions of Clause 49 of the Listing Agreement. The details of the Board of Directors as on March 31, 2015 are as under:

Sl. No.	Directors	DIN	Category
1.	Mr. Salil Kumar Gupta (Chief Mentor)*	00651223	Independent
2.	Mr. Hemant Kanoria (Chairman & Managing Director)	00193015	Executive
3.	Mr. Sunil Kanoria (Vice Chairman)	00421564	Non Executive
4.	Mr. Srinivasachari Rajagopal*	00022609	Independent
5.	Mr. Shyamalendu Chatterjee*	00048249	Independent
6.	Dr. Satish Chandra Jha*#	00247427	Independent
7.	Mr. Sujitendra Krishna Deb*	03524764	Independent
8.	Mr. Saud Ibne Siddique	01873293	Non Executive
9.	Dr. Punita Kumar Sinha*	05229262	Independent

* Appointed as Independent Director to hold office for a period of 5 (Five) consecutive years from the date of the 29th Annual General Meeting (AGM) held on August 02, 2014, in accordance with the Companies Act, 2013 & the Listing Agreement with Stock Exchanges

Deceased on January 25, 2015

Shareholding of Directors & Key Managerial Personnel (KMPs)

Mr. Hemant Kanoria (Promoter), Mr. Sunil Kanoria and Mr. Saud Ibne Siddique hold 3,80,000; 18,02,714 and 3,00,000 Equity shares in the Company respectively as on March 31, 2015. 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, no Director of the Company is related to any other Director on the Board.

As on March 31, 2015, 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. John Moses Harding, Group CEO & Chief Economist - Liability & Treasury Management, Mr. Sandeep Lakhotia, Company Secretary and Mr. Kishore Kumar Lodha, Chief Financial Officer (CFO) of the Company have been designated as the Whole-

time Key Managerial Personnel (KMPs) of the Company in accordance with Section 203 of the Companies Act, 2013. Mr. Hemant Kanoria, Mr. Bajrang Kumar Choudhary, Mr. Bijoy Daga, Mr. Sandeep Lakhotia and Mr. Kishore Kumar Lodha hold 3,80,000; 78,218; 1,50,000; 97,593 and 6,565 Equity shares in the Company respectively as on March 31, 2015. None of the other KMPs hold any Equity shares in the Company.

Appointment of Directors

The Board has formulated the Nomination and Remuneration Policy of Directors, Key Managerial Personnel (KMPs) and other employees in terms of the provisions of the Companies Act, 2013 and the 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.

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)

In accordance with the provisions of Companies Act, 2013 and clarifications/circulars issued from time to time, the Company has appointed Mr. Salil Kumar Gupta (DIN 00651223), Mr. Srinivasachari Rajagopal (DIN 00022609), Mr. Shyamalendu Chatterjee (DIN 00048249), Dr.

Satish Chandra Jha (DIN 00247427), Mr. Sujitendra Krishna Deb (DIN 03524764) and Dr. Punita Kumar Sinha (DIN 05229262) as Independent Directors of the Company to hold office for a period of 5 (Five) consecutive years from the date of the Twenty-Ninth Annual General Meeting (AGM) of the Company held on August 02, 2014. In this regard, the Company has issued formal letter of appointment to the Independent Directors and the same is also hosted on the website of the Company.

Dr. Satish Chandra Jha (DIN 00247427), Independent Director of the Company deceased on January 25, 2015.

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 revised Clause 49 of the Listing Agreement. All requisite declarations were placed before the Board.

Meeting of IDs

The Independent Directors met on November 10, 2014 and February 13, 2015 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.

Familiarisation Programme for IDs

In terms of Clause 49(II)(B)(7) of the Listing Agreement, the Company is required to conduct the Familiarisation Programme for Independent Directors (IDs) to familiarise them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various initiatives.

During the year 2014-15, the management made various presentations to the Independent Directors covering inter-alia 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.

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.

Significant Statutory updates are circulated on a quarterly basis 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 regularly apprise the Board about their roles, rights and responsibilities in the Company from time to time as per the requirements of the Listing Agreement with the Stock Exchanges and Companies Act, 2013 read together with the Rules and Schedules thereunder.

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.

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 the revised Clause 49 of the Listing Agreement with Stock Exchanges covering inter-alia the following parameters:

- i) For Board Evaluation - degree of fulfillment of key responsibilities; Board culture and dynamics.
- ii) Board Committee Evaluation - effectiveness of meetings; Committee dynamics.
- iii) Individual Director Evaluation (including IDs) - contribution at Board Meetings. Further, the Chairman and Managing Director (CMD) is evaluated on key aspects of his role which includes inter-alia effective leadership to the Board and adequate guidance to the CEOs.

During the year under review, the 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.

■ **Meetings**

4 (Four) Board meetings were held during the year 2014-15 on May 23, 2014, August 02, 2014, November 10, 2014 and February 13, 2015. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days.

The probable dates 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 to enable the participation of Directors who could not attend the same due to some urgency.

The information as specified in Annexure IA to Clause 49 of the Listing Agreement 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 2014-15 and at the last AGM

Directors	No. of Board meetings during the tenure of the Director		Attendance at the last AGM held on August 02, 2014
	Held	Attended	
Mr. Salil Kumar Gupta*	4	4	Yes
Mr. Hemant Kanoria	4	4	Yes
Mr. Sunil Kanoria	4	4	Yes
Mr. Srinivasachari Rajagopal*	4	4	Yes
Mr. Shyamalendu Chatterjee*	4	4	Yes
Dr. Satish Chandra Jha*#	3	2	No
Mr. Sujitendra Krishna Deb*	4	4	Yes
Mr. Saud Ibne Siddique	4	3	Yes
Dr. Punita Kumar Sinha*	4	4	Yes

*Appointed as Independent Director to hold office for a period of 5 (Five) consecutive years from the date of the 29th Annual General Meeting (AGM) held on August 02, 2014, in accordance with the Companies Act, 2013 & the Listing Agreement with Stock Exchanges

#Deceased on January 25, 2015

■ Number of other Companies or Committees in which the Director is a Director / Chairman

The following table gives the number of outside directorships and the Committee positions held by each of the Directors as on March 31, 2015 -

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*	-	1	-	-
Mr. Hemant Kanoria	5	3	1	-
Mr. Sunil Kanoria	4	5	1	2
Mr. Srinivasachari Rajagopal*	9	2	5	4
Mr. Shyamalendu Chatterjee*	3	-	1	1
Mr. Sujitendra Krishna Deb*	-	-	-	-
Mr. Saud Ibne Siddique	-	1	-	-
Dr. Punita Kumar Sinha*	8	7	-	4

*Appointed as Independent Director to hold office for a period of 5 (Five) consecutive years from the date of the 29th Annual General Meeting (AGM) held on August 02, 2014, in accordance with the Companies Act, 2013 & the Listing Agreement with Stock Exchanges

**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, 2015. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

Sl. No.	Committee under Companies Act, 1956 or erstwhile provisions of Listing Agreement as on March 31, 2014	Committee under Companies Act, 2013 and amended provisions of Listing Agreement as on March 31, 2015	Date of constitution / reconstitution / change in nomenclature / dissolution
1.	Audit Committee	No change	Not Applicable
2.	Compensation Committee Nomination Committee	Nomination and Remuneration Committee	23.05.2014
3.	Share Transfer & Investor Relations Committee	Stakeholders' Relationship Committee	23.05.2014
4.	—	Corporate Social Responsibility Committee	23.05.2014

The Terms of Reference for the various Committees including their roles and powers is in accordance with the relevant provisions of Companies Act, 2013, revised Clause 49 of the Listing Agreement, 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, 2015 are as follows:

(Amount in Rs.)

Directors	Sitting Fees ¹	Salary & Perquisites ²	Commission ³	Total
Mr. Salil Kumar Gupta* (Chief Mentor)	9,40,000	-	10,00,000	19,40,000
Mr. Hemant Kanoria (Chairman & Managing Director)	N.A.	1,62,24,898	60,00,000	2,22,24,898
Mr. Sunil Kanoria (Vice Chairman)	10,70,000	-	5,00,000	15,70,000
Mr. Srinivasachari Rajagopal*	5,50,000	-	5,00,000	10,50,000
Mr. Shyamalendu Chatterjee*	7,05,000	-	5,00,000	12,05,000

Directors	Sitting Fees ¹	Salary & Perquisites ²	Commission ³	Total
Dr. Satish Chandra Jha*#	2,25,000	-	5,00,000	7,25,000
Mr. Sujitendra Krishna Deb*	7,75,000	-	5,00,000	12,75,000
Mr. Saud Ibne Siddique	3,00,000	-	5,00,000	8,00,000
Dr. Punita Kumar Sinha*	5,25,000	-	10,00,000	15,25,000

* Appointed as Independent Director to hold office for a period of 5 (Five) consecutive years from the date of the 29th Annual General Meeting (AGM) held on August 02, 2014, in accordance with the Companies Act, 2013 & the Listing Agreement with Stock Exchanges

Deceased on January 25, 2015.

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

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

³ The Commission for the year ended March 31, 2015 will be paid, subject to deduction of tax, after adoption of the accounts by the Members at the ensuing Annual General Meeting. The Commission payable to Late Dr. Jha shall be paid to his family members

■ 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, 2010. The said period expired on March 31, 2015. The Nomination and Remuneration Committee at its meeting held on February 13, 2015 recommended to the Board the re-appointment of Mr. Hemant Kanoria as the Chairman and Managing Director (CMD) of the Company for

a period of 5 (Five) years w.e.f. April 01, 2015. Thereafter, the Board of Directors at its meeting held on February 13, 2015 approved re-appointment of Mr. Hemant Kanoria as the Chairman and Managing Director (CMD) of the Company w.e.f. April 01, 2015, subject to Members approval. Fresh agreement with the Managing Director shall be entered into by the Company for a period of 5 (Five) years w.e.f. April 01, 2015. The said appointment may be terminated by giving 3 (Three) months notice in writing.

Further, Mr. Hemant Kanoria has not received any remuneration or commission from any of the Company's subsidiaries during the FY 2014-15.

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.

Further, the Members of the Company at their meeting held on August 02, 2014 have, in accordance with the provisions of 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) Lacs by way of commission on net profits calculated under Section 198 of the Companies Act, 2013

and the Rules framed thereunder to Non-Executive Directors of your Company for the financial year 2014-15.

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 Executives

A revised Code of Conduct as applicable to the Board of Directors and Senior Executives (Vice Presidents and above) has been approved by the Board. The said Code has also been displayed on the Company's website www.srei.com. A booklet on Code of Conduct was also circulated during the year to all the Directors and Senior Executives for increasing awareness. The Board Members and Senior Executives have affirmed their compliance with the Code and a declaration signed by the Chairman & Managing Director (CEO in terms of Clause 49) is given below:

It is hereby declared that the Company has obtained from all the Board Members and Senior Executives an affirmation that they have complied with the Code of Conduct for the financial year 2014-15.

sd/-

Hemant Kanoria

Chairman & Managing Director
DIN 00193015

5. Audit Committee

■ Terms of Reference, Composition, Name of Members and Chairman

The Audit Committee comprises Mr. Salil Kumar Gupta, Mr. Srinivasachari Rajagopal, Mr. Sujitendra Krishna Deb, 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 and Listing Agreement with the Stock Exchanges. 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 re-appointment of Haribhakti & Co. LLP, Chartered Accountants, as the Auditors of the Company to hold office until the conclusion of 35th Annual General Meeting (AGM) of the Company, subject to ratification of such appointment by the

Members at every AGM.

■ Meetings and attendance during the year

4 (Four) meetings of the Audit Committee were held during the year 2014-15 on May 23, 2014, August 02, 2014, November 10, 2014 and February 13, 2015. The maximum time gap between any two consecutive meetings did not exceed 4 (Four) months. Moreover, the quorum of minimum 2 (Two) Independent Directors, as required by the Listing Agreement, 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	
	Held	Attended
Mr. Salil Kumar Gupta	4	4
Mr. Sunil Kanoria	4	4
Mr. Srinivasachari Rajagopal	4	4
Mr. Sujitendra Krishna Deb	4	4
Mr. Shyamalendu Chatterjee	4	4

■ 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 oversees and reviews redressal of shareholder and investor grievances, transfer & transmission of shares, issue of duplicate shares, 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 framed in line with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and related matters. The Stakeholders' Relationship Committee meets at least once in a fortnight to approve share transfer and other matters. The 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.

During the year 2014-15, the Stakeholders Relationship Committee met 27 (Twenty Seven) times. The

attendance of each member of the Committee is given below:

Members	No. of Meetings	
	Held	Attended
Mr. Salil Kumar Gupta	27	27
Mr. Hemant Kanoria	27	24
Mr. Sunil Kanoria	27	17

Total number of shares physically transferred during the year 2014-15 was 3641 shares compared to 2685 shares during the year 2013-14.

During the financial year ended March 31, 2015, the Company received 17 (Seventeen) complaints from the shareholders and none of the complaints received were pending as on that date. The aforementioned complaints comprises of 7 (Seven) complaints received by the Registrar and Share Transfer Agents (RTA) of the Company and 10 (Ten) complaints received on SCORES, the web based redressal system of the Securities and Exchange Board of India (SEBI) pertaining to Equity shares/Debentures etc. of the Company. The Calcutta Stock Exchange Limited (CSE), BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) have furnished confirmations that there were no investor complaints pending against the Company as on March 31, 2015.

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 and also to update their missing data/information. 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 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 Circular on Corporate Governance, issued from time to time, 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 Listing Agreement with the Stock Exchanges. 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 & 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.

2 (Two) meetings of the Nomination and Remuneration Committee of the Company were held during the year

2014-15 on November 10, 2014 and February 13, 2015. The attendance of each member of the Committee is given below:

Members	No. of Meetings	
	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 have 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.

Mr. Shyamalendu Chatterjee, an Independent Director of the Company, is also the Chairman (Non-Executive) of Srei Capital Markets Limited, subsidiary of the Company.

9. Corporate Social Responsibility

The Company constituted the Corporate Social Responsibility (CSR) Committee in line with the requirement of the Companies Act, 2013 and the rules made thereunder. Corporate Social Responsibility Policy has also been formulated and the CSR Committee

is responsible for the implementation/ monitoring and review of the Policy and various projects/activities undertaken under the Policy. The said Policy is available on the Company's website www.srei.com and a link to the said Policy has been provided elsewhere in this Annual Report. The Committee is constituted with 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.

3 (Three) meetings of the Corporate Social Responsibility Committee of the Company were held during the year 2014-15 on August 02, 2014, November 10, 2014 and February 13, 2015. The attendance of each member of the Committee is given below:

Members	No. of Meetings	
	Held	Attended
Mr. Hemant Kanoria	3	3
Mr. Sunil Kanoria	3	3
Mr. Shyamalendu Chatterjee	3	3

10. General Body Meetings

■ Details of the location of the last three AGMs and the details of the resolutions passed

The date, time and venue of the last three AGMs of the Company 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 02, 2014.

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.

11. 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 transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee

for review and recommendation to the Board for their approval.

The Company's related party transactions, during the year, are with the subsidiaries and affiliates 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.

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 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 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 except for the Related Party Transactions for which omnibus approval is granted by the Audit Committee from time to time. All

material Related Party Transactions entered during the Financial Year 2014-15 which are likely to continue beyond March 31, 2015 are being placed for approval of the Members at the ensuing Annual General Meeting in accordance with the Securities & Exchange Board of India (SEBI) Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014. Details of all material transactions with related parties are disclosed quarterly to the Stock Exchanges along with the Compliance Report on Corporate Governance and the first such Compliance Report has been submitted to the Stock Exchanges from December, 2014 quarter onwards.

■ Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange 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 Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board of Directors of the Company have formulated 'Srei Code of Conduct for Prohibition of Insider Trading' (Srei Insider Code) in the shares and securities of the Company by its Directors and Designated Employees. The said Code is available on the Company's website www.srei.com. Regular awareness e-mails and a booklet on the Srei Insider Code were circulated to all the Designated Employees for increasing awareness.

Mr. Sandeep Lakhota, Company Secretary is the Compliance Officer for monitoring adherence to the Regulations for the preservation of price sensitive information, pre-clearance of trades and implementation of the Srei Code of Conduct for Prohibition of Insider Trading.

In order to assist and guide companies in understanding which events need to be disclosed and what would constitute relevant details with respect to the obligation for making continuous disclosures as per Clause 36 of the Listing Agreement, a Guidance Note has been compiled and issued by the National Stock Exchange of India

Limited (NSE) & BSE Limited (BSE) on September 30, 2014. As per the Guidance Note, every Listed Entity shall have a Policy determining the Committee/authority within the entity that is entitled to take a view on the materiality of an event that qualifies for disclosure under Clause 36, to decide the appropriate time at which such disclosure is to be filed with Exchange and details that may be filed in the best interest of present and potential investors. In view of the same, the Company has constituted a Committee comprising of Senior Executives of the Company which takes a view on the materiality of an event that qualifies for disclosure under Clause 36 and related matters.

The Securities and Exchange Board of India (SEBI) has vide its Notification dated January 15, 2015 published SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations, 2015) which provides for stronger legal and enforcement framework for prevention of insider trading and that the SEBI (Prohibition of Insider Trading) Regulations, 1992 shall stand repealed. The PIT Regulations, 2015 shall come into force on the one hundred and twentieth day from the date of its publication in the Official Gazette i.e. with effect from May 15, 2015 approximately.

■ 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 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'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.

The following is a summary of sexual harassment complaints received and disposed off by the Company during the year 2014-15:

Complaints (No.)	
Received	Disposed off
Nil	Nil

12. 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.

■ Half-yearly report sent to each household of shareholders	Since half-yearly and annual results of the Company are published in leading English daily newspaper having a nationwide circulation and prominent Bengali daily newspaper (having circulation in Kolkata) and regularly hosted on the 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.
■ 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.
■ Newspapers in which results are normally published	Business Standard, HT Mint, The Economic Times, Ek Din and Ei Samay.
■ Any website, where displayed	Yes, at the Company's website www.srei.com
■ Whether it also displays official news releases	Yes
■ The presentations made to institutional investors or to the analysts	Yes
■ 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. NON MANDATORY REQUIREMENTS

a)	<p>Chairman of the Board</p> <p>Whether Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties</p>	Not Applicable as the Company has an Executive Chairman.
b)	<p>Shareholder rights</p> <p>A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders</p>	<p>Since quarterly, half-yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Bengali daily newspaper (having circulation in Kolkata) and regularly hosted on Company's website, these are not sent individually to the shareholders of the Company. There is no declaration/publication of second half yearly results as the audited annual results are taken on record by the Board and then communicated to the shareholders through the Annual Report.</p> <p>The Annual Report of the Company for the financial year 2014-15 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 regularly through e-mail, telephone and one on one meetings either in shareholder's conferences, Company visits or on road shows.</p>
c)	<p>Audit qualifications</p> <p>Company may move towards a regime of unqualified financial statements</p>	It is always the Company's endeavour to present unqualified financial statements. There is no audit qualification in the Company's financial statements for the year ended on March 31, 2015.
d)	<p>Separate posts of Chairman and CEO</p> <p>The Company may appoint separate persons to the post of Chairman and Managing Director/CEO</p>	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)	<p>Reporting of Internal Auditor</p> <p>The Internal Auditor may report directly to the Audit Committee</p>	The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting their audit findings to the Audit Committee.

SHAREHOLDERS' INFORMATION

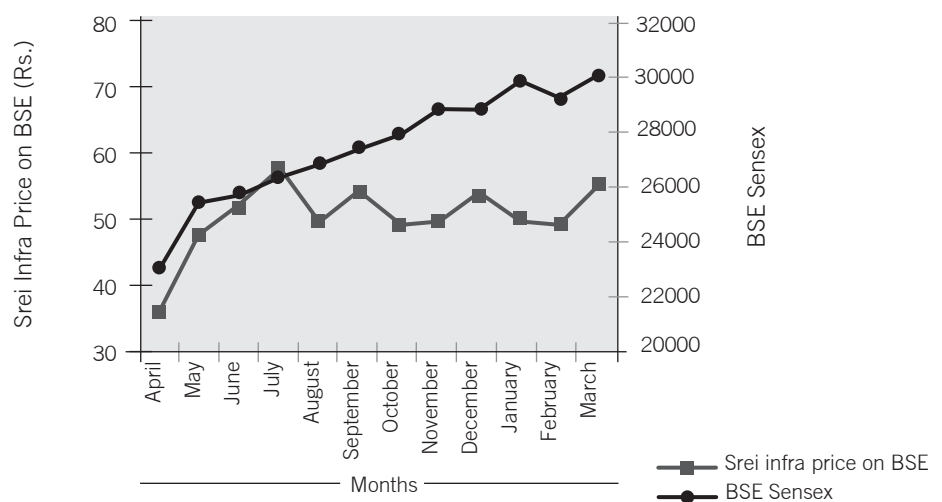
1. Annual General Meeting	
a. Date and Time	Saturday, August 01, 2015 at 10.30 a.m.
b. Venue	Science City Main Auditorium, JBS Haldane Avenue, Kolkata - 700 046
2. Financial Calendar (Tentative)	
a. Financial reporting for 2015-16	
Quarter ending June 30, 2015	On or before August 14, 2015
Quarter/Half year ending September 30, 2015	On or before November 14, 2015
Quarter/Nine months ending December 31, 2015	On or before February 14, 2016
Year ending March 31, 2016	On or before May 30, 2016
b. Annual General Meeting for the year ending on March 31, 2016	August/September, 2016
3. Book Closure Date	Friday, July 24, 2015 to Friday, the July 31, 2015 (both days inclusive) for payment of Dividend
4. Dividend Payment	Electronic Credit/dispatch between August 12, 2015 and August 20, 2015
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>a. The Calcutta Stock Exchange Limited 7, Lyons Range Kolkata – 700 001</p> <p>b. BSE Limited P. J. Towers, Dalal Street Mumbai – 400 001</p> <p>c. National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot no. C/1, G Block Bandra - Kurla Complex, Bandra (E) Mumbai – 400 051</p> <p>The Global Depository Receipts (GDRs) issued by the Company are listed and admitted to trading on London Stock Exchange w.e.f. April 21, 2005. 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>Annual Listing fees for 2015-16 have been paid to all the above mentioned domestic and overseas Stock Exchanges.</p> <p>Annual Custodial fees for the year 2015-16 will be paid by the Company to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on receipt of the invoices.</p>

7. International Security Identification Number (ISIN)	Equity Shares - INE872A01014 Global Depository Receipts (GDRs) - US78465V2043
8. Stock Codes (Equity Shares & GDRs)	Equity Shares CSE - 29051, BSE - 523756 and NSE - SREINFRA Global Depository Receipts (GDRs) London Stock Exchange – SRI
9. Corporate Identification Number (CIN)	L29219WB1985PLC055352

Month	National Stock Exchange			BSE Limited		
	High Rs.	Low Rs.	Volume	High Rs.	Low Rs.	Volume
April, 2014	36.00	24.45	2,41,14,054	36.00	24.90	59,60,717
May, 2014	47.75	31.15	2,84,35,562	47.70	31.35	72,56,800
June, 2014	52.85	39.30	3,90,75,081	52.90	39.60	1,37,62,329
July, 2014	57.65	42.40	4,66,64,998	57.55	42.50	1,40,99,312
August, 2014	49.40	39.20	1,96,94,620	49.50	39.10	67,12,176
September, 2014	53.90	42.70	3,22,23,324	53.95	42.85	1,06,20,580
October, 2014	49.10	41.00	1,00,60,407	49.10	41.20	29,82,296
November, 2014	50.90	41.75	1,56,24,803	50.90	41.80	42,34,358
December, 2014	53.95	44.55	3,10,93,021	53.80	44.40	83,89,256
January, 2015	49.90	45.30	1,37,08,552	49.85	45.25	29,76,098
February, 2015	49.00	36.80	1,99,01,498	48.90	40.50	53,56,860
March, 2015	55.35	40.65	2,61,58,302	55.35	40.70	68,89,913

Note: Volume is the total monthly volume of trade in number of shares

Performance in comparison to BSE Sensex (monthly High)



11. Registered Office																									
a. Address	'Vishwakarma', 86C, Topsia Road (South) 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																								
13. Financial Year	1st April to 31st March																								
14. Particulars of Past three AGMs	<table border="1"> <thead> <tr> <th>AGM</th> <th>Year</th> <th>Venue</th> <th>Date</th> <th>Time</th> <th>Members present</th> </tr> </thead> <tbody> <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> <tr> <td>27th***</td> <td>2011/12</td> <td>'Science City Mini Auditorium', JBS Haldane Avenue, Kolkata-700046</td> <td>10/08/2012 (Friday)</td> <td>10.30 a.m.</td> <td>1,343</td> </tr> </tbody> </table> <p>*Six Special resolutions were passed:</p> <ul style="list-style-type: none"> ■ 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. ■ 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 & Share Transfer Agents (RTA) of the Company. ■ 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. 	AGM	Year	Venue	Date	Time	Members present	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	27th***	2011/12	'Science City Mini Auditorium', JBS Haldane Avenue, Kolkata-700046	10/08/2012 (Friday)	10.30 a.m.	1,343
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- 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.

*** One Special resolution was passed:

- To approve the re-appointment of Mr. Saud Ibne Siddique as Joint Managing Director of the Company for a further period of 3 (three) years from April 01, 2012 to March 31, 2015, on the remuneration and other terms and conditions as set out in the Agreement entered into between the Company and Mr. Saud Ibne Siddique.

15. Distribution of Shareholding as on March 31, 2015	Category (Shares)	No. of Shareholders		No. of Shares	
		Total	Per cent	Total	Per cent
	Up to 500	43793	76.54	7193972	1.43
	501 to 1000	6816	11.91	5421091	1.08
	1001 to 2000	3131	5.47	4953832	0.98
	2001 to 3000	999	1.75	2568554	0.51
	3001 to 4000	610	1.07	2187373	0.43
	4001 to 5000	439	0.77	2055973	0.41
	5001 to 10000	701	1.22	5179333	1.03
	10001 and above	729	1.27	473526205	94.13
	Total	57218	100.00	503086333	100.00

16. Dividend History (Last 5 Years)	Financial Year	Dividend Per Share* (Rs.)	Dividend Declaration
	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
	2009 - 10	1.20	August 09, 2010

*share of paid-up value of Rs. 10/- per share

17. Categories of Shareholders as on March 31, 2015	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	5	270393964	53.75
	2	Foreign	-	-	-
		Total Shareholding of Promoter and Promoter Group*	5	270393964	53.75
	B	Public Shareholding			
	1	Institutions	64	62943257	12.51
	2	Non-institutions	57148	169727512	33.74
		Total Public Shareholding	57212	232670769	46.25
	C	Shares held by Custodians and against which Depository Receipts have been issued (Public)	1	21600	0.00
		GRAND TOTAL (A+B+C)	57218	503086333	100.00

*None of the shares held by the Promoter/Promoters' Group is under pledge.

18. 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*	-
Total	50,35,59,160	
Less: Shares forfeited on 14.03.2000	4,72,827	
Total Shares as on date	50,30,86,333	

*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.

19. Credit Ratings

Agency	CARE	ICRA	Brickwork
NCDs / Bonds	CARE AA-	-	BWR AA
Short term Debt Instruments	CARE A1+	ICRA A1+	-
Unsecured Subordinated Tier-II Debentures / Bonds	CARE AA-	ICRA A+	BWR AA
Banking Facilities	CARE AA- (For Long Term Bank Facilities)	-	-
	CARE A1+ (For Short Term Bank Facilities)		

20. Measures adopted to protect the interests of the Shareholders

a. Share Transfer Processing

Requests for share transfers are processed and share certificates returned within a time period of 15 (Fifteen) days from the date of receipt w.e.f October 01, 2012 vide SEBI Circular CIR/MIRSD/8/2012 dated July 05, 2012, subject to the documents being valid and complete in all respects. The Stakeholders' Relationship Committee meets at least once in a fortnight. During the year 2014-15, the Stakeholders' Relationship Committee met 27 (Twenty Seven) times. Total number of shares physically transferred during the year 2014-15 was 3,641 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 Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

b. Bad Delivery

In case of Bad Delivery, the relevant documents are sent immediately after specifying the defects through a covering letter.

c. 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. 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 for easy reference of the Investors.

The Securities and Exchange Board of India (SEBI) had launched a centralized web based complaints redress system called SEBI Complaints Redress System (SCORES) in June, 2011. 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, 2015.

20. Measures adopted to protect the interests of the Shareholders (Contd.)

d. 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.

e. 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, 2015, a total of 49,98,86,388 Equity shares of the Company representing 99.36% of the total Equity Share Capital were held in dematerialised form (99.35% as on March 31, 2014). The entire Promoters' Group shareholding in the Company is in dematerialised form.

The bifurcation of shares held in Physical and Demat form as on March 31, 2015 is given below –

Physical / Electronic	No. of Holders	No. of Shares	%
Physical	4582	3199945	0.64
NSDL	34698	160022085	31.80
CDSL	17938	339864303	67.56
Total	57218	503086333	100.00

For any assistance in converting physical shares in electronic form, investors may approach Karvy Computershare Private Limited or the Company Secretary of the Company.

f. 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 : 022-2499 4200 Facsimile Nos. : 022-2497 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 : 022-2272 3333 Facsimile Nos. : 022-2272 3199/2072 E-mail : investors@cdslindia.com Website : www.cdslindia.com

20. Measures adopted to protect the interests of the Shareholders (Contd.)

g. 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.

h. Investor Relations

Global macro and business environment has been very dynamic in the past year with implications on Company's business and financial performance. In this context, the Company recognises the imperatives to maintain continuous dialogue with the investor community. This is done with the objective to abreast the Investors of all the significant developments that may likely impact the Company's performance. This translates into feeding timely, accurate and relevant information that helps investors in taking informed investment decisions.

The Company focuses to build Investor Relations on pillars of trust and transparency. The Company's proactive approach has enabled global investor community to better understand the management objectives, corporate strategies and overall performance of the Company over a period of time.

To deliver an effective communication, the Investor Relations Department of the Company effectively deploys tools like Annual Report, Quarterly Earnings Investor Release, Conference Calls, one on one Investor Meets, General Meetings and Internet (Company website) to serve as a link to stay connected with the Investors. In order to enable the Company to serve better, the Members are requested to update their database with the Company by filling in and returning to the Company the Shareholders Information Form available on the Company's website or by e-mailing the information at investor.relations@srei.com.

i. 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

<p>20. Measures adopted to protect the interests of the Shareholders (Contd.)</p>	<p>survey during the year to assess the requirement and satisfaction of valuable Investors on following broad parameters:</p> <ol style="list-style-type: none"> 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. Overall rating of Company's Investor services. <p>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.</p>
<p>21. Outstanding GDRs / ADRs / Warrants / any Convertible Instruments, conversion date and likely impact on Equity</p>	<p>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. As on March 31, 2015, 21600 Equity shares of the Company representing 0.004% of the paid up Share Capital of the Company are held as shares underlying the GDRs.</p> <p>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.</p> <p>Deutsche Bank Trust Company Americas is the Depository and ICICI Bank Limited is the Custodian of all the Equity shares underlying the GDRs issued by the Company.</p>
<p>22. Address for Shareholders' correspondence</p>	<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>

23. Transfer of Unclaimed dividend to Investor Education and Protection Fund (IEPF)

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:

Financial Year	Date of Declaration of Dividend	Due Date of Transfer to IEPF
2007 - 08	September 20, 2008	October 26, 2015
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

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. 2007-08 to F.Y. 2013-14 through electronic as well as physical means on December 24, 2014 and December 30, 2014 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 www.srei.com. Further, the Members are advised to glance through the database and lodge their claim with the Company's Registrar and Share Transfer Agents for dividend which have remained unclaimed.

During the year under review, the Company has credited a sum of Rs. 3,90,293/- 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, 2015 stands at Rs. 43,35,930.69.

24. 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 www.srei.com 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>
25. National Electronic Clearing Service (NECS)	<p>The Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013, has mandated usage of electronic mode for making cash payments such as dividend, etc. to the investors of Companies whose securities are listed on the Stock Exchanges. In the absence of requisite details to make electronic payment, companies may use physical payment instruments for making cash payments to the investors and are required to mandatorily print the bank account details on such payment instruments.</p> <p>The Company is using various RBI approved electronic mode of payment for making cash 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 cash benefits through electronic mode is beneficial to the Members since the risks associated with receiving payment through dividend warrants and other instruments such as loss in transit/misplacement/revalidation etc. can be easily mitigated.</p> <p>Members who wish to avail of the electronic facility of remittance, may update their bank details with the depository participants for shares held in demat form and Members holding securities of the Company in physical form are requested to update their bank details with the Company or its RTA by sending a duly filled and signed NECS Mandate Form available on the website of the Company www.srei.com.</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>

26. Reconciliation of Share Capital Audit	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.
27. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)	The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on important aspects like Board Meetings, General Meetings, payment of dividend, maintenance of registers and records, minutes of meetings, transmission of shares and debentures, passing of resolution by circulation, affixing of common seal, forfeiture of shares and Board's Report. Although these Standards are optional in nature, the Company substantially adheres to the Standards voluntarily.
28. Secretarial Audit	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, Listing Agreements with the Stock Exchanges, 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 the SEBI (Issue and Listing of Debt Securities) Regulations, 2008. The Secretarial Audit Report for the financial year ended March 31, 2015 is provided in the Annual Report.
29. 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>
30. Role of Company Secretary in overall governance process	The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. He assists and advises the Board in ensuring good corporate governance as well as in complying with the corporate governance requirements. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and in accordance under Section 205 of the Companies Act, 2013 reports to the Board regarding compliance with the provisions of the Companies Act, 2013, the rules made thereunder and other

30. Role of Company Secretary in overall governance process (Contd.)	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.
31. Web links to Company policies and programmes	<p>Policy for determining Material Subsidiaries - http://www.srei.com/sites/default/files/Policy%20on%20determining%20%E2%80%9CMaterial%E2%80%9D%20Subsidiaries.pdf</p> <p>Policy on Related Party Transactions - http://www.srei.com/sites/default/files/Related%20Party%20Transactions%20%28RPTs%29%20Policy.pdf</p> <p>Familiarisation Programme for Independent Directors - http://www.srei.com/sites/default/files/Familiarisation%20Programme%20for%20Independent%20Directors_0.pdf</p> <p>Whistle Blower Policy - http://www.srei.com/sites/default/files/Whistle%20Blower%20Policy.pdf</p> <p>ESMS Policy - http://www.srei.com/sites/default/files/ESMS%20Policy.pdf</p> <p>Policy on Prevention of Sexual Harassment - http://www.srei.com/sites/default/files/Policy%20on%20Prevention%20of%20Sexual%20Harassment.pdf</p> <p>Corporate Social Responsibility Policy - http://www.srei.com/sites/default/files/Corporate%20Social%20Responsibility%20Policy%20for%20SIFL.pdf</p> <p>Nomination and Remuneration Policy - http://www.srei.com/sites/default/files/Srei%20Nomination%20and%20Remuneration%20Policy.pdf</p> <p>Policy on Board Diversity - http://www.srei.com/sites/default/files/Policy%20on%20Board%20Diversity.pdf</p> <p>Srei Fair Practice Code - http://www.srei.com/sites/default/files/Srei%20Fair%20Practices%20Code.pdf</p> <p>Srei Code of Conduct for Board of Directors and Senior Executives - http://www.srei.com/sites/default/files/Srei%20Code%20of%20Conduct%20for%20Board%20of%20Directors%20and%20Senior%20Executives_0.pdf</p> <p>Srei Code of Conduct For Prohibition of Insider Trading - http://www.srei.com/sites/default/files/Srei%20Code%20of%20Conduct%20for%20Prohibition%20of%20Insider%20Trading_3.pdf</p>

Financial Section

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, 2015, 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 Standalone 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 standalone 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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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, 2015, 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a 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, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. 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 financial statements;
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - (iii) There 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

Place : Kolkata

Date : 1st May, 2015

Membership No. 056613

ANNEXURE 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 Srei Infrastructure Finance Limited on the standalone financial statements for the year ended 31st March, 2015)

- (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, no material discrepancies were noticed on such verification.
- (ii) In respect of equity shares held as stock for trade:
 - (a) According to the information and explanations given to us, the stock for trade has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of stock for trade followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of stock for trade and as informed, no 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 or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of stock for trade and fixed assets and for the sale of services. During the course of our audit, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (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, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and 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, 2015 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, 2015 of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess, 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	Appeal / Special Leave Petition in the process of being filed before the Supreme Court of India
Income Tax Act, 1961	Income Tax	388	2005-06	Income Tax Appellate Tribunal, Kolkata
Income Tax Act, 1961	Income Tax	125	2006-07 and 2007-08	CIT (Appeals), New Delhi

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	986	2007-08	Income Tax Appellate Tribunal, Kolkata
Income Tax Act, 1961	Income Tax	1,809	2008-09	Supreme Court of India
Income Tax Act, 1961	Income Tax	211	2010-11	CIT (Appeals), Kolkata
Income Tax Act, 1961	Income Tax	1,938	2011-12	CIT (Appeals), Kolkata
Income Tax Act, 1961	Income Tax	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
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	Senior Joint Commissioner of Commercial Taxes, Kolkata

(c) According to the information and explanations given to us, the amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

(viii) The Company does not have any accumulated losses at the end of the financial year covered by our audit and has not incurred cash losses in such financial year and in the immediately preceding financial year.

(ix) 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 dues to a financial institution, bank or debenture holders.

(x) The Company has given guarantees for loans taken by others from banks or financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.

(xi) In our opinion and according to the information and explanations given to us, term loans were prima facie applied during the year for the purposes for which the loans were obtained.

(xii) 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, no material fraud on or by the Company has been noticed or reported during the year.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W

Anand Kumar Jhunjhunwala

Partner

Place : Kolkata

Date : 1st May, 2015

Membership No. 056613



BALANCE SHEET as at 31st March, 2015

(Rs. in Lacs)

	Note	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	50,324	50,324
Reserves and Surplus	3	223,478	217,419
		273,802	267,743
Non-Current Liabilities			
Long-Term Borrowings	4	514,178	492,731
Deferred Tax Liabilities (Net)	5	11,182	10,144
Other Long-Term Liabilities	6	4,006	623
Long-Term Provisions	7	2,417	2,123
		531,783	505,621
Current Liabilities			
Short-Term Borrowings	8	729,872	691,458
Trade Payables	9	3,171	1,896
Other Current Liabilities			
- Current Maturities of Long-Term Borrowings	4	125,550	111,824
- Others	10	23,412	22,972
Short-Term Provisions	11	3,849	3,863
		885,854	832,013
TOTAL		1,691,439	1,605,377
ASSETS			
Non-Current Assets			
Fixed Assets	12		
- Tangible Assets		64,171	53,688
- Intangible Assets		292	311
- Capital Work in Progress		5,723	3,120
Non-Current Investments	13.1	282,186	269,772
Long-Term Loans and Advances			
- Loan Assets	14	856,936	746,756
- Other Long-Term Advances	15	28,759	27,093
Other Non-Current Assets	16	15,386	6,687
		1,253,453	1,107,427
Current Assets			
Current Investments	13.2	1,665	32,851
Trade Receivables	17	20,202	14,591
Cash and Cash Equivalents	18	38,680	22,790
Short-Term Loans and Advances			
- Loan Assets	14	21,976	7,200
- Other Advances	19	4,648	2,862
Other Current Assets			
- Current Maturities of Long-Term Loan Assets	14	282,100	338,207
- Other Current Assets	20	68,715	79,449
		437,986	497,950
TOTAL		1,691,439	1,605,377
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 Jhunjhunwala
Partner
Membership No. 056613

Place : Kolkata
Date : 1st May, 2015

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman & Managing Director

Salil K. Gupta
Chief Mentor & Director

Sandeep Lakhota
Company Secretary

Kishore Kumar Lodha
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2015

(Rs. in Lacs)

	Note	Year ended 31st March, 2015	Year ended 31st March, 2014
INCOME			
Revenue from Operations	21	189,420	179,897
Other Income	22	583	688
Total Income		190,003	180,585
EXPENSES			
Finance Costs	23	152,084	153,578
Employee Benefits Expense	24	4,212	4,298
Depreciation / Amortisation and Impairment Expense	12	3,919	2,612
Administrative and Other Expenses	25	7,358	7,434
Total Expenses		167,573	167,922
Profit Before Bad Debts, Provisions & Tax		22,430	12,663
Bad Debts / Advances written off (net)		634	1,484
Provision for Bad Debts / Advances	7.1	8,881	1,605
Contingent Provisions against Standard Assets	7.1	36	314
Provision for Diminution in Value of Stock for Trade and Investment	7.2	927	497
		10,478	3,900
Profit Before Tax		11,952	8,763
Tax Expense:			
- Current Tax		1,818	2,157
- Deferred Tax		1,041	660
Total Tax Expense		2,859	2,817
Profit After Tax for current year		9,093	5,946
Income Tax in respect of earlier years		-	14
Profit After Tax		9,093	5,932
Earnings per Equity Share (Basic and Diluted) (in Rs.)			
(Par Value Rs. 10/- per Equity Share)	26	1.81	1.18
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 Jhunjhunwala

Partner

Membership No. 056613

Place : Kolkata

Date : 1st May, 2015

For and on behalf of the Board of Directors

Hemant Kanoria

Chairman & Managing Director

Salil K. Gupta

Chief Mentor & Director

Sandeep Lakhota

Company Secretary

Kishore Kumar Lodha

Chief Financial Officer

CASH FLOW STATEMENT for the year ended 31st March, 2015

(Rs. in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
A. Cash Flow from Operating Activities		
Profit Before Tax	11,952	8,763
Adjustments for:		
Depreciation / Amortisation and Impairment Expense	3,919	2,612
Bad Debts / Advances written off (net)	634	1,484
Provision for Bad Debts / Advances	8,881	1,605
Contingent Provisions against Standard Assets	36	314
Loss on sale of Fixed Assets (net)	5	-
Loss / (Profit) on Sale of Long-term Trade Investments (net)	41	279
Loss / (Profit) on Sale of Current Investments (net)	(16)	(51)
Loss / (Profit) on Sale of Stock for Trade (net)	376	(11)
Liabilities No Longer Required written back	(6)	(286)
Dividend Income	(173)	(62)
Provision for Diminution in Value of Stock for Trade and Investment	927	497
Operating Profit before Working Capital Changes	26,576	15,144
Changes in Working Capital		
Adjustments for:		
(Increase) / Decrease in Receivables / Others	(3,807)	(44,667)
(Increase) / Decrease in Loan Assets	(92,875)	(123,695)
(Increase) / Decrease in Current Investments / Stock for Trade	28,491	2,343
(Increase) / Decrease in Fixed Deposit (Deposit with balance maturity period of more than three months)	(10,010)	(6,992)
(Decrease) / Increase in Trade Payables / Others	5,262	2,592
Cash Generated from Operations	(46,363)	(155,275)
Direct Taxes Paid	(3,184)	(5,943)
Net Cash (Used in) / Generated from Operating Activities	(49,547)	(161,218)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,952)	(4,231)
Proceeds from Sale of Fixed Assets	1	-
(Increase) / Decrease in Investments (Other than Subsidiaries)	(11,997)	3,057
(Increase) / Decrease of Investments in Subsidiaries	(428)	82
Dividend Received	173	62
Net Cash (Used) / Generated in Investing Activities	(14,203)	(1,030)
C. Cash Flow from Financing Activities		
Increase / (Decrease) in Debentures (net)	26,958	61,952
Increase / (Decrease) in Working Capital facilities (net)	45,439	144,650
Increase / (Decrease) in Other Loans (net)	1,190	(28,430)
Dividend Paid	(2,515)	(2,518)
Corporate Dividend Tax Paid	(427)	(428)
Net Cash (Used) / Generated in Financing Activities	70,645	175,226
Net Increase / (Decrease) in Cash & Cash Equivalents	6,895	12,978
Cash & Cash Equivalents at the beginning of the year	15,155	2,177
Cash & Cash Equivalents at the end of the year	22,050	15,155

Explanations:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 'Cash Flow Statements'.
- Previous year figures have been rearranged / regrouped wherever necessary to conform to the current year's classification.
This is the Cash Flow Statement referred to in our report of even date.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W

Anand Kumar Jhunjhunwala

Partner

Membership No. 056613

For and on behalf of the **Board of Directors****Hemant Kanoria**

Chairman & Managing Director

Salil K. Gupta

Chief Mentor & Director

Place : Kolkata

Date : 1st May, 2015

Sandeep Lakhota

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. For the year ended 31st March, 2014, depreciation was provided on Straight Line Method ('SLM'), which reflected the management's estimate of the useful lives of the respective fixed assets and the rates derived from such useful lives thereof were greater than or equal to the corresponding rates prescribed in Schedule XIV of the Companies Act, 1956.

SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

The Company has adopted the useful life as specified in Schedule II to the Companies Act, 2013, except for one asset for which the useful life has been estimated based on Independent technical advice.

The assets for which useful life are adopted as specified in Schedule II to the Companies Act, 2013 are as follows:

	Asset Description (as per Note No. 12)	Estimated useful Life as per Schedule II
I	Assets for Own Use	
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
II	Assets given on Operating Lease	
i)	Plant & Machinery	15, 22, 30 years

The useful life of tangible asset of the Company 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
I	Assets given on Operating Lease		
i)	Aircrafts	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	Useful Life as followed by the management
I	Assets for Own Use	
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.)

1.4 Capital Work in Progress

Capital work in progress is stated at cost and includes development and other expenses, including interest during construction period.

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 consists 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**1.9 Loan Assets**

Loan assets include loans advanced by the Company, secured by collateral offered by the customers, if applicable.

Loan assets are carried at net investment amount including installments fallen due, amounts received, assets not paid for, etc. and include assets acquired in satisfaction of debt.

1.10 Provisioning / Write-off of assets

The Company makes provision for Standard, Restructured and Non-Performing Assets as per 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.

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 the derivative contracts in the nature of forward exchange contracts. The Company does not enter into derivative contracts for speculation or trading purposes. Derivative 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.

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

SIGNIFICANT ACCOUNTING POLICIES

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, 2015		As at 31st March, 2014	
	No. of Shares	Rs. in Lacs	No. of Shares	Rs. in Lacs
Authorised				
Equity Shares, Rs. 10/- par value per share	1000000000	100,000	1000000000	100,000
Preference Shares, Rs. 100/- par value per share	500000000	50,000	500000000	50,000
		150,000		150,000
Issued and subscribed				
Equity Shares, Rs. 10/- par value per share	503559160	50,356	503559160	50,356
Fully Paid-up				
Equity Shares, Rs. 10/- par value per share	503086333 ¹	50,309	503086333 ¹	50,309
Forfeited Shares	472827	15	472827	15
		50,324		50,324

¹Includes 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, 2015		As at 31st March, 2014	
	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, 2015 and 31st March, 2014.

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, 2015)

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.

Further, the Company issued and allotted 294025696 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 48600000 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, 2015		As at 31st March, 2014	
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
Adisri Commercial Private Limited (Holding Company)	268191250	53.31	NA	NA
Srei Growth Trust*	48600000	9.66	48600000	9.66
Fidelity Investment Trust Fidelity Series Emerging Markets Fund	47462511	9.43	47462511	9.43
Opulent Venture Capital Trust	35474595	7.05	57974595	11.52
Bharat Connect Private Limited	NA	NA	115589420	22.98
Adisri Investment Private Limited	NA	NA	86702840	17.23
Adhyatma Commercial Private Limited	NA	NA	40888990	8.13

*Held in the name of Trustees

NOTES TO FINANCIAL STATEMENTS (CONTD.)**3. RESERVES AND SURPLUS**

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Capital Reserve		
Opening balance	1,945	1,945
Closing balance	1,945	1,945
Securities Premium Reserve		
Opening balance	19,754	19,754
Closing balance	19,754	19,754
Bond / Debt Redemption Reserve (refer Note No. 3.1)		
Opening balance	12,201	10,688
Add: Transfer from Surplus in the Statement of Profit and Loss	4,041	1,513
Less: Transfer to Surplus, on repayment of Bond / Debt	-	-
Closing balance	16,242	12,201
Special Reserve (Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	17,671	16,484
Add: Transfer from Surplus in the Statement of Profit and Loss	1,820	1,187
Closing balance	19,491	17,671
Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)		
Opening balance	-	-
Add: Transfer from Surplus in the Statement of Profit and Loss	504	-
Closing balance	504	-
General Reserve		
Opening balance	139,604	139,604
Closing balance	139,604	139,604
Surplus in the Statement of Profit and Loss		
Opening balance	26,244	25,955
Add: Net profit for the year	9,093	5,932
Amount available for appropriation	35,337	31,887
Appropriations:		
Proposed Equity dividend [Re. 0.50 (Previous year Re. 0.50) per Equity Share]	2,516	2,516
Corporate dividend tax on proposed dividend	512	427
Carrying value of assets where the remaining useful life of an assets is nil as at 1st April, 2014 (refer Note No. 12)	6	-
Transferred to Bond / Debt Redemption Reserve (Net)	4,041	1,513
Transferred to Special Reserve	1,820	1,187
Transferred to Income Tax Special Reserve	504	-
Closing balance	25,938	26,244
Total Reserves and Surplus	223,478	217,419

NOTES TO FINANCIAL STATEMENTS (CONTD.)

3.1 Bond / Debt Redemption Reserve

As per terms of Issue, Company creates Bond / Debt Redemption Reserve towards redemption of Long-Term Infrastructure Bonds and Secured Non-Convertible Debenture issued through Public Issue. Company had also created Bond / Debt Redemption Reserve towards redemption of Unsecured Subordinated Bonds / Debentures / Debt (Tier II Capital) as per management discretion. Details of movement is as below:

(Rs. in Lacs)

Bond / Debt Redemption Reserve	Opening as at 1st April, 2014	Addition during the year	Reversal during the year	Closing as at 31st March, 2015
Unsecured Subordinated Bonds / Debentures (Tier II Capital)	10,273	-	-	10,273
Long-Term Infrastructure Bonds	368	126	-	494
Non-Convertible Debenture issued through Public Issue	1,560	3,915	-	5,475
Total	12,201	4,041	-	16,242
Previous year	10,688	1,513	-	12,201

4. LONG-TERM BORROWINGS

(Rs. in Lacs)

Particulars	As at 31st March, 2015			As at 31st March, 2014		
	Non-Current Maturities	Current Maturities	Total	Non-Current Maturities	Current Maturities	Total
A. Secured						
Bonds / Debentures						
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)	166,924	22,355	189,279	135,165	27,156	162,321
Term Loans (refer Note No. 4.3)						
From Banks						
- Rupee Loans	162,703	85,024	247,727	166,412	70,510	236,922
- Foreign Currency Loans	28,675	5,450	34,125	35,423	899	36,322
From Financial Institutions						
- Foreign Currency Loans	26,439	12,632	39,071	37,454	13,259	50,713
(A)	387,230	125,461	512,691	376,943	111,824	488,767
B. Unsecured						
Bonds / Debentures						
Subordinated bonds / debentures (Tier II Capital) (refer Note No. 4.4)	115,699	-	115,699	115,699	-	115,699
Term Loans (refer Note No. 4.3)						
- From Banks						
- Foreign Currency Loans						
- Other term loans from banks	11,249	-	11,249	-	-	-
Deposits						
Inter-Corporate Deposits	-	89	89	89	-	89
(B)	126,948	89	127,037	115,788	-	115,788
Total (A+B)	514,178	125,550	639,728	492,731	111,824	604,555

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, 2015			Maturity Profile as at 31st March, 2014		
	2016-17	2015-16	Total	2016-17	2014-16	Total
8.90%	1,291	-	1,291	1,291	-	1,291
9.15%	1,198	-	1,198	1,198	-	1,198
Total	2,489	-	2,489	2,489	-	2,489

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, 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% ³	-	-	-	-	-	-	46	-	-	46
9.92% ³	-	-	-	-	-	-	10	-	-	10
10.05% ¹	1,900	-	-	-	-	-	-	-	-	1,900
10.25% ¹	-	-	-	-	6,300	-	-	-	-	6,300
10.25% ⁴	-	-	-	-	150	-	-	-	-	150
10.30% ³	-	-	-	-	-	-	1,121	-	-	1,121
10.35% ¹	-	-	-	-	-	-	-	439	-	439
10.41% ⁵	-	-	-	-	-	-	52	-	-	52
10.50% ¹	-	-	-	-	-	-	26	-	-	26
10.65% ¹	-	-	-	-	-	-	-	1,147	-	1,147
10.70% ¹	-	-	-	-	-	-	209	-	-	209
10.72% ¹	-	-	-	-	1	-	-	-	-	1
10.75% ¹	-	-	-	-	-	-	-	1,325	-	1,325
10.75% ⁴	-	-	-	-	-	-	-	38	-	38
10.76% ⁴	-	-	-	-	-	-	-	195	-	195
10.80% ¹	-	-	-	-	-	-	-	6,668	6,666	13,334
10.85% ¹	-	-	-	-	-	332	-	-	-	332
10.90% ¹	-	-	-	-	-	-	-	34	-	34
10.90% ⁸	-	-	-	-	-	-	100	-	-	100
10.94% ¹	-	-	-	-	-	30	-	-	-	30
10.95% ¹	-	-	-	-	56	-	-	-	-	56
10.95% ¹⁰	-	-	-	-	-	-	2,303	-	-	2,303
11.00% ¹	-	-	-	-	-	21,426	1,432	-	229	23,087
11.00% ⁴	-	-	-	-	-	155	10	-	10	175
11.10% ¹	-	450	-	-	-	-	-	-	-	450

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	
11.16% ¹	-	-	-	-	-	1,497	-	-	-	1,497
11.16% ⁹	-	-	-	-	-	1,732	-	-	-	1,732
11.17% ¹⁰	-	-	-	-	2,862	-	-	-	-	2,862
11.20% ¹	-	-	-	-	-	-	-	-	620	620
11.24% ⁴	-	-	-	-	809	-	-	-	-	809
11.25% ¹	-	-	-	-	4,211	-	317	120	-	4,648
11.25% ¹⁰	-	-	-	-	-	-	-	1,796	-	1,796
11.25% ^{4 & 10}	-	-	-	-	-	-	-	585	-	585
11.25% ⁶	-	-	-	-	-	-	-	-	1,500	1,500
11.25% ⁹	-	-	-	-	-	-	-	-	427	427
11.27% ^{4 & 9}	-	-	-	-	-	-	-	-	302	302
11.30% ¹	-	-	-	-	-	-	12,770	-	-	12,770
11.30% ²	-	-	-	-	-	-	2,000	-	-	2,000
11.35% ¹	-	-	2,000	-	1,500	-	1,500	-	-	5,000
11.40% ¹	1,000	-	130	-	-	-	610	-	1,000	2,740
11.40% ²	-	-	70	-	-	-	-	-	10,600	10,670
11.40% ⁹	-	-	-	-	757	-	1,620	-	-	2,377
11.45% ¹	-	-	-	-	200	-	-	-	1,000	1,200
11.48% ¹	-	-	-	-	-	-	170	-	-	170
11.50% ¹	-	-	110	-	4,015	4,633	-	1,666	-	10,424
11.50% ¹⁰	-	-	-	-	-	-	3,470	-	-	3,470
11.50% ²	-	-	-	-	-	-	2,500	-	-	2,500
11.50% ⁹	-	-	-	-	-	-	-	674	-	674
11.51% ⁴	-	-	-	-	-	-	-	737	-	737
11.51% ^{4 & 10}	-	-	-	-	-	-	890	-	-	890
11.51% ^{4 & 9}	-	-	-	-	-	-	-	440	-	440
11.55% ¹	-	-	-	-	140	-	2,000	-	-	2,140
11.72% ⁴	-	-	-	-	881	-	-	-	-	881
11.75% ¹	-	-	-	-	-	1,515	-	29,300	-	30,815
11.75% ^{4 & 10}	-	-	-	-	1,165	-	-	-	-	1,165
11.75% ¹⁰	-	-	-	-	13,149	-	-	-	-	13,149
11.75% ⁹	-	-	-	-	-	1,115	-	-	-	1,115
11.90% ¹	-	-	-	4,000	-	-	-	-	-	4,000
12.00% ^{4 & 9}	-	-	-	-	533	-	1,072	-	-	1,605
12.00% ⁹	-	-	-	-	5,626	-	2,796	-	-	8,422
12.50% ⁷	-	-	-	-	-	287	-	-	-	287
Total	2,900	450	2,310	4,000	42,355	32,722	37,024	45,164	22,354	189,279

* Includes current maturities

¹ Secured against Receivables / Assets of the Company and mortgage of immovable property.

² Secured against Mortgage of immovable property.

³ 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.

⁴ 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.

⁵ 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.)

- ⁶ 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.
- ⁷ 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.
- ⁸ Secured against Receivables / Assets of the Company.
- ⁹ 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.
- ¹⁰ 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.)

As at 31st March, 2014

(Rs. in Lacs)

Rate of Interest	Maturity Profile*									Total
	2023-24	2022-23	2021-22	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	
9.84% ³	-	-	-	-	-	46	-	-	-	46
9.92% ³	-	-	-	-	-	10	-	-	-	10
10.25% ¹	-	-	-	6,300	-	-	-	-	-	6,300
10.25% ⁴	-	-	-	150	-	-	-	-	-	150
10.30% ³	-	-	-	-	-	1,121	-	-	-	1,121
10.35% ¹	-	-	-	-	-	-	439	-	40	479
10.41% ⁵	-	-	-	-	-	52	-	-	-	52
10.65% ¹	-	-	-	-	-	-	1,147	-	-	1,147
10.75% ¹	-	-	-	-	-	-	650	-	-	650
10.76% ⁴	-	-	-	-	-	-	195	-	-	195
10.80% ¹	-	-	-	-	-	-	6,668	6,666	6,666	20,000
10.85% ¹	-	-	-	-	332	-	-	-	-	332
10.90% ¹	-	-	-	-	-	-	34	-	-	34
10.94% ¹	-	-	-	-	30	-	-	-	-	30
11.00% ¹	-	-	-	-	21,426	-	-	229	13,750	35,405
11.00% ⁴	-	-	-	-	155	-	-	10	-	165
11.10% ¹	450	-	-	-	-	-	-	-	-	450
11.16% ¹	-	-	-	-	1,497	-	-	-	-	1,497
11.16% ⁸	-	-	-	-	1,732	-	-	-	-	1,732
11.20% ¹	-	-	-	-	-	-	-	620	-	620
11.24% ⁴	-	-	-	809	-	-	-	-	-	809
11.25% ¹	-	-	-	-	-	-	120	-	-	120
11.25% ⁶	-	-	-	-	-	-	-	1,500	-	1,500
11.25% ⁸	-	-	-	-	-	-	-	427	-	427
11.27% ^{4 & 8}	-	-	-	-	-	-	-	302	-	302
11.30% ¹	-	-	-	-	-	12,770	-	-	-	12,770
11.30% ²	-	-	-	-	-	2,000	-	-	-	2,000
11.35% ¹	-	2,000	-	-	-	1,500	-	-	-	3,500
11.40% ¹	-	130	-	-	-	610	-	1,000	6,700	8,440
11.40% ²	-	70	-	-	-	-	-	10,600	-	10,670
11.45% ¹	-	-	-	200	-	-	-	1,000	-	1,200
11.48% ¹	-	-	-	-	-	170	-	-	-	170
11.50% ¹	-	110	-	-	4,633	-	1,666	-	-	6,409
11.50% ²	-	-	-	-	-	2,500	-	-	-	2,500
11.50% ⁸	-	-	-	-	-	-	674	-	-	674
11.51% ⁴	-	-	-	-	-	-	737	-	-	737
11.51% ^{4 & 8}	-	-	-	-	-	-	440	-	-	440
11.55% ¹	-	-	-	140	-	2,000	-	-	-	2,140
11.72% ⁴	-	-	-	881	-	-	-	-	-	881
11.75% ¹	-	-	-	-	1,515	-	29,300	-	-	30,815
11.75% ⁸	-	-	-	-	1,115	-	-	-	-	1,115
11.90% ¹	-	-	4,000	-	-	-	-	-	-	4,000
12.50% ⁷	-	-	-	-	287	-	-	-	-	287
Total	450	2,310	4,000	8,480	32,722	22,779	42,070	22,354	27,156	162,321

* Includes current maturities

NOTES TO FINANCIAL STATEMENTS (CONTD.)

¹ Secured against Receivables / Assets of the Company and mortgage of immovable property.

² Secured against Mortgage of immovable property.

³ 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.

⁴ 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.

⁵ 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.

⁶ 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.

⁷ 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.

⁸ 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.

Funds raised Rs. 33,635 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

As at 31st March, 2015

(Rs. in Lacs)

Particulars	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	119,404	82,224	243,527	Base Rate + 50bps to 250bps
From Banks - Rupee Loans (Fixed)	-	-	1,400	2,800	4,200	11.25%
From Banks - Foreign Currency Loans	11,249	5,588	23,087	5,450	45,374	Libor / Euribor + 330bps to 350bps
From Financial Institutions - Foreign Currency Loans ¹	-	4,166	22,273	12,632	39,071	Libor + 115bps to 410bps
Total	17,332	45,570	166,164	103,106	332,172	

As at 31st March, 2014

(Rs. in Lacs)

Particulars	Maturity Profile*				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Rupee Loans (Floating)	1,000	45,113	116,099	67,710	229,922	Base Rate + 125bps to 275bps
From Banks - Rupee Loans (Fixed)	-	-	4,200	2,800	7,000	11.25%
From Banks - Foreign Currency Loans	2,472	18,123	14,828	899	36,322	Libor / Euribor + 330bps to 350bps
From Financial Institutions - Foreign Currency Loans ¹	-	13,823	23,631	13,259	50,713	Libor + 115bps to 410bps
Total	3,472	77,059	158,758	84,668	323,957	

* 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.

¹ Includes loans of Rs. 9,817 Lacs (Previous year: Rs. 12,299 Lacs) guaranteed by Export Import Bank of the United States.

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. 11,530 Lacs). The following table sets forth the details of the outstanding:

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
Total	5,840	24,196	31,915	6,660	24,030	7,570	8,403	7,085	115,699

All the above bonds are redeemable at par.

As at 31st March, 2014

(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
Total	5,840	24,196	31,915	6,660	24,030	7,570	8,403	7,085	115,699

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) recognised during the year is Rs. 1,041 Lacs (Previous year: Rs. 660 Lacs). Consequently, the net DTL as at year-end stands at Rs. 11,182 Lacs (Previous Year Rs. 10,144 Lacs). The break-up of major components of net DTL is as follows:

(Rs. in Lacs)

Particulars	Liability / (Asset)	
	As at 31st March, 2015	As at 31st March, 2014
Depreciation on Fixed Assets	11,577	9,530
Deferred Revenue Expenditure	2,805	3,164
Others	(3,200)	(2,550)
Total	11,182	10,144

6. OTHER LONG-TERM LIABILITIES

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Interest Accrued but not due on Borrowings	1,553
Sundry liabilities (Interest Capitalisation) Account (As per RBI guidelines)	2,453	-
Security Deposits & Retentions	-	23
Total	4,006	623

7. LONG-TERM PROVISIONS

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Provision for Employee Benefits (Non-Current Portion) (refer Note No. 34)	
Gratuity	202	111
Unavailed Leave	292	229
	(A) 494	340
Other Provisions		
Contingent Provisions against Standard Assets (refer Note No. 7.1)	1,923	1,783
	(B) 1,923	1,783
Total (A+B)	2,417	2,123

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 0.25% 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, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Opening balance	5,535	3,930	2,656	2,342
Provision made during the year	8,881	1,605	36	314
Closing balance	14,416	5,535	2,692	2,656

7.2 Provision for Diminution in Value of Stock for Trade and Investment

(Rs. in Lacs)

Particulars	2014-15	2013-14
Provision for Diminution in Value of Long-Term Trade Investment	(30)	497
Provision for Diminution in Value of Stock for Trade	957	-
Total	927	497

8. SHORT-TERM BORROWINGS

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
A. Secured		
Loans repayable on demand		
Working Capital Facilities from Banks (Rupee Loan) (refer Note No. 8.1)	406,550	460,250
Other Loans		
Working Capital Facilities from Banks (Rupee Loan) (refer Note No. 8.1)	314,198	215,059
	(A)	675,309
B. Unsecured		
Deposits		
Inter Corporate Deposits		
- From Related Parties	1,201	1,023
- From Others	-	15,126
Other Loans		
Commercial Papers (refer Note No. 8.2)		
- From Others	7,923	-
	(B)	16,149
Total (A+B)	729,872	691,458

NOTES TO FINANCIAL STATEMENTS (CONTD.)

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, 2015 is Rs. 8,350 Lacs (Previous year Rs. Nil Lacs). Face value of maximum outstanding at any time during the year was Rs. 287,470 Lacs (Previous year Rs. 60,000 Lacs). Face value of Commercial Paper repayable within one year is Rs. 8,350 Lacs (Previous year Rs. Nil Lacs)

9. TRADE PAYABLES

Particulars	(Rs. in Lacs)	
	As at 31st March, 2015	As at 31st March, 2014
Due to Micro, Small and Medium Enterprises (<i>refer Note No. 9.1</i>)	-	-
For Services	2,971	754
Operating Lease	200	1,142
Total	3,171	1,896

9.1 The Company has not received any memorandum from 'Suppliers' (as required to be filed by the 'Suppliers' with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2015 as micro, small or medium enterprises. Consequently, the interest paid / payable by the company to such Suppliers, during the year is Rs. Nil (Previous year: Rs. Nil).

10. OTHER CURRENT LIABILITIES - OTHERS

Particulars	(Rs. in Lacs)	
	As at 31st March, 2015	As at 31st March, 2014
Interest Accrued but not due on Borrowings	16,819	16,475
Interest Accrued and due on Borrowings	167	316
Interest Accrued but not due on Others	26	-
Unclaimed Dividend (<i>refer Note No. 10.1</i>)	36	35
Unclaimed Interest on Bonds & Debentures (<i>refer Note No. 10.1</i>)	-	1
Unclaimed Matured Public Deposits and Interest Accrued thereon (<i>refer Note No. 10.1 & 10.2</i>)	23	31
Advance from Customers	438	304
Statutory Liabilities	257	422
Security Deposits & Retentions	3,023	2,967
Payable to Employees	236	227
Commission Payable to Directors	110	110
Liability for Operating Expenses	1,739	2,084
Premium payable on Forward contracts	91	-
Other Liabilities	447	-
Total	23,412	22,972

NOTES TO FINANCIAL STATEMENTS (CONTD.)

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, 2015 is Rs. 25 Lacs (Previous year: Rs. 25 Lacs).

11. SHORT-TERM PROVISIONS

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for Employee Benefits (Current Portion) (refer Note No. 34)		
Unavailed leave	52	47
(A)	52	47
Other Provisions		
Proposed Equity Dividend	2,516	2,516
Provision for Corporate Dividend Tax	512	427
Contingent Provisions against Standard Assets (refer Note No. 7.1)	769	873
(B)	3,797	3,816
Total (A+B)	3,849	3,863

NOTES TO FINANCIAL STATEMENTS (CONTD.)

12. FIXED ASSETS

(Rs. in Lacs)

Particulars	Gross Block / Original Cost				Depreciation / Amortisation and Impairment					Net Carrying Value	
	As at 1st April, 2014	Additions during the year	Adjustments during the year	Disposals during the year	As at 31st March, 2015	For the year	Adjustment through retained earning	Adjustments during the year	Disposals during the year	As at 31st March, 2015	As at 31st March, 2014
(a)	(b)	(c)	(d)	(e=a+b+c-d)	(f)	(g)	(h)	(i)	(j)	(k=f+g+h+i-j)	(a-f)
I. Tangible Assets:											
Assets for Own use											
Buildings ¹	12,089	-	-	-	12,089	230	-	-	-	1,020	11,069
Leasehold Improvements	5,096	348	-	-	5,444	581	-	-	-	1,422	4,255
Furniture and Fixtures	2,669	815	-	1	3,483	356	-	-	-	570	2,455
Computers	190	16	-	-	206	39	6	-	-	158	77
Office Equipment	1,194	91	(109)	-	1,176	366	3	(15)	-	459	1,089
Plant & Machinery	-	1	109	-	110	8	-	15	-	23	87
Motor Vehicles	59	79	-	9	129	14	-	-	4	25	104
Total (A)	21,297	1,350	-	10	22,637	1,595	9	-	4	3,677	19,220
Assets given on Operating Lease											
Plant & Machinery ²	39,999	12,986	-	-	52,985	2,026	-	-	-	8,201	33,824
Aircrafts	1,987	-	-	-	1,987	217	-	-	-	1,560	644
Total (B)	41,986	12,986	-	-	54,972	2,243	-	-	-	9,761	34,468
Total (I)= (A+B)	63,283	14,336	-	10	77,609	3,838	9	-	4	13,438	53,688
II. Intangible Assets:											
Computer Software	468	62	-	-	530	81	-	-	-	238	311
Total (II)	468	62	-	-	530	81	-	-	-	238	311
Total Fixed Assets= (I+II)	63,751	14,398	-	10	78,139	3,919	9	-	4	13,676	53,999
Previous year	57,013	6,870	-	132	63,751	2,615	-	-	3	9,752	53,999
III. Capital work in Progress											
											5,723
											3,120

¹ Building includes Rs. 9,967.98 Lacs (Previous year Rs. 9,967.98 Lacs) in respect of which conveyance is pending.

² Additions to Plant & Machinery includes Rs. 12,838 Lacs (previous year Rs. Nil) which have been taken over by the Company during the year from existing customers. However, in respect of assets worth Rs. 2,781 Lacs (previous year Rs. Nil) existing charge in favour of the lenders is yet to be released.

In accordance with the requirements of Schedule II to the Companies Act, 2013, the Company reassessed the remaining useful life of tangible fixed assets w.e.f. 1st April, 2014. Accordingly, the carrying values as on that date are depreciated over their assessed remaining useful lives. As the result of this change, the depreciation charge for the year ended 31st March, 2015 is higher by Rs. 476 Lacs.

Further, the carrying amount of assets amounting to Rs. 6 Lacs (Net of Deferred Tax Rs. 3 Lacs), where remaining useful lives have been reassessed to be nil as at 1st April, 2014 has been recognised in the opening balance of retained earnings as on 1st April, 2014.

NOTES TO FINANCIAL STATEMENTS (CONTD.)**13.1 NON-CURRENT INVESTMENTS**

Particulars	Face value (Rs.)	Quantity		Rs. in Lacs	
		As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
A. Trade Investments - at cost unless otherwise stated					
I. In Equity Instruments (Unquoted)					
(a) In Subsidiaries					
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	1275000	506.17	143.67
Srei Alternative Investment Managers Limited (Formerly Srei Venture Capital Limited)	10	250000	250000	25.00	25.00
Attivo Economic Zone Limited (Formerly Global Investment Trust Limited) [Net of provision for other than temporary diminution aggregating Rs. Nil (Previous year Rs. 5 Lacs)]	10	-	50000	-	-
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	15500000	1,600.00	1,550.00
Srei Mutual Fund Trust Private Limited	10	150000	100000	15.00	10.00
Quippo Oil & Gas Infrastructure Limited	10	29970000	29970000	10,420.04	10,420.04
Quippo Energy Private Limited	10	1000000	1000000	20,189.70	20,189.70
Attivo Economic Zone (Mumbai) Private Limited (Formerly Mumbai Futuristic Economic Zone Private Limited) #	10	-	10000	-	8,046.60
Srei Asset Reconstruction Private Limited	10	100000	-	10.00	-
Subtotal- (a)				37,418.74	45,037.84
(b) In Joint Venture					
Srei Equipment Finance Limited (Formerly Srei Equipment Finance Private Limited)	10	29830000	29830000	17,473.00	17,473.00
Subtotal- (b)				17,473.00	17,473.00
(c) In Associates					
Sahaj e-Village Limited # #	10	10510000	10510000	1,051.00	1,051.00
Quippo Construction Equipment Limited	10	-	50000	-	96.00
Attivo Economic Zone (Mumbai) Private Limited (Formerly Mumbai Futuristic Economic Zone Private Limited) #	10	10000	-	8,046.60	-
Subtotal- (c)				9,097.60	1,147.00
(d) Others					
TN (DK) Expressways Limited (Pledged with Bank)	10	13000	13000	1.30	1.30

NOTES TO FINANCIAL STATEMENTS (CONTD.)

Particulars	Face value (Rs.)	Quantity		Rs. in Lacs	
		As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
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
Jaora-Nayagaon Toll Road Co. Private Limited	10	-	2800	-	0.28
Mahakaleshwar Tollways Private Limited (2550 equity shares Pledged with Bank)	10	5000	5000	0.50	0.50
Viom Networks Limited	10	73344044	73344044	159,801.18	159,801.18
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
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)	10	4900	4900	0.49	0.49
Shree Jagannath Expressways Private Limited (3308 equity shares Pledged with Bank)	10	4800	4800	0.48	0.48
Orissa Steel Expressways Private Limited (4900 equity shares Pledged with Bank)	10	5000	5000	0.50	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 Infracore Private Limited	10	100000	100000	10.00	10.00
Quippo Telecom Infrastructure Private Limited (Formerly Quippo Telecom Infrastructure Limited)	10	77550000	77550000	-	-
Subtotal- (d)				161,821.52	161,821.80
Total I (Subtotal a+b+c+d)				225,810.86	225,479.64
II. In Convertible Warrants (Unquoted)					
(a) In Subsidiary					
Srei Mutual Fund Asset Management Private Limited	10	45000000	-	4,500.00	-
Total II				4,500.00	-
III. In Preference Shares (Unquoted)					
(a) In Subsidiary					
Quippo Energy Private Limited 0.1% Non-convertible Cumulative Redeemable Preference Shares, 2019	100	2354	2354	-	-
Subtotal- (a)				-	-

NOTES TO FINANCIAL STATEMENTS (CONTD.)

Particulars	Face value (Rs.)	Quantity		Rs. in Lacs	
		As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
(b) In Associate					
Quippo Construction Equipment Limited 0.1% Non-convertible Cumulative Redeemable Preference Shares, 2019	100	-	9962	-	-
Subtotal- (b)				-	-
(c) In Others					
Quippo Construction Equipment Limited 0.1% Non-convertible Cumulative Redeemable Preference Shares, 2019	100	9962	-	-	-
Subtotal- (c)				-	-
Total III (Subtotal a+b+c)				-	-
IV. Interest in a Beneficiary Trust					
Srei Growth Trust (represented by Trustees)	-	-	-	1,851.50	1,851.50
Total IV				1,851.50	1,851.50
V. In Units of Trusts and Schemes of Venture Funds					
India Global Competitive Fund	100	-	3875000	-	3,875.00
Infrastructure Project Development Fund	100	7400876	13819900	7,410.01	13,829.03
Infrastructure Project Development Capital	100	15428875	19838459	15,428.88	19,838.46
Medium and Small Infrastructure Fund	100	7000	280000	7.00	280.00
Prithvi Infrastructure Fund [Net of provision for other than temporary diminution aggregating Rs. 221.37 Lacs (Previous year Rs. 491.37 Lacs)]	100	221366	491366	-	-
Infra Construction Fund	100	1880333	1880333	1,880.33	1,880.33
Infrastructure Resurrection Fund	100	1470000	300000	1,470.00	300.00
Bharat Nirman Fund	100	1159000	-	1,159.00	-
Total V				27,355.22	40,002.82
VI. In Optionally Convertible Participating Interest Debentures					
Guruvayoor Infrastructure Private Limited 12% Optionally Convertible Participating Interest Debentures, 2023	10	73102100	-	8,858.91	-
Mahakaleshwar Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2024	10	2460000	-	285.88	-
Mahakaleshwar Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2023	10	24198500	-	2,922.34	-
Solapur Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2024	10	31820000	-	3,487.16	-

NOTES TO FINANCIAL STATEMENTS (CONTD.)

Particulars	Face value (Rs.)	Quantity		Rs. in Lacs	
		As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Solapur Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2023	10	34000000	-	4,245.50	-
Kurukshetra Expressway Private Limited 12% Optionally Convertible Participating Interest Debentures, 2023	10	5500000	-	613.75	-
Total VI				20,413.54	-
Total A (Trade Investments) (I+II+III+IV+V+VI)				279,931.12	267,333.96
B. Other Investments - at cost unless otherwise stated					
VII. In Equity Instruments (Quoted)					
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	-	-
HDFC Bank Limited	2	-	10	-	0.01
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
IDFC Limited	10	-	91000	-	183.35
Kotak Mahindra Bank Limited	10	500	500	0.02	0.02
Tata Steel Limited	10	3500	3500	24.83	24.83
Total VII				192.37	375.73
VIII. In Equity Instruments (Unquoted)					
New India Co-operative Bank Limited	10	573	573	0.06	0.06
National Stock Exchange of India Limited	10	57200	57200	2,062.06	2,062.06
ABG Kolkata Container Terminal Private Limited	10	1200	1200	0.10	0.10
Total VIII				2,062.22	2,062.22
IX. In Government or Trust securities (Unquoted)					
National Savings Certificate (Lodged with Sales Tax authorities)	15000			0.15	0.15
Total IX				0.15	0.15

NOTES TO FINANCIAL STATEMENTS (CONTD.)

Particulars	Face value (Rs.)	Quantity		Rs. in Lacs	
		As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
X. In Mutual Funds (Quoted)					
Morgan Stanley Mutual Fund	10	2000	2000	0.20	0.20
Unit Trust of India	10	400	400	0.04	0.04
Total X				0.24	0.24
Total B (Other Investments) (VII+VIII+IX+X)				2,254.98	2,438.34
Total Non-current Investments (A+B)				282,186.10	269,772.30
Aggregate amount of quoted non-current investments				192.61	375.97
Aggregate market value of quoted non-current investments				240.63	459.77
Aggregate amount of unquoted non-current investments				281,993.49	269,396.34
Aggregate provision for diminution in value of non-current investments				490.02	765.02

** There is no system of issuance of distinctive shares in the country of registration.

All the Investments mentioned above are fully paid-up

Attivo Economic Zone (Mumbai) Private Limited (Formerly Mumbai Futuristic Economic Zone Private Limited) became an associate w.e.f. 30.12.2014

The Company has an investment of Rs. 1,051 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. 20,937 Lacs (Previous year Rs. 25,942 Lacs) to Sahaj.

Sahaj is a long-gestation rural e-governance initiative and due to the accumulated losses, its net worth has eroded as at 31st March, 2015. However, Sahaj has informed the Company that it is in the process of implementing a revamped business plan, based upon detailed study on the present and future business model, operations and financial plan, as suggested by a renowned consultant and that it shall continue to be a going concern in the foreseeable future.

Considering the long-term strategic nature of 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 investments and against loans advanced to Sahaj.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

13.2 CURRENT INVESTMENTS

Particulars	Face value (Rs.)	Quantity		Rs. in Lacs	
		As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Other Investments (fully paid-up)					
I. In Equity Instruments of Subsidiary (Unquoted)					
Goldensons Construction Private Limited	10	10000	10000	1.00	1.00
Total I				1.00	1.00
II. In Units of Trusts and Schemes of Venture Fund					
India Global Competitive Fund	100	-	32850000	-	32,850.00
India Advantage Fund III	100	1847906	-	1,664.41	-
Total II				1,664.41	32,850.00
Total Current Investments (I + II)				1,665.41	32,851.00
Aggregate amount of unquoted current investments				1,665.41	32,851.00

14. LOAN ASSETS

(Rs. in Lacs)

Particulars	As at 31st March, 2015			As at 31st March, 2014		
	Long-Term		Short-Term	Long-Term		Short-Term
	Non-Current Maturities	Current Maturities		Non-Current Maturities	Current Maturities	
Considered Good, unless otherwise stated						
Secured:¹						
Loans to Related parties	56,438	1,170	-	83,407	22,133	-
Loans to Others ²	811,423	279,607	21,976	664,578	315,627	6,304
(A)	867,861	280,777	21,976	747,985	337,760	6,304
Unsecured:						
Loans to Related parties	262	18	-	106	307	-
Loans to Others	2,692	1,305	-	3,717	140	896
(B)	2,954	1,323	-	3,823	447	896
C=(A+B)³	870,815	282,100	21,976	751,808	338,207	7,200
Less: Provision for Bad Debts / Advances (refer Note No. 7.1)	13,879	-	-	5,052	-	-
(D)	13,879	-	-	5,052	-	-
E=(C-D)	856,936	282,100	21,976	746,756	338,207	7,200

¹ 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.

² Loans to Others includes assets aggregating Rs. 22,028 Lacs (Previous year Rs. 33,325 Lacs) acquired in satisfaction of debt and held for sale.

³ Includes Non-Performing Assets of Rs. 77,813 Lacs (Previous year Rs. 38,683 Lacs).

NOTES TO FINANCIAL STATEMENTS (CONTD.)**14.1 DISCLOSURE OF RESTRUCTURED ASSETS**

(Rs. in Lacs)

Sl. No.	Type of Restructuring		Others				Total
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	
	Details						
1	Restructured Accounts as on April 1, 2014	No. of borrowers	2	-	-	-	2
		Amount Outstanding	2,249	-	-	-	2,249
		Provision thereon	56	-	-	-	56
2	Fresh restructuring during the year	No. of borrowers	3	1	-	-	4
		Amount Outstanding	24,168	174	-	-	24,342
		Provision thereon	1,208	35	-	-	1,243
3	Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured advance at the beginning of the next FY	No. of borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	(1)	1	-	-	-
		Amount Outstanding	(999)	999	-	-	-
		Provision thereon	(31)	100	-	-	69
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
7	Restructured Accounts as on March 31, 2015	No. of borrowers	4	2	-	-	6
		Amount Outstanding	24,869	1,173	-	-	26,042
		Provision thereon	1,233	135	-	-	1,368

Notes:

- i) There are no restructured accounts under “CDR Mechanism” and under “SME Debt Restructuring Mechanism” categories.
- ii) Other than the aforesaid, the Company has created further provision of Rs. Nil (Previous year Rs. 38 Lacs) towards diminution in fair value of re-structured advances.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

15. OTHER LONG-TERM ADVANCES

(Rs. in Lacs)		
Particulars	As at 31st March, 2015	As at 31st March, 2014
Unsecured, Considered Good		
Advances		
Capital Advances	760	622
Advance to Vendors for Operating Expenses	174	-
Employee Advances	53	60
Security Deposits		
To Related parties	2,400	2,400
To Others	12,155	12,178
Prepaid Expenses	93	75
Advance Tax [(net of provision for tax Rs. 12,574 Lacs) (Previous year Rs. 11,419 Lacs)]	13,124	11,758
Total	28,759	27,093

16. OTHER NON-CURRENT ASSETS

(Rs. in Lacs)		
Particulars	As at 31st March, 2015	As at 31st March, 2014
Unsecured, Considered Good		
Non-Current portion of other Bank Balances		
Fixed Deposit with bank having balance maturity of more than twelve months (Under Lien)*	1,043	28
Unamortised Ancillary Borrowing Costs	5,386	6,272
Interest Accrued but not due	620	-
Income Accrued but not due	342	387
Other Receivables (refer Note No. 38)	7,995	-
Total	15,386	6,687
*Includes		
- Bank Guarantees	1,043	28

NOTES TO FINANCIAL STATEMENTS (CONTD.)**17. TRADE RECEIVABLES**

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unsecured		
Outstanding for more than Six Months		
Considered Doubtful	4,914	6,686
Less: Provision for Bad Debts / Advances (<i>refer Note No. 7.1</i>)	(538)	(483)
(A)	4,376	6,203
Other Debts		
Considered Good	15,826	8,388
(B)	15,826	8,388
Total (A+B)	20,202	14,591

18. CASH AND CASH EQUIVALENTS

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Cash on Hand	1	1
Balances with Banks - in Current Account	6,950	8,025
Cheques on Hand ¹	3,782	7,094
Fixed Deposits with banks having original maturity of 3 months or less	11,281	-
Unclaimed Dividend Account	36	35
(A)	22,050	15,155
Other Bank Balances:		
Fixed Deposit with bank having balance maturity of twelve months or less (Under Lien)*	16,630	7,635
Fixed Deposit with bank having balance maturity of more than twelve months (Under Lien)	1,043	28
Less: Non-current portion of other bank balances disclosed separately under 'Other Non-Current Assets' (<i>refer Note No. 16</i>)	(1,043)	(28)
(B)	16,630	7,635
Total (A+B)	38,680	22,790

1 Cheques on Hand have been since realised.

* Includes

- Letter of Credit	16,567	7,003
- Bank Guarantees	38	607
- Unclaimed Public Deposit & Interest	25	25

NOTES TO FINANCIAL STATEMENTS (CONTD.)

19. OTHER SHORT-TERM ADVANCES

(Rs. in Lacs)		
Particulars	As at 31st March, 2015	As at 31st March, 2014
Unsecured, Considered Good		
Advances		
Advance to Vendors for Operating Expenses	3,222	989
Employee Advances	63	71
Advance to Related parties	332	1,056
Security Deposits		
To Others	783	541
Prepaid Expenses	85	85
MAT Credit Entitlement	120	120
Cenvat Input Credit	43	-
Total	4,648	2,862

20. OTHER CURRENT ASSETS

(Rs. in Lacs)		
Particulars	As at 31st March, 2015	As at 31st March, 2014
Unamortised Ancillary Borrowing Costs	2,575	2,897
Interest Accrued but not due	53,417	67,215
Income Accrued but not due	137	48
Stock for Trade (<i>refer Annexure I to Notes to Financial Statements</i>)	1,428	50
Gains receivable on Derivative Contracts	7,566	9,239
Other Receivables (<i>refer Note No. 38</i>)	3,592	-
Total	68,715	79,449

NOTES TO FINANCIAL STATEMENTS (CONTD.)**21. REVENUE FROM OPERATIONS**

(Rs. in Lacs)

Particulars	2014-15	2013-14
Income from Loan Assets	159,426	157,708
Income from Leases	8,730	8,069
Fee Based Income	13,127	12,880
Income from Long-Term Trade Investments	5,057	980
Interest on Fixed Deposits and Other Receivables	3,080	236
Interest from Current Investment	-	24
Total	189,420	179,897

22. OTHER INCOME

(Rs. in Lacs)

Particulars	2014-15	2013-14
Dividend Income	173	62
Liabilities No Longer Required Written Back	6	286
Profit on Sale of Stock for Trade (Net)	-	11
Profit on Sale of Current Investments (Net)	16	51
Other Non-Operating Income	388	278
Total	583	688

23. FINANCE COSTS

(Rs. in Lacs)

Particulars	2014-15	2013-14
Interest Expense	132,851	136,884
Other Borrowing Costs	18,291	13,734
Applicable net (gain) / loss on foreign currency transactions and translations	942	2,960
Total	152,084	153,578

24. EMPLOYEE BENEFITS EXPENSE

(Rs. in Lacs)

Particulars	2014-15	2013-14
Salaries, Allowances, Commission & Bonus	3,725	3,941
Contribution to Provident and Other Funds	339	200
Staff Welfare Expenses	148	157
Total	4,212	4,298

NOTES TO FINANCIAL STATEMENTS (CONTD.)

25. ADMINISTRATIVE AND OTHER EXPENSES

Particulars	(Rs. in Lacs)	
	2014-15	2013-14
Communication Expenses	101	85
Legal & Professional Fees	2,555	3,431
Electricity Charges	220	234
Rent	744	716
Rates and Taxes	73	85
Commission, Brokerage and Service Charges	69	70
Payments to the Auditor (<i>refer Note No. 25.1</i>)	70	84
Repairs - Machinery	564	200
- Others	653	559
Travelling and Conveyance	1,084	1,049
Directors' Fees	57	25
Insurance	54	54
Printing and Stationery	79	76
Advertisement, Subscription and Donation	243	358
Corporate Social Responsibility Expenses	138	-
Loss on Sale of Fixed Assets	5	-
Loss on Sale of Long-Term Trade Investments (Net)	41	279
Loss on Sale of Stock for Trade (Net)	376	-
Miscellaneous Expenses	232	129
Total	7,358	7,434

25.1 Payments to the Auditor (including Service Tax)

Particulars	(Rs. in Lacs)	
	2014-15	2013-14
As Auditor - Statutory Audit & Limited Reviews	56	63
For Other Services (Certification etc.)	13	20
For Reimbursement of Expenses	1	1
Total	70	84

26. EARNINGS PER EQUITY SHARE

Particulars	(Rs. in Lacs)	
	2014-15	2013-14
(a) Profit after tax attributable to Equity Shareholders (Rs. in Lacs)	9,093	5,932
(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.)	1.81	1.18
(g) Diluted Earnings per share [(a) / (d)] (Rs.)	1.81	1.18

NOTES TO FINANCIAL STATEMENTS (CONTD.)**27. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
A. Contingent Liabilities		
(a) Claims against the Company not acknowledged as debts:		
Disputed Income Tax ¹	5,928	3,990
Fringe Benefit Tax ²	226	226
Disputed Service Tax ³	302	302
Central Sales Tax ⁴	406	211
Entry Tax ⁵	2	2
(b) Guarantees:		
Bank Guarantees ⁶	3,124	1,858
Guarantees to Banks and Others against credit facilities extended by them to third parties	18,522	12,706
Guarantees to Banks and others, in the form of Put Option against loan facilities	39,189	40,704
Total	67,699	59,999
B. Commitments		
Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)	828	508
On account of Letter of Credit	53,752	68,608
On account of Derivative Instruments (<i>refer Note No. 28</i>)		

¹ Certain Assessment Orders disallowing Special Reserve (created as per Section 45-IC of the RBI Act, 1934), Debt Redemption Reserve, Non-taxability of amount received on assignment of rights, Provision for Standard Assets, Disallowances under section 14A, Disallowance of Provision for NPA, etc. for the purpose of determining tax liability as per the provisions of Section 115JB of the Income Tax Act, 1961 have been challenged by the company before the appropriate authorities.

Similarly, disallowances under section 14A, Disallowance of Provision for NPA, Disallowance of Provision for earned leave encashment, matter relating to deduction u/s 36(1)(viii), Education Cess, Upfront Fees on borrowings, Long-Term Capital Gain arising out of transaction under a Scheme of Arrangement sanctioned by the Hon'ble Calcutta High Court on 28th January, 2008, etc. under normal provisions of the Income Tax Act, 1961 have also been challenged by the company before the appropriate authorities.

Pending disposal of the cases filed, the Company has not provided for the Income Tax liabilities arising out of the same.

² The Company has challenged the constitutional validity of Fringe Benefit Tax (FBT) before the Hon'ble High Court at Calcutta and the Hon'ble Court has granted interim stay on levy of such FBT on the Company. In view of this, the Company has not provided for any liability against FBT since its inception upto the date of its abolition i.e. 31st March, 2009.

³ Service Tax department had issued a Show Cause Notice (SCN) cum Demand Notice for Rs. 450 Lacs, on 20th April, 2012 with regards to availment of Cenvat Credit, considering the observations of auditors appointed u/s 14AA of the Central Excise Act, 1944. The Company had filed its reply followed by personal hearings. An Order dated 31st March, 2014 was passed by the Commissioner of Service Tax, Kolkata confirming a demand of Rs. 151 Lacs along with penalty of Rs. 151 Lacs. The Company has filed an Appeal and Stay Application before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Kolkata.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

⁴ A demand of Rs. 211 lacs has been raised for the period 2010-11 by the Assessing Officer following disallowance of exemption claimed u/s 5(2) of the Central Sales Tax Act, 1956 vide assessment order dated 28.06.2013. An appeal against the said assessment order filed on 07.10.2013 before Senior Joint Commissioner of Commercial Taxes, West Bengal has been rejected. An appeal against rejection has been filed by the Company before West Bengal Sales Tax Appellate and Revisional Board and hearing is awaited.

A demand of Rs. 195 lacs has been raised for the period 2011-12 by the Assessing Officer following disallowance of exemption claimed u/s Sec 5(2) of the Central Sales Tax Act, 1956 vide assessment order dated 30.06.2014. An appeal against the assessment order has been filed before the Appellate Authority on 07.11.2014.

⁵ Entry Tax in West Bengal was held unconstitutional by the Hon'ble Calcutta High Court in June, 2013 and the Govt. of West Bengal has appealed before a Division Bench of the Hon'ble High Court. Till further order, the deposit of tax has been kept in abeyance.

⁶ Includes Rs. 697 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, 2015		As at 31st March, 2014	
		Number of Contracts	Amount in Foreign Currency	Number of Contracts	Amount in Foreign Currency
Options / Swaps	USD / INR	8	USD 810.18	8	USD 866.48
Options / Swaps	EUR / INR	1	EUR 150	1	EUR 150
Forwards	USD / INR	2	USD 18.7	4	USD 12.12
Interest Rate Swaps	USD / INR	7	USD 703.75	7	USD 878.63

Foreign currency exposures, which are not hedged by derivative instruments, amount to Rs. 22,707 Lacs (Previous year Rs. 22,766 Lacs).

29. C.I.F. VALUE OF IMPORTS

(Rs. in Lacs)

Particulars	2014-15	2013-14
Operating Lease Assets	34	1,839
Own Use Assets	177	79
Total	211	1,918

30. EXPENDITURE IN FOREIGN CURRENCY

(Rs. in Lacs)

Particulars	2014-15	2013-14
Finance Charges	5,665	11,418
Professional / Consultation Fees	90	7
On Other Matters	357	519
Total	6,112	11,944

NOTES TO FINANCIAL STATEMENTS (CONTD.)**31. EARNINGS IN FOREIGN CURRENCY**

(Rs. in Lacs)

Particulars	2014-15	2013-14
Fee Based Income	-	2
Income from Loan Assets	14	14
Total	14	16

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	2014-15	2013-14
Number of Non-Resident Shareholders	8	9
Number of shares held (Equity shares of Rs. 10/- par value, per share)	1928802	120926490
Dividend Remitted (Rs. in Lacs)	10	605
Related Financial Year	2013-14	2012-13

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. Lease payments charged to the Statement of Profit and Loss with respect to such leasing arrangements aggregate to Rs. 735 Lacs (Previous year Rs. 706 Lacs).

Some of the above cancellable lease agreements have rent escalation upto 5% p.a. or 10% p.a. on renewals. None of the operating lease agreements entered into by the Company provide for any contingent rent payment and hence, the Company has not paid any contingent rent in the current and previous year.

- (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. 9 Lacs (Previous year Rs. 10 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, 2015	As at 31st March, 2014
Not later than 1 year	8	9
Later than 1 year but not later than 5 years	34	34
Later than 5 years	78	87
Total	120	130

NOTES TO FINANCIAL STATEMENTS (CONTD.)

- (iii) Sub lease payments received (or receivable) recognised in the Statement of Profit and Loss for the year is Rs. 2,675 Lacs (Previous year Rs. 2,349 Lacs). Future minimum sublease payments expected to be received under non-cancellable subleases is Rs. 436 Lacs (Previous year Rs. 400 Lacs).

b. In the capacity of Lessor

- (i) The Company has given assets on Operating lease (*refer Note No. 12*) for periods ranging between 5 to 15 years. Some of these lease agreements stipulate rental computation on the basis of earnings of the Lessee. Such contingent rent recognised during the year is Rs. 3,014 Lacs (Previous year Rs. 3,679 Lacs).

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

Particulars	(Rs. in Lacs)	
	As at 31st March, 2015	As at 31st March, 2014
Not later than 1 year	1,285	1,551
Later than 1 year but not later than 5 years	4,929	4,982
Later than 5 years	5,386	6,619
Total	11,600	13,152

- (ii) Further, the Company also has certain non-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 such arrangements, lease earning for the year aggregating to Rs. 25 Lacs (Previous year Rs. 189 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:

Particulars	(Rs. in Lacs)	
	As at 31st March, 2015	As at 31st March, 2014
Not later than 1 year	30	335
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Total	30	335

NOTES TO FINANCIAL STATEMENTS (CONTD.)**34. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 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, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Current service cost	64	72	74	87
Interest cost	25	23	12	13
Expected return on plan assets	(15)	(13)	-	-
Past Service Cost	-	-	-	-
Net actuarial losses / (gains)	42	(95)	86	1
Net benefit expense	116	(13)	172	101
Actual return on plan assets	9.25%	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, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Defined benefit obligation	385	273	344	276
Fair value of plan assets	(183)	(162)	-	-
Net liability	202	111	344	276
- Non-Current	202	111	292	229
- Current	-	-	52	47

(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, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Opening defined benefit obligation	273	284	276	300
Interest cost	25	23	12	13
Current service cost	64	72	74	87
Benefit paid	(19)	(10)	(104)	(125)
Actuarial losses / (gains)	42	(96)	86	1
Closing defined benefit obligation	385	273	344	276

NOTES TO FINANCIAL STATEMENTS (CONTD.)

(d) The details of fair value of plan assets at the Balance Sheet date are as follows:

(Rs. in Lacs)

Particulars	Gratuity	
	As at 31st March, 2015	As at 31st March, 2014
Opening fair value of plan assets	162	135
Expected return on plan assets*	15	13
Contribution by the Company	25	25
Benefits paid	(19)	(10)
Actuarial (losses) / gains	-	(1)
Closing fair value of plan assets	183	162

*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, 2015	As at 31st March, 2014
Discount rate (%)	7.80%	9.25%
Return on Plan Assets (Gratuity Scheme)	8.50%	9.25%
Mortality Rate	India Assured Lives Mortality (2006-08) (modified) Ult	India Assured Lives Mortality (2006-08) (modified) Ult

(f) The amounts for the current and previous years are as follows:

(Rs. in Lacs)

Particulars	Gratuity				
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Defined benefit obligation	385	273	284	228	190
Fair value of plan assets	183	162	135	108	101
Deficit	202	111	149	120	89
Experience adjustments on plan liabilities - gain / (loss)	22	56	39	(6)	(32)
Experience adjustments on plan assets - gain / (loss)	-	(1)	(2)	(0)	0
Actuarial gain / (loss) due to change on assumptions	(64)	39	(17)	9	2

NOTES TO FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lacs)

Particulars	Leave				
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Defined benefit obligation	344	276	300	256	183
Fair value of plan assets	-	-	-	-	-
Deficit	344	276	300	256	183
Experience adjustments on plan liabilities - gain / (loss)	(55)	21	(33)	(47)	(26)
Experience adjustments on plan assets - gain / (loss)	-	-	-	-	-
Actuarial gain / (loss) due to change on assumptions	(30)	20	(10)	5	1

(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, 2015	31st March, 2014
Provident fund	211	205
Employee state insurance	1	1
Total	212	206

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 (w.e.f. 26.02.2015)	India
Subsidiaries & Step-down Subsidiaries:	Country of Origin
Srei Capital Markets Limited	India
Srei Alternative Investment Managers Limited	India
Srei Infrastructure Advisors Limited	India
Attivo Economic Zones Private Limited (Formerly Global Investment Trust Limited) (ceased to be Subsidiary w.e.f. 21.11.2014)	India
Attivo Economic Zone (Mumbai) Private Limited (Formerly Mumbai Futuristic Economic Zone Private Limited) (ceased to be Subsidiary w.e.f. 30.12.2014)	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	India
Quippo Oil & Gas Infrastructure Limited	India
Performance Drilling International Private Limited (Subsidiary of Quippo Oil & Gas Infrastructure Limited w.e.f. 23.01.2015)	India
Quippo Energy Private Limited	India
Quippo Mauritius Private Limited (ceased to be Subsidiary of Quippo Energy Private Limited w.e.f. 25.02.2015)	Mauritius
Quippo Energy Nigeria Private Limited (Subsidiary of Quippo Mauritius Private Limited, ceased to be Step-down subsidiary of Quippo Energy Private Limited w.e.f. 25.02.2015)	Nigeria
Quippo CJ Exploration & Production Private Limited (ceased to be Subsidiary of Quippo Oil & Gas Infrastructure Limited w.e.f. 08.07.2014)	India
Srei Asset Reconstruction Private Limited (Subsidiary between 30.06.2014 to 01.09.2014 and w.e.f. 31.03.2015)	India

NOTES TO FINANCIAL STATEMENTS (CONTD.)

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 (Formerly Mumbai Futuristic Economic Zone Private Limited) (ceased to be Subsidiary and has become Associate w.e.f. 30.12.2014)	India
Quippo Construction Equipment Limited (ceased to be Associate w.e.f. 29.09.2014)	India
Trusts:	Country of origin
Srei Mutual Fund Trust	India
Srei Growth Trust	India
Key Management Personnel (KMP):	
Name	Designation
Mr. Hemant Kanoria	Chairman & Managing Director
Mr. John Moses Harding (w.e.f. 01.04.2014)	Group Chief Executive Officer - Liability & Treasury Management
Mr. Bijoy Kumar Daga (w.e.f. 01.04.2014)	Chief Executive Officer - Infrastructure Project Finance
Mr. Bajrang Kumar Choudhary (w.e.f. 01.04.2014)	Chief Executive Officer - Infrastructure Project Development
Mr. Sanjeev Sancheti (from 01.04.2014 to 09.11.2014)	Group Head - Corporate Strategy and Planning
Mr. Rajdeep Khullar (from 01.04.2014 to 09.11.2014)	Group Head - Legal
Mr. Deepak Chatrath (from 22.05.2014 to 09.11.2014)	Sr. Vice-President - Internal Audit
Mr. Shashi Bhushan Tiwari (from 01.04.2014 to 09.11.2014)	Chief Operating Officer
Mr. Rajesh Jain (from 01.04.2014 to 09.11.2014)	Head - Human Resources
Mr. Kishore Kumar Lodha	Chief Financial Officer
Mr. Sandeep Lakhotia (w.e.f. 01.04.2014)	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	Particulars	2014-15	2013-14	
(A) Subsidiaries:				
Srei Capital Markets Limited	Transactions during the year:			
	Loan Advanced	-	100	
	Refund of Loan Advanced	80	285	
	Interest Received on Loan	2	33	
	Purchase of units of Trust	-	239	
	Outstanding as at year end:			
	Balance Receivable-Loan	-	80	
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	2	
	Srei Alternative Investment Managers Limited	Transactions during the year:		
		Loan Advanced	2,000	-
Advance Given		-	500	
Refund of Advance Given		900	-	
Advance received for Purchase of Share Warrant		2,000	-	
Interest Received on Loan		71	-	
Outstanding as at year end:				
Balance Payable-Others		2,000	-	
Balance Receivable-Advance		-	900	
Balance Receivable-Loan		2,000	-	
Balance Receivable-Interest accrued and due	54	-		
Balance Receivable-Interest accrued but not due (Net of TDS)	10	-		
Srei Infrastructure Advisors Limited	Transactions during the year:			
	Business Auxiliary Services rendered	-	0.09	
Bengal Srei Infrastructure Development Limited	Transactions during the year:			
	Loan Advanced	-	253	
	Refund of Loan Advanced	100	220	
	Interest Received on Loan	26	34	
	Outstanding as at year end:			
	Balance Receivable-Loan	153	253	
Balance Receivable-Interest accrued but not due (Net of TDS)	13	18		
Srei Forex Limited	Transactions during the year:			
	Recovery of Bad Debts	-	5	

NOTES TO FINANCIAL STATEMENTS (CONTD.)

		(Rs. in Lacs)	
Name of related party & Nature of relationship	Particulars	2014-15	2013-14
Srei Mutual Fund Asset Management Private Limited	Transactions during the year:		
	Deposit Received	4,678	130
	Deposit Refunded	4,500	155
	Interest Paid on Deposits	143	103
	Subscription to Share Warrant	4,500	-
	Subscription to Commercial Paper Received (Face Value Rs. 4,675 Lacs)	4,255	-
	Finance Charges on Commercial Paper	54	-
	Subscription to Equity Shares	50	150
	Outstanding as at year end:		
	Balance Payable-Deposits	1,201	1,023
	Balance of Commercial Paper (Face Value Rs. 4,675 Lacs)	4,309	-
	Balance Payable-Interest accrued but not due (Net of TDS)	-	0.02
Srei Mutual Fund Trust Private Limited	Transactions during the year:		
	Subscription to Equity Shares	5	-
Controlla Electrotech Private Limited	Transactions during the year:		
	Rent Paid	8	8
	Outstanding as at year end:		
	Property mortgaged as a collateral security against the allotment of Secured Redeemable Non-Convertible debentures of Holding Company	16,670	-
	Balance Receivable-Deposit	2,400	2,400
Srei Insurance Broking Private Limited	Transactions during the year:		
	Advance Given	221	150
	Refund of Advance Given	371	-
	Rent Received	1	24
	Subscription to Equity Shares	240	-
	Outstanding as at year end:		
	Balance Receivable-Advance	-	150
	Balance Receivable-Others	-	10

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		(Rs. in Lacs)		
Name of related party & Nature of relationship	Particulars	2014-15	2013-14	
Quippo Energy Private Limited	Transactions during the year:			
	Loan Advanced	2,080	2,881	
	Refund of Loan Advanced (Including through Assets taken over for Rs. 7,719 Lacs)	8,143	1,700	
	Rent Received	410	318	
	Advance Received	44	-	
	Interest Received on Loan	767	695	
	Refund of Balance Receivable-Others	-	0.25	
	Refund of Balance Payable-Advance	-	3	
	Guarantee in the form of Put option to bank against Loan facility	-	4,954	
	Buyers Credit on LC facility arranged by the Company-Closed	-	411	
	Outstanding as at year end:			
	Balance Receivable-Loan	468	6,531	
	Balance Receivable-Interest accrued but not due (Net of TDS)	48	609	
	Rent Receivable Outstanding	26	-	
	Accrued Rental Outstanding	90	-	
	Balance Payable-Advance	44	-	
	Commitment given against credit facility from Bank (Commitment Amount - Rs. 4,881 Lacs, liability to the extent of outstanding facility and accrued interest - Rs. 282 Lacs)	282	-	
	Outstanding Guarantee in the form of Put Option to Bank against loan facility [Guarantee Amount - Rs. 7,250 Lacs (Previous year - Rs. 7,250 Lacs) liability to the extent of facility utilised Rs. 3,949 Lacs (Previous year Rs. 4,954 Lacs)]	3,949	4,954	
	Quippo Oil & Gas Infrastructure Limited	Transactions during the year:		
		Loan Advanced	17,424	3,218
Refund of Loan Advanced (Including through Assets taken over for Rs. 5,975 Lacs)		18,575	785	
Balance Received-Others		6,920	58	
Rent Received		2,922	3,642	
Interest Received on Loan		1,257	1,067	
Recovery of Bank Guarantee Charges		2	-	
Bank Guarantee issued during the year		200	-	
Bank Guarantee closed during the year		200	-	
Corporate Guarantee Issued during the year		4,568	539	
Corporate Guarantee Closed during the year		3,000	850	
Guarantee in the form of Put Option to Bank against Loan facility		2,000	-	

NOTES TO FINANCIAL STATEMENTS (CONTD.)

Name of related party & Nature of relationship	Particulars	(Rs. in Lacs)	
		2014-15	2013-14
Quippo Oil & Gas Infrastructure Limited	Outstanding as at year end:		
	Balance Receivable-Loan	6,674	7,825
	Balance Receivable-Interest accrued but not due (Net of TDS)	67	2
	Balance Receivable-Others	2,937	6,920
	Corporate Guarantee [Guarantee Amount - Rs. 6,000 Lacs (Previous year - Rs. 3,000 Lacs), liability under CG to the extent of outstanding loan and Bank Guarantee - Rs. 4,568 Lacs (Previous year - Rs. 1,589 Lacs)]	4,568	1,589
	Guarantee in the form of Put option to bank against Loan facility [Put Option Amount - Rs. 7,000 Lacs (Previous year - Rs. 4,000 Lacs), liability to the extent of outstanding loan and accrued interest - Rs. 2,750 Lacs (Previous year - Rs. 1,750 Lacs)]	2,750	1,750
Attivo Economic Zone (Mumbai) Private Limited (ceased to be Subsidiary w.e.f. 30.12.2014)	Transactions during the year:		
	Loan Advanced	5,160	55,930
	Refund of Loan Advanced	8,453	29,040
	Interest Received on Loan	4,445	3,205
	Outstanding as at year end:		
	Balance Receivable-Loan	-	41,400
Balance Receivable-Interest accrued but not due (Net of TDS)	-	246	
Srei International Infrastructure Services GmbH	Transactions during the year:		
	Interest Received on Loan	14	17
	Refund of Balance Receivable-Others	17	-
	Outstanding as at year end:		
	Balance Receivable-Loan	235	288
Balance Receivable-Others	14	17	
ZAO Srei Leasing, Russia	Transactions during the year:		
	Refund of Balance Receivable-Others	-	14

NOTES TO FINANCIAL STATEMENTS (CONTD.)

		(Rs. in Lacs)	
Name of related party & Nature of relationship	Particulars	2014-15	2013-14
Goldensons Construction Private Limited	Transactions during the year:		
	Loan advanced	5	-
	Interest Received on Loan	3	0.45
	Outstanding as at year end:		
	Balance Receivable-Loan	31	26
	Balance Receivable-Others	-	1
	Balance Receivable-Interest accrued but not due (Net of TDS)	0.41	0.38
(B) Joint Venture:			
Srei Equipment Finance Limited	Transactions during the year:		
	Rent received	1,643	1,568
	Fees Income for Services	14	-
	Sale of Equity Shares of Srei Asset Reconstruction Private Limited	5	-
	Purchase of units of Debt Fund	3,554	-
	Security Deposit Received	69	-
	Outstanding as at year end:		
	Balance Receivable-Others	351	-
	Balance Payable-Others	25	-
Balance Payable-Security Deposit	1,528	1,459	
(C) Trusts:			
Srei Growth Trust	Transactions during the year:		
	Income Received	241	243
	Dividend Paid	243	243

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Name of related party & Nature of relationship	Particulars	(Rs. in Lacs)	
		2014-15	2013-14
(D) Associates:			
Sahaj e-Village Limited	Transactions during the year:		
	Loan Advanced	6,093	4,876
	Advance Given	-	294
	Refund of Advance Given	-	294
	Refund of Loan Advanced	11,098	5
	Advance Received	-	675
	Refund of Advance Received	-	675
	Rent Received	125	16
	Security Deposit Received	-	2
	Purchase of Services (Excluding Service Tax)	417	560
	Interest Received on Loan	2,009	1,977
	Balance Paid-Purchase of Services	389	-
	Balance Received-Overdue	1,905	-
	Recovery of Bank Guarantee Charges	14	-
	Purchase of Receivables	12,333	-
	Corporate Guarantee Issued during the year	-	9,544
	Outstanding as at year end:		
	Balance Receivable-Loan	20,937	25,942
	Balance Receivable-Overdue	1,036	1,905
	Balance Receivable-Interest accrued but not due (Net of TDS)	56	52
	Balance Payable-Purchase of Services	489	418
	Balance Payable-Security Deposit	2	2
	Commitment given against credit facility from Bank (Commitment Amount - Rs. 1,380 Lacs, liability to the extent of outstanding facility and accrued interest - Rs. 1,019 Lacs)	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. 1,059 Lacs (Previous year - Rs. 989 Lacs)]	1,059	989
	Outstanding Guarantee in the form of Put option to bank against Loan facility [Put Option Amount - Rs. 6,000 Lacs (Previous year - Rs. 6,000 Lacs), liability to the extent of outstanding loan and accrued interest - Rs. 3,000 Lacs (Previous year - Rs. 5,000 Lacs)]	3,000	5,000

NOTES TO FINANCIAL STATEMENTS (CONTD.)

		(Rs. in Lacs)	
Name of related party & Nature of relationship	Particulars	2014-15	2013-14
Quippo Construction Equipment Limited (ceased to be Associate w.e.f. 29.09.2014)	Transactions during the year:		
	Loan advanced	125	1,985
	Refund of Loan Advanced	950	1,775
	Suppliers Credit on LC facility arranged by the Company	47,921	86,516
	Suppliers Credit on LC facility arranged by the Company-Closed during the year	48,864	63,207
	LC facility charges	122	160
	Interest Received on Loan	760	1,561
	Outstanding as at year end:		
	Suppliers Credit outstanding on LC facility arranged by the Company	-	48,864
	Balance Receivable-Loan	-	18,376
Balance Receivable-Interest accrued but not due (Net of TDS)	-	30	
Attivo Economic Zone (Mumbai) Private Limited (associate w.e.f. 30.12.2014)	Transactions during the year:		
	Loan Advanced	655	-
	Refund of Loan Advanced	12,469	-
	Interest Received on Loan	1,162	-
	Outstanding as at year end:		
	Balance Receivable-Loan	26,294	-
Balance Receivable-Interest accrued but not due (Net of TDS)	394	-	
(E) Key Management Personnel (KMP):			
Mr. Hemant Kanoria	Remuneration	162	164
	Commission	60	60
	Dividend paid	2	2
Mr. Saud Ibne Siddique	Remuneration	-	55
Mr. Sanjeev Sancheti*	Remuneration	62	13
	Dividend Paid	0.13	-
	Loan Advanced	-	45
	Balance Receivable-Loan	36	-
Mr. Anil Agrawal	Remuneration	-	49
	Balance Payable-Remuneration	-	5
Mr. Sandeep Lakhotia	Remuneration	69	-
	Dividend Paid	0.3	-
Mr. Bajrang Kumar Choudhary	Remuneration	91	-
	Dividend paid	0.18	-
Mr. Rajdeep Khullar*	Remuneration	48	-
Mr. Shashi Bhushan Tiwari*	Remuneration	32	-
	Dividend Paid	0.29	-
Mr. Deepak Chatrath*	Remuneration	21	-

NOTES TO FINANCIAL STATEMENTS (CONTD.)

		(Rs. in Lacs)	
Name of related party & Nature of relationship	Particulars	2014-15	2013-14
Mr. Rajesh Jain*	Remuneration	30	-
Mr. Kishore Kumar Lodha	Remuneration	44	-
Mr. Bijoy Kumar Daga	Remuneration	222	-
Mr. John Moses Harding	Remuneration	174	-
*Ceased to be the KMPs of the Company w.e.f. 10.11.2014.			
(F) Transaction with Relative of KMP:			
Mrs. Saroj Agrawal (Spouse of Mr. Anil Agrawal)	Car Hire Charges	-	2
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	-
(G) Enterprise over which relative of a KMP has significant influence:			
Viom Networks Limited	Transactions during the year:		
	Rent Received	879	835
	Security Deposit Received	1	-
	Outstanding as at year end:		
	Balance Receivable-Others	16	16
	Balance Payable-Security Deposit	664	663

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,*	
	2014-15	2013-14	2015@	2014#
Srei Capital Markets Limited	80	312	-	80
Sahaj e-Village Limited	29,944	27,847	21,973	27,847
Bengal Srei Infrastructure Development Limited	253	258	153	253
Controlla Electrotech Private Limited	2,400	2,400	2,400	2,400
Srei Alternative Investment Managers Limited	2,054	900	2,054	900
Quippo Energy Private Limited	8,182	6,531	468	6,531
Quippo Oil & Gas Infrastructure Limited	15,354	14,744	6,674	14,744
Quippo Construction Equipment Limited	18,376	18,376	-	18,376
Attivo Economic Zone (Mumbai) Private Limited	46,470	55,031	26,294	41,400
Srei Insurance Broking Private Limited	330	163	-	160
Srei International Infrastructure Services GmbH	306	306	249	306
Goldensons Construction Private Limited	32	28	31	27

* Refer Note No. 35

@ The outstanding are interest bearing except that of Controlla Electrotech Private Limited. Loan repayment beyond seven years is Rs. 33,749 Lacs.

The outstanding are interest bearing except that of Controlla Electrotech Private Limited, Srei Alternative Investment Managers Limited and Srei Insurance Broking Private Limited. Loan repayment beyond seven years is Rs. 47,996 Lacs.

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, 2015	As at 31st March, 2014
Current & Non-Current Liabilities	702,316	701,460
Current & Non-Current Assets	814,752	806,288
Contingent Liabilities	837	1,428
Capital Commitments (Net of Advances)	713	1,896

Particulars	2014-15	2013-14
Income	130,489	130,967
Expenses (Including Depreciation & Taxation)	122,838	119,698

NOTES TO FINANCIAL STATEMENTS

- 38.** During the year the Company has purchased from an associate receivables amounting to Rs. 12,333 Lacs at Rs. 11,800 Lacs along with all rights attached to it from the date of such purchase. The receivables are due from State Government undertakings and are recoverable along with interest on delayed payment. These have been grouped under Other Receivables.
- 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 : 1st May, 2015

For and on behalf of the Board of Directors

Hemant Kanoria

Chairman & Managing Director

Salil K. Gupta

Chief Mentor & 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, 2015

Equity Shares: Trade	Face Value	Quantity	Cost	Value
	(Rs.)	(Nos.)	(Rs. in Lacs)	
Bala Techno Industries Limited	10	5000	1	-
Hotline Glass Limited	10	110609	12	-
Kamala Tea Co. Limited	10	25000	11	11
Shanghi Polyesters Limited	10	2000	0 [@]	-
IDBI Bank	10	60000	105	43
GMR Infrastructure Limited	10	8185138	2,319	1,359
Ortel Communications Limited	10	10000	16	15
Quippo Telecom Infrastructure Limited	10	25929041	0 [*]	0 [#]
L.D.Textile Industries Limited	10	42000	0 [*]	0 [#]
Shentracon Chemicals Limited	10	99400	0 [*]	0 [#]
India Lead Limited	10	418668	0 [*]	0 [#]
Mega Marketshare Resources Limited	10	6000	0 [*]	0 [#]
PAAM Pharmaceuticals (Delhi) Limited	10	1210	0 [*]	0 [#]
Standard Chrome Limited	10	300	0 [*]	0 [#]
Kanel Oil & Export Limited	10	3100	0 [*]	0 [#]
Kesoram Textiles Limited	10	20	0 [*]	0 [#]
NEPC Agro Foods Limited	10	1333	0 [*]	0 [#]
			2,464	1,428
Less: Provision for diminution			1,036	
Total			1,428	

[@] 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, 2015	As at 31st March, 2014
i) CRAR (%)	16.97	17.78
ii) CRAR – Tier I Capital (%)	11.21	10.69
iii) CRAR – Tier II Capital (%)	5.76	7.09
iv) Amount of subordinated debt raised as Tier-II capital*	-	11,530
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, 2015	As at 31st March, 2014
a) Direct exposure		
i) Residential Mortgages	-	-
ii) Commercial Real Estate	-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures	-	-
iv) Infrastructure Real Estate (SEZ's, Industrial Parks, IT Parks)	181,705	154,371
b) Indirect exposure	-	-

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, 2015 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)	21	-	-	-	-	-	-	-	21
Advances (refer Note No.1 below)	31,515	27,816	44,935	83,999	120,625	412,264	267,305	231,412	1,219,871
Investments (including Current Investments & Stock for trade) (refer Note No. 2 below)	-	-	3,093	-	159,801	-	-	118,995	281,889
Borrowings	21,980	23,274	52,940	73,742	127,037	464,593	300,396	221,193	1,285,155
Foreign Currency Assets	-	-	-	-	-	-	-	3,621	3,621
Foreign Currency Liabilities	3,958	-	2,256	2,332	9,536	45,360	9,754	11,249	84,445

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
Liabilities Side:		
4 Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures / Bonds:		
Secured	203,245	-
Unsecured (Other than falling within the meaning of public deposit)	118,978	-
(b) Deferred Credits	-	-
(c) Term Loans	333,941	-
(d) Inter-corporate loans and borrowing	1,290	-
(e) Commercial Papers	7,923	-
(f) Other Loans:		
Working capital facility	722,762	167
Public Deposit	23	23

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

(Rs. in Lacs)

Assets Side:	Amount Outstanding
5 Break-up of Loans and Advances including bills receivables [other than those included in (6) below]:	
(a) Secured	1,170,614
(b) Unsecured	121,785
6 Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities	
(a) Financial assets	-
(b) Assets and advance for Operating Lease	-
(c) Repossessed Assets	-
7 Break up of Investments	
Current Investments*	
1 Quoted:	
(i) Shares: Equity	1,417
(ii) Debentures and bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-
2 Unquoted:	
(i) Shares: Equity	12
(ii) Debentures and bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Investment in Funds & Trust)	1,664
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

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

(Rs. in Lacs)

Assets Side:	Amount Outstanding
2 Unquoted:	
(i) Shares: (a) Equity	227,873
(b) Preference	-
(ii) Debentures, bonds / units	20,414
(iii) Units of mutual funds	-
(iv) Government Securities	0.15
(v) Others (Investment in Funds & Trust)	33,707

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	9,346	3,012	12,358
(b) Companies in the same group	-	-	-
(c) Other related parties	48,262	-	48,262
2 Other than related parties	1,100,398	118,773	1,219,171
Total	1,158,006	121,785	1,279,791

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	41,920	41,920
(b) Companies in the same group	17,473	17,473
(c) Other related parties	168,899	168,899
2 Other than related parties	57,036	56,988
Total	285,328	285,280

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	-
(b) Other than related Parties	77,813
ii. Net Non-Performing Assets	
(a) Related Parties	-
(b) Other than related Parties	65,205
iii. Assets acquired in satisfaction of debt (Outstanding)	22,028

11. Investments

(Rs. in Lacs)

Sl. Particulars	As at 31st March, 2015	As at 31st March, 2014
1) Value of Investments		
i) Gross Value of Investments		
a) In India	280,951	299,998
b) Outside India	3,390	3,390
ii) Provisions for Depreciation		
a) In India	490	765
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	280,461	299,233
b) Outside India	3,390	3,390
2) Movement of provisions held towards depreciation on investments		
i) Opening Balance	765	268
ii) Add : Provisions made during the year	-	497
iii) Less : Write-off / write-back of excess provisions during the year	275	-
iv) Closing Balance	490	765

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

12. Forward Rate Agreement / Interest Rate Swap

(Rs. in Lacs)

Sl.	Particulars	As at 31st March, 2015	As at 31st March, 2014
i)	The notional principle of swap agreements	43,981	52,639
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 [@]	(870)	(1,208)

[@]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, 2015
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, 2015 (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

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

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

Sl.	Particulars	Currency Derivatives	Interest Rate Derivatives
i)	Derivatives (Notional Principal Amount)		
	For hedging	61,867	43,981
ii)	Marked-to-Market Positions [1]		
	a) Asset (+)	7,616	-
	b) Liability (-)	(568)	(870)
iii)	Credit Exposure [2]	Nil	Nil
iv)	Unhedged Exposures	22,707	22,653

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

15. Exposure to Capital Market

(Rs. in Lacs)

Sl.	Particulars	As at 31st March, 2015	As at 31st March, 2014
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;	248,480	227,919
ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	57,535	56,583
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)	29,020	72,853
Total Exposure to Capital Market		335,035	357,355

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

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, 2015	As at 31st March, 2014
i)	Provisions for depreciation on Investment*	927	497
ii)	Provision for Bad Debts / Advances	8,881	1,605
iii)	Provision made towards Income tax	2,859	2,817
iv)	Other Provision and Contingencies (with details)	-	-
v)	Provision for Standard Assets	36	314

*Including Stock for Trade

17. Concentration of Advances

(Rs. in Lacs)

Total Advances to twenty largest borrowers	614,141
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	50.34%

18. Concentration of Exposures

(Rs. in Lacs)

Total Exposure to twenty largest borrowers / customers	629,070
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	41.83%

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.

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

21. Movement of NPAs

(Rs. in Lacs)

Sl.	Particulars	As at 31st March, 2015	As at 31st March, 2014
i)	Net NPAs to Net Advances (%)*	5.34%	2.96%
ii)	Movement of NPAs (Gross)		
	a) Opening Balance	38,683	35,023
	b) Additions during the year	39,376	5,083
	c) Reductions during the year	246	1,423
	d) Closing Balance	77,813	38,683
iii)	Movement of Net NPAs		
	a) Opening Balance	33,725	31,520
	b) Additions during the year	31,711	2,323
	c) Reductions during the year	231	118
	d) Closing Balance	65,205	33,725
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening Balance	4,958	3,503
	b) Provisions made during the year	7,665	1,595
	c) Write-off / write-back of excess provisions	15	140
	d) Closing Balance	12,608	4,958

*Net NPA to Advances

22. Details of Non-performing Loan Assets purchased

(Rs. in Lacs)

Sl.	Particulars	As at 31st March, 2015	As at 31st March, 2014
(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)

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

23. Details of Non-performing Loan Assets sold

(Rs. in Lacs)

Sl.	Particulars	As at 31st March, 2015	As at 31st March, 2014
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	3,731

25. Ratings

Sl.	Particulars	CARE	ICRA	Brickwork
i)	Long Term Banking Facilities	CARE AA-		
ii)	Short Term Banking Facilities	CARE A1+		
iii)	Short Term Debt Instruments	CARE A1+	ICRA A1+	-
iv)	NCDs / Bonds	CARE AA-		BWR AA
v)	Unsecured Subordinated / Tier-II Debentures / Bonds	CARE AA-	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	Nil
c)	No. of complaints redressed during the year	Nil
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, 2015, 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 of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates, jointly controlled entity and trusts as at 31st March, 2015, 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 thirteen subsidiaries, one trust and the joint controlled entity, whose financial statements / financial information reflect total assets of Rs. 1,658,838 Lacs as at 31st March, 2015, total revenues of Rs. 283,517 Lacs and net cash outflows amounting to Rs. 6,243 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. Nil for the year ended 31st March, 2015, 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, trust, jointly controlled entity and associate, and our report in terms of sub-sections (3) and (11) of Section 143

of the Act, in so far as it relates to the aforesaid subsidiaries, trust, 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 nine subsidiaries and one trust, whose financial statements / financial information reflect total assets of Rs. 15,934 Lacs as at 31st March, 2015, total revenues of Rs. 3,672 Lacs and net cash outflows amounting to Rs. 7 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit / loss of Rs. Nil for the year ended 31st March, 2015, 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 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, trust and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, trust and associate, 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

- (1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, subsidiary companies, associate companies and jointly controlled entity incorporated in India, we give in the Annexure 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, 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, 2015 taken on record by the Board of Directors of the Holding Company, the reports of the statutory auditors of its subsidiary 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, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- 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;
 - Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - 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

Place : Kolkata

Partner

Date : 1st May, 2015

Membership No. 056613

ANNEXURE 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 Srei Infrastructure Finance Limited on the consolidated financial statements for the year ended 31st March, 2015]

- (i) (a) The Group, its associates and jointly controlled entity are maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given by the respective management of the entities of the Group, its associates and jointly controlled entity (hereinafter referred to as the “management”), the management of certain entities have physically verified the fixed assets during the year and the other entities have a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years, pursuant to which certain fixed assets were physically verified by their respective management during the year. As informed and explained, no material discrepancies were noticed on such verifications. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Group, its associates and jointly controlled entity and the nature of their fixed assets.
- (ii) In respect of inventory and equity shares held as stock for trade (“inventory”):
 - (a) According to the information and explanations given by the management, the inventory of the Group, its associates and jointly controlled entity have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - (c) The Group, its associates and jointly controlled entity are maintaining proper records of inventory and as informed, no material discrepancies / discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given by the management, the Group, its associates and jointly controlled entity have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given by the management, there is an adequate internal control system commensurate with the size of the respective entities and the nature of their business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system of the respective entities. *However, the auditors of a subsidiary have stated in their auditor’s report that “the internal control system for inventory needs to be strengthened”.*
- (v) In our opinion and according to the information and explanations given by the management, wherever applicable, the respective entities have 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 any of the respective entities in respect of the aforesaid deposits.
- (vi) According to the information and explanations given by the management, the provisions of clause 3(vi) of the Order with regard to the maintenance of cost records are not applicable to them.
- (vii) (a) According to the records of the entities of the Group, its associates and jointly controlled entity, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given by the management, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given by the management, the dues as at 31st March, 2015 of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess, which have not been deposited on account of any dispute, are as follows:

Number of entities	Name of the Statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax	471	2005-06 and 2006-07	Appeal / Special Leave Petition in the process of being filed before the Supreme Court of India
1	Income Tax Act, 1961	Income Tax	388	2005-06	Income Tax Appellate Tribunal
1	Income Tax Act, 1961	Income Tax	125	2006-07 and 2007-08	CIT (Appeals)
2	Income Tax Act, 1961	Income Tax	990	2007-08	Income Tax Appellate Tribunal
1	Income Tax Act, 1961	Income Tax	1,809	2008-09	Supreme Court of India
6	Income Tax Act, 1961	Income Tax	2,253	2008-09 to 2011-12	CIT (Appeals)
2	Income Tax Act, 1961	Fringe Benefit Tax	236	2005-06 to 2008-09	Calcutta High Court
1	Finance Act, 1994	Service Tax	302	2006-07 to 2010-11	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
3	Finance Act, 1994	Service Tax	494	2002-03 to 2009-10	Commissioner of Service Tax
1	Finance Act, 1994	Service Tax (excluding the quantified amount of fine and penalty of Rs. 2,744.09 lacs plus interest)	1,884	2008-2012	Commissioner of Service Tax
1	Finance Act, 1994	Demand Including Interest	1,339	2009-10 to 2012-13	Commissioner of Service Tax
1	Central Sales Tax Act, 1956	Central Sales Tax	211	2010-11	West Bengal Sales Tax Appellate and Revisional Board
1	Central Sales Tax Act, 1956	Central Sales Tax	195	2011-12	Senior Joint Commissioner of Commercial Taxes
1	Central Sales Tax and VAT Laws	Central Sales Tax and VAT	539	Various years from 2007-08 to 2011-12	At various levels from Commissioner to High Court

ANNEXURE 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 Srei Infrastructure Finance Limited on the consolidated financial statements for the year ended 31st March, 2015]

Number of entities	Name of the Statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
1	Central Excise Act, 1944	Excise Duty (excluding the quantified amount of fine and penalty of Rs. 1,369 lacs plus interest)	709	2005-2009	Customs, Excise & Service Tax Appellate Tribunal
1	Central Excise Act, 1944	Excise Duty (excluding the quantified amount of fine and penalty of Rs. 125 lacs plus interest)	345	2008-2011	Final appeal with CESTAT to be filed
1	The Uttar Pradesh Value Added Act, 2008	Value Added Tax	90	2011-2012	Assistant Commissioner
1	West Bengal VAT Act, 2003	Demand including interest & penalty	15	2008-09	West Bengal Sales Tax Appellate and Revisional Board
1	West Bengal VAT Act, 2003	Demand including interest & penalty	1	2010-11	West Bengal Sales Tax Appellate and Revisional Board
1	West Bengal VAT Act, 2003	Demand including interest & penalty	8	2011-12	Joint Commissioner, Commercial Taxes

- (c) According to the information and explanations given by the management, the amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) As per the consolidated balance sheet, the Group, its associates and jointly controlled entity did not have accumulated losses at the end of the financial year and as per the consolidated statement of profit and loss, they have not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on the audit procedures and according to the information and explanations given by the management, none of the entities of the Group, its associates and jointly controlled entity has defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given by the management, except for the Holding Company, none of the other entities of the Group, its associates and jointly controlled entity has given any guarantee for loans taken by others from banks or financial institutions. In our opinion and according to the information and explanations given to us by the management of the Holding Company, the terms and conditions of the guarantee given are not prejudicial to the interest of the Company.
- (xi) According to the information and explanations given by the management, term loans were applied / were prima facie applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements of the entities of the Group, its associates and jointly controlled entity and as per the information and explanations given by the management, no material fraud on or by the respective entities have been noticed or reported during the year.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

Anand Kumar Jhunjunwala

Place : Kolkata

Partner

Date : 1st May, 2015

Membership No. 056613



CONSOLIDATED BALANCE SHEET as at 31st March, 2015

(Rs. in Lacs)

	Note	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	50,324	50,324
Reserves and Surplus	3	308,139	299,362
		358,463	349,686
Minority Interest		1,256	2,968
Non-Current Liabilities			
Long-Term Borrowings	4	680,418	710,366
Deferred Tax Liabilities		20,170	18,306
Other Long-Term Liabilities	5	10,887	7,995
Long-Term Provisions	6	4,657	3,133
		716,132	739,800
Current Liabilities			
Short-Term Borrowings	7	1,135,745	1,060,857
Trade Payables	8	22,054	18,319
Other Current Liabilities			
- Current Maturities of Long-Term Borrowings	4	216,413	205,507
- Others	9	35,045	36,024
Short-Term Provisions	10	4,284	5,201
		1,413,541	1,325,908
TOTAL		2,489,392	2,418,362
ASSETS			
Non-Current Assets			
Fixed Assets	11		
- Tangible Assets		147,203	132,974
- Intangible Assets		2,282	2,299
- Capital Work in Progress		5,649	36,190
Goodwill		30,774	38,748
Deferred Tax Assets		1,591	2,048
Non-Current Investments	12.1	222,966	207,628
Long-Term Loans and Advances			
- Financial Assets	13	368,801	377,587
- Loan Assets	14	848,262	706,085
- Other Long-Term Advances	15	31,105	35,856
Other Non-Current Assets	16	23,334	18,367
		1,681,967	1,557,782
Current Assets			
Inventories		1,337	1,045
Current Investments	12.2	2,028	34,336
Trade Receivables	17	26,542	21,245
Cash and Cash Equivalents	18	57,476	56,372
Short-Term Loans and Advances			
- Financial Assets	13	115,477	85,241
- Loan Assets	14	30,852	23,843
- Other Advances	19	8,767	6,995
Other Current Assets			
- Current Maturities of Long-Term Financial Assets	13	208,798	224,141
- Current Maturities of Long-Term Loan Assets	14	281,940	326,020
- Other Current Assets	20	74,208	81,342
		807,425	860,580
TOTAL		2,489,392	2,418,362
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 Jhunjhunwala
Partner
Membership No. 056613

Place : Kolkata
Date : 1st May, 2015

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman & Managing Director

Salil K. Gupta
Chief Mentor & Director

Sandeep Lakhota
Company Secretary

Kishore Kumar Lodha
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2015

(Rs. in Lacs)

	Note	Year ended 31st March, 2015	Year ended 31st March, 2014
INCOME			
Revenue from Operations	21	333,302	323,319
Other Income	22	2,730	2,711
Total Income		336,032	326,030
EXPENSES			
Finance Costs	23	227,415	235,028
Employee Benefits Expense	24	14,429	12,944
Depreciation / Amortisation and Impairment Expense	11	20,143	16,335
Administrative and Other Expenses	25	24,669	21,902
Total Expenses		286,656	286,209
Profit before Bad Debts, Provisions & Tax		49,376	39,821
Bad Debts / Advances written off (net)		18,090	13,308
Provision for Bad Debts / Advances		11,484	3,157
Contingent Provisions against Standard Assets		54	297
Provision for Diminution in Value of Stock for Trade & Investment	6.1	928	503
		30,556	17,265
Profit Before Exceptional Items & Tax		18,820	22,556
Adjustment on disposal / cessation of Subsidiaries, Step-down Subsidiaries and Joint Ventures of Subsidiaries	34	24	6
Profit Before Tax		18,844	22,562
Tax Expense:			
- Current Tax		4,369	8,654
- Mat Credit Entitlement		(22)	(5)
- Deferred Tax		2,354	142
Total Tax Expense		6,701	8,791
Profit After Tax for current year		12,143	13,771
Income Tax in respect of earlier years		3	20
Profit After Tax but before Minority Interest		12,140	13,751
Minority Interest		(771)	(100)
Profit After Tax		12,911	13,851
Pre Acquisition Profit / (Loss)		109	-
Profit After Tax after adjustment for Minority Interest		13,020	13,851
Earnings per Equity Share (Basic and Diluted) (in Rs.)			
(Par Value Rs. 10/- per Equity Share)	26	2.57	2.75
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

Chartered Accountants
ICAI Firm Registration No. 103523W

Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

Place : Kolkata
Date : 1st May, 2015

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman & Managing Director

Salil K. Gupta
Chief Mentor & Director

Sandeep Lakhota
Company Secretary

Kishore Kumar Lodha
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2015

(Rs. in Lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
A. Cash Flow from Operating Activities		
Profit Before Tax	18,844	22,562
Adjustment for:		
Depreciation / Amortisation and Impairment Expense	20,143	16,335
Bad Debts / Advances written off (net)	18,090	13,308
Provision for Bad Debts / Advances	11,484	3,157
Contingent Provision against Standard Assets	54	297
Adjustment on disposal / cessation of Subsidiaries, Step-down Subsidiaries and Joint Ventures of Subsidiaries	(24)	(6)
Miscellaneous Expenditure written off	14	43
Liabilities No Longer Required written back	(6)	(291)
Loss on sale of Fixed Assets	210	92
Profit on Sale of Fixed Assets	(1,235)	(135)
Loss / (Profit) on Sale of Long-Term Trade Investments (net)	50	333
Profit on Sale of Stock for Trade (net)	-	(11)
Profit on Sale of Current Investments (net)	(392)	(51)
Investment written off	1	-
Dividend Income	(214)	(130)
Foreign Exchange Fluctuation Reserve	(1,046)	(923)
Provision for Diminution in Value of Stock for Trade & Investment	928	503
Operating Profit before Working Capital Changes	66,901	55,083
Adjustments for:		
(Increase) / Decrease in Receivables / Others	(27,833)	(62,139)
(Increase) / Decrease in Financial & Loan Assets	(96,335)	(97,013)
(Increase) / Decrease in Current Investments / Stock for Trade	30,073	1,764
(Increase) / Decrease in Fixed Deposit (having balance maturity of more than 3 months and less than 12 months)	949	11,384
(Decrease) / Increase in Trade Payables / Others	(5,360)	524
Cash Generated from Operations	(31,605)	(90,397)
Direct Taxes paid	(8,410)	(10,694)
Net Cash (Used in) / Generated from Operating Activities	(40,015)	(101,091)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(17,374)	(39,471)
Proceeds from Sale of Fixed Assets	14,452	948
(Increase) / Decrease in Non Current Investments (net)	(15,360)	2,904
Dividend Received	214	130
Net Cash (Used) / Generated in Investing Activities	(18,068)	(35,489)
C. Cash Flow from Financing Activities		
(Increase) / Decrease of Goodwill on Consolidation	8,083	-
Adjustment on disposal of Step-down Subsidiaries and Joint Venture of Subsidiary	24	6
Increase / (Decrease) in Debentures (net)	48,796	39,647
Increase / (Decrease) in Working Capital facilities (net)	66,449	133,601
Increase / (Decrease) in in Other Loans (net)	(60,340)	(24,345)
Dividend Paid	(2,517)	(2,518)
Corporate Dividend Tax Paid	(428)	(428)
Net Cash (Used) / Generated in Financing Activities	60,067	145,963
Net Increase / (Decrease) in Cash & Cash Equivalents	1,984	9,383
Cash & Cash Equivalents at the beginning of the year	27,917	18,534
Cash & Cash Equivalents at the end of the year	29,901	27,917

Explanations:

- The above Consolidated Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 'Cash Flow Statements'.
- Previous year's figures have been rearranged / regrouped wherever necessary to conform to the current year's classification.
This is the Consolidated Cash Flow Statement referred to in our report of even date.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W

Anand Kumar Jhunjunwala

Partner

Membership No. 056613

For and on behalf of the **Board of Directors****Hemant Kanoria**

Chairman & Managing Director

Salil K. Gupta

Chief Mentor & Director

Place : Kolkata

Date : 1st May, 2015

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. For the year ended 31st March, 2014, depreciation was provided on Straight Line Method ('SLM'), which reflected the management's estimate of the useful lives of the respective fixed assets and the rates derived from such useful lives thereof were greater than or equal to the corresponding rates prescribed in Schedule XIV of the Companies Act, 1956.

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
I	Assets for Own Use	
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
II	Assets given on Operating Lease	
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
I	Assets for Own Use		
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
II	Assets given on Operating Lease		
i)	Computers	5 years	3 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
I	Assets for Own Use	
i)	Intangible Assets	2 - 6 years

iii) Impairment

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment, based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

1.5 Capital Work in Progress / Advance for Operating Lease

Capital work in progress / advance for operating lease is stated at cost and includes development and other expenses, including interest during construction period.

SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**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 are recognised as an expense in the Statement of Profit and Loss.

1.8 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 on 'Accounting for Investments'. Current investments also include current maturities of long-term investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and market price determined category-wise. All non-current investments including investments in Subsidiary Companies, are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognise a decline, on an individual basis. The cost of Investments acquired on amalgamations is determined as per the terms of the scheme of amalgamation.

Cost is arrived at on weighted average method for the purpose of valuation of investment.

1.9 Stock for Trade

Stock for trade is carried at lower of cost and market price, determined category-wise.

1.10 Financial Assets

Financial Assets include assets under loan / hypothecation facility. These are shown net of assets securitized / assigned.

Financial Assets are carried at net investment amount including installments fallen due, interest accrued and assets acquired in satisfaction of debt.

Repossessed 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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.

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 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 aforesaid policy for Foreign Currency Transactions and Translation.

SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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.
- 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

- c) Long-Term compensated absences are provided for based on actuarial valuation as per projected unit credit method at the Balance Sheet date.
- d) Actuarial gains / losses are charged to the Statement of Profit and Loss and are not deferred.

1.16 Taxes on Income

Tax expense comprises of current tax [net of Minimum Alternate Tax (MAT) credit entitlement] and deferred tax.

Current tax is the amount of tax payable on the taxable income for the period determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax reflects the impact of timing differences between taxable income and accounting income for the current period and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the period in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.17 Segment Reporting

Based on the risks and returns associated with business operations and in terms of Accounting Standard 17 (Segment Reporting), the Group is predominantly engaged in 'Financial Services' and 'Infrastructure Equipment Services' as primary reportable segments.

1.18 Provision, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the consolidated financial statements.

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.

SIGNIFICANT ACCOUNTING POLICIES**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, Global Depository Receipts (GDRs), Long-Term Bonds and Debentures are amortised as follows:-

- i) Expenses on issue of Equity Shares and GDRs 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, 2015		As at 31st March, 2014	
	No. of Shares	Rs. in Lacs	No. of Shares	Rs. in Lacs
Authorised				
Equity Shares, Rs. 10/- par value per share	1000000000	100,000	1000000000	100,000
Preference Shares, Rs. 100/- par value per share	500000000	50,000	500000000	50,000
		150,000		150,000
Issued and Subscribed				
Equity Shares, Rs. 10/- par value per share	503559160	50,356	503559160	50,356
Fully Paid-up				
Equity Shares, Rs. 10/- par value per share	503086333 ¹	50,309	503086333 ¹	50,309
Forfeited Shares	472827	15	472827	15
		50,324		50,324

¹Includes 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, 2015		As at 31st March, 2014	
	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, 2015 and 31st March, 2014.

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, 2015)

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, 2015		As at 31st March, 2014	
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
Adisri Commercial Private Limited (Holding Company)	268191250	53.31	NA	NA
Srei Growth Trust*	48600000	9.66	48600000	9.66
Fidelity Investment Trust Fidelity Series Emerging Markets Fund	47462511	9.43	47462511	9.43
Opulent Venture Capital Trust	35474595	7.05	57974595	11.52
Bharat Connect Private Limited	NA	NA	115589420	22.98
Adisri Investment Private Limited	NA	NA	86702840	17.23
Adhyatma Commercial Private Limited	NA	NA	40888990	8.13

*Held in the name of Trustees

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**3. RESERVES AND SURPLUS**

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Capital Reserve		
Opening balance	2,015	2,015
Add: Addition / (deduction) during the year	(36)	-
Closing balance	1,979	2,015
Securities Premium Reserve		
Opening balance	62,578	62,578
Add: Addition / (deduction) during the year	-	-
Closing balance	62,578	62,578
Bond / Debt Redemption Reserve		
Opening balance	32,678	24,076
Add: Transfer from Surplus in the Consolidated Statement of Profit and Loss	11,437	8,602
Less: Transfer to Surplus, on repayment of Bond / Debt	-	-
Closing balance	44,115	32,678
Special Reserve (Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	27,641	24,200
Add: Transfer from Surplus in the Consolidated Statement of Profit and Loss	3,362	3,441
Closing balance	31,003	27,641
Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)		
Opening balance	-	-
Add: Transfer from Surplus in the Consolidated Statement of Profit and Loss	2,491	-
Closing balance	2,491	-
General Reserve		
Opening balance	136,804	136,803
Add: Addition / (deduction) during the year	-	1
Closing balance	136,804	136,804
Foreign Currency Translation Reserve		
Opening balance	(532)	391
Add: Addition / (deduction) during the year	(1,046)	(923)
Closing balance	(1,578)	(532)
Surplus in the Consolidated Statement of Profit and Loss		
Opening balance	38,178	39,317
Add: Net profit for the year	13,020	13,851
Amount available for appropriation	51,198	53,168
Appropriations:		
Proposed Equity dividend	2,516	2,518
Corporate dividend tax on proposed dividend	512	428
Carrying value of assets where the remaining useful life of an assets is nil as at 1st April, 2014	133	-
Transferred to Bond / Debt Redemption Reserve (net)	11,437	8,602
Transferred to Special Reserve	3,362	3,441
Transferred to Income Tax Special Reserve	2,491	-
Transferred to General Reserve	-	1
Closing balance	30,747	38,178
Total Reserves and Surplus	308,139	299,362

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

4. LONG-TERM BORROWINGS

(Rs. in Lacs)

Particulars	As at 31st March, 2015			As at 31st March, 2014		
	Non-Current Maturities	Current Maturities	Total	Non-Current Maturities	Current Maturities	Total
A. Secured						
Bonds / Debentures						
Long-Term Infrastructure Bonds	2,489	-	2,489	2,489	-	2,489
Non-Convertible Debentures	185,174	41,905	227,079	140,215	48,618	188,833
Term Loans						
From Banks						
- Rupee Loans	205,936	127,130	333,066	249,457	115,049	364,506
- Foreign Currency Loans	64,811	26,434	91,245	92,107	17,923	110,030
From Other Financial Institutions						
- Rupee Loans	12,620	6,030	18,650	18,650	5,905	24,555
- Foreign Currency Loans	26,773	13,293	40,066	38,559	14,039	52,598
Other Loans						
Buyer's Credit from Banks - Foreign Currency Loans	-	-	-	-	1,594	1,594
(A)	497,803	214,792	712,595	541,477	203,128	744,605
B. Unsecured						
Bonds / Debentures						
Subordinated Perpetual debentures (Tier I Capital)	1,875	-	1,875	1,875	-	1,875
Subordinated bonds / debentures (Tier II Capital)	155,039	-	155,039	152,989	-	152,989
0.1% Non-Convertible Cumulative Redeemable Preference Shares	14	-	14	14	-	14
Term Loans						
From Banks						
- Rupee Loans						
Subordinated loans from banks (Tier II Capital)	12,500	-	12,500	12,500	-	12,500
Other term loans from banks	13,187	812	13,999	750	1,000	1,750
From Other Parties						
- Foreign Currency Loans						
Other term loans from financial institution	-	720	720	672	1,379	2,051
Deposits						
Inter Corporate Deposits from Others	-	89	89	89	-	89
(B)	182,615	1,621	184,236	168,889	2,379	171,268
Total (A+B)	680,418	216,413	896,831	710,366	205,507	915,873

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**5. OTHER LONG-TERM LIABILITIES**

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Acceptances	214	408
Interest Accrued but not due on Borrowings	3,776	1,955
Sundry liabilities (Interest Capitalisation) Account (As per RBI guidelines)	2,453	472
Security Deposits & Retentions	4,358	5,160
Other Liabilities	86	-
Total	10,887	7,995

6. LONG-TERM PROVISIONS

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for Employee Benefits (Non-Current Portion)		
Gratuity	565	222
Unavailed leave	801	315
	(A) 1,366	537
Others Provisions		
Contingent Provision against Standard Assets	3,291	2,596
	(B) 3,291	2,596
Total (A+B)	4,657	3,133

6.1 Provision for Diminution in Value of Stock for Trade and Investment

(Rs. in Lacs)

Particulars	2014-15	2013-14
Provision for Diminution in Value of Long-Term Trade Investment	(29)	503
Provision for Diminution in Value of Stock for Trade	957	-
Total	928	503

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

7. SHORT-TERM BORROWINGS

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
A. Secured		
Bond / Debentures		
Non-Convertible Debentures	8,500	-
Term loans		
From Banks		
- Rupee Loans	6,250	3,750
Loans Repayable on Demand		
Working Capital Facilities from banks		
- Rupee Loans	627,200	700,150
Cash Credit		
- Rupee Loans	2,100	662
Other Loans		
Working Capital Facilities from banks	449,498	304,016
Buyer's Credit from Banks - Foreign Currency Loans	5,441	11,368
	(A)	1,019,946
B. Unsecured		
Deposits		
Inter Corporate Deposits from Others	-	15,126
Other Loans		
Commercial Papers from Others	36,756	25,785
	(B)	40,911
Total (A+B)	1,135,745	1,060,857

8. TRADE PAYABLES

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Trade Payables		
For Services	5,119	4,569
Acceptances	3,629	3,235
Others		
Operating Lease	13,306	10,515
Total	22,054	18,319

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**9. OTHER CURRENT LIABILITIES - OTHERS**

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Interest Accrued but not due on Borrowings	21,476	23,478
Interest Accrued and due on Borrowings	167	316
Interest Accrued but not due on others	26	-
Unclaimed Dividend (<i>refer Note No. 9.1</i>)	36	35
Unclaimed Matured Public Deposits and Interest Accrued thereon (<i>refer Note No. 9.1</i>)	23	31
Unclaimed Interest on Bonds & Debentures (<i>refer Note No. 9.1</i>)	-	1
For Capital Goods	12	59
Sundry liabilities (Interest Capitalisation) Account (As per RBI guidelines)	718	1,558
Advance from Customers	921	801
Statutory Liabilities	1,016	1,753
Security Deposits & Retentions	6,305	3,834
Payable to Employees	730	805
Premium payable on Forward Contract	309	439
Commission Payable to Directors	187	223
Liability for Operating Expenses	2,620	2,683
Bank Overdraft	52	8
Other Liabilities	447	-
Total	35,045	36,024

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, 2015	As at 31st March, 2014
Provision for Employee Benefits (Current Portion)		
Unavailed leave	147	455
Gratuity	51	100
(A)	198	555
Others Provisions		
Proposed Equity Dividend	2,516	2,518
Provision for Corporate Dividend Tax	512	428
Contingent Provision against Standard Assets	1,058	1,700
(B)	4,086	4,646
Total (A+B)	4,284	5,201

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**12.1 NON-CURRENT INVESTMENTS**

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
In Other Securities	222,966	207,628
	222,966	207,628

12.2 CURRENT INVESTMENTS

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
In Other Securities	2,028	34,336
	2,028	34,336

13. FINANCIAL ASSETS

(Rs. in Lacs)

Particulars	As at 31st March, 2015			As at 31st March, 2014		
	Long-Term		Short-Term	Long-Term		Short-Term
	Non- Current Maturities	Current Maturities		Non- Current Maturities	Current Maturities	
Secured, Considered Good ¹	392,713	208,798	115,477	396,198	224,141	85,241
Less: Bad Debts, Provision for Non- Performing & Restructured Assets	(23,912)	-	-	(18,611)	-	-
Total	368,801	208,798	115,477	377,587	224,141	85,241

¹ 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, 2015			As at 31st March, 2014		
	Long-Term		Short-Term	Long-Term		Short-Term
	Non- Current Maturities	Current Maturities		Non- Current Maturities	Current Maturities	
Secured, Considered Good¹						
Loans to Others	812,187	279,607	29,903	671,453	315,628	22,373
Loans to Related parties	47,231	1,027	-	35,942	10,251	-
(A)	859,418	280,634	29,903	707,395	325,879	22,373
Unsecured						
Loans to Others	2,692	1,306	949	3,716	140	1,470
Loans to Related parties	31	-	-	26	1	-
(B)	2,723	1,306	949	3,742	141	1,470
Less: Provision for Bad Debts / Advances	(13,879)	-	-	(5,052)	-	-
(C)	(13,879)	-	-	(5,052)	-	-
Total (A+B+C)	848,262	281,940	30,852	706,085	326,020	23,843

¹ 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, 2015	As at 31st March, 2014
Unsecured, Considered Good		
Advances		
Capital Advances	2,929	12,540
Advance to Vendors for Operating Expenses	174	-
Employee Advance	67	74
Advance against investments	23	23
Prepaid Expenses	1,103	1,760
Balance with Revenue Authorities	13,965	8,998
Security Deposits - to Others	12,262	12,212
MAT Credit Entitlement	252	230
Other Advances	330	19
Total	31,105	35,856

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**16. OTHER NON-CURRENT ASSETS**

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unsecured, Considered Good		
Non-Current portion of other Bank Balances		
Fixed Deposit Account with balance maturity of more than twelve months:		
- Not Under Lien	40	-
- Under Lien	1,428	1,537
Unamortised Ancillary Borrowing Costs	5,386	6,272
Interest Accrued but not due	619	-
Income Accrued but not due	342	387
Gains receivable on Derivative Contracts	7,510	10,158
Other Receivables	8,009	13
Total	23,334	18,367

17. TRADE RECEIVABLES

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unsecured		
Outstanding for more than Six Months		
Considered Good	1,080	2,470
Considered Doubtful	5,059	6,986
Less: Bad Debts / Provision for Bad & Doubtful Debts	(682)	(667)
(A)	5,457	8,789
Other Debts		
Considered Good	21,085	12,448
Considered Doubtful	-	8
(B)	21,085	12,456
Total (A+B)	26,542	21,245

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

18. CASH AND CASH EQUIVALENTS

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Cash on Hand	341	344
Balances with Banks - in Current Account	14,456	19,875
Cheques on Hand	3,782	7,094
Fixed Deposits with Banks having original maturity of 3 months or less	11,286	569
Unclaimed Dividend Account	36	35
(A)	29,901	27,917
Other Bank Balances:		
Fixed Deposit with bank having balance maturity of twelve months or less:		
- Not Under Lien	417	311
- Under Lien	27,158	28,144
Fixed Deposit with bank having balance maturity of more than twelve months	1,468	1,537
Less: Non-current portion of other bank balances disclosed separately under 'Other Non-Current Assets' (refer Note No. 16)	(1,468)	(1,537)
(B)	27,575	28,455
Total (A+B)	57,476	56,372

19. OTHER SHORT-TERM ADVANCES

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unsecured, Considered good		
Advances		
Advance to Vendors for Operating Expenses	3,690	1,248
Employee Advance	375	215
Security Deposits - to Others	949	776
Prepaid Expenses	1,179	1,546
Balance with Revenue Authorities	840	1,802
MAT Credit Entitlement	120	120
Other Advances	1,614	1,288
Total	8,767	6,995

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**20. OTHER CURRENT ASSETS**

(Rs. in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unamortised Ancillary Borrowing Costs	2,575	2,897
Interest Accrued but not due	53,500	66,531
Income Accrued but not due	47	48
Stock for Trade	1,428	50
Gains receivable on Derivative Contracts	11,586	10,882
Derivative Asset Forward	1,248	472
Advance against Insurance	10	105
Other Receivables	3,730	343
Miscellaneous Expenditure to the extent not written off or adjusted	84	14
Total	74,208	81,342

21. REVENUE FROM OPERATIONS

(Rs. in Lacs)

Particulars	2014-15	2013-14
Income from Loans / Financial Assets	269,647	268,321
Income from Leases	22,569	23,449
Fee Based Income	16,134	14,258
Income from Equipment Rental	15,211	13,099
Income from Long-Term Trade Investments	5,057	980
Interest from Long-Term Trade Investments	23	20
Interest on Fixed Deposits and Other Receivables	4,661	3,168
Interest from Current Investment	-	24
Total	333,302	323,319

22. OTHER INCOME

(Rs. in Lacs)

Particulars	2014-15	2013-14
Liabilities No Longer Required Written Back	6	291
Dividend Income	214	130
Profit on Sale of Current Investments (Net)	392	51
Profit on Sale of Stock for Trade (Net)	-	11
Profit on sale of Fixed Assets	1,235	135
Other Non-Operating Income	883	2,093
Total	2,730	2,711

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

23. FINANCE COSTS

(Rs. in Lacs)		
Particulars	2014-15	2013-14
Interest Expense & Finance Charges	192,022	207,228
Other Borrowing Costs	34,047	24,007
Applicable net (gain) / loss on foreign currency transactions and translations	1,346	3,793
Total	227,415	235,028

24. EMPLOYEE BENEFITS EXPENSE

(Rs. in Lacs)		
Particulars	2014-15	2013-14
Salaries, Allowances, Commission & Bonus	13,187	11,909
Contribution to Provident and Other Funds	809	635
Staff Welfare Expenses	433	400
Total	14,429	12,944

25. ADMINISTRATIVE AND OTHER EXPENSES

(Rs. in Lacs)		
Particulars	2014-15	2013-14
Communication Expenses	342	328
Outsourced Manpower Expenses	362	256
Site & Site Mobilisation Expenses	2,556	1,994
Legal & Professional Fees	6,739	6,777
Power & Fuel	526	1,443
Rent	1,273	1,248
Equipment Hire & Leasing	1,074	401
Rates and Taxes	279	472
Brokerage and Service Charges	869	600
Payments to the Auditor	159	171
Repairs - Machinery	2,874	1,882
- Others	1,559	1,189
Travelling and Conveyance	2,781	2,734
Directors' Fees	78	54
Insurance	486	392
Printing and Stationery	179	178
Advertisement, Subscription and Donation	556	657
Corporate Social Responsibility Expenses	202	-
Loss on sale of Fixed Assets	210	92
Loss on Sale of Long-Term Trade Investment (net)	50	333
Loss on Sale of Stock for Trade (net)	376	-
Investment written off	1	-
Miscellaneous Expenditure Written off	14	43
Miscellaneous Expenses	1,124	658
Total	24,669	21,902

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**26. EARNINGS PER EQUITY SHARE**

(Rs. in Lacs)

Particulars	2014-15	2013-14
(a) Profit after tax attributable to Equity Shareholders (Rs. in Lacs)	12,911	13,851
(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.)	2.57	2.75
(g) Diluted Earnings per share [(a) / (d)] (Rs.)	2.57	2.75

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, 2015	As at 31st March, 2014
Subsidiaries			
Srei Capital Markets Limited	India	100	100
Srei Alternative Investment Managers Limited	India	100	100
Srei Infrastructure Advisors Limited	India	100	100
Attivo Economic Zones Private Limited (Formerly Global Investment Trust Limited) (ceased to be Subsidiary w.e.f. 21.11.2014)	India	-	100
Controlla Electrotech Private Limited	India	100	100
Srei Mutual Fund Asset Management Private Limited	India	100	100
Srei Mutual Fund Trust Private Limited	India	100	100
Srei International Infrastructure Services GmbH, Germany	Germany	92.54	92.54
Srei Forex Limited	India	100	100
Srei Insurance Broking Private Limited	India	100	51
Quippo Oil & Gas Infrastructure Limited	India	99.90	99.90
Quippo Energy Private Limited	India	100	100

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Name of the Company	Country of incorporation	% Holding	
		As at 31st March, 2015	As at 31st March, 2014
Attivo Economic Zone (Mumbai) Private Limited (Formerly Mumbai Futuristic Economic Zone Private Limited) (ceased to be Subsidiary w.e.f. 30.12.2014)	India	-	100
Goldensons Construction Private Limited*	India	100	100
Srei Asset Reconstruction Private Limited (Subsidiary between 30.06.2014 to 01.09.2014 and w.e.f. 31.03.2015)	India	100	-
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 Mauritius Private Limited (ceased to be Subsidiary of Quippo Energy Private Limited w.e.f. 25.02.2015)	Mauritius	-	100
Quippo Energy Nigeria Private Limited (Subsidiary of Quippo Mauritius Private Limited, ceased to be Step-down subsidiary of Quippo Energy Private Limited w.e.f. 25.02.2015)	Nigeria	-	100
Quippo CJ Exploration & Production Private Limited (ceased to be Subsidiary of Quippo Oil & Gas Infrastructure Limited w.e.f. 08.07.2014)	India	-	51
Performance Drilling International Private Limited (Subsidiary of Quippo Oil & Gas Infrastructure Limited w.e.f. 23.01.2015)	India	100	-
Joint Venture			
Srei Equipment Finance Limited (SEFL)	India	50	50
Associates			
Sahaj e-Village Limited	India	48.32	48.32
Quippo Construction Equipment Limited (ceased to be Associate w.e.f. 29.09.2014)	India	-	45.45
Attivo Economic Zone (Mumbai) Private Limited (Formerly Mumbai Futuristic Economic Zone Private Limited) (ceased to be Subsidiary and has become Associate w.e.f. 30.12.2014)	India	48.78	-
Trusts			
Srei Growth Trust		India	
Srei Mutual Fund Trust		India	

* Based on information provided by the management and relied upon by the Auditors, this investment has been acquired and held exclusively with a view to subsequent disposal in the near future and hence not considered for consolidation.

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, 2015	As at 31st March, 2014
A. Contingent Liabilities		
(a) Claim against the company not acknowledged as debts:		
Disputed Direct Tax demands	6,461	5,015
Disputed Indirect Tax demands	4,671	3,604
(b) Guarantees:		
Bank Guarantees	6,220	3,542
Guarantees to Banks and Others against credit facilities extended by them to third parties	13,672	11,117
Guarantees to Banks and others, in the form of Put Option against loan facilities	32,490	34,000
Total	63,514	57,278
B. Commitments		
Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)	3,036	3,322
On account of Letter of Credit	53,752	68,608
On account of Derivative Instruments (<i>refer Note No. 29.1</i>)		
Other Commitments	43	8

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, 2015	As at 31st March, 2014
Options / Swaps	EUR / INR	EUR 159	EUR 164
Options / Swaps	SGD / USD	SGD 105	SGD 140
Options / Swaps	USD / INR	USD 1,636	USD 1,827
Options / Swaps	YEN / USD	-	YEN 6,799
Forwards	EUR / INR	EUR 29	EUR 60
Forwards	SGD / INR	SGD 14	-
Forwards	USD / INR	USD 42	USD 67
Forwards	USD / RUR	USD 28	USD 120
Forwards	YEN / INR	-	YEN 258
Forwards	AUD / INR	AUD 5	-
Interest Rate Swaps	EUR	EUR 9	EUR 14
Interest Rate Swaps	USD	USD 1,254	USD 1,502

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

- 30. a)** The audited financial statements of Srei International Infrastructure Services GmbH (Srei IIS) up to 31st March, 2015 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 the said entities in these consolidated financial statements.
- b)** The audited financial statements of ZAO Srei Leasing (ZAO) and Srei Advisors Pte Limited (SAPL) subsidiaries of Srei IIS is prepared upto 31st December every year. Management accounts for the period 1st January, 2014 to 31st March, 2014 and 1st January, 2015 to 31st March, 2015 have been used for consolidation with Srei IIS. The audited financial statements of ZAO and 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 ZAO and SAPL in these consolidated financial statements.
- c)** Quippo Mauritius Private Limited and Quippo Energy Nigeria Private Limited have ceased to be step-down subsidiaries of the company w.e.f. 25th February, 2015.

Management accounts up to the date of cessation of the above companies have been used for consolidation which have been prepared in accordance with 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 the said entities in these consolidated financial statements.

- d)** Attivo Economic Zones Private Limited has ceased to be a subsidiary of the Company w.e.f. 21.11.2014. Quippo CJ Exploration & Production Private Limited has ceased to be step-down subsidiary of the Company w.e.f. 08.07.2014.

Quippo Construction Equipment Limited has ceased to be an associate of the Company w.e.f. 29.09.2014.

Management accounts up to the date of cessation of the above companies have been used for consolidation.

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, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	2,983	2,983
Reserves and Surplus	109,453	101,845
	112,436	104,828
Non-Current Liabilities		
Long-Term Borrowings	160,748	204,619
Deferred Tax Liabilities (Net)	9,078	7,847
Other Long-Term Liabilities	6,871	7,275
Long-Term Provisions	2,036	1,148
	178,733	220,889
Current Liabilities		
Short-Term Borrowings	409,283	369,761
Trade Payables	19,182	13,852
Other Current Liabilities		
- Current Maturities of Long-Term Borrowings	83,196	80,417
- Other Current Liabilities	10,298	11,193
Short-Term Provisions	1,624	5,348
	523,583	480,571
TOTAL	814,752	806,288
ASSETS		
Non-Current Assets		
Fixed Assets		
- Tangible Assets	80,973	62,679
- Intangible Assets	1,945	1,893
Non-Current Investments	403	57
Long-Term Loans and Advances		
- Financial Assets	368,801	377,587
- Other Long-Term Advances	1,707	1,739
Other Non-Current Assets	8,552	12,989
	462,381	456,944
Current Assets		
Current Investments	363	1,486
Trade Receivables	3,295	3,299
Cash and Bank Balances	17,665	30,868
Short-Term Loans and Advances		
- Financial Assets	115,477	85,241
- Other Advances	1,639	1,039
Other Current Assets		
- Current Maturities of Long-Term Financial Assets	208,798	224,141
- Other Current Assets	5,134	3,270
	352,371	349,344
TOTAL	814,752	806,288

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lacs)

Particulars	2014-15	2013-14
STATEMENT OF PROFIT AND LOSS		
INCOME		
Revenue from Operations	130,072	130,897
Other Income	417	70
TOTAL INCOME	130,489	130,967
EXPENDITURE		
Employee Benefits Expense	7,128	4,802
Finance Costs	72,100	76,645
Depreciation / Amortization and Impairment	14,628	12,117
Administrative and Other Expenses	8,422	6,513
Miscellaneous Expenditure written off	14	42
TOTAL EXPENDITURE	102,292	100,119
PROFIT BEFORE BAD DEBTS, PROVISIONS AND TAX	28,197	30,848
Bad debts written off (Net) / Provision for Non Performing Assets and Standard Assets	16,829	12,970
PROFIT BEFORE TAX	11,368	17,878
Provision for Tax	3,717	6,609
PROFIT AFTER TAX	7,651	11,269
Proportionate Share in Reserves of Joint Venture:		
Capital Reserves	16	16
Securities Premium Account	51,990	51,990
Debt Redemption Reserve	27,873	20,478
Special Reserve as per Reserve Bank of India Directions	11,511	9,969
Income Tax Special reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	1,986	-
Surplus in the Statement of Profit and Loss	16,077	19,392
TOTAL	109,453	101,845
Contingent Liabilities	837	1,428
Capital Commitments (Net of Advances)	713	1,896

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 (w.e.f. 01.04.2014)	Group Chief Executive Officer - Liability & Treasury Management
Mr. Bijoy Kumar Daga (w.e.f. 01.04.2014)	Chief Executive Officer - Infrastructure Project Finance
Mr. Bajrang Kumar Choudhary (w.e.f. 01.04.2014)	Chief Executive Officer - Infrastructure Project Development
Mr. Sanjeev Sancheti (from 01.04.2014 to 09.11.2014)	Group Head - Corporate Strategy and Planning
Mr. Rajdeep Khullar (from 01.04.2014 to 09.11.2014)	Group Head - Legal
Mr. Deepak Chatrath (from 22.05.2014 to 09.11.2014)	Sr. Vice-President - Internal Audit
Mr. Shashi Bhushan Tiwari (from 01.04.2014 to 09.11.2014)	Chief Operating Officer
Mr. Rajesh Jain (from 01.04.2014 to 09.11.2014)	Head - Human Resources
Mr. Kishore Kumar Lodha	Chief Financial Officer
Mr. Sandeep Lakhotia (w.e.f. 01.04.2014)	Company Secretary

Enterprise over which relative of a KMP has significant influence

Viom Networks Limited

Summary of transactions with related parties:

(Rs. in Lacs)

Name of related party	2014-15		2013-14	
	Value of Transaction / Outstanding	Amount Considered in Consolidation	Value of Transaction / Outstanding	Amount Considered in Consolidation
(A) Joint Venture				
Srei Equipment Finance Limited				
Transactions during the year:				
Rent Received	1,643	822	1,568	784
Fees Income for Services	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	69	35	-	-
Outstanding as at year end:				
Balance Receivable-Others	351	176	-	-
Balance Payable-Others	25	13	-	-
Balance Payable-Security Deposit	1,528	764	1,459	730

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lacs)

Name of related party and Nature of relationship	Nature of Transactions and Outstanding Balances	2014-15	2013-14
(B) Key Management Personnel			
Mr. Hemant Kanoria	Remuneration	162	164
	Commission	60	60
	Dividend paid	2	2
Mr. Saud Ibne Siddique	Remuneration	-	55
Mr. Sanjeev Sancheti*	Remuneration	62	13
	Dividend Paid	0.13	-
	Loan Advanced	-	45
	Balance Receivable-Loan	36	-
Mr. Anil Agrawal	Remuneration	-	49
	Balance Payable-Remuneration	-	5
Mr. Sandeep Lakhota	Remuneration	69	-
	Dividend paid	0.33	-
Mr. Bajrang Kumar Choudhary	Remuneration	91	-
	Dividend paid	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	44	-
Mr. Bijoy Kumar Daga	Remuneration	222	-
Mr. John Moses Harding	Remuneration	174	-
*Ceased to be the KMPs of the Company w.e.f. 10.11.2014.			

(Rs. in Lacs)

Name of related party and Nature of relationship	Nature of Transactions and Outstanding Balances	2014-15	2013-14
(C) Transaction with Relative of KMP			
Mrs. Saroj Agrawal (Spouse of Mr. Anil Agrawal)	Car Hire Charges	-	2
Shashi Bhushan Tiwari (HUF), (HUF of Mr. Shashi Bhushan Tiwari)	Car Hire Charges	0.5	-
Mrs. Seema Jain, (Spouse of Mr. Rajesh Jain)	Car Hire Charges	0.5	-

(Rs. in Lacs)

Name of related party and Nature of relationship	Nature of Transactions and Outstanding Balances	2014-15	2013-14
(D) Enterprises over which KMP and their relatives have significant influence:			
Viom Networks Limited	Transactions during the year:		
	Rent Received	879	835
	Security Deposit Received	1	-
	Outstanding as at year end:		
	Balance Receivable-Others	16	16
	Balance Payable-Deposit	664	663

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, 2015 and in respect of assets / liabilities as at 31st March, 2015 – 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	325,698	318,088	15,585	13,331	139	374	341,422	331,793
Segment Result before Interest & Finance Charges	242,370	253,955	3,864	3,593	25	42	246,259	257,590
Interest & Finance Charges	226,184	233,734	1,231	1,294	-	-	227,415	235,028
Tax Expenses							6,704	8,811
Net Profit After Tax							12,140	13,751
Segment Assets	2,442,862	2,346,783	27,304	27,820	2,422	44,450	2,472,588	2,419,053
Segment Liabilities	2,094,418	2,043,559	11,915	12,624	106	359	2,106,439	2,056,542
Capital Expenditures	47,811	21,112	134	192	-	1	47,945	21,305
Depreciation / Impairment	18,647	14,870	1,451	1,417	45	48	20,143	16,335
Other non-cash Expenditure	84	14	-	-	-	-	84	14

34. Adjustment on disposal / cessation of Subsidiaries and Step-down subsidiaries Rs. 24 Lacs (Previous Year: Rs. 6 Lacs) for the year ended 31st March, 2015 is on account of two subsidiaries i.e. Attivo Economic Zones Private Limited (Formerly Global Investment Trust Limited) and Attivo Economic Zone (Mumbai) Private Limited (Formerly Mumbai Futuristic Economic Zone Private Limited), three step down subsidiaries i.e. Quippo Mauritius Private Limited, Quippo Energy Nigeria Private Limited and Quippo CJ Exploration & Production Private Limited and one associate i.e. Quippo Construction Equipment Limited. Such disposal / cessation has been accounted for as per Accounting Standard 21, “Consolidated Financial Statements” and Accounting Standard 23, “Accounting for Investments in Associates in 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	59.38%	213,585	24.87%	3,211
Subsidiaries					
Indian:					
1	Srei Capital Markets Limited	0.08%	305	-3.69%	(477)
2	Srei Alternative Investment Managers Limited	0.42%	1,521	4.64%	599
3	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)	0.01%	42	-0.01%	(1)
4	Cyberabad Trustee Company Private Limited (Subsidiary of Srei Alternative Investment Managers Limited)	0.00%	3	0.00%	-
5	Srei Infrastructure Advisors Limited	0.00%	10	0.02%	3
6	Bengal Srei Infrastructure Development Limited (Subsidiary of Srei Infrastructure Advisors Limited)	0.04%	157	0.43%	55
7	Attivo Economic Zones Private Limited (Formerly Global Investment Trust Limited)	0.00%	0	0.02%	2
8	Controlla Electrotech Private Limited	0.58%	2,080	-0.36%	(46)
9	Srei Mutual Fund Asset Management Private Limited	0.01%	27	-1.94%	(251)
10	Srei Mutual Fund Trust Private Limited	0.00%	2	-0.03%	(4)
11	Srei Forex Limited	0.03%	107	0.00%	-
12	Srei Insurance Broking Private Limited	0.09%	319	0.39%	50
13	Quippo Oil & Gas Infrastructure Limited	3.04%	10,936	23.77%	3,069
14	Quippo CJ Exploration & Production Private Limited (Subsidiary of Quippo Oil & Gas Infrastructure Limited)	0.00%	-	0.00%	-
15	Performance Drilling International Private Limited (Subsidiary of Quippo Oil & Gas Infrastructure Limited w.e.f. 23.01.2015)	0.00%	-	0.00%	-
16	Quippo Energy Private Limited	2.01%	7,233	-7.32%	(945)
17	Attivo Economic Zone (Mumbai) Private Limited	0.00%	0	-0.01%	(1)
18	Srei Mutual Fund Trust	0.00%	0	0.00%	-
19	Srei Growth Trust	0.00%	2	0.01%	1
20	Srei Asset Reconstruction Private Limited	0.00%	10	0.00%	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(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
Subsidiaries					
Foreign:					
1	Srei International Infrastructure Services GmbH	-0.05%	(172)	0.79%	102
2	ZAO Srei Leasing (Subsidiary of Srei International Infrastructure Services GmbH)	0.60%	2,172	-13.91%	(1,796)
3	Srei Advisors Pte Limited (Subsidiary of Srei International Infrastructure Services GmbH)	0.02%	81	-0.12%	(15)
4	Quippo Mauritius Private Limited (Subsidiary of Quippo Energy Private Limited)	0.00%	0	0.15%	19
5	Quippo Energy Nigeria Private Limited (Subsidiary of Quippo Mauritius Private Limited)	0.00%	0	0.67%	86
Minority Interests in all subsidiaries		0.35%	1,256	-5.97%	(771)
Associates (investment as per equity method)					
Indian:					
1	Sahaj e-Village Limited	0.00%	-	0.00%	-
2	Quippo Construction Equipment Limited	0.00%	-	0.00%	-
3	Attivo Economic Zone (Mumbai) Private Limited	2.24%	8,047	0.00%	-
Joint Ventures (as per proportionate consolidation / investment as per the equity method)					
Indian:					
1	Srei Equipment Finance Limited	31.13%	111,996	65.67%	8,479
TOTAL		100.00%	359,719	100.00%	12,911

Note: Figures are after elimination of related party transactions between entities considered for consolidation.

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 : 1st May, 2015

For and on behalf of the Board of Directors

Hemant Kanoria

Chairman & Managing Director

Salil K. Gupta

Chief Mentor & 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) (Contd.)

Part "A" : Subsidiaries

(Rs. In Lacs)

Names of Companies	Cyberabad Trustee Company Pvt. Ltd.	Srei International Infrastructure Service GmbH	ZAO SREI Leasing	Srei Advisors Pte Ltd.	Quippo Oil & Gas Infrastructure Limited	Quippo Energy Private Limited	Goldensons Construction Private Limited	Srei Asset Reconstruction Private Limited	Performance Drilling International Private Limited
Sl. No.	11	12	13	14	15	16	17	18	19
Reporting year	Mar 31, 2015	Mar 31, 2015	Dec 31, 2014	Dec 31, 2014	Mar 31, 2015	Mar 31, 2015	Mar 31, 2015	Mar 31, 2015 ³	Mar 31, 2015 ³
Reporting Currency	INR	Euro	Rubles	Singapore Dollar	INR	INR	INR	INR	INR
Exchange rate on last day of reporting year (In INR)		67.0950	1.0737	45.5300					
Share Capital	5.00	4,273.95	3,945.85	168.51	3,000.00	113.97	1.00	10.00	1.00
Reserves & Surplus	0.85	(1,039.70)	(825.55)	(86.76)	(6,550.26)	(521.37)	(6.83)	(0.26)	-
Total Assets	6.01	3,732.64	11,850.31	85.87	12,823.11	5,386.12	25.79	10.00	1.00
Total Liabilities	6.01	3,732.64	11,850.31	85.87	12,823.11	5,386.12	25.79	10.00	1.00
Investments	-	3,690.38	-	-	1.00	-	-	-	-
Turnover	0.52	169.08	2,429.55	-	15,193.43	3,232.04	-	-	-
Profit / (Loss) before Tax	0.33	(950.84)	(1,836.10)	(14.56)	1,674.44	(1,189.37)	(4.04)	(0.26)	-
Provision for Taxation	0.07	36.16	(317.83)	-	585.42	(182.54)	-	-	-
Profit / (Loss) after Tax	0.26	(987.00)	(1,518.27)	(14.56)	1,089.02	(1,006.83)	(4.04)	(0.26)	-
Proposed Dividend	-	-	-	-	-	-	-	-	-
% of shareholding (effective)	51%	92.54%	59.41%	92.54%	99.90%	100%	100%	100%	99.90%

Notes:**1. Names of subsidiaries which are yet to commence operations:**

- (i) Srei Asset Reconstruction Private Limited
- (ii) Performance Drilling International Private Limited

2. Names of subsidiaries which have been liquidated or sold during the year:

- (i) Attivo Economic Zones Private Limited
 - (ii) Quippo Mauritius Private Limited
 - (iii) Quippo Energy Nigeria Private Limited
 - (iv) Quippo CJ Exploration & Production Private Limited
- Sold
Sold
Sold
Liquidated

3. Figures are based on un-audited financial statement.

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures under section 129(3)

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures under section 129(3)

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 audited Balance Sheet date	Mar 31, 2015	Mar 31, 2015	Mar 31, 2015
2. Shares of Associate / Joint Ventures held by the company on the year end			
No.	10510000	10000	29830000
Amount of Investment in Associates / Joint Venture	1,051	8,046.60	17,473
Extent of Holding %	48.32%	48.78%	50.00%
3. Description of how there is significant influence	Control of 48.32% 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 audited Balance Sheet	(5,906.64)	4,123.49	110,456
6. Profit / (Loss) for the year			
i. Considered in Consolidation	-	(0.46)	7,651.00
ii. Not Considered in Consolidation	(2,425.77)	-	-

1. Names of associates or joint ventures which are yet to commence operations: None

2. Names of associates or joint ventures which have been liquidated or sold during the year:

(i) Quippo Construction Equipment Limited (Associate) - Sold

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman & Managing Director

Salil K. Gupta
Chief Mentor & Director

Place : Kolkata
Date : 1st May, 2015

Sandeep Lakhota
Company Secretary

Kishore Kumar Lodha
Chief Financial Officer

Cautionary Statement

This report contains forward-looking statements, 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



SREI INFRASTRUCTURE FINANCE LIMITED

CIN: L29219WB1985PLC055352

Registered Office : 'Vishwakarma'

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

Tel No. 033 – 6160 7734, Fax No. 033 – 2285 7542 / 8501

Website : www.srei.com, Email : investor.relations@srei.com

Notice

NOTICE is hereby given that the Thirtieth Annual General Meeting (AGM) of the Members of Srei Infrastructure Finance Limited will be held on **Saturday, August 01, 2015 at 10.30 a.m. at the Science City Main 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, 2015, and the report of the Directors and Auditors thereon.
 - b) The Consolidated Financial Statement of the Company for the year ended March 31, 2015, 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. Sunil Kanoria (holding DIN 00421564) who retires by rotation and being eligible, seeks re-appointment.
4. To re-appoint 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, who shall hold office for a term of 5 (five) years from the conclusion of this AGM (subject to ratification of such appointment by the Members at every AGM) till the conclusion of the Thirty-Fifth AGM of the Company, at a remuneration to be fixed by the Board of Directors of the Company 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 Section 152, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (Act), if any and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment thereof for the time being in force), Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015, Articles of Association of the Company, recommendation of Nomination and Remuneration Committee and the approval of the Board of Directors, consent of the Company be and is hereby accorded to the re-appointment of Mr. Hemant Kanoria (holding DIN 00193015) as Chairman & Managing Director (CMD) of the Company, for a further period of 5 years with effect from April 01, 2015 that is to say, from April 01, 2015 to March 31, 2020, liable to retire by rotation, on terms and conditions as recommended by the Nomination and Remuneration Committee based on the Srei Nomination and Remuneration Policy and other terms and conditions as set out in the draft agreement (“Agreement”) to be entered into between the Company and Mr. Hemant Kanoria, a copy of which is placed before the meeting and the terms of which are set out briefly herein below:

a) Salary:

In the scale of Rs. 15,00,000/- to Rs. 30,00,000/- (Rupees Fifteen Lacs only to Rupees Thirty Lacs only) per month with authority to the Board to fix the salary within the abovementioned scale from time to time after taking into account the recommendations of Nomination and Remuneration Committee within a ceiling of Rs.

30,00,000/- (Rupees Thirty Lakhs only) per month. The annual increments will be merit-based and take into account the Company's performance. The present salary of Mr. Kanoria is fixed at Rs. 15,00,000/- (Rupees Fifteen Lakhs only) per month w.e.f. 1st April, 2015.

b) Commission:

1% (One per cent) of the net profits of the Company (as per Audited Financial Statements) per year or such other amount as may be decided by the Board in its absolute discretion upon recommendation of the Nomination and Remuneration Committee, for each financial year (or part thereof), subject, however, that the total remuneration (i.e. Salary, Commission and Perquisites) in any one financial year shall not exceed the limits prescribed from time to time under Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, as may for the time being be in force.

c) Ex-gratia:

Ex-gratia payment of 1 (One) month's salary per annum or such other higher sum as may be decided by the Board of the Company.

d) Perquisites: In addition to the aforesaid, the Chairman & Managing Director (CMD) shall be entitled to the following perquisites:

i) Housing:

1. Fully furnished residential accommodation or house rent allowance at the rate of 60% (sixty per cent) of salary or such other suitable amount as may be decided by the Board of Directors.
2. Expenses pertaining to gas, electricity, water and other utilities will be borne / reimbursed by the Company.
3. Company shall provide such furniture and furnishings as may be required by the Chairman & Managing Director.

ii) Medical Reimbursement:

Reimbursement of actual medical expenses incurred in India and / or abroad and including hospitalization, nursing home and surgical charges for self and family.

iii) Leave Travel Concession:

Reimbursement of actual travelling expenses, for

proceeding on leave, once in a year in respect of self and family.

iv) Club Fees:

Reimbursement of membership fees for clubs in India and / or abroad, including admission and life membership fees.

v) Personal Accident Insurance:

Payment of premium in respect of one Personal Accident Insurance Policy.

vi) Contribution to Provident Fund, Superannuation Fund and Annuity Fund:

The Company's contribution to Provident Fund or Superannuation or Annuity Fund as per the rules of the Company, applicable for senior executives of the Company or such higher contribution as may be decided by the Board.

vii) Gratuity:

Entitled for Gratuity as per the rules of the Company.

viii) Leave:

Entitled for leave with full pay or encashment thereof as per the rules of the Company.

ix) Entertainment Expenses:

Entitled for reimbursement of entertainment and all other expenses incurred for the business of the Company as per the rules of the Company.

x) Other Perquisites:

Subject to overall ceiling on remuneration prescribed in Schedule V to the Companies Act, 2013, the Chairman & Managing Director (CMD) may be given any other allowances, performance incentives, benefits and perquisites as the Board of Directors may from time to time decide.

Explanation:

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

Company's contribution to Provident Fund or Superannuation or Annuity Fund, to the extent these either singly or together

are not taxable under the Income Tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of his tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

e) Amenities:

i) Conveyance Facilities:

The Company shall provide suitable conveyance facilities to the Chairman & Managing Director (CMD) as may be required by him.

ii) Telephone, telefax and other communication facilities:

The Company shall provide telephone, telefax and other communication facilities at the Chairman & Managing Director's (CMD's) residence.

f) OVERALL REMUNERATION

The aggregate of salary, commission and perquisites payable to Mr. Hemant Kanoria, Chairman and Managing Director (CMD), in any Financial Year shall not exceed the limits from time to time under Sections 196 and 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act as may be for the time being in force.

Since Mr. Hemant Kanoria is also Vice Chairman and Managing Director of Srei Equipment Finance Limited, the total remuneration to be drawn from Srei Equipment Finance Limited and the Company shall not exceed the higher maximum limit admissible from any one of the Companies of which Mr. Kanoria is a managerial personnel.

g) MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Chairman & Managing Director (CMD), the payment of salary, commission, perquisites, and other allowances shall be governed by the limits prescribed under Part II of Schedule V to the Companies Act, 2013.

h) Subject to the superintendence, control and directions of the Board, the Chairman & Managing Director (CMD) shall be in charge of the management of the affairs of the Company and he shall perform such duties and functions as would be commensurate with his position as Chairman & Managing Director (CMD) of the Company and as may be delegated to him from time to time by the Board of

Directors and Shareholders, except such matters which are specifically to be done by the Board of Directors under the Articles of Association of the Company or under the Companies Act, 2013 and the rules framed thereunder.

i) He shall not be paid any sitting fee for attending meetings of the Board of Directors or Committee(s).

j) Subject to the provisions of Companies Act, 2013, the Chairman & Managing Director (CMD) shall while he continues to hold office of the Chairman & Managing Director (CMD) be subject to retirement by rotation but he shall ipso facto immediately cease to be Chairman & Managing Director (CMD) if he ceases to hold office of Director for any cause. However, the Chairman & Managing Director (CMD) re-appointed as a Director of the Company immediately on retirement by rotation, shall continue to hold his office of Chairman & Managing Director (CMD) and such re-appointment as such Director shall not be deemed to constitute a break in his appointment / service as Chairman & Managing Director (CMD) of the Company.

k) The Company will enter into an agreement with Mr. Hemant Kanoria, which will contain, inter alia, the above terms and conditions.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any authorized Committee of the Board) be and is hereby authorized to alter and vary the terms and conditions of appointment, at any time(s) and from time to time and in such manner as the Board may deem fit subject to the overall limits of remuneration specified by this resolution and the Companies Act, 2013;

RESOLVED FURTHER THAT the Board be and are hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary to give effect to the above resolution."

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read

with Schedule IV to the Act, Articles of Association of the Company, Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015, and the applicable provisions of Listing Agreement with the Stock Exchange(s) (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, Dr. Tamali Sengupta (holding DIN 00358658), who was appointed as an Additional Director (Category - Independent Director) of the Company with effect from May 01, 2015 and who holds office upto the date of this Annual General Meeting be and is hereby appointed as an Independent Director of the Company, not liable to retirement by rotation for a period of 5 (five) consecutive years from the date of the Thirtieth Annual General Meeting of the Company.”

7. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act, Articles of Association of the Company, Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 and the applicable provisions of Listing Agreement with the Stock Exchange(s) (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. T. C. A. Ranganathan (holding DIN 03091352), who was appointed as an Additional Director (Category - Independent Director) of the Company with effect from May 01, 2015 and who holds office upto the date of this Annual General Meeting be and is hereby appointed as an Independent Director of the Company, not liable to retirement by rotation for a period of 5 (five) consecutive years from the date of the Thirtieth Annual General Meeting of the Company.”

8. 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 Section 188 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 Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement (including any amendment, statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the Policy on Related Party Transactions of the Company and subject to such approvals, consents, sanctions and permissions as may be necessary, approval of the Members be and is hereby accorded to one or more existing contracts / arrangements / transactions / agreements as set out in the Explanatory Statement to this notice or to be entered into from time to time with Sahaj e-Village Limited (‘Sahaj’), being a related party as defined under the relevant provisions of Companies Act, 2013 and / or Clause 49 of the Listing Agreement, on such terms and conditions as may be mutually agreed upon between the Company and Sahaj, for an aggregate amount exceeding the threshold limit of 10 (ten) per cent of annual consolidated turnover of the Company, however not exceeding a limit of Rs. 500 Crores (Rupees Five Hundred Crores only) during a financial year for the total value of all such transactions with Sahaj;

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) be and are hereby authorized to do all such acts, deeds or things, as may be necessary and expedient, to give effect to the above resolution.”

9. 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) 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. 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 who is higher in the order of names will be entitled to vote.

2. **Explanatory Statement:** The Explanatory 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 e-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 e-voting along with Attendance Slip and Proxy Form is being sent through permitted mode.

4. **Registrar & Share Transfer Agents and Depository**

Participant: The Company has changed its Registrar and Share Transfer Agents for Equity Shares from Maheshwari Datamatics Private Limited to Karvy Computershare Private Limited (Karvy) w.e.f. April 01, 2015. Subsequent to the above change, the information related to the said change in RTA was also published in one English daily newspaper 'Business Standard' and one Bengali daily newspaper 'Aajkal' on March 27, 2015.

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 24, 2015 to Friday, July 31, 2015 (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, 2015 as recommended by the Board, if sanctioned at the Meeting, will be electronically credited / despatched between Wednesday, August 12, 2015 to Thursday, August 20, 2015 –

- a. to those Members, holding Equity Shares in physical form, whose names appear on the Company's Register of Members, at the close of business hours on Friday, July 31, 2015 after giving effect to all valid transfers in physical form lodged on or before Thursday, July 23, 2015 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, 2008, 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, 2008, 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 December, 2014. Further, the details of dividend unclaimed by the Members for the past years which have not yet been transferred to the Central Government are readily available for view by the Members on the website of the Company www.srei.com. Further, the Members are advised to glance through the database and lodge their claim for dividend which have remained unclaimed.

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.

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 Explanatory Statement shall be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General 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.

16. **Voting through electronic means (E- Voting)**

- I. 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 Clause 35B of the Listing Agreement entered into with the Stock Exchanges, 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 (s)]:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN 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 30th Annual General Meeting”.
- (B) (1) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company / Depository Participants (s)]:
- i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
 - ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
- II. In case of voting by using Ballot Forms:
- i. In terms of Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company, in order to enable its Members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, is enclosing a Ballot Form along with Annual Report.
 - ii. A Member desiring to exercise voting by using Ballot Form shall complete the enclosed Ballot Form with assent (FOR) or dissent (AGAINST) and send it to the Scrutinizer, Dr. K. R. Chandratre, Practicing Company Secretary, duly appointed by the Board of Directors of the Company, in the enclosed postage prepaid self-addressed envelope. Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted at the Registered Office of the Company.
- iii. Please convey your assent in Column “FOR” and dissent in the column “AGAINST” by placing a tick (√) mark in the appropriate column in the Ballot Form only. The assent / dissent received in any other form / manner will not be considered.
 - iv. Duly completed and signed Ballot Forms shall reach the Scrutinizer on or before Friday, July 31, 2015 (5.00 p.m. IST). The Ballot Forms received after the said date / time shall be strictly treated as if the reply from the Member has not been received.
 - v. Unsigned / incomplete Ballot Forms will be rejected. Scrutinizer’s decision on validity of the Ballot Form shall be final.
 - vi. A Member may request duplicate Ballot Form, if so required, by writing to the Company at its Registered Office or by sending an email on investor.relations@srei.com by mentioning their Folio No. / DP ID and Client ID. However, the duly filled in duplicate Ballot Form should reach the scrutinizer not later than Friday, July 31, 2015 (5.00 p.m. IST).
 - vii. A Member can opt for only single mode of voting i.e. either through e-voting or by Ballot Form. If a Member casts votes by both modes then voting done through e-voting shall prevail and vote by Ballot shall be treated as invalid. Members who have cast their votes by e-voting prior to the Meeting may also attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.
- III. Voting at AGM: The Members, who have not cast their vote either through remote e-voting or through Ballot Form, 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 and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through 'Insta Poll'.

Other Instructions:

- a. In case of any queries, please visit the Help & Frequently Asked Questions (FAQs) section of <https://evoting.karvy.com> (Karvy Website) or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The e-voting period commences on Wednesday, July 29, 2015 (9.00 a.m. IST) and ends on Friday, July 31, 2015 (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 25, 2015, may cast their votes electronically. 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 25, 2015.
- 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 25, 2015, he / she may write to Karvy on the email id evoting@karvy.com requesting for the User ID and Password. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

17. 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.

18. 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 an authorized person of 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).

Immediately after declaration of results, the same shall be placed along with the Scrutinizer's Report on the Company's website 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.

19. Information of Directors pursuant to Listing Agreement:

At the ensuing Meeting of the Company, Mr. Sunil Kanoria, Non-Executive Director, retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible, seeks re-appointment. Further, pursuant to the provisions of Section 152, 196, 197, 198 and 203 of the Companies Act, 2013 read with Schedule V and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Hemant Kanoria is being re-appointed as the Chairman & Managing Director (CMD) of the Company. Moreover, pursuant to the provisions of Section 149, 152 and 161 of the Act and the allied Rules and Clause 49 of the Listing Agreement with the Stock Exchanges, Dr. Tamali Sengupta and Mr. T. C. A. Ranganathan are being proposed to be appointed as Independent Directors of the Company for a period of 5 (five) consecutive years from the date of the ensuing AGM of the Company.

Pursuant to Clause 49(VIII)(E) of the Listing Agreement with the Stock Exchanges, the particulars of the aforesaid Directors seeking appointment or re-appointment at the AGM are given below:

Serial No.	(A)	(B)	(C)	(D)
Name of Director	Mr. Sunil Kanoria	Mr. Hemant Kanoria	Dr. Tamal Sengupta	Mr. T. C. A. Ranganathan
Date of Birth	04.05.1965 (50 years)	05.08.1962 (52 years)	27.09.1962 (52 years)	19.11.1953 (61 years)
Date of Appointment	05.07.1989 (Vice Chairman w.e.f. 20.09.2008)	30.10.1990 (Appointed as Managing Director w.e.f. 07.05.1994 and as Chairman w.e.f. 14.05.2008)	01.05.2015 (Additional Director)	01.05.2015 (Additional Director)
Expertise in specific functional areas	Over 27 years of experience in the Financial Service Industry; past President of Merchants' Chamber of Commerce, Federation of Indian Hire Purchase Association (FIHPA) and Hire Purchase & Lease Association (HPLA) and served as a Member on Planning Commission's Working Group on Construction for the Tenth Five Year Plan; presently the Senior Vice President of The Associated Chambers of Commerce & Industry of India (ASSOCHAM), Member of the Council of The Institute of Chartered Accountants of India nominated by the Government of India, Member of the Central Direct Taxes Advisory Committee and the Governing body member of the Construction Industry Development Council (CIDC).	Over 35 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.	Over 20 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. Sen Gupta & Associates, a corporate law practice based in New Delhi, which provides advice on corporate law, entertainment law, intellectual property, insurance, project finance, corporate governance, and privatization. Dr. Sengupta also has extensive experience in international joint-ventures, collaboration and licensing agreements, mergers and acquisitions.	In his career spanning over 35 years with State Bank of India, has held diverse assignments in international banking, corporate finance, corporate consultancy and retail banking. Thereafter, he has also served as the Chairman and Managing Director of Export Import Bank of India, during which he furthered the mandate of the Bank of financing, facilitating and promoting India's international trade. He had served on the Board of Directors of Export Credit Guarantee Corporation of India Ltd, Mumbai; Agricultural Finance Corporation Ltd, Mumbai and Small Farmers' Agri-Business Consortium. His other affiliations include inter-alia membership of the Board of Trade, India-South Africa CEOs Forum, and the India-Africa Business Council constituted by the Government of India; Governing Council of Consultancy Development Centre, New Delhi; Governing Council of Indian Institute of Banking & Finance & Honorary Fellow of the Institute; Managing Committee of Bombay Chamber of Commerce & Industry; CII's National Council, Africa Committee and National Committee on Banking; Executive Committee of The Associated Chambers of Commerce & Industry of India; the Council of Management of the World Trade Centre, Mumbai and Emerging Markets Advisory Council of the International Institute of Finance.
Qualification	FCA	B. Com. (Hons.)	Doctor of the Science of Law, J.S.D. Degree. BA (Hons. in Economics), LLB	Masters degree in Economics, CAIB, Diploma in Corporate Law

Serial No.	(A)	(B)	(C)	(D)
	Mr. Sunil Kanoria	Mr. Hemant Kanoria	Dr. Tamal Sengupta	Mr. T. C. A. Ranganathan
List of outside Directorships held (excluding Directorships in foreign companies)	<ul style="list-style-type: none"> ■ Upper Ganges Sugar & Industries Limited ■ Srei Equipment Finance Limited ■ Viom Networks Limited ■ India Power Corporation Limited ■ Bhavah Enterprise Private Limited ■ The Associated Chambers of Commerce and Industry of India 	<ul style="list-style-type: none"> ■ Srei Capital Markets Limited ■ Srei Equipment Finance Limited ■ India Power Corporation Limited ■ Viom Networks Limited ■ Texmaco Rail & Engineering Limited ■ Bhavah Enterprise Private Limited 	<ul style="list-style-type: none"> ■ Access India Advisors Limited ■ SPE Films India Private Limited ■ TSG Legal Consulting Private Limited ■ Bally India Private Limited ■ Zodiac Media Private Limited ■ Aria Hotels And Consultancy Services Private Limited 	<ul style="list-style-type: none"> ■ IL&FS Maritime Company Limited ■ Ral Consumer Products Limited
Chairman / Member of the Committees of Board of Directors of the Company	Member – Audit Committee Member – Stakeholders Relationship Committee Member – Nomination and Remuneration Committee Chairman – Asset Liability Management Committee Member – Credit Committee Member – Investment Committee Member – Committee of Directors Member – Risk Committee Member – Corporate Social Responsibility Committee	Member – Stakeholders Relationship Committee Chairman – Committee of Directors Chairman – Investment Committee Chairman – Corporate Social Responsibility Committee Member – Risk Committee	Nil	Nil
Chairman / Member of the Committees of Board of Directors of other Public Limited Companies in which he is a Director –	3 (Chairman - 1) (India Power Corporation Limited, Srei Equipment Finance Limited (Chairman) and Viom Networks Limited)	Nil	Nil	1 (IL&FS Maritime infrastructure Company Limited)
a) Audit Committee	Nil	1 (Chairman) (India Power Corporation Limited)	Nil	Nil
b) Stakeholders' Relationship Committee	18,02,714 Equity Shares	3,80,000 Equity shares	Nil	Nil
Shareholding in the Company	Mr. Hemant Kanoria (Brother)	Mr. Sunil Kanoria (Brother)	-	-
Relationship with other Directors and KMPs	4 (Four)	4 (Four)	N.A.	N.A.
No. of Board Meetings attended during FY 2014-15 [out of 4 (Four held)]				

By Order of the Board of Directors
For **Srei Infrastructure Finance Limited**

Sandeep K. Lakhota
Sandeep Lakhota
Company Secretary
FCS 7671

Dated : May 01, 2015
Place : Kolkata

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Mr. Hemant Kanoria was initially appointed as Managing Director of the Company for a period of five years with effect from May 07, 1994 with the approval of Members of the Company in accordance with applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act. Thereafter, keeping in view the best interests of the Company he was appointed and re-appointed from time to time as mentioned below:

Particulars	Approval of Members
Re-appointed as Managing Director for 5 years w.e.f. May 07, 1999	September 26, 1998
Re-appointed as Vice Chairman and Managing Director for a period of 3 years w.e.f. May 07, 2004	August 28, 2004
Re-appointed as Vice Chairman & Managing Director for a period of 3 years w.e.f. May 07, 2007	September 25, 2007
Appointed as the Chairman of the Board of Directors of the Company w.e.f. May 14, 2008	
Re-appointed as Chairman & Managing Director of the Company for a period of 5 years w.e.f. April 01, 2010	August 09, 2010

The current term of office of Mr. Hemant Kanoria as Chairman & Managing Director expired on March 31, 2015. The remuneration paid to Mr. Kanoria during the Financial Year 2014-15 aggregates to Rs. 2.20 Crores and the details of the same have been furnished in the Corporate Governance Report.

During his term, Mr. Kanoria has rendered valuable services as Chairman & Managing Director of the Company. Under his rich experience, competence and his dynamic leadership, the Company has emerged as one of the leading Non-Banking Financial Institution (NBFI) in India and has recorded all round growth and development of the Company. Hence, considering the dedicated and meritorious services and contributions rendered by Mr. Kanoria towards developing and expanding the business operations of the Company, the Board of Directors of the Company at their meeting held on February 13, 2015 at the recommendation of Nomination and Remuneration Committee, has re-appointed him as the Chairman & Managing Director of the Company, his office being liable to retirement by rotation, on remuneration and other terms and conditions mentioned in the resolution for a further period of 5 (five) years beginning from April 01, 2015

till March 31, 2020 subject to approval of the Members of the Company and all such statutory approvals as may be required.

The Board of Directors of the Company considers that the re-appointment of Mr. Hemant Kanoria as Chairman & Managing Director of the Company for the period proposed in the resolution is in the best interests of the Company.

The Directors, therefore, recommend the Resolution to be passed as an Ordinary Resolution by the Members.

Pursuant to Section 190 of the Companies Act, 2013, a copy of the Draft Agreement proposed to be entered into between the Company and Mr. Hemant Kanoria is available for inspection by the Members of the Company at the Registered Office of the Company situated at 'Vishwakarma', 86C, Topsia Road (South), Kolkata – 700 046 between 11.00 a.m. to 1.00 p.m. on all working days except Saturday, Sunday and public holidays.

Mr. Hemant Kanoria may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own appointment and remuneration and Mr. Sunil Kanoria, being a relative (Brother) of Mr. Hemant Kanoria, may also be deemed to be concerned or interested in the proposed Resolution.

None of the other Directors or Key Managerial Personnel (KMPs) of the Company or their relatives other than Mr. Hemant Kanoria or his relatives (to the extent of their shareholding interest, if any, in the Company) are, in any way, concerned or interested, financially or otherwise, in the proposed Resolution.

Item No. 6

Dr. Tamali Sengupta has over 20 years of rich and valuable 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. Sen Gupta & Associates a corporate law practice based in New Delhi, which provides advice on corporate law, entertainment law, intellectual property, insurance, project finance, corporate governance,

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

Dr. Tamali Sengupta was appointed as an Additional Director (Category - Independent) of the Company w.e.f. May 01, 2015, 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 Dr. Sengupta, and considering the best interests of the Company, it is proposed to appoint her as an Independent Director of the Company for a period of 5 (five) consecutive years from the ensuing AGM of the Company.

The Company has received from Dr. Tamali Sengupta (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 she is not disqualified under Section 164(2) of the Companies Act, 2013, (iii) a declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, as well as Clause 49 of the Listing Agreement with the Stock Exchanges, and (iv) 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, Dr. Tamali Sengupta fulfils the conditions specified in Clause 49 of the Listing Agreement with the Stock Exchanges, the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Dr. Sengupta as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the AGM and can also be viewed on the website of the Company www.srei.com.

The Directors, therefore, recommend the Resolution to be passed as an Ordinary Resolution by the Members.

Dr. Tamali Sengupta and her relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to her own appointment.

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. 7

Mr. T. C. A. Ranganathan holds a Masters degree in Economics from Delhi School of Economics and Diploma in Corporate Law, and has attended Executive Development Programs at Wharton School of Business, University of Pennsylvania and IIM, Lucknow. Mr. T. C. A. Ranganathan in his career spanning over 35 years with State Bank of India, has held diverse assignments in international banking, corporate finance, corporate consultancy, and retail banking. Thereafter, he also served as the Chairman and Managing Director of Export Import Bank of India, during which he furthered the mandate of the Bank of financing, facilitating and promoting India's international trade.

He had served on the Board of Directors of Export Credit Guarantee Corporation of India Ltd, Mumbai; Agricultural Finance Corporation Ltd, Mumbai and Small Farmers' Agri-Business Consortium. He was also a member of the Board of Trade, India-South Africa CEOs Forum, and the India-Africa Business Council constituted by the Government of India; Governing Council of Consultancy Development Centre, New Delhi; Governing Council of Indian Institute of Banking & Finance & Honorary Fellow of the Institute; Managing Committee of Bombay Chamber of Commerce & Industry; CII's National Council, Africa Committee and National Committee on Banking; Executive Committee of The Associated Chambers of Commerce & Industry of India; the Council of Management of the World Trade Centre, Mumbai and Emerging Markets Advisory Council of the International Institute of Finance.

Mr. T. C. A. Ranganathan was appointed as an Additional Director (Category - Independent) of the Company w.e.f. May 01, 2015, 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. Ranganathan, and considering the best interests of the Company, it is proposed to appoint him as an Independent Director of the Company for a period of 5 (five) consecutive

years from the ensuing AGM of the Company.

The Company has received from Mr. Ranganathan (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013, (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, as well as Clause 49 of the Listing Agreement with the Stock Exchanges, and (iv) 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. Ranganathan fulfils the conditions specified in Clause 49 of the Listing Agreement with the Stock Exchanges, the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Ranganathan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the AGM and can also be viewed on the website of the Company www.srei.com.

The Directors, therefore, recommend the Resolution to be passed as an Ordinary Resolution by the Members.

Mr. T. C. A. Ranganathan 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. 8

Sahaj e-Village Limited ('Sahaj') is an Associate company of Srei Infrastructure Finance Limited ('Srei') and is dedicated to the cause of financial inclusion. The activities carried out by Sahaj include IT enabled Services including e-learning business and financial service business. It is aimed at bridging the digital divide between urban and rural India by nurturing and developing the sense of entrepreneurship

among common citizens. The Company wants to continue contributing to Sahaj to support Sahaj in its cause of financial inclusion.

Sahaj, being an Associate company, is a related party in accordance with Section 2(76) of the Companies Act, 2013 as well as the Accounting Standards (AS) 18.

The provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 exempts any transactions entered into by the Company in its ordinary course of business and at arm's length.

However, revised Clause 49 of the Listing Agreement with the Stock Exchanges, which became effective from October 01, 2014, provides that material related party transaction, i.e. a transaction to be entered into which individually or together with previous transactions in a given financial year with a related party exceeds 10% (ten per cent) of the annual consolidated turnover as per the last audited financial statements of the Company, must be approved by the Members of the Company by a special resolution.

Further, all existing material related party transactions which are likely to continue beyond March 31, 2015 shall be placed for approval of the Members in the first General Meeting subsequent to October 01, 2014.

The annual consolidated turnover of the Company as per the last audited financial statements for the financial year 2013-14, aggregates to Rs. 3260.30 Crores. As such, the transactions with Sahaj, during the financial year 2014-15, are material, exceeding the threshold limit pursuant to Clause 49 of the Listing Agreement.

The transactions entered with Sahaj, during the financial year 2014-15, were placed before the Audit Committee every quarter for their review and recommendation to the Board. The Audit Committee has reviewed and recommended all the transactions entered with Sahaj to the Board of Directors for their approval at their meetings held during the year 2014-15. Further, approval of Members is being sought for the existing material related party transactions with Sahaj, continuing beyond March 31, 2015.

Further, currently, it cannot be ascertained if the transactions to be entered in the consecutive Financial years beginning 2015-16, would exceed the threshold of 10% (ten per cent) of annual consolidated turnover as per the latest audited financial results of the respective years. The approval of the Members is being sought for the transactions to be entered

into and carried out with Sahaj, from time to time, for each of the consecutive financial years beginning 2015-16, within a threshold limit of Rs. 500 Crores (Rupees Five Hundred Crores) for each financial year, as a matter of abundant precaution.

Further, Clause 49 of the Listing Agreement requires all entities falling under the definition of related party to abstain from voting irrespective of whether the entity is a party to the transaction or not.

In light of the above provisions and based on the recommendations of the Audit Committee, the Board of Directors of the Company has proposed the above resolution as a Special Resolution for approval of the Members of the Company. Disclosures as required under the Companies Act, 2013 and Listing Agreement with the Stock Exchanges are given herein below for perusal of the Members:

Name of the Related Party with whom the transaction is being entered into	Nature of Relationship	Name and nature of relationship of Directors or Key Managerial Personnel who is related
Sahaj e-Village Limited (Sahaj)	Associate Company as per Sec 2(76)(viii) and Clause 49(VII) (B) of the Listing Agreement.	Mr. Shyamalendu Chatterjee is a common Independent Director in both the Companies holding Nil shares in either of the Companies.

Details of the Material Related Party Transactions entered into with Sahaj, during the Financial Year 2014-15:

Nature of the Transaction	Monetary Value of the Transaction (Rs. in Lacs)	Material Terms of the Transactions
Loan Advanced	6,093	At arm's length basis on terms and conditions as mutually agreed between the Company and Sahaj.
Rent Received	125	
Purchase of Services (Excluding Service Tax)	417	
Purchase of Receivables Outstanding	12,333	
Balance Receivable-Loan	20,937	
Balance Receivable-Others	1,036	
Balance Receivable-Interest accrued but not due (Net of TDS)	56	
Balance Payable-Purchase of Services	489	
Balance Payable-Security Deposit	2	

Nature of the Transaction	Monetary Value of the Transaction (Rs. in Lacs)	Material Terms of the Transactions
Corporate Guarantee (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. 1,059 Lacs (previous year Rs. 989 Lacs))	1,059	
Guarantee in the form of Put option to Bank against Loan facility (Put Option Amount - Rs. 6,000 Lacs (previous year – Rs. 6,000 Lacs), liability to the extent of outstanding loan and accrued interest - Rs. 3,000 Lacs (previous year – Rs. 5,000 Lacs))	3,000	
Commitment against credit facility from Bank (Commitment Amount - Rs. 1,380 Lacs, liability to the extent of outstanding facility and accrued interest - Rs. 1,019 Lacs)	1,019	

Details of the Prospective Material Related Party Transactions to be entered into with Sahaj:

Nature of the Transaction	Monetary Value of the Transaction (Rs. in Crores)	Material Terms of the Transactions
Financial Arrangement in the form of Loans, Corporate Guarantees, Purchase of Services, Rent etc.	Not Exceeding Rs. 500 crores during a year.	On terms and conditions mutually agreed upon between the Company and Sahaj.

The Directors, therefore, recommend the Resolution to be passed as a Special Resolution by the Members.

Except Mr. Shyamalendu Chatterjee, to the extent of being a common Independent Director in both the Company and Sahaj, 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.

Item No. 9

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.

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.

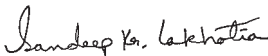
Accordingly, it is proposed to offer or invite subscriptions for non-convertible debt securities on private placement basis, in one or more tranches, during the period of 1 (one) year from the date of passing of the Special Resolution by the Members, within the overall borrowing limits of the Company.

The Directors, therefore, recommend the Resolution to be passed as a Special Resolution by the Members.

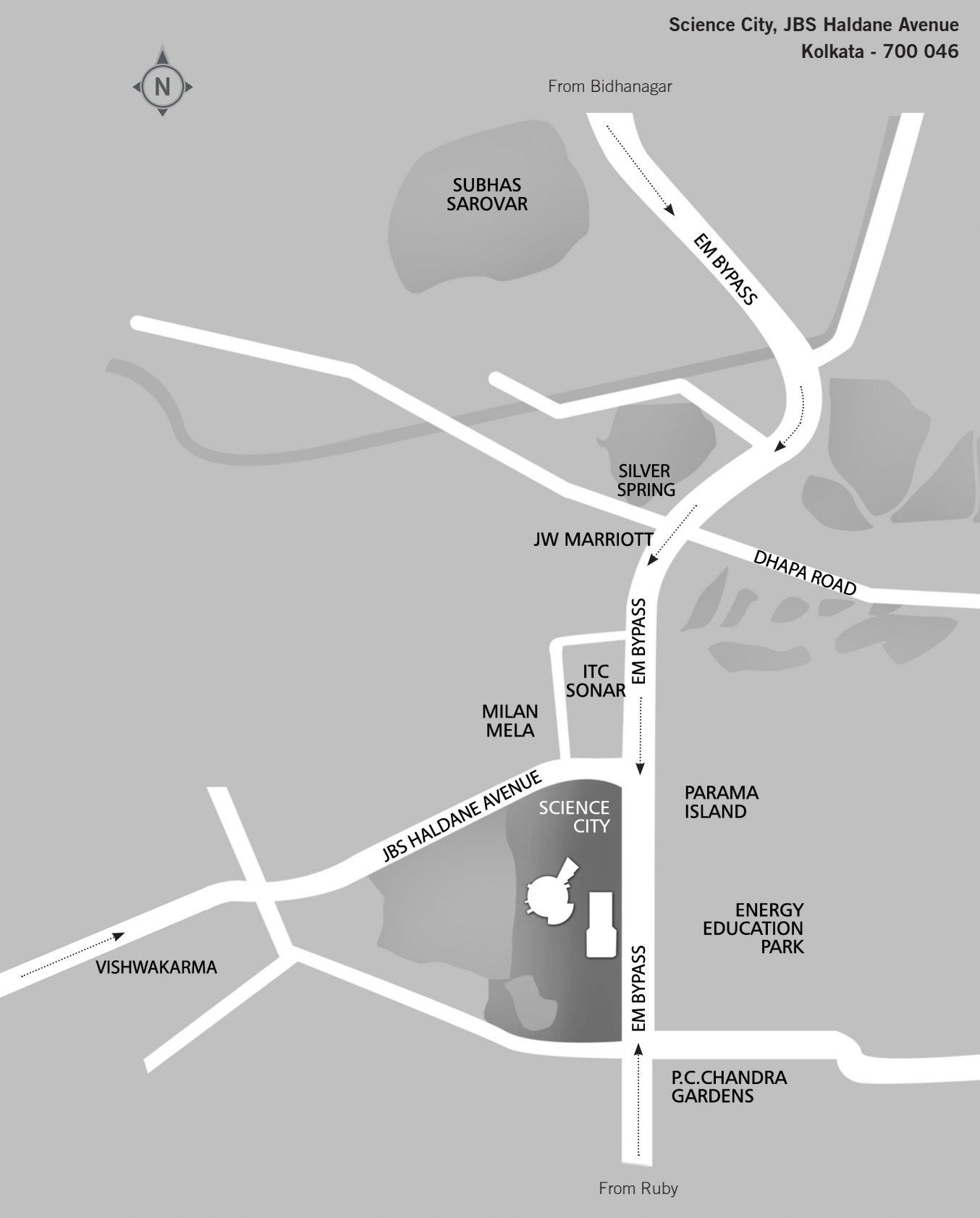
None of the Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution.

Dated : May 01, 2015
Place : Kolkata

By Order of the Board of Directors
For **Srei Infrastructure Finance Limited**


Sandeep Lakhota
Company Secretary
FCS 7671

Route map to the venue of the 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 **Thirtieth Annual General Meeting** of the Company, to be held on Saturday, August 01, 2015 at 10.30 a.m. at the Science City Main 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. 3)	
		For	Against
Ordinary Business			
1.	Adoption of - a. The Standalone Financial Statement of the Company for the year ended March 31, 2015, and the report of the Directors and Auditors thereon. b. The Consolidated Financial Statement of the Company for the year ended March 31, 2015, and the report of the Auditors thereon.		
2.	Declaration of Dividend for the financial year ended March 31, 2015.		
3.	Appointment of a Director in place of Mr. Sunil Kanoria (holding DIN 00421564), who retires by rotation and being eligible, seeks re-appointment.		
4.	Re-appointment of Haribhakti & Co. LLP as Statutory Auditors.		
Special Business			
5.	Re-Appointment of Mr. Hemant Kanoria (holding DIN 00193015) as the Chairman & Managing Director (CMD).		
6.	Appointment of Dr. Tamali Sengupta (holding DIN 00358658) as an Independent Director.		
7.	Appointment of Mr. T. C. A. Ranganathan (holding DIN 03091352) as an Independent Director.		
8.	Approval of Related Party Transactions with Sahaj e-Village Limited.		
9.	Issuance of Non - Convertible Debt Securities (NCDs) upto Rs. 10,000 Crores on private placement basis.		

Signed this day of 2015.

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. Any alteration or correction made to this Proxy form must be initialled by the signatory / signatories.
3. 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 **Thirtieth Annual General Meeting** of the Company on Saturday, August 01, 2015 at 10.30 a.m. at the Science City Main Auditorium, JBS Haldane Avenue, Kolkata - 700 046.

Full name of Member/Proxy _____

(IN BLOCK LETTERS)

Signature of the Member/Proxy

Note:

- Special assistance is available to differently abled Members upon request in advance.

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD

The remote e-voting facility will be available during the following period:

Commencement of Remote e-voting	End of Remote e-voting
From 9.00 a.m. (IST) on July 29, 2015	Upto 5.00 p.m. (IST) on July 31, 2015

The cut-off date for the purpose of remote e-voting, ballot form & voting at the AGM is Saturday, July 25, 2015.

**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

BALLOT FORM

[Pursuant to Clause 35B of the Listing Agreement]

Sl. No.	Particulars	Details
1.	Name and Postal address of the First Named Member (In Block Letters)	
2.	Name of the Joint Holders, if any (In Block Letters)	
3.	Registered Folio No. / DP ID No. / Client ID * (*Applicable for shares held in dematerialized form)	
4.	No. of Equity Shares held	

I/We hereby exercise my/our vote in respect of Ordinary/Special resolutions enumerated below to be passed at the Thirtieth Annual General Meeting of the Company to be held on August 01, 2015 by conveying my/our assent or dissent to the said resolutions by placing the tick (✓) mark in the appropriate box below:

Item No.	Description	No. of shares	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1.	Adoption of - a. The Standalone Financial Statement of the Company for the year ended March 31, 2015, and the report of the Directors and Auditors thereon. b. The Consolidated Financial Statement of the Company for the year ended March 31, 2015, and the report of the Auditors thereon.			
2.	Declaration of Dividend for the financial year ended March 31, 2015.			
3.	Appointment of a Director in place of Mr. Sunil Kanoria (holding DIN 00421564), who retires by rotation and being eligible, seeks re-appointment.			
4.	Re-appointment of Haribhakti & Co. LLP as Statutory Auditors.			
5.	Re-appointment of Mr. Hemant Kanoria (holding DIN 00193015) as the Chairman & Managing Director (CMD).			
6.	Appointment of Dr. Tamali Sengupta (holding DIN 00358658) as an Independent Director.			
7.	Appointment of Mr. T. C. A. Ranganathan (holding DIN 03091352) as an Independent Director.			
8.	Approval of Related Party Transactions with Sahaj-e-Village Limited.			
9.	Issuance of Non - Convertible Debt Securities (NCDs) upto Rs. 10,000 Crores on private placement basis.			

Place:

Date:

(Signature of the Member)

Notes: a) Please read the instructions overleaf before exercising your vote through Ballot Form.
b) If you opt to cast vote by e-voting, there is no need to fill up and sign this Ballot Form.
c) Last date for the receipt of Ballot Form by Scrutinizer is Friday, July 31, 2015 (5.00 p.m. IST).

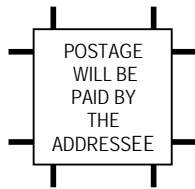
INSTRUCTIONS

I. General Instructions

1. A Member can opt for only one mode of voting i.e, either through e-voting or by Ballot Form. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot Form shall be treated as invalid.
2. Instructions for voting electronically through e-voting process has been mentioned in detail in the Notice of the Thirtieth Annual General Meeting of the Company and instruction for voting through Ballot Form is mentioned as hereunder.
3. Dr. K. R. Chandratre, Practicing Company Secretary, (FCS No. 1370, CP No. 5144) has been appointed as the Scrutinizer to scrutinize the e-voting process (both remote e-voting and voting at the AGM through Insta Poll) in a fair and transparent manner.

II. Instruction for voting physically on Ballot Form

1. A Member desiring to exercise vote by Ballot should complete this Ballot Form (no other form or photocopy thereof is permitted to be used for the purpose) and send it to the Scrutinizer in the enclosed self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing Ballot Forms, if deposited in person or sent at the expense of the Member will also be accepted. The Members residing outside India should stamp the envelopes appropriately.
2. The self-addressed envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
3. Assent/Dissent to the proposed resolutions may be recorded by placing a tick (✓) in appropriate column. The assent/dissent in any other format shall be considered invalid.
4. This Form should be completed and signed by the Member(s) as per specimen signature(s) registered with the Company or with the Depository Participant as the case may be. In case of joint shareholding, this Form should be completed and signed by the first named Member and in his absence, the next named Member.
5. Please note that Ballot Form shall not be signed by proxy.
6. Incomplete, unsigned, improperly and incorrectly tick marked Ballot Forms will be rejected. Members are requested to fill in the Ballot Form in indelible ink and not in any erasable writing mode. The Scrutinizer's decision on the validity of the Ballot Form shall be final.
7. Duly completed Ballot Form should reach the Scrutinizer not later than the close of working hours on Friday, July 31, 2015 (5.00 p.m. IST). All Ballot Forms received after this date will be strictly treated as if reply from such Member(s) has not been received.
8. In case of shares held by companies, trusts, societies, etc., the duly completed Ballot Form should be accompanied by a certified true copy of Board Resolution/Authority.
9. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Member(s) on Saturday, July 25, 2015.
10. Members are requested not to send any document (other than the Resolution /Authority as mentioned above) alongwith the Ballot Form in the enclosed self-addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and if any extraneous matter is found in such envelope, the same would be destroyed by the Scrutinizer.
11. A Member may request duplicate Ballot Form, if so required, by writing to the Company at its Registered Office or by sending an email on investor.relations@srei.com by mentioning their Folio No./DP ID and Client ID. However, the duly filled in duplicate Ballot Form should reach the scrutinizer not later than Friday, July 31, 2015 (5.00 p.m. IST).
12. Ballot Form received by fax will be rejected as if reply from the shareholder has not been received unless the original Ballot Form is received within prescribed time period.
13. The results shall be declared on or after the Thirtieth Annual General Meeting of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.srei.com and on the website of Karvy within 3 (three) days of the passing of the resolutions at the Thirtieth Annual General Meeting of the Company on August 01, 2015 and communicated to the Stock Exchanges.



BUSINESS REPLY ENVELOPE

B. R. Permit No. EC – 91/14
G. K. Road P.O., Kolkata - 700 046



To,
Dr. K. R. Chandratre
The Scrutiniser
C/o Srei Infrastructure Finance Limited
'Vishwakarma'
86C, Topsia Road (South)
Kolkata - 700 046