Prospectus
Dated March 31, 2015

SREI EQUIPMENT FINANCE LIMITED

*Our Company was originally incorporated as Srei Infrastructure Development Limited in Kolkata, West Bengal with the Registrar of Companies, West Bengal as a public limited Company on June 13, 2006. Our Company's name was changed to Srei Infrastructure Development Finance Limited on April 16, 2007 and further changed to Srei Infrastructure Development Finance Private Limited with effect from September 28, 2007. The name of our Company was further changed to Srei Equipment Finance Private Limited with effect from May 30, 2008. Pursuant to a special resolution passed by the shareholders of our Company at the Extra Ordinary General Meeting held on October 28, 2013, our Company was converted into a Public Limited Company and subsequently the name of our Company was changed to its existing name Srei Equipment Finance Limited vide fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated November 1, 2013. Our Company is registered as a Non-Banking Financial Company under section 45 (1A) of the Reserve Bank of India Act, 1934. For details regarding change in the registered office see "**History and Main Objects**" on page 181 of this Prospectus.*

Registered Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata 700 046; **Tel**: +91 33 6639 4700; **Fax**: +91 33 22857542;
Corporate Office: 7th Floor, OLISA House, No. 4, Government Place (North), Kolkata 700 001;
Head Office: Plot No Y-10, Block EP, Sector-V, Salt Lake City, Kolkata-700091; **Tel**: +91 33 6160 7734; **Fax**: +91 33 6602 2600;
Website: http://www.srei.com/our_group_srei_paribas.aspx; **Corporate Identification No**: U70101WB2006PLC109898
Compliance Officer to the Issue: Mr. C. R. Sudharsanam, Chief Financial Officer, **Phone:** +91 33 6160 7734; **Toll Free No.:**18004197734;
Fax: +91 33 6602 2600, **Email-id:** sreibnpncd@srei.com

PUBLIC ISSUE BY SREI EQUIPMENT FINANCE LIMITED (THE "COMPANY" OR THE "ISSUER") OF 2,500,000 SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000/- EACH (THE "DEBENTURES" OR THE "NCDS"), FOR AN AMOUNT UPTO ₹2500,000,000 (RUPEES TWO THOUSAND AND FIVE HUNDRED MILLION) ("BASE ISSUE") WITH AN OPTION TO RETAIN OVER SUBSCRIPTION UPTO ADDITIONAL 2,500,000 NCDS OF ₹1,000/- EACH ,FOR AN AMOUNT UPTO ₹2500,000,000 (RUPEES TWO THOUSAND AND FIVE HUNDRED MILLION) AGGREGATING TO ₹5000,000,000 (RUPEES FIVE THOUSAND MILLION) ("OVERALL ISSUE SIZE") (HEREINAFTER REFERRED TO AS THE "ISSUE")

The Issue is being made pursuant to the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "**Debt Regulations**").

PROMOTERS: SREI INFRASTRUCTURE FINANCE LIMITED AND BNP PARIBAS LEASE GROUP

For details of our Promoters, please see "**Our Promoters**" on page 105 of this Prospectus.

GENERAL RISK

Investors are advised to read the section titled "***Risk Factors***" carefully before taking an investment decision in this Issue. For the purposes of taking an investment decision, investors must rely on their own examination of the Issuer and of the Issue, including the risks involved. Specific attention of the investors is invited to the section titled "***Risk Factors***" starting on page no. 14 of this Prospectus before making an investment in this Issue. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any registrar of companies or any stock exchange in India.

COUPON RATE, COUPON PAYMENT FREQUENCY, MATURITY DATE, MATURITY AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, attention of the investors is invited to the section titled "***Terms of the Issue***" starting on page no. 149 of this Prospectus. For details relating to eligible investors please see "***The Issue***" on page 42 of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other material facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATINGS

The NCDs proposed to be issued under this Issue have been rated 'CARE AA (Double AA)' by Credit Analysis &Research Limited ("CARE") pursuant to letters dated March 11, 2015 and March 30, 2015 and "BWR AA" (BWR Double A) (Outlook Stable) by Brickwork Ratings India Private Limited ("BRICKWORK") pursuant to letter dated June 20, 2014 and revalidated by letter dated March 11, 2015 . Instruments with a rating of 'CARE AA (Double AA)' by CARE and 'BWR AA" (BWR Double A) (Outlook Stable) by BRICKWORK are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. The rating provided by CARE and BRICKWORK may be suspended, withdrawn or revised at any time by the assigning rating agency on the basis of new information etc., and should be evaluated independently of any other rating. The rating is not a recommendation to buy, sell or hold securities and investors should take their own investment decisions. Please refer to the **Annexure - I** of this Prospectus for the rationale of the above ratings.

PUBLIC COMMENTS

The Draft Prospectus has been filed with BSE Limited (the "BSE") and the National Stock Exchange of India Limited (the "NSE") pursuant to regulation 6A, 6(1) and 6(2)of the Debt Regulations.and was open for public comments.for a period of seven Working Days until 5 p.m. on March 30, 2105

LISTING

The NCDs offered through this Prospectus are proposed to be listed on BSE and NSE. Our Company has applied to BSE and NSE for 'in-principle' approval for the Issue and BSE and NSE have granted their in-principle approval vide their letters ref no. DCS/RK//PK-Bond/25/14-15 dated March 30, 2015 and ref no. NSE/LIST/20415 dated March 30, 2015 respectively. For the purposes of this Issue, BSE shall be the Designated Stock Exchange.

LEAD MANAGERS TO THS ISSUE		DEBENTURE TRUSTEE	REGISTRAR TO THE ISSUE
Edelweiss Financial Services Limited Edelweiss House Off CST Road, Kalina Mumbai 400 098 Tel: +91 22 4086 3535 Fax: +91 22 4086 3610 Email: sreibnpncd@edelweissfin.com Investor Grievance Email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Mr Lokesh Singhi Compliance Officer: Mr. B Renganathan SEBI Registration No.: INM0000010650 CIN:L99999MH1995PLC094941	**Srei Capital Markets Limited*** 'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046 Tel: +91 33 6602 3845 Fax: +91 33 6602 3861 Email: capital@srei.com Investor Grievance E mail: scmlinvestors@srei.com Website: www.srei.com Contact Person: Mr Manoj Agarwal Compliance Officer: Mr Manoj Agarwal SEBI Registration No.: INM000003762 CIN : U67190WB1998PLC087155	**Axis Trustee Services Limited** 2nd Floor, E-Wing, Axis House, Bombay Dyeing Mills Compound Pandurang Budhkar Marg, Worli Mumbai 400 025 Tel: +91 22 2425 5206 Fax: +91 22 2425 4200 Email: debenturetrustee@axistrustee.com Investor Grievance Email : complaints@axistrustee.com Website:www.axistrustee.com Contact Person: Mr Jayendra Prasad Shetty , Chief Operating Officer Compliance Officer: Mr D J Bora SEBI Registration No.: IND000000494 CIN : U74999MH2008PLC182264	**Karvy Computershare Private Limited** Plot No. 17 to 24, Vithalrao Nagar Madhapur, Hyderabad 500 081 Tel: +91 40 4465 5000 Fax: +91 40 2343 1551 Email: einward.ris@karvy.com Investor Grievance Email: sreiequip.ncdipo@karvy.com Website: www.karisma.karvy.com Contact Person: Mr M. Murali Krishna Compliance Officer: Mr Rakesh Santhalia SEBI Registration No.: INR000000221 CIN: U74140TG2003PTC041636

**Srei Capital Markets Limited is a wholly owned subsidiary of Srei Infrastructure Finance Limited, which is one of the Promoters of the Company and shall only be involved in marketing of the Issue.*

ISSUE OPENS ON:	April 09, 2015	ISSUE CLOSES ON:	April 30, 2015#

*# The Issue shall remain open for subscription from 10 A.M. to 5 P.M. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board/ Executive Committee of Directors, as the case maybe, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through advertisements in a leading national daily newspaper on or before such earlier date of Issue Closure or initial date of Issue closure, as the case may be. For further details please refer to "**General Information**" on page 32 of this Prospectus*

Axis Trustee Services Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated March 11, 2015 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

*A copy of the Prospectus shall be filed with the Registrar of Companies, West Bengal ("**RoC**") in terms of section 26 of the Companies Act, 2013 ("**Companies Act 2013**"), along with the requisite endorsed/certified copies of all requisite documents. For further details please refer to the section titled "**Material Contracts and Documents for Inspection**" beginning on page no.230 of this Prospectus.*

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SECTION I: GENERAL

DEFINITIONS & ABBREVIATIONS

CONVENTIONAL / GENERAL TERMS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context indicates or implies otherwise, have the meaning as provided below. References to any legislation, act or regulation shall be to such term as amended from time to time.

Term	Description
AGM	Annual General Meeting
AS	Accounting Standard
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Companies Act 1956 / Act	The Companies Act, 1956, as amended or replaced
Companies Act 2013/ Act 2013	The Companies Act, 2013 to the extent notified by the MCA and in force as of the date of this Prospectus
Competition Act	Competition Act, 2002, as amended
CPC	Civil Procedure Code, 1908
CrPC	Code of Criminal Procedure, 1973
Debt Regulations / SEBI Debt Regulations	SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time
Depositories Act	Depositories Act, 1996, as amended
DIN	Director's Identification Number
DRR	Debenture Redemption Reserve
ECB	External Commercial Borrowings
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time
FERA	Foreign Exchange Regulation Act, 1973
FII/FII (s)	Foreign Institutional Investor(s) (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI which term shall include the Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as registered with SEBI.
FPI	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
FIPB	Foreign Investment Promotion Board
Financial Year / FY/ Fiscal Year	Financial Year ending March 31
GDP	Gross Domestic Product
GIR	General Index Registration Number
G-Sec	Government Securities
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
IPC	Indian Penal Code, 1860
IRDA	Insurance Regulatory and Development Authority
I.T. Act / Income Tax Act	Income Tax Act, 1961, as amended
Mn/Mio	Million
MCA	Ministry of Corporate Affairs, Government of India
MNC	Multi-National Corporation / Company
N.A.	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing System

Term	Description
NEFT	National Electronic Fund Transfer
N.I. Act	Negotiable Instruments Act, 1881
NII(s)	Non-Institutional Investor(s)
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
PSSA	Payment and Settlement Systems Act, 2007
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
ROC	Registrar of Companies, West Bengal
₹ / Rs / INR / Rupees	The lawful currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
TDS	Tax Deducted at Source

COMPANY / INDUSTRY RELATED TERMS

Term	**Description**
"Issuer", "SEFL", "the Company", "we", "us", and "our Company"	Srei Equipment Finance Limited, a Company incorporated under the Companies Act 1956 and registered as a Non-Banking Financial Company within the meaning of Reserve Bank of India Act, 1934, having its Registered Office at 'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046
AFC	Asset Finance Company
ALM	Asset Liability Management
Articles / Articles of Association / AOA	Articles of Association of the Issuer, as amended
Auditors / Statutory Auditors	Deloitte Haskins & Sells, Chartered Accountants, the statutory auditors of our Company
Board / Board of Directors	The Board of Directors of the Issuer
BPLG	Means BNP Paribas Lease Group, one of the promoters of our Company
CC	Underwriting and Credit Committee and Receivable Management Committee
Committee of Directors	Executive Committee of Directors of the Issuer
CAR	Capital Adequacy Ratio
CIC	Core Investment Company
CP	Commercial Paper
CRAR	Capital-to-Risk-Weighted Assets Ratio
Earning Assets	Assets under financing activities and assets given on operating lease
Exposure	Exposure includes credit exposure (funded and non-funded credit limits) and investment exposure.
Equity Shares	Equity shares of face value of ₹10 each of our Company
FIMMDA	Fixed Income, Money Markets and Derivatives Association
Financial Statements	Includes (i) Re-formatted standalone statement of assets and liabilities, Reformatted standalone statement of profit and loss and Re-formatted standalone statement of cash flow as at or for the years ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010 and six months ended September 30, 2014 derived from the audited financial statements of the respective years/period and (ii) Limited review for the period ended December 31, 2014
IDF-NBFC	Infrastructure Debt Fund- Non- Banking Financial Company
LC	Loan Company
IFC	'Infrastructure Finance Company', as defined under applicable RBI

Term	Description
	guidelines
KYC	Know Your Customer
Memorandum / MOA	Memorandum of Association of the Issuer, as amended
NBFC	Non-Banking Financial Company as defined under Section 45-I(f) of the RBI Act, 1934
NBFC-MFI	Non-Banking Financial Company - Micro Finance Institution
NBFC-ND-SI	Systemically Important Non-Deposit Taking NBFC
Net worth	As per Sec 2(57) of the Companies Act, 2013, Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation
NPA	Non-Performing Asset
NRI	Non Resident Indian
Portfolio	Our aggregate outstanding loans and advances
PFI	Public Financial Institution as defined under Section 2(72) of the Companies Act 2013
Promoter / our Promoter	The Promoter of our Company, being Srei Infrastructure Finance Limited and BNP Paribas Lease Group
Registered Office	'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046
RC	Risk Committee of the Board
Srei Infra	Means Srei Infrastructure Finance Limited, one of the promoters of our Company
Senior Debt/ Senior Loans	Debt secured by exclusive charge or first charge
USD	United States Dollar, the official currency of the United States of America
WCDL	Working Capital Demand Loan

ISSUE RELATED TERMS

Term	Description
Allotment / Allotted / Allot	Unless the context otherwise requires, the issue and allotment of the NCDs pursuant to the Issue to the Allottees
Allottee(s)	The successful Applicant to whom the NCDs are being / have been Allotted pursuant to the Issue, either in full or in part.
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Applicant(s) / Investor(s)	A person who makes an offer to subscribe to the NCDs pursuant to the terms of the Prospectus and Application Form for the Issue
Application	An application to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the Prospectus
Application Amount	Shall mean the amount of money that is paid by the Applicant while making the Application in the Issue by way of a cheque or demand draft or the amount blocked in the ASBA Account
Application Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the Direct Online Application, ASBA or non-ASBA process and which will be considered as the Application for Allotment of NCDs in terms of the Prospectus
Application Supported by Blocked Amount/ ASBA/ ASBA Application	The Application (whether physical or electronic) used by an ASBA Applicant to make an Application authorizing the SCSB to block the amount payable on Application in its specified bank account maintained with such SCSB.
ASBA Account	An account maintained by an ASBA Applicant with a SCSB which will be blocked by such SCSB to the extent of the Application Amount in relation to the Application Form made in ASBA mode.
ASBA Applicant	Any Applicant who applies for the NCDs through the ASBA Process

Term	Description
Banker(s) to the Issue/ Escrow Collection Banks	The bank(s), which are clearing members and registered with SEBI as bankers to the Issue with whom Escrow Accounts and/or Public Issue Accounts and/or Refund Accounts will be opened
Base Issue	Public Issue of NCDs by our Company aggregating upto ₹ 2500 million
Basis of Allotment	The basis on which NCDs will be allotted to successful Applicants under the Issue and which is described in "***Terms of the Issue – Basis of Allotment***" on page no. 150 of this Prospectus.
BRICKWORK	Brickwork Ratings India Private Limited
CARE	Credit Analysis & Research Limited
Category I Persons	Shall mean persons who are Institutional Investors.
Category II Persons	Shall mean persons who are Non-Institutional Investors.
Category III Persons	Shall mean persons who are Individual Category Investors.
Credit Rating Agencies	CARE and BRICKWORK
Collection Centres	Collection Centres shall mean those branches of the Bankers to the Issue/ Escrow Collection Banks that are authorized to collect the Application Forms (other than ASBA) as per the Escrow Agreement.
Consolidated NCD Certificate	The certificate that shall be issued by the Company to the NCD Holder for the aggregate amount of the NCDs that are allotted to the NCD Holder in physical form for the aggregate amount of NCDs as allotted to the NCD Holder or issued upon rematerialisation of NCDs held in dematerialised form.
Debentures / NCDs	Secured, Redeemable, Non-Convertible Debentures of face value ₹1,000/- each aggregating upto ₹ 5000 million to be issued by our Company pursuant to the Prospectus
Debenture Holder (s) / NCD Holder(s)	The holders of the NCDs whose name appears in the database of the Depository (in case of NCDs in the dematerialized form) and/or the register of NCD Holders maintained by our Company (in case of NCDs held in the physical form).
Debenture Trust Deed	Trust deed to be entered into between the Debenture Trustee and the Company which shall be executed within the time limit prescribed by applicable statutory and/or regulatory requirements, for creating appropriate security, in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs and the interest due thereon issued pursuant to the Issue.
Debenture Trusteeship Agreement	Agreement dated March 13, 2015 entered into between the Debenture Trustee and the Company wherein the appointment of the Debenture Trustee to the Issue, is agreed as between our Company and the Debenture Trustee, and the time frame within which appropriate security for ensuring 100% asset cover for the NCDs and the interest due thereon issued pursuant to the Issue are created in favour of the Debenture Trustee
Debt Listing Agreement	The listing agreement between our Company and the Stock Exchange(s) in connection with the listing of debt securities of our Company.
Deemed Date of Allotment	The Deemed Date of Allotment for the NCDs shall be the date on which the Board of Directors or duly authorized committee thereof approves the allotment of NCDs or such date as may be determined by the Board of our Company and/or a duly authorized committee thereof and notified to the Stock Exchange. All benefits under the NCDs including payment of interest will accrue to the NCD Holders from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.
Demographic Details	Details of the investor such as address, occupation, category, Permanent Account Number and bank account details for printing on refund orders, which are based on the details provided by the Applicant in the Application Form.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository(ies)	National Securities Depository Limited and /or Central Depository Services (India) Limited

Term	Description
Direct Online Application	The Application made using the online interface and online payment facility of the Stock Exchanges, as applicable. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the Issue in dematerialized form
DP / Depository Participant	A depository participant as defined under the Depositories Act
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at http://www.sebi.gov.in or such other website as may be prescribed by the SEBI from time to time.
Designated Date	The date on which the Application Amounts are transferred from the Escrow Account(s) to the Public Issue Account or the Refund Account, as appropriate, the amount blocked by the SCSBs is transferred from the ASBA Accounts specified by the ASBA Applicants to the Public Issue Account, as the case may be, following which the Board approves the Allotment of the NCDs, provided that Application Amounts received will be kept in the Escrow Account(s) up to this date and our Company will have access to such funds only after creation of adequate security for the NCDs.
Designated Stock Exchange / DSE	BSE Limited
Draft Prospectus	The Draft Prospectus dated March 19, 2015 filed by our Company with the Stock Exchange for receiving public comments, in accordance with the provisions of the Act, Act 2013 and the Debt Regulations.
Edelweiss	Edelweiss Financial Services Limited
Escrow Agreement	Agreement dated March 27, 2015 entered into amongst our Company, the Registrar, the Escrow Collection Bank(s), Lead Managers for collection of the Application Amounts (other than by ASBA Applicants) and for remitting refunds, if any, of the amounts collected, to the Applicants on the terms and conditions contained thereof.
Escrow Account(s)	Accounts opened in connection with the Issue with the Escrow Collection Bank(s) and in whose favour the Applicants (other than ASBA Applicants) will issue cheques or bank drafts in respect of the Application Amount while submitting the Application.
Individual Category	Category III Persons which includes: • Resident Indian individuals; and • Hindu undivided families through the karta
Interest/Coupon Payment Date	For NCDs subscribed, in respect to Series I, Series IV and Series VII, where the interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till last day of every month during the tenor of such NCDs, and paid on the first day of every subsequent month. For the first interest payment for NCDs under the monthly options, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month. For NCDs subscribed, in respect to Series II, Series V, Series VIII and Series IX where the interest is to be paid on an annual basis, relevant interest will be made on April 1st every year for the amount outstanding. The first interest payment will be made on April 1, 2016 for the period commencing from the Deemed Date of Allotment till March 31, 2016. The last interest payment will be made at the time of maturity of the NCD on a pro rata basis.

Term	Description
Institutional Investor(s)	Category I Persons which includes: • Public financial institutions, statutory corporations, commercial banks, co-operative banks and regional rural banks, which are authorized to invest in the NCDs; • Provident funds, pension funds, superannuation funds and gratuity fund, which are authorized to invest in the NCDs; • Venture capital funds and / or alternative investment funds registered with SEBI; • Insurance companies registered with the IRDA; • National investment fund; • Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India; • State industrial development corporations; and • Mutual funds registered with SEBI.
Institutional Portion	Applications received from Institutional Investors grouped together across all Series of NCDs, as specified in the Prospectus
Issue/Issue size	Public Issue of Secured, Redeemable Non-Convertible Debentures of our Company aggregating upto ₹ 2,500 million with an option to retain over-subscription upto ₹ 2,500 million aggregating to a total of upto ₹ 5,000 million
Issue Agreement	The issue agreement dated March 16, 2015 entered into between the Company and the Lead Managers
Issue Closing Date	The date on which the Issue shall close for subscription and the prospective Applicants shall not be allowed to submit their Application Forms, thereafter, as specified in the Prospectus or such other date as may be decided by the Board of Directors or a duly authorised committee thereof.
Issue Opening Date	The date on which the Issue shall open for subscription and the prospective Applicants may submit their Application Forms as specified in the Prospectus.
Issue Period	Shall mean the period between the Issue Opening Date and Issue Closing Date, both dates inclusive, during which a prospective Applicant may submit their Application Form.
Lead Managers	Edelweiss Financial Services Limited and Srei Capital Markets Limited
Lead Brokers	A. K. Stockmart Private Limited, AUM Capital Market Private Limited, Axis Capital Limited, Edelweiss Broking Limited, HDFC Securities Limited, IDBI Capital Market Services Limited, India Infoline Limited, Integrated Enterprises (India) Limited, JM Financial Services Private Limited, Just Trade Securities Limited (Formerly known as Bajaj Capital Investor Services Ltd), Karvy Stock Broking Limited, Kotak Securities Limited, RR Equity Brokers Private Limited, SMC Global Securities Ltd, SPA Securities Limited, Tipsons Stock Brokers Private Limited
Lead Broker MOU	Agreement dated March 27, 2015 entered into amongst our Company, the Lead Brokers and Lead Managers
Market Lot	One (1) NCD
Maturity Amount or Redemption Amount	Repayment of the Face Value plus any interest that may have accrued at the Maturity Date for Individual and / or Institutional and /or Non-Institutional Investors, as the case may be.
Maturity Date or Redemption Date	Shall mean 36 months from Deemed Date of Allotment for Series I, Series II and Series III, 39 months from Deemed Date of Allotment for Series IV, Series V and Series VI, 60 months from Deemed Date of Allotment for Series VII and Series VIIII and 84 months from Deemed Date of Allotment for Series IX NCDs. If the Redemption Date/Maturity Date of any Series of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment.

Term	Description
Members of Syndicate	Members of Syndicate include Lead Managers, Lead Brokers to the Issue and sub brokers.
Non-Institutional Investors	Category II Persons eligible to apply for the issue which includes: • Companies, bodies corporate and societies registered under the applicable laws in India and authorized to invest in the NCDs; • Public/private charitable/religious trusts which are authorized to invest in the NCDs; • Scientific and/or industrial research organizations, which are authorized to invest in the NCDs; • Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorized to invest in the NCDs, • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and • Any other incorporated and/ or unincorporated body of persons.
Non-Institutional Portion	Applications received from Non Institutional Investors grouped together across all Series of NCDs as specified in the Prospectus.
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue
Public Issue Account	Account(s) opened with the Bankers to the Issue to receive monies from the Escrow Account(s) and from the ASBA Accounts on the Designated Date.
Record Date	In connection with Series II, Series V, Series VIII and Series IX NCDs, 15 (Fifteen) Days prior to the date on which interest is due and payable, or the date of redemption, or as may be prescribed by the Stock Exchanges, and in connection with Series I, Series IV and Series VII NCDs, 7 (Seven) working Days prior to the date on which interest is due and payable, or the date of redemption, or as may be prescribed by the Stock Exchanges and in connection with Series III and Series VI NCDs, 15 (Fifteen) Days prior to the Maturity Date or as may be prescribed by the Stock Exchanges. If the Record Date falls on falls on a day that is not a Working Day, then immediate subsequent Working Day will be deemed as Record Date
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made (excluding Application Amounts from ASBA Applicants).
Refund Bank	The bank which is a clearing member and registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 with whom the Refund Account will be opened, in this case being ICICI Bank Limited
Registrar to the Issue/Registrar	Karvy Computershare Private Limited.
Registrar Agreement	Memorandum of understanding dated March 16, 2015 entered into between the Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Resident Indian Individuals	Individual who is a person resident in India as defined under the Foreign Exchange Management Act, 1999

Term	Description
Self-Certified Syndicate Banks or SCSB(s)	The banks registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, a list of which is available at http://www.sebi.gov.in or such other website as may be prescribed by the SEBI from time to time. A list of the branches of the SCSBs where Application Forms will be forwarded by such Members of the Syndicate and or Trading Member is available at http://www.sebi.gov.in.
Series	Collectively the Series I, Series II, Series III, Series IV, Series V, Series VI, Series VII, Series VIII and/or Series IX being offered to the Applicants as stated in the section titled '*Issue Related Information*' beginning on page 136 of this Prospectus.
Prospectus	The Prospectus dated March 31, 2015 issued and filed with the ROC in accordance with the SEBI Debt Regulations, Companies Act 1956 and Companies Act 2013 (to the extent notified and applicable).
Srei Caps	Srei Capital Markets Limited
Stock Exchange/s	BSE Limited and National Stock Exchange of India Limited
Specified Cities	Centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the Members of the Syndicate or the Trading Members of the Stock Exchange shall accept ASBA Applications in terms of the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011.
Syndicate ASBA	ASBA Applications through the Members of the Syndicate or the Trading Members of the Stock Exchange only in the Specified Cities.
Trading Member	Intermediaries registered with a Lead Broker or a sub-broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchange.
"Transaction Registration Slip" or "TRS"	The acknowledgement slip or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his Application for the NCDs.
Tripartite Agreements	Tripartite Agreements both dated March 27, 2015 among our Company, the Registrar to the Issue and NSDL and CDSL respectively for offering depository option to the NCD Holders.
Trustees / Debenture Trustee	Trustees for the holders of the NCDs, in this case being Axis Trustee Services Limited.
Working Day(s)	All days excluding Sundays and a public holiday in Mumbai or Kolkata or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.

Notwithstanding the foregoing, terms in "***Summary of Key Provisions of Articles of Association***", "***Statement of Tax Benefits***", "***Regulations and Policies***", "***Our Business***" on pages 210, 61, 201 and 80 respectively, and "***Financial Information***" on page 233, shall have the meanings given to such terms in these respective sections.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements such as “aim”, “anticipate”, “shall”, “will”, “will continue”, “would pursue”, “will likely result”, “expected to”, “contemplate”, “seek to”, “target”, “propose to”, “future”, “goal”, “project”, “could”, “may”, “in management’s judgment”, “objective”, “plan”, “is likely”, “intends”, “believes”, “expects” and other similar expressions or variations of such expressions. These statements are primarily meant to give the investor an overview of our Company’s future plans, as they currently stand. Our Company operates in a highly competitive, dynamic and regulated business environment, and a change in any of these variables may necessitate an alteration of our Company’s plans. Further, these plans are not static, but are subject to continuous internal review and policies, and may be altered, if the altered plans suit our Company’s needs better.

Further, many of the plans may be based on one or more underlying assumptions (all of which may not be contained in this Prospectus) which may not come to fruition. Thus, actual results may differ materially from those suggested by the forward-looking statements. Our Company and all intermediaries associated with this Prospectus do not undertake to inform the investor of any change in any matter in respect of which any forward-looking statements are made.

All statements contained in this Prospectus that are not statements of historical fact constitute “forward-looking statements” and are not forecasts or projections relating to our Company’s financial performance. All forward-looking statements are subject to risks, uncertainties and assumptions that may cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that may cause actual results to differ materially from our Company’s expectations include, amongst others:

- General economic and business environment in India;
- Our Company’s ability to successfully implement its strategy and growth plans;
- Our Company’s ability to compete effectively and access funds at competitive cost;
- Effectiveness and accuracy of internal controls and procedures;
- Changes in domestic or international interest rates and liquidity conditions;
- Defaults by end customers resulting in an increase in the level of non-performing assets in its portfolio;
- Rate of growth of its loan assets and ability to maintain concomitant level of capital;
- Downward revision in credit rating(s);
- Performance of the Indian debt and equity markets;
- Potential mergers, acquisitions or restructurings and increased competition;
- Changes in tax benefits and incentives and other applicable regulations, including various tax laws;
- Our Company’s ability to retain its management team and skilled personnel;
- Changes in laws and regulations that apply to NBFCs in India, including laws that impact its lending rates and its ability to enforce the assets financed/secured to it;
- We are involved in a number of legal proceedings that may be determined against us;
- Changes in political conditions in India; and
- We have incurred significant indebtedness and may incur substantial additional borrowings in connection with our business;

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor any of its Directors have any obligation, or intent to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. For further discussion of the factors that could affect our Company’s future financial performance, see the section titled “***Risk Factors***” beginning on page no. 14 of this Prospectus.

For further discussion of factors that could cause our actual results to differ from our expectations, please refer to the section titled “**Risk Factors**” and chapters titled “**Industry**” and “**Our Business**” beginning on pages 14, 68 and 80 respectively of this Prospectus.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward looking statements speak only as on the date of this Prospectus. The forward looking statements contained in this Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. Neither our Company or the Lead Managers, nor any of their respective affiliates has any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange(s).

PRESENTATION OF FINANCIALS & USE OF MARKET DATA

Unless stated otherwise, the financial information used in this Prospectus is derived from our Company's audited financial statements as at September 30, 2014, March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010 and limited review for the period ended December 31, 2014 prepared in accordance with Indian GAAP and the Companies Act 2013 and are in accordance with Section 26(1)(b) of the Companies Act 2013, the Debt Regulations, as stated in the report of our Company's Statutory Auditors, Deloitte Haskins & Sells, Chartered Accountants, included in this Prospectus. In this Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

Except as specifically disclosed, all financial / capital ratios and disclosures regarding NPAs in this Prospectus are in accordance with the applicable RBI norms.

Unless stated otherwise, macroeconomic, growth rates, industry data and information regarding market position contained in this Prospectus have been obtained from publications prepared / compiled by professional organisations and analysts, data from other external sources, our knowledge of the markets in which we compete, providers of industry information, government sources and multilateral institutions, with their consent, wherever necessary. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. The methodologies and assumptions may vary widely among different industry sources.

While we have compiled, extracted and reproduced data from external sources, including third parties, trade, industry or general publications, we accept responsibility for accurately reproducing such data. However, neither we nor the Lead Managers have independently verified this data and neither we nor the Lead Managers make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Lead Managers can assure potential investors as to their accuracy.

Currency and units of Presentation

In this Prospectus, all references to 'Rupees'/ '₹' / 'INR' are to Indian Rupees, the official currency of the Republic of India and to 'U.S. Dollar'/ 'USD' are to the United States dollar, the official currency of the United States.

Except where stated otherwise in this Prospectus, all figures have been expressed in 'Millions'. All references to 'million / Million / Mn / Mio' refer to one million, which is equivalent to 'ten lakhs' or 'ten lacs', the word 'Lakhs/Lacs/Lac' means 'one hundred thousand' and 'Crore' means 'ten million' and 'billion/bn./Billions' means 'one hundred crores'.

Certain of our funding is by way of US Dollar loans. Amounts set out in this Prospectus, and particularly in the section "Disclosure on Existing Financial Indebtedness", in relation to such U. S. Dollar loans have been converted into Indian Rupees for the purposes of the presentation.

Exchange Rates

Currency	September 30, 2014	March 28, 2014*	March 28, 2013*	March 30, 2012*	March 31, 2011	March 31, 2010
1 US$	61.61	60.09	54.39	51.15	44.65	45.14
1 €	78.20	82.00	69.54	68.34	63.24	60.56

**March 28, 2014 was a Friday and March 31, 2014 was a holiday, March 29, 2013 was a holiday and March 31, 2013 was a Sunday and March 31, 2012 was a Saturday*
(Source :www.rbi.org.in)

SECTION II: RISK FACTORS

An investment in NCDs involves certain degree of risk. Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Prospectus before making any investment decision relating to the Issue. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. If any of the following risks or other risks that are not currently known or are deemed immaterial at this time, actually occur, our business, financial condition and results of operation could suffer, the trading price of the NCDs could decline and you may lose all or part of your maturity amounts and / or interest amounts. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The order of the risk factors appearing hereunder is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Unless the context requires otherwise, the risk factors described below apply to us / our operations only.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus.

Investors are advised to read the following risk factors carefully before making an investment in this Issue. You must rely on your own examination of our Company and this Issue, including the risks and uncertainties involved.

INTERNAL RISKS

1. There are outstanding legal proceedings involving our Company, Promoters and Directors. Any adverse outcome in such legal proceedings may affect our business, results of operations and financial condition.

There are outstanding legal proceedings involving our Company, Promoters and Directors. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, appellate tribunals and arbitrators. If there are any rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. In addition, further liability may arise out of these claims. Decisions in such proceedings adverse to our interests may affect our reputation and standing and may have a material adverse effect on our business, results of operations and financial condition. For further details, see section titled "***Outstanding Litigation and Statutory Defaults***" on page 186 of this Prospectus.

2. As an NBFC, we have to adhere to several regulatory norms prescribed by RBI from time to time. Any non-compliance with such norms or any adverse change in the norms could negatively affect our Company's operations, business and financial condition.

NBFCs in India are subject to strict regulation and supervision by the RBI. We require certain approvals, licenses, registrations and permissions for operating our business. Such approvals, licenses, registrations and permissions must be maintained /renewed over time and we may have to comply with certain conditions in relation to these approvals. Moreover the applicable requirements may change and we may not be aware of or may comply with all requirements all of the time. We are required to obtain and maintain a certificate of registration for carrying on business as an NBFC that is subject to numerous conditions (for further details, see the section titled "Regulations and Policies" on page no. 201 of this Prospectus). If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. RBI has the authority to change these norms/criteria as and when required. Inability to meet the prescribed norms/criteria, can adversely affect the operations and profitability of our Company. Given the extensive regulation of the financial services industry, it is possible that we could be found, by a court, arbitration panel or regulatory authority not to have complied with applicable legal or regulatory requirements and in that event we may suffer punitive measures like imposition of penalties and/or suspension or cancellation of our certificate of registration. We may also incur substantial costs related to litigation if we are subject to significant legal action, which may materially and adversely affect our business, future financial performance and results of operations.

3. Our statutory auditors have expressed certain opinion in their audit report on our financial statements in the past and any qualifications in the auditor's report in the future may impact our results of operations.

Our statutory auditors have made remarks in their audit report with respect to certain matters in the financial statements for the Fiscal 2010. The Auditor has drawn attention to note-17(b) of Schedule 19 (II) without qualifying its opinion, whereby it was stated in the accounts that "Financial Assets includes certain long term project loans amounting to ₹ 1,074.90 million. There has been considerable delay in executing these projects. The company is in the process of assessing the status of these projects. However in view of the company, the principal amounts in these loans are recoverable as per the respective loan agreements."

Subsequently, the same had been clarified in the note- 15(b) to Schedule 20, by the Auditor's in the accounts of financial year ended March 31, 2011 without any note or qualification that "Financial Assets at the commencement of the year included certain long term project loans aggregating to ₹ 1,074.9 million given in earlier years. Against the above, during the year, the Company has recovered an amount of ₹ 1,000 million and the balance amount of ₹74.90 million considered as doubtful of recovery has been provided for in the accounts."

4. Volatility in interest rates affects our lending and treasury operations, which could cause our net interest income to decline and adversely affect our return on assets and profitability.

Our results of operations are predominantly dependent on interest income from our lending operations. Income from financial assets is the largest component of our total income, and constituted 82.41% and 80.89% of our total income for the financial years ending of March 31, 2014 and 2013, respectively. Being a non-deposit taking NBFC, we are exposed to greater interest rate risk as compared to banks or deposit taking NBFCs. Our primary source of funds includes NCDs, term loans from banks and financial institutions, working capital facilities, commercial paper and securitization and assignment of loan portfolio. We borrow funds on both fixed and floating rate basis. Some of our liabilities, such as our secured NCDs, and short term borrowings carry fixed rates of interest and the remaining are linked to the respective banks' benchmark prime lending rate/base rate**.** As of September 30, 2014, approximately 23.01 % of our borrowings were at fixed rates and 76.99 % were at floating interest rates. Most of our loan assets are at floating interest rates, while 54.56% of our loan financing as of September 30, 2014 related to loans made at floating interest rates. There can be no assurance that we will be able to adequately manage our interest rate risk in the future and be able to effectively balance the proportion and maturity of our interest-earning assets and interest-bearing liabilities in the future. Further, despite this balancing, changes in interest rates could affect the interest rates charged on interest-earning assets and the interest rates paid on interest-bearing liabilities in different ways. Thus, our results of operations could be affected by changes in interest rates and the timing of any re-pricing of our liabilities compared with the re-pricing of our assets.

If interest rates rise we may have greater difficulty in maintaining a low effective cost of funds compared to our competitors, who may have access to low-cost deposit funds. Further, with respect to our borrowings that are linked to market rates, we may have to pay interest at a higher rate as compared to other lenders. Fluctuations in interest rates may also adversely affect our treasury operations. When interest rates decline, we are subject to greater repricing and prepayment risks as borrowers take advantage of the attractive interest rate environment. If we reprice loans, our results may be adversely affected in the period in which the repricing occurs. If borrowers prepay loans, the return on our capital may be impaired as any prepayment premium we receive may not fully compensate us for the redeployment of such funds elsewhere. In addition, the value of any interest rate hedging instruments we may enter into in the future may be affected by changes in interest rates. Our inability to effectively and efficiently manage interest rate variations may adversely affect our result of operations and profitability. Interest rates are typically correlated with inflation rates, as the RBI has historically sought to mitigate rising inflation by raising interest rates. India encountered significant increases in inflation rates in fiscal 2014. There can be no assurance that we will be able to maintain our current levels of profitability should borrowing costs continue to increase.

5. Our business requires substantial capital, and any disruption in the funding sources would have a material adverse effect on our liquidity and financial condition.

As equipment and other asset finance company, our liquidity and ongoing profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our primary sources of funding include rupee term loans and foreign currency term loans from banks, our working capital facilities (including working capital demand loans) and issue of redeemable NCDs. Thus, our business operations depend and will continue to depend on our ability to access diversified funding sources. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition.

Any adverse changes in economic conditions in India could make it difficult for us to access funds at competitive rates. As an NBFC, we also face certain restrictions on our ability to raise money from international markets which may further constrain our ability to raise funds at attractive rates. Any disruption in our primary funding sources at competitive costs would have a material adverse effect on our liquidity and financial condition.

6. ***Our business is focused on the infrastructure equipment financing sector, with a particular focus on construction and mining equipment and any adverse economic or regulatory developments in the infrastructure including construction and mining sectors may adversely affect our results of operations. If loans made to borrowers in these sectors become non-performing or there are defaults on such loans, our business, financial condition and results of operations may be materially and adversely affected.***

As we primarily provide financing for infrastructure equipment, with a particular focus on construction and mining equipment, our asset and NPA portfolios have, and will likely continue in the future to have, a high concentration of borrowers who belong to the infrastructure sector including the construction and mining sectors. For the foreseeable future, we expect to continue to have a significant concentration of loans in these sectors. Our business is, therefore, largely dependent on various factors that impact the infrastructure sector in India, in particular the demand for construction and mining equipment, changes in Indian regulations and policies affecting the core infrastructure sector and macroeconomic environment in India and globally. Correspondingly, the demand for finance for these equipments may decline, which in turn could adversely affect our financial condition and results of our operations. Accordingly, any factor which adversely impacts this segment may have a disproportionate impact on our operations and profitability.

Infrastructure development in India is dependent on the formulation and effective implementation of state and central government programs and policies that facilitate and encourage private sector investment in infrastructure projects in India. Many of these programs and policies are developing and evolving and their success will depend on whether they are properly designed to address the issues facing infrastructure development in India and are effectively implemented. If the central and state governments' initiatives and regulations in the infrastructure industry do not proceed in the desired direction, or if there is any downturn in the macroeconomic environment in India or in specific sectors, our business, future financial performance and results of operations could be materially and adversely affected.

7. ***We derive majority/substantial of our revenues from our top customers. Our inability to maintain relationship with such customers or any default and non-payment in future or credit losses of our single borrower or group exposure where we have a substantial exposure could materially and adversely affect our business, future financial performance and results of operations***

We primarily cater to various retail customers, SME, strategic, namely, institutional and corporate customers. Our largest customers belong to the infrastructure and construction sectors. Our business and results of operations would be adversely affected if we are unable to maintain or further develop relationships with our significant customers. We are dedicated to earning and maintaining the trust and confidence of our customers, and we believe that the good reputation created thereby, and inherent in our brand name, is essential to our business. As such, any damage to our reputation could substantially impair our ability to maintain or grow our business. There can be no assurance that we will be able to maintain the historic levels of business from these customers or that we will be able to replace these customers in case we lose any of them. The loss of any significant customer could have a material adverse effect on our results of operations. Moreover failure to maintain sufficient credit assessment policies, particularly for small and medium enterprise borrowers, could adversely affect our credit portfolio, which could have a material and adverse effect on our results of operations and/or financial condition.

8. ***High levels of retail and SME customer defaults could adversely affect our business, financial condition and results of operations.***

Any lending or investment activity is exposed to credit risk arising from the risk of default and non-payment by borrowers and other counterparties. Our total loan portfolio was ₹ 144,692 million as of September 30, 2014. Our customer portfolio also includes retail borrowers and small and medium enterprises (“SME”) borrowers which constituted 20.62%, and 10.33% respectively, of our total loan portfolio as of September 30, 2014. Our retail borrowers typically comprise individual borrowers who generally are less financially resilient than larger corporate borrowers, and, as a result, they can be more adversely affected by declining economic conditions. In addition, certain of our SME borrowers may be dependent on receiving timely payment from their customers for the services they provide in order to repay the principal and interest on the loans we provide to them. As such, any material delay in receipt of payment from their customers, whether as a result of a natural disaster, terrorist attack or a change in government, could adversely affect the ability of our borrowers to meet their obligations to us.

Some of the retail borrowers may not have adequate credit history with supported documents, which could increase our credit risk. In addition, we may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation on the part of our customers. Furthermore, unlike certain developed economies, a nationwide credit bureau has only recently become operational in India, so there is less financial information available about individuals or SMEs. It is therefore difficult to carry out precise credit risk analyses on our customers. Although we follow certain policies and procedures to evaluate the credit profile of our customers at the time of sanctioning a loan including credit worthiness checks and providing information as per the know your customer ("KYC") norms, we generally rely on the value of the relevant equipment as underlying collateral. Although we believe we have effective risk management controls, we cannot be certain that they will continue to be effective in the future or that additional risk management policies for our borrowers will not be required. Failure to continuously monitor the loan contracts, particularly for individual borrowers, could adversely affect our loan asset portfolio which could have a material and adverse effect on our results of operations and financial condition.

9. Being a 50:50 joint venture company, any matter which may not be mutually agreeable if not resolved in a timely manner may delay decisions thereby affecting the operations of the Company

Srei Infra and BPLG presently hold equity shares in the ratio of 50:50 in our Company. The Chairman does not have any casting vote. Thus, the operations of the Company may be affected if there is any matter which are not mutually agreeable by both the parties and cannot be resolved or takes time in resolving. For details regarding the rights and obligations of Srei Infra and BPLG, please refer to the "***Summary of Key Provisions of Articles of Association***" on page no. 210 and section titled "***History***" for the Key Agreements between Srei Infra and BPLG on page no. 94 of this Prospectus.

10. We may not be able to recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans.

As a security interest for the financing facilities provided by us to our customers, the equipment purchased by our customers are hypothecated in our favour. The amount of credit facility sanctioned to any customer is less than the value of the equipment, and we typically maintain a loan to value ("LTV") ratio that ranges from 85% to 90% depending on the kind of equipment financed and the proposed use of such equipment. The value of the equipment, however, is subject to depreciation, deterioration, and/or reduction in value on account of other extraneous reasons, over the course of time. Consequently, the realizable value of the collateral for the credit facility provided by us, when liquidated, may be lower than the outstanding loan from such customers.

Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. Furthermore, in the case of a default, we typically repossess the equipment financed and sell such equipment through individually negotiated sales with either potential new customers or other existing customers or through a public auction process, including through industry fairs. The hypothecated equipment, being movable property, may be difficult to locate or seize in the event of any default by our customers. In addition, there may be delays associated with such process. A failure to recover the expected value from sale of the collateral security could expose us to a potential loss. Any such losses could adversely affect our financial condition and results of operations. Furthermore, enforcing our legal rights by litigating against the defaulting customers is generally a slow and potentially expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

11. If we are unable to manage the level of NPAs, our financial position and results of operations may suffer.

We are primarily governed by the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("Prudential Norms Directions"). In addition, we are also regulated by various circulars, notifications, guidelines and directions issued by the RBI from time to time. For further information, see "***Regulations and Policies***" beginning on page 201 of this Prospectus. Our current provisioning and write-off policies and principles exceed the minimum required standard for NBFCs set by the RBI, however, there can be no assurance that we will continue to implement such provisioning norms in the future. For further information, see "***Our Business - Classification of Assets and Provisioning and Write offs***" on page 89 of this Prospectus.

The net NPA as a percentage of total earnings assets have been decreased from 4.07% as on March 31, 2014 to 3.60% as on September 30, 2014. There can be no assurance that we will be able to improve our collections and recoveries in relation to our NPAs, or otherwise adequately control our level of NPAs in future. Moreover, as our loan portfolio matures, we may experience greater defaults in principal and/or interest repayments. Thus, if we are not able to control or reduce our level of NPAs, the overall quality of our loan portfolio may deteriorate and our results of operations may be adversely affected. Moreover, there can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. In the event of any further deterioration in our NPA portfolio, there could be an adverse impact on our results of operations.

12. We have not been able to procure all the consents from all the lenders to our Company.

As required under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014, our Company is required to disclose that Debenture Trustee, Legal Counsel, Lead Managers, Registrar, Experts and the lenders of our Company have given their consents. We had duly applied to all the lenders of our Company for their respective consents as required under the said Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014. In cases of consortium/syndicate lending by lenders to our Company, we have applied for consents from the lead bank of such consortium/syndicate for this Issue and have obtained the consent. As on the date of this Prospectus, we are yet to receive consents from the following lenders of our Company for inclusion of their name in the Prospectus:

Allahabad Bank, Andhra Bank, Canara Bank, Punjab National Bank, Syndicate Bank, Small Industries Development Bank of India ("SIDBI"), DBS Bank Ltd, Singapore, Nordic Investment Bank, HSBC, Standard Chartered Bank Singapore

However, our inability to obtain such consents from other lenders in a timely manner or at all, may adversely affect timely raising of funds.

13. We have entered into related party transactions and may continue to enter into related party transactions, which may involve conflict of interest.

We have entered into related party transactions, within the meaning of AS 18 as issued by the Companies (Accounting Standards) Rules, 2006. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour. For further details, please refer to statement of related party transactions in "***Financial Information***" beginning on page no. 233 of this Prospectus.

14. Some of our Directors may have interests in entities, which are in businesses similar to ours and this may result in conflicts of interest with us.

Some of our Directors may have interests in entities that are engaged in businesses similar to ours. Commercial transactions in the future between us and related parties may result in conflicting interests which could have an adverse effect on our operations.

15. Our loan portfolio may no longer continue to be classified as priority sector advances by the RBI.

The RBI currently mandates domestic commercial banks operating in India to maintain an aggregate 40.0% (32.0% for foreign banks having less than 20 branches) of adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher as "priority sector advances". These include advances to agriculture, micro and small enterprises, micro enterprises within the micro and small enterprises sector, export credit, advances to weaker sections where the Government seeks to encourage flow of credit for developmental reasons. Banks in India that have traditionally been constrained or unable to meet these requirements organically, have relied on specialized institutions like us that are better positioned to or exclusively focus on originating such assets through on-lending or purchase of assets or securitized and assigned pools to comply with these targets.

In the event that any part of our loan portfolio is no longer classified as a priority sector advance by the RBI, or if the laws relating to priority sector lending as applicable to the banks undergo a change, our ability to securitize our asset pool will be hampered, which may adversely affect our financial condition, results of operations and/or cash flows.

16. Insurance of relevant assets obtained by our borrowers may not be adequate to protect them against all potential losses, which could indirectly affect our ability to recover our loans to such borrowers.

Pursuant to our loan agreements, where loans are extended on the basis of a charge on assets, our borrowers are required to create a charge on their assets in our favor in the form of hypothecation or mortgage, or both. In addition, terms and conditions of the loan agreements require our borrowers to maintain insurance against damage caused by any disasters including floods, fires and earthquakes or theft on the assets charged, primarily as collateral against the loan granted by us. However, our borrowers may not have obtained the required insurance coverage, or may not renew the insurance policies, or the amount of insurance coverage may be less than the replacement cost of the relevant assets and therefore insufficient to cover all financial losses that our borrowers may suffer. In the event the assets charged in our favor are damaged, it may affect our ability to recover the loan amounts due to us.

17. This Prospectus includes certain unaudited financial information, which has been subject to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited.

This Prospectus includes certain unaudited financial information in relation to our Company, for the three months ended December 31, 2014, in respect of which the Statutory Auditors of our Company have issued their Limited Review Report dated February 10, 2015. As this financial information has been subject only to limited review and not to an audit, any reliance by prospective investors on such unaudited financial information for the three months ended December 31, 2014 should, accordingly, be limited. Moreover, our financial results for any given fiscal quarter or period, including the three months ended December 31, 2014, may not be directly comparable with our financial results for any full fiscal or for any other fiscal quarter or period. Accordingly, prospective investors in the Issue are advised to read such unaudited financial information for the three months December 31, 2014 in conjunction with the audited financial information provided elsewhere in this Prospectus in "***Financial Information***".

18. Our significant indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to conduct our business and operations in the manner we desire.

As of September 30, 2014, we had outstanding secured debt of ₹ 116,551.20 million and unsecured debt of ₹21,130.90 million and we will continue to incur additional indebtedness in the future. Most of our borrowings are secured by our immovable and other assets. Our significant indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted or our cost of borrowings may increase due to sudden adverse market conditions, including decreased availability of credit or fluctuations in interest rates;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness are at variable interest rates;
- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Some of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. Specifically, under some of our financing agreements, we require, and may be unable to obtain, consents from the relevant lenders for, among others, the following matters: change in the capital structure of our Company or management; formulating any scheme for merger, amalgamation or re-organization; entering into any borrowing or non-borrowing arrangements; either secured or unsecured; with any other lender or financial institution; creating or forming a subsidiary of our Company; undertaking guarantee obligations on behalf of any other company, firm or person, including in certain cases, to our Subsidiary; and making any fundamental changes such as the financial year of our Company. In addition, under certain facility agreements and sanction letters, the facilities availed of by our Company, are repayable on demand. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. In addition, other third parties may have concerns over our financial position and it may be difficult to market our financial products. Any of these circumstances could adversely affect our business, credit rating and financial condition and results of operations. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

19. We face asset-liability mismatches which could expose us to interest rate and liquidity risks that may have a material and adverse effect on our business, financial condition and results of operations.

We face the liquidity risk due to varying periods over which are assets and liabilities mature. As typical in NBFC, part of our funding requirement met through short term borrowing sources such as bank loans, working capital demand loan, cash credit and commercial papers. However each of our financial assets have varying average tenor, average yield, average maturity. Though we take utmost care of the maturity of liabilities, while creating the financial assets, it may happen that maturity of assets will not match the liabilities. Consequently our inability to raise further credit facilities or renew our existing facilities in a timely and cost effective manner or at all, may lead to mismatches our assets and liabilities, which in turn may adversely affect our operations, financial performance and/or cash flows. Further, mismatches between our assets and liabilities are compounded in case of pre-payments of the financing facilities we grant to our customers.

The following table describes the ALM as on March 31, 2014:

(₹ in Million)

	1 day to 30/31 days (one month)	**Over one 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**
Liabilities									
Borrowings from Banks	6,647.00	6,107.40	4,562.50	8,277.00	15,765.90	49,906.50	12,240.60	1,372.10	104,879.00
Market Borrowings	528.20	2,600.50	2,850.50	2,950.70	1,856.40	3,643.00	1,318.00	0.00	15,747.30
Assets									
Advances	13,136.90	9,337.90	6,428.10	12,871.40	23,527.10	64,999.50	15,430.00	4,346.60	150,077.50
Investments	1.60	1.50	1.50	4.40	8.00	11.30	0.10	0.00	28.40

Note:

1. The borrowings indicated above do not include unsecured subordinated perpetual debentures and unsecured subordinated debentures/loan amounting to ₹ 10,333 millions since the same forms part of Tier I / Tier II Capital.
2. The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in proportion to the maturity pattern of the financial assets.

20. As part of our growth strategy, we intend to strategically expand our operations in other business segments and sub-segments, in particular, technology and solutions, healthcare, agriculture, logistics, and other financial products. Our diversification led growth initiatives are susceptible to various risks that may limit our growth and diversification.

In addition to providing infrastructure equipment financing we intend to continue to strategically expand our operations in other business segments and sub-segments, in particular, technology and solutions, healthcare, agriculture, logistics, and other financial products. Our aim is to preserve our market position as an infrastructure equipment financier of choice and to also increase business from our other segments and sub-segments. Our growth initiatives carry execution risks, and factors that may limit the success of our growth and diversification include:

- significant demands on our management as well as financial, accounting and operating resources. As we grow and diversify, we may not be able to implement our business strategies effectively and our new initiatives could divert management resources from areas in which they could be otherwise better utilized;
- our inability to develop and launch suitable products for these business segments and sub-segments;
- our limited experience in these new businesses, which may prevent us from competing effectively with established and new competitors in these areas. As we seek to diversify our business operations, we will face the risk that some of our competitors may be more experienced in or have a deeper understanding of these businesses or have better relationships with potential clients; and

- diversified business operations may make forecasting revenue and operating results difficult, which impairs our ability to manage businesses and shareholders ability to assess our prospects.

If we are unable to overcome these obstacles and are unsuccessful in executing our diversification and growth strategy, our business, prospects, results of operations and financial condition could be adversely affected.

21. If we are unable to successfully expand, maintain or leverage our strategic alliances and arrangements with various OEMs and vendors, our business prospects, results of operations and financial conditions may be adversely affected.

As an integral part of our relationship-based customer strategy, we have entered into strategic alliances and arrangements with various OEMs (Original Equipment Manufacturer) and vendors to further expand our customer origination network and establish ourselves as preferred financiers for customers of such OEMs and vendors. We have entered into various arrangements with OEMs and vendors in the infrastructure sector, particularly for construction and mining equipment, as well as in the logistics sector, including OEMs and vendors of trucks and other transportation vehicles. We intend to develop similar strategic alliances in other business segments and sub-segments that we intend to increase our focus on in the future, including technology and solutions, healthcare and agriculture. For further information see "***Our Business - Strategic Alliances with OEMs and Vendors***" on page 82 of this Prospectus.

There can be no assurance that the OEMs and vendors will faithfully comply with the procedural and other conditions specified by us in connection with our alliances and arrangements with them in the context of customer origination or that they will not act in any manner that could adversely affect our reputation, brand, customer relationships or business interests. There can also be no assurance that we will be able to leverage and benefit from these arrangements to effectively source a sufficient volume of new customers and business commensurate to the revenue-sharing and other incentives provided to us by the OEMs and vendors under our arrangements with them.

22. We are subject to credit, market and liquidity risks and, if any such risk were to materialize, our credit ratings and our cost of funds may be adversely affected.

We may not be able to effectively mitigate our risk exposures in particular market environments or against particular types of risks. Our revenues and interest rate risk are dependent upon our ability to properly identify, and mark to market, changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon our effectiveness in managing credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or are not predictive of actual results, we could incur higher than anticipated losses. The successful management of credit, market and operational risk is an important consideration in managing our liquidity risk because it affects the evaluation of our credit ratings by rating agencies.

Further, the cost and availability of capital is also dependent on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. In relation to our long-term debt instruments, we currently enjoy long term ratings of AAA (SO) rated by CRISIL, 'CARE AA-/AA' from CARE and BWR AA from Brickwork. In relation to our short-term debt instruments, we have currently received the rating ICRA A1+ from ICRA Limited.

23. An inability to effectively address the increasing competition we encounter in our business may result in declining margins.

Our primary competition historically has been private unorganized financiers that principally operate in the local market. However, the significant growth in the infrastructure equipment finance segment in recent periods, particularly, in the construction and mining equipment sector, has resulted in various private and public sector commercial banks and other financial institutions increasing their focus on this sector. Potentially, these NBFCs, particularly the larger ones, could compete with us for business as well as procurement of funds at competitive rates. In addition to NBFCs, we believe that the competition we face from banks is increasing as more banks are targeting products and services similar to ours.

Our ability to compete effectively will depend on our ability to raise low-cost funding in the future. Competition in our industry also depends on, among other things, the ongoing evolution of government policies relating to the industry, the entry of new participants into the industry and the extent to which there is consolidation among banks and financial institutions in India. Furthermore, as a result of increased competition products are becoming increasingly standardized and variable interest rate and payment terms and lower processing fees are becoming increasingly common in the equipment finance sector in India. There can be no assurance that we will be able compete effectively with new and existing players in the increasingly competitive finance industry. Increasing competition may have an adverse effect on our net interest margin and other income, and, if we are unable to compete successfully, our market share may decline.

In addition, we also intend to continue to strategically expand our operations in other business segments and sub-segments, in particular, technology and solutions, healthcare, agriculture, logistics, and other financial products. We also face competition from banks and NBFCs who are in similar segments and sub-segments as ours.

24. We assign or securitize a portion of our loans to banks and other institutions. Any deterioration in the performance of any pool of receivables assigned or securitized to banks and other institutions may adversely impact our financial performance.

As part of our means of raising and/or managing our funds, we assign or securitize a portion of the receivables from our loan portfolio to banks and other institutions. Such assignment of receivables and securitization transactions are conducted on the basis of our internal estimates of our funding requirements, which may vary from time to time. For financial years ended March 31, 2014, 2013, 2012, 2011 and 2010, the total book value of contracts securitized was ₹ 8,731 million, ₹ 6,741 million, ₹ 1,956 million, ₹ 2,737 million and ₹ 5,845 million, respectively. As on September 30, 2014 the total book value of contracts securitised was ₹ 8,279.50 million. Further, for financial years ended March 31, 2014, 2013, 2012, 2011 and 2010, we assigned receivables amounting to ₹ 5,000 million, ₹ Nil million, ₹ 41,380 million, ₹ 14,432 million and ₹ 8,444 million, respectively. As on September 30, 2014 we assigned receivables amounting to ₹ 4,838.50 million. Any change in the statutory and/or the regulatory requirements in relation to assignments or securitizations by financial institutions, including the requirements prescribed by the RBI and the GoI, could have an adverse impact on our assignment and securitization transactions.

We are also required to provide credit enhancement for the securitization and assignment transactions by way of fixed deposits and the aggregate credit enhancement amount outstanding as on September 30, 2014 was ₹ 3,008 million. In the event a relevant bank or institution does not realize the receivables due under such loan assets, such bank or institution would have recourse to such credit enhancement, which could have a material adverse effect on our results of operations and financial condition.

25. We may not be able to manage rapid growth effectively and successfully implement our growth strategy which may have an adverse impact on our business and financial condition.

We have experienced significant growth in recent years. Our growth strategy primarily includes consolidating our infrastructure equipment financing business through strategic business alliances and marketing initiatives, continuing to expand and diversify our product portfolio, growing our operations and network across India, entering into strategic alliances and arrangements with various OEMs and vendors and growing our loan book and expanding our customer base across various business segments and sub-segments in India. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

We also face a number of operational risks in executing our growth strategy. There can be no assurance that we will be able to implement our growth strategy effectively or that we will be successful in growing our new business segments and sub-segments.. Our rapid growth exposes us to a wide range of increased risks, including business risks, such as the possibility that a number of our impaired loans may grow faster than anticipated, as well as operational risks, fraud risks and regulatory and legal risks. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, maintaining effective risk management policies, continuing to offer products which are relevant to our target base of clients, developing managerial experience to address emerging challenges and ensuring a high standard of client service. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls, credit policies and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.

26. We are significantly dependent on our Promoters, for the growth of our business.

Our Company is a joint venture between Srei Infra and BPLG, a part of the BNP Paribas group of companies and we are dependent significantly on Srei Infra and BPLG for growing and supporting our business. We believe that the extensive experience, goodwill and industry relationships of Srei Infra significant competitive advantages that have contributed to the growth of our business. We believe that our relationship with our Promoters and their strategic involvement in our business have enabled us to access funds at competitive rates, identify business opportunities, access management talent, and develop our wide operational network and pan-India presence.

In the event of our Promoter cease to be the significant shareholders in our Company and refrains from participating in the growth of our business, our business prospects, financial condition and results of operations may be materially and adversely affected.

27. We use the SREI BNP PARIBAS trademark and logo vide brand licensing agreement with both Srei Infra and BPLG.

Third parties may infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. We cannot assure you that any unauthorised use by third parties of the trademarks will not similarly cause damage to our business prospects, reputation and goodwill.

As per the brand licensing agreement, both Srei Infra and BPLG have licensed their respective logos to our Company providing the right to use these brands without incurring any additional costs. If such brand logos are withdrawn by either or both Srei Infra and BPLG or they demand payment of royalty charges, our Company may incur additional financial liabilities.

28. Volatility in foreign currency exchange rates and un-hedged foreign currency exposures could adversely affect our financial conditions and results of operations.

We have a policy to manage risks associated with foreign currency borrowings. We enter into hedging transactions to cover exchange rate and interest rate risk through various instruments, such as currency forwards, options, principal swaps, interest rate swaps and forward contracts. We currently engage in borrowing from the international market in foreign currency. Our foreign currency borrowings expose us to fluctuations in foreign exchange rates, which may have adverse effects on our financial results. As at September 30, 2014, we had foreign currency borrowings outstanding of U.S.$ 172.04 million, JPY 707.10 million, SGD 24.41 million, Euro 12.59 million and AUD 0.97 million. As of September 30, 2014 ₹ 12,384.25 million has been hedged through currency options,swaps and forward contract . Although we have in place a policy to manage risks associated with foreign currency borrowings there is no assurance that it will remain effective over a period of time or that we will enter into effective hedging with respect to any foreign currency borrowing. We may be exposed to fluctuations in foreign currency rates with the increased foreign currency borrowings. Volatility in currency exchange rates could adversely affect our business, financial condition and results of operations and the price of our Equity Shares.

In addition, although we engage in hedging transactions to manage interest rate and foreign exchange currency rate risks, our hedging strategy may not be successful in minimizing our exposure to these fluctuations. We face the risk that the counterparties to our hedging activities may fail to honor their contractual obligations to us. This may result in us not being able to net off our positions and hence reduce the effectiveness of our hedges. Non-performance of contracts by counterparties may lead to us, in turn, not being able to honor our contractual obligations to third parties which may subject us to, among others, legal claims and penalties.

29. We may fail to obtain regulatory approvals to operate or expand our business in a timely manner or at all, or to comply with the terms and conditions of our existing regulatory approvals and licenses, which may impede our operations in the future.

We require certain regulatory approvals, sanctions, licenses, registrations and permissions for operating and expanding our business. We may not receive or be able to renew such approvals in the time frames anticipated by us, or at all, which could adversely affect our business. If we do not receive, renew or maintain the regulatory approvals required to operate our business it may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

NBFCs in India are subject to various regulations, guidelines and supervision by the RBI. These laws and regulations impose numerous requirements on us, including those relating to asset classification and prescribed levels of capital adequacy, cash reserves and liquid assets. In addition to the numerous conditions required for the registration as a NBFC with the RBI, we are required to maintain certain statutory and regulatory permits and approvals for our business. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us, or at all. Also we required to comply with various regulatory norms and regulations which can be amended, supplemented or changes at any time. There can be no assurance that we will be able to comply with these regulations or norms or provisions. Failure by us to comply, renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations. For further details, see section titled "***Regulations and Policies***" on page 201 of this Prospectus.

30. The funding requirements of our Company and the deployment of a portion of the net proceeds are based on management estimates and have not been independently appraised by any bank or financial institution and may be revised from time to time.

The funding requirements of our Company and the deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank, financial institution or other independent institution. Our management will have discretion in the application of the Net Proceeds and investors will not have the opportunity, as part of their investment decision, to assess whether we are using the proceeds in a manner that they believe enhances our market value. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and, consequently, our funding requirements may also change. Expenditure of the Net Proceeds in our business may not lead to an increase in the value of your investment. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For example, our growth plans and any other future plans could be delayed due to various reasons including failure to receive regulatory approvals, technical difficulties, human resources, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. For further information, see risk factor *"As part of our growth strategy, we intend to strategically expand our operations in other business segments and sub-segments, in particular, technology and solutions, healthcare, agriculture, logistics, and other financial products. Our diversification led growth initiatives are susceptible to various risks that may limit our growth and diversification"* on page 20 of this Prospectus. Accordingly, use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment. For further information, see "***Objects of the Issue***" on page 59 of this Prospectus.

31. A decline in our capital adequacy ratio could restrict our future business growth.

As per RBI Notification dated May 26, 2009, all non - deposit taking NBFCs have to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items w.e.f. March 31, 2012. Our capital adequacy ratio computed on the basis of applicable RBI requirements was 16.15% as at for the six months ended September 30, 2014, with Tier I capital comprising 12.49% as at September 30, 2014. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, and this may adversely affect the growth of our business.

32. We have certain contingent liabilities which may adversely affect our financial condition.

As at September 30, 2014, we had the following contingent liabilities not provided for:

(₹ in Million)

Nature of contingent liability	As at September 30, 2014
Disputed demands	
Sales Tax	21.5
Service Tax	5.50
Value Added Tax (VAT)	68.0
Income Tax	123.2
Bank guarantees against receivables securitised/assigned	48
Total	266.2

In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

33. We do not own our Registered Office or any of the premises where our branch offices and regional offices are located and in the event our rights over these properties are not renewed or are revoked or

are renewed on terms less favourable to us, our business activities may be temporarily disrupted.

We do not own the premises on which our Registered Office or any of our branch offices and regional offices are situated. In the event if the tenancy is not renewed or renewed on terms that may not be favourable to us or the owner of the premises revokes the consent granted to us, there may be temporary disruption in our operations,

34. We do not have certain licences for our Head Office and some of our branch offices and/or some of them may have expired. In the absence of these statutory licenses, we may not be in a position to carry on our operations in future and that may affect our performance or we may have to face penalties and action can be taken against us by the concerned authorities for carrying on the operations without the requisite licenses.

While we have endeavoured to obtain or apply for all applicable licenses including renewals thereof, to operate our businesses, certain licenses may have expired or are still pending before the concerned authorities or the applications for the same are yet to be made (or for renewals thereof). Such non-issuance or non-renewal may result in the interruption of our business operations and may have a material adverse effect on our results of operations and financial conditions.

35. We may experience difficulties in expanding our business into new regions and markets in India and introducing our complete range of products in each of our branches.

We continue to evaluate attractive growth opportunities to expand our business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices and customs and customer requirements in these new markets may differ from those in our current markets and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with other banks and financial institutions that already have a presence in those geographies and markets and are therefore more familiar with local regulations, business practices and customs and have stronger relationships with customers.

Our business may be exposed to various additional challenges including obtaining necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

36. An inability to develop or implement effective risk management policies and procedures could expose us to unidentified risks or unanticipated levels of risk.

Although we follow various risk management policies and procedures to identify, monitor and manage risks, there can be no assurance that such policies and procedures will be effective in addressing all risks that we encounter in our business and operations or that such policies and procedures are as comprehensive as those implemented by banks and other financial institutions. Our risk management policies and procedures are based, among other considerations, on historical market behavior, information regarding borrowers, and market knowledge. Consequently, these policies and procedures may not predict future risk exposures that could vary from or be greater than that indicated by historical measures. In addition, information available to us may not be accurate, complete, up-to-date or properly evaluated. Unexpectedly large or rapid movements or disruptions in one or more financial markets or other unforeseen developments could have a material adverse effect on our results of operations and financial condition. Our risk management policies and procedures are also influenced by applicable GoI policies and regulations, and may prove inadequate or ineffective in addressing risks that arise as a consequence of any development in GoI policies and regulations that adversely affect our business and operations.

In addition to providing infrastructure equipment financing, we intend to continue to strategically expand our operations in other business segments and sub-segments, in particular, technology and solutions, healthcare, agriculture, logistics, and other financial products. These business initiatives may involve operational and other risks that are different from those we currently encounter or anticipate, and there can be no assurance that we will be able to effectively identify and address any additional risks that apply to such business initiatives. An inability to develop, modify and implement effective and dynamic risk management policies and procedures may adversely affect our growth strategy. Management of operational, legal and regulatory risk requires, among other matters, policies and procedures to accurately record and verify transactions and events. There can be no assurance that our policies and procedures will effectively and accurately record and verify such information.

Failure of our risk management policies and procedures or exposure to unanticipated risks could lead to losses and adversely affect our business, financial condition and results of operations.

37. The security of our IT systems may fail and adversely affect our business, operations, financial condition and reputation.

We are dependent on the effectiveness of our information security policies, procedures and capabilities to protect our computer and telecommunications systems and the data such systems contain or transmit. An external information security breach, such as a hacker attack, fraud, a virus or worm, or an internal problem with information protection, such as failure to control access to sensitive systems, could materially interrupt our business operations or cause disclosure or modification of sensitive or confidential information. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security. Although we maintain procedures and policies to protect our IT systems, such as data back-up system, disaster recovery and business continuity system, any failure of our IT systems as mentioned above could result in business interruption, material financial loss, regulatory actions, legal liability and harm to our reputation. Further, any delay in implementation or disruption of the functioning of our IT systems could disrupt our ability to track, record, process financial information or manage creditors/debtors or engage in normal business activities. In particular, we are currently in the process of upgrading our enterprise resource planning ("ERP") systems primarily to improve operational efficiency and to keep abreast with the growth of our business, our organization and general technological innovations. Any such delay or problems in transition to the new system or any disruptions in its functioning may adversely impact our business, financial condition and results of operations.

38. Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons.

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, in particular, to manage our other business segments and sub-segments, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations. Moreover, competition for experienced employees in the infrastructure equipment finance sector can be limited. Our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business, future financial performance.

39. We are exposed to fluctuations in the market values of our investment and other asset portfolio.

We are currently experiencing various developments adversely affecting the global economy such as rising national fiscal deficits, the downgrading of credit ratings of various significant financial institutions and developed countries, , and bailouts for various EU member states, which have damaged investor confidence and caused increased volatility in global and Indian securities markets. Continued deterioration of the credit and capital markets could result in volatility of our investment earnings and impairments to our investment and asset portfolio, which could negatively impact our financial condition and reported income.

40. Our results of operations could be adversely affected by any disputes with our employees.

As on date, our total employee strength was approximately 1797 employees. Currently, none of our employees are members of any labour union. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

41. We face the risk of misappropriation or fraud and other misconduct by our employees.

Our operations expose us to the risk of fraud, misappropriation or unauthorized transactions by our employees responsible for dealing with our customer which may include cash transactions. While we have taken measures to detect and prevent any unauthorized transaction, fraud or misappropriation by our representatives and officers, this may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill.

42. Our insurance coverage may not adequately protect us against losses.

We maintain such insurance coverage that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We maintain general liability insurance coverage, including coverage for errors or omissions. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition and results of operations and could cause the price of our equity shares to decline.

43. There can be no assurance that we will be able to pay dividends in the future as the Company has not yet paid dividend.

We currently intend to invest our future earnings, if any, to fund our growth. We have not declared any dividends till date. The declaration and payment of dividends, if any, will depend on a number of factors, including our earnings, financial conditions, working capital requirements, results of operations, contractual obligations, applicable Indian legal restrictions, performance of our Subsidiary and other factors as considered relevant by the Board.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements we may enter into to finance our various projects and also the fund requirements for our projects. We cannot assure you that we will generate sufficient income to cover our operating expenses and pay dividends to our shareholders, or at all, in the future.

EXTERNAL RISKS

Risks Relating to India

1. ***Governmental and statutory regulations, including the imposition of an interest rate ceiling, may adversely affect our operating results and financial position.***

As a non-deposit taking NBFC, our Company is subject to regulation by Indian governmental authorities, including the RBI. These laws and regulations impose numerous requirements on us, including asset classifications and prescribed levels of capital adequacy, cash reserves and liquid assets. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect us.

For instance, a number of states in India have enacted laws to regulate money lending transactions. These state laws establish maximum rates of interest that can be charged by a person lending money. For unsecured loans, these maximum rates typically range from 20.0% to 24.0% per annum and are subject change to from time to time. Currently, the RBI requires that the board of all NBFCs adopt an interest rate model taking into account relevant factors such as the cost of funds, margin and risk premium. It is unclear whether NBFCs are required to comply with the provisions of state money lending laws that establish ceilings on interest rates. In October, 2004, the Honourable High Court at Calcutta observed that Bengal Money Lender's Act, 1940 applies to NBFCs. However, in January 2010, the High Court of Gujarat held that the provisions of the RBI Act have an overriding effect upon state money lending laws. The subject matter is pending before the Supreme Court of India in a different case and the final decision has not been passed.

In the event that the Supreme Court of India and/or the government of any state in India requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty against us, our Directors or our officers, including for prior non-compliance, our business, future financial performance and results of operations may be materially and adversely affected.

2. ***Political instability or changes in the Government in India or in the Government of the states where we operate could cause us significant adverse effects.***

We are incorporated in India and all of our operations, assets and personnel are located in India. Consequently, our performance and the market price and liquidity of our NCDs may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The central government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business is also impacted by regulation and conditions in the various states in India where we operate. Our business, and the market price and liquidity of our NCDs may be affected by interest rates, changes in central government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive central governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued. A significant change in the central government's policies could adversely affect our business, financial condition and results of operations and could cause the price of our NCDs to decline.

3. ***Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer and adversely affect our results of operations.***

We are exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Certain Indian financial institutions have experienced difficulties in recent years. Some co-operative banks (which tend to operate in rural sector) have also faced serious financial and liquidity crises. There has been a trend towards consolidation with weaker banks and NBFCs being merged with stronger entities. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect our business, our future financial performance, our shareholders' funds and the market price of our NCDs.

4. ***Regional hostilities, terrorist attacks, civil disturbances or social unrest, regional conflicts could adversely affect the financial markets and the trading price of our NCDs could decrease.***

Certain events that are beyond our control, such as terrorist attacks and other acts of violence or war, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy.

India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country leading to overall political and economic instability, it could have a materially adverse effect on our business, future financial performance, results of operations and the trading price of the NCDs.

5. ***Our growth depends on the sustained growth of the Indian economy. An economic slowdown in India and abroad could have a direct impact on our operations and profitability.***

Macroeconomic factors that affect the Indian economy and the global economic scenario have an impact on our business. The growth in our business is primarily driven by the need for financing infrastructure development. Any slowdown in the Indian economy may have a direct impact on the growth in our business and a slowdown in the economy as a whole can increase the level of defaults thereby adversely impacting our Company's profitability and growth plans.

6. ***Any downgrading of India's debt rating by an international rating agency could have a negative impact on the trading price of the NCDs.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, its ability to obtain financing for capital expenditures and the trading price of the NCDs.

7. ***Companies operating in India are subject to a variety of central and state government taxes and surcharges.***

Tax and other levies imposed by the central and state governments in India that affect our tax liability include: (i) central and state taxes and other levies; (ii) income tax; (iii) value added tax; (iv) turnover tax; (v) service tax; (vi) stamp duty; and (vii) other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time.

The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, is currently 32.45 %. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

8. ***Financial instability in other countries could disrupt our business.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country may have adverse effects on the economy as a whole, in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. In the event that the current difficult conditions in the global credit markets continue or if the recovery is slower than expected or if there any significant financial disruption, this could have an adverse effect on our cost of funding, loan portfolio, business, prospects, results of operations and financial condition.

9. ***Trading of the NCDs may be limited by temporary exchange closures, broker defaults, settlement delays, strikes by brokerage firm employees and disputes.***

The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

Risks Associated with the NCDs

1. There is no guarantee that the NCDs issued pursuant to this Issue will be listed on BSE and NSE in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of NCDs to be submitted. There could be a failure or delay in listing the NCDs on the Stock Exchange. Any failure or delay in obtaining the approval would restrict an investor's ability to trade in the NCDs.

2. You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner, or at all.

3. There is no active market for the NCDs on the stock exchanges. As a result the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and, (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

4. Debenture Redemption Reserve would be created up to an extent of 25% for the NCDs and if we are unable to generate adequate profits, we may not be able to provide for the DRR even to the extent of the stipulated 25 per cent.

The Companies (Share Capital and Debentures) Rules, 2014 inter alia provides as follows:

(a) the Debenture Redemption Reserve shall be created out of the profits of the company available for payment of dividend;

(b) the company shall create Debenture Redemption Reserve equivalent to at least twenty five percent of the amount raised through the debenture issue before debenture redemption commences.

The said Companies (Share Capital and Debentures) Rules, 2014 further provides that the amount credited to the Debenture Redemption Reserve shall not be utilised by the company except for the purpose of redemption of debentures.

Therefore our Company will be maintaining debenture redemption reserve to the extent of 25 per cent of the NCDs issued and the NCD Holders may find it difficult to enforce their interests in the event of or to the extent of a default. In the case we are unable to generate adequate profits, we may not be able to provide for the DRR even to the extent of the stipulated 25 per cent.

As per Companies (Share Capital and Debentures) Rules, 2014, every company required to create or maintain DRR shall before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15.00% of the amount of its debentures maturing during the year ending on the 31st day of March, following any one or more of the following methods, namely:(a) in deposits with any scheduled bank, free from charge or lien (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilized for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 3lst day of March of that year. This may have a bearing on the timely redemption of the NCDs by our Company.

5. Any downgrading in credit rating of our NCDs may affect the trading price of the NCDs.

The NCDs proposed to be issued under this Issue have been rated CARE AA (Double AA)' from CARE and "BWR AA" (BWR Double A) (Outlook Stable) from BRICKWORK. We cannot guarantee that these ratings will not be downgraded. The ratings provided by CARE and BRICKWORK may be suspended, withdrawn or revised at any time. Any revision or downgrading in the above credit ratings may lower the value of the NCDs and may also affect our Company's ability to raise further debt.

6. Changes in interest rates may affect the price of our Company's NCDs.

All securities where a fixed rate of interest is offered, such as our Company's NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our Company's NCDs.

7. Payments made on the NCDs is subordinated to certain tax and other liabilities preferred by law.

The NCDs will be subordinated to certain liabilities preferred by law such as to claims of the Government on account of taxes. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the NCDs.

8. There may be a delay in making refunds to Applicants.

We cannot assure you that the monies refundable to you, on account of (a) withdrawal of your Applications, (b) withdrawal of the Issue, or (c) failure to obtain the final approval from the Stock Exchanges for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund such monies, with the interest due and payable thereon, as prescribed under applicable statutory and/or regulatory provisions.

PROMINENT NOTES

1. This is a public issue of NCDs by our Company aggregating upto ₹ 2,500 million with an option to retain over-subscription upto ₹ 2,500 million for issuance of additional NCDs, aggregating to a total of ₹ 5,000 million.

2. For details on the interest of our Company's Directors, please refer to the sections titled "**Our *Management***" and "***Capital Structure***" beginning on pages 97 and 53 respectively of this Prospectus.

3. Our Company has entered into certain related party transactions, within the meaning of AS 18 as notified by the Companies (Accounting Standards) Rules, 2006, as disclosed in the chapter titled "***Financial Information***" beginning on page 233 of this Prospectus.

4. Any clarification or information relating to the Issue shall be made available by the Lead Managers, and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever.

5. Investors may contact the Registrar to the Issue, Compliance Officer to the Issue, Lead Managers for any complaints pertaining to the Issue. In case of any specific queries on allotment/refund, Investor may contact Registrar to the Issue.

6. In the event of oversubscription to the Issue, allocation of NCDs will be as per the "***Basis of Allotment***" set out in the chapter "***Terms of the Issue***" on page 150 of this Prospectus.

7. Our Equity Shares are currently unlisted.

8. Most of our earlier secured non-convertible debentures issued by our Company on private placement basis are listed on BSE and NSE.

9. For further information on such contingent liabilities, see "***Financial Information***" on page 233 of this Prospectus.

10. For further information relating to certain significant legal proceedings that we are involved in, see ***Outstanding Litigation***" beginning on page 186 of this Prospectus.

SECTION III: INTRODUCTION

GENERAL INFORMATION

Srei Equipment Finance Limited

Our Company was incorporated on June 13, 2006 as a public limited Company under the provisions of the Companies Act, 1956 and received the certificate of commencement of business on November 28, 2006.

Registered Office of the Issuer
'Vishwakarma', 86C Topsia Road (South)
Kolkata – 700 046 West Bengal, India
Tel: +91 33 6639 4700
Fax: +91 33 22857542
CIN: U70101WB2006PLC109898
Email-id: sreibnpncd@srei.com

Corporate Office of the Issuer

7th Floor, OLISA House, No. 4, Government Place (North)
Kolkata 700 001 West Bengal, India

Head Office of the Issuer

Plot No Y-10, Block EP, Sector-V, Salt Lake City
Kolkata-700091 West Bengal, India
Tel: +91 33 6160 7734
Fax: +91 33 6602 2600

Company Secretary and Compliance Officer of the Issuer

Name	:	Mr. Naresh Mathur
Address	:	Plot No. Y-10, Block-EP, Sector-V, Salt Lake City Kolkata- 700091, West Bengal, India
Telephone	:	+91 33 6160 7734
Fax	:	+91 33 6602 2600
E-Mail	:	naresh.mathur @srei.com

Compliance Officer to the Issue

Name	:	Mr. C. R. Sudharsanam
Address	:	Plot No. Y-10, Block-EP, Sector-V, Salt Lake City Kolkata- 700091, West Bengal, India
Telephone	:	+91 33 6160 7734
Fax	:	+91 33 6602 2600
Toll Free No.	:	18004197734
E-Mail	:	sreibnpncd@srei.com, connect@sreibonds.com

Chief Financial Officer of the Issuer

Name	:	Mr. C. R. Sudharsanam
Address	:	Plot No. Y-10, Block-EP, Sector-V, Salt Lake City Kolkata- 700091, West Bengal, India
Telephone	:	+91 33 6160 7734
Fax	:	+91 33 6602 2600
E-Mail	:	CR.Sudharsanam @srei.com

Debenture Trustee

Axis Trustee Services Limited
2nd Floor, E-Wing, Axis House,
Bombay Dyeing Mills Compound
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Tel: +91 22 2425 5206
Fax: +91 22 2425 4200
Email: debenturetrustee@axistrustee.com
Investor Grievance Email : complaints@axistrustee.com
Website:www.axistrustee.com

Contact Person: Mr Jayendra Prasad Shetty, Chief Operating Officer
Compliance Officer: Mr D J Bora
SEBI Registration No.: IND000000494
CIN : U74999MH2008PLC182264

Axis Trustee Services Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated March 11, 2015 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

All the rights and remedies of the Debenture Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the Debenture Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company *pro tanto* from any liability to the Debenture Holders. For details on the terms of the Debenture Trust Deed, please refer to the section titled "***Issue Related Information***" on page no. 136 of this Prospectus.

Registrar of the Issue

Karvy Computershare Private Limited
Plot No. 17 to 24, Vithalrao Nagar
Madhapur, Hyderabad 500 081
Tel: +91 40 4465 5000
Fax: +91 40 2343 1551
Email: einward.ris@karvy.com
Investor Grievance Email: sreiequip.ncdipo@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr M. Murali Krishna
Compliance Officer: Mr Rakesh Santhalia
SEBI Registration No.: INR000000221
CIN: U74140TG2003PTC041636

Applicants or prospective investors may contact the Registrar to the Issue or the Compliance Officer to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, demat credit or Refund Orders.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant ("DP") and the collection centre of the relevant members of the Lead Managers, brokers and sub-brokers appointed in relation to the Issue ("Syndicate") where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for and amount blocked on Application.

All grievances arising out of Applications for the NCDs made through Trading Members of the Stock Exchanges may be addressed directly to the relevant Stock Exchange.

Credit Rating Agencies

Credit Analysis and Research Limited
3rd Floor, Prasad Chambers (Shagun Mall Building)
10A, Shakespeare Sarani, Kolkata 700 071
Tel: (+91 33) 4018 1600 / 1601 / 1602
Fax: (+91 33) 4018 1603
E-mail: care@careratings.com

Brickwork Ratings India Private Limited

3rd Floor, Raj Alkaa Park
29/3 & 32/2 Kalena Agrahara,
Bannerghatta Road, Bengaluru 560076
Tel: (+91 80) 4040 9940
Fax: (+91 80) 4040 9941
E-mail: info@brickworkratings.com

Statutory Auditors

Deloitte Haskins & Sells
Chartered Accountants
Bengal Intelligent Park, Building Alpha, 1st Floor
Plot No - A2, M2 & N2, Block - EP & GP, Sector - V
Salt Lake Electronics Complex
Kolkata - 700 091Tel: +91 33 6615 3400
Fax: +91 33 2281 7750
Contact Person: Mr. Arunabha Bhattacharya
Membership No: 054110
Firm registration no: 302009E

Registration

– Corporate Identification Number: U70101WB2006PLC109898 issued by the Registrar of Companies, West Bengal.

– Certification of Incorporation dated June 13, 2006 issued by the Registrar of Companies, West Bengal and Certificate for Commencement of Business dated November 28, 2006

– Certificate of Registration no. N-05.06694 dated June 12, 2007 issued by the RBI allowing our Company to commence/carry on the business as a non deposit taking non-banking financial institution, under Section 45-IA of the RBI Act, 1934.

– Certificate of Registration no. N-05.06694 dated January 1, 2008 issued by the RBI consequent on conversion of our Company to private limited company and change of name to Srei Infrastructure Development Finance Private Limited allowing our Company to commence/carry on the business as a non deposit taking non-banking financial institution, under Section 45-IA of the RBI Act, 1934.

– Certificate of Registration no. N-05.06694 dated September 3, 2008 issued by the RBI consequent on change of name to Srei Equipment Finance Private Limited and reclassifying our Company as an Asset Finance Company – Non - Deposit Taking under Section 45-IA of the RBI Act, 1934.

– Certificate of Registration no. N-05.06694 dated February 19, 2014 issued by the RBI consequent on change of name to Srei Equipment Finance Limited, classifying our Company as an Asset Finance Company – Non - Deposit Taking under Section 45-IA of the RBI Act, 1934.

Income-Tax Registration

Permanent Account Number: AAKCS3431L

Lead Managers

Edelweiss Financial Services Limited Edelweiss House Off CST Road, Kalina Mumbai 400 098 Tel: +91 22 4086 3535 Fax: +91 22 4086 3610 Email: sreibnpncd@edelweissfin.com Investor Grievance Email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Mr Lokesh Singhi Compliance Officer: Mr. B Renganathan SEBI Registration No.: INM0000010650 CIN:L99999MH1995PLC094941	**Srei Capital Markets Limited*** 'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046 Tel: +91 33 6602 3845 Fax: +91 33 6602 3861 Email: capital@srei.com Investor Grievance E mail: scmlinvestors@srei.com Website: www.srei.com Contact Person: Mr Manoj Agarwal Compliance Officer: Mr Manoj Agarwal SEBI Registration No.: INM000003762 CIN : U67190WB1998PLC087155

**Srei Capital Markets Limited is a wholly owned subsidiary of Srei Infrastructure Finance Limited, which is one of the Promoters of the Company, shall only be involved in marketing of the Issue*

Legal Advisor to the Issue

Khaitan & Co LLP
Emerald House
1B Old Post Office Street, Kolkata 700 001
Tel: +91 33 2248 7000
Fax: +91 33 2248 7656
E-mail: project.srei@khaitanco.com

Escrow Collection Banks / Bankers to the Issue

Axis Bank Limited Kolkata Main Branch 7, Shakespeare Sarani Kolkata - 700071 Tel: +91 98364 37700 Fax: +91 33 2282 7611 Contact Person: Mr Saurav Bhattacharyya Website: www.axisbank.com SEBI Reg. No. : IN-DP-NSDL-49-98	**HDFC Bank Ltd.** Lodha, I- Think Techno Campus, Office floor 3rd Opp. : Crompton Greaves Ltd. Next to Kanjurmarg Railway Station, Kanjurmarg East Mumbai - 400 042 Tel: +91 22 3075 2927 Fax: +91 22 2579 9801/809 Contact Person: Mr Uday Dixit Website: www.hdfcbank.com SEBI Reg. No. : INBI00000063	**ICICI Bank Limited** Capital Market Division 1st Floor, 122 Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate Mumbai - 400 020 Tel: +91 22 2285 9932 Fax: +91 22 2261 1138 Contact Person: Mr Rishav Bagrecha Website: www.icicibank.com SEBI Reg. No. : INBI00000004
IndusInd Bank Limited PNA House, 4th Floor, Plot No-57&57/1, Near SRL, MIDC, Andheri East, Mumbai – 400 093 Tel: +91 22 6106 9234 Fax: +91 22 6106 9315Contact Person: Suresh Esaki Website: www.indusind.com SEBI Reg. No. : INBI00000002		

Refund Bank

ICICI Bank Limited
Capital Market Division
1st Floor, 122 Mistry Bhavan
Dinshaw Vachha Road,
Backbay Reclamation
Churchgate
Mumbai - 400 020
Tel: +91 22 2285 9932
Fax: +91 22 2261 1138
Contact Person: Mr Rishav Bagrecha
Website: www.icicibank.com
SEBI Reg. No. : INBI00000004

Bankers to our Company

Bank of Baroda India Exchange Branch, 4, India Exchange Place, Kolkata- 700 001 Tel: +91 33 2231 4467 Fax: +91 33 2230 8775 Email Id: indiae@bankof baroda.com	**Bank of India** 5, B.T.M Sarani, Kolkata-700 001 Tel: +91 33 2231 1296 Email id- LCB.kolkata@bankofindia.com	**Bank of Maharashtra** Chowringhee Road Branch 60C, Chowringhee Road, Kolkata – 700 020 Tel: +91 33 2283 2095 Email id- bom376@mahabank.co.in brmgr376@mahabank.co.in
Central Bank of India Corporate Finance Branch	**Corporation Bank** Corporate Banking branch	**DENA Bank** Beck Bagan Branch

33, N.S Road, 1st Floor, Kolkata – 700 001 Tel: +91 33 2262 4654/2230 3606 Email id- Agmcfb3842@centralbank.co.in	21 H B Sarani, Centre Point 1st Floor, Kolkata-700 001 Tel: +91 33 2262 5442/2262 5443 Email id- cb1127@corpbank.co.in	3, Mrigendra Lal Mitra Road, Kolkata – 700 017 Tel: +91 33 2287 7033 Email id- parkci@denabank.co.in
DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH Kammergasse 22, 50676 Cologne, Germany Tel: +49 (0)221 4986 1475 Email id- info@deg-invest.de	**Deutsche Bank** Corporate Banking Coverage Brooke House 9 Shakespeare Sarani Kolkata – 700 071 Tel: +91 33 7100 9400 Email id- Jitesh.saboo@db.com	**Indian Overseas Bank** International Business Branch 2, Wood Street, Kolkata – 700 016 Tel: 91 33 2283 4231/ 2280 1177 Email id- iob0585@iob.in
ICICI Bank Limited 2B Gorky Terrace, Kolkata - 700 017 Tel: +91 33 2283 2209/4402 5300 Email id- suraj.bathwal@icicibank.com	**Karnataka Bank Limited** Kolkata Overseas Branch Shubham Building, 1st Floor, No.1. Sarojini Naidu Sarani, Park Street , Kolkata - 700 017 Tel: +91 33 2283 1611/1619(G)/2283 7903(CM) Email id- calcutta@ktkbank.com Calcutta.forex@ktkbank.com	**Oriental Bank of Commerce** Large Corporate Branch 6th Floor, Om Tower, 32, J.L Nehru Road Kolkata - 700 071 Tel: +91 33 2226 8303/4006 0750 Email id- bm0171@obc.co.in
State Bank of Bikaner & Jaipur CNW Branch, 20B, Part Street, Kolkata – 700 016 Tel: +91 33 2229 3032/2249 3310/4001 1447 Email id- sbbj10604@sbbj.co.in	**State Bank of Hyderabad** Commercial Branch, Trinity Tower, Ground Floor, 83, Topsia Road(S), Kolkata-700 046 Tel: +91 33 2285 2061 Fax: +91 33 2285 2059 Email Id: brabourneroad@sbhyd.co.in	**Standard Chartered Bank** Crescenzo, 6th Floor, 3A/F Plot No. C-38/39, G-Block, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 Tel: +91 22 2675 7892/6115 8281
The Karur Vysya Bank Limited Ground Floor, SB Towers, 37, Shakespeare Sarani Branch, Kolkata – 700 017 Tel: +91 33 2283 6387 Email id- shakespeare@kvbmail.com	**The Lakshmi Vilas Bank** Fort Branch, Bharat House, 104, B.S. Marg, Fort, Mumbai-400 001 Tel: +91 22 2267 2255/2247 Fax: +91 22 2267 0267 Email Id: mumbaifort_bm@lvbank.in	**The South Indian Bank** Corporate Branch, Oswal Chambers, 2 Church Lane, Kolkata-700 001 Tel: +91 33 2262 4816
UCO Bank Flagship Corporate Branch 2, India Exchange place Kolkata – 700001 Tel: +91 33 2248 0698/64504477 Email id- calind@ucobank.co.in	**Union Bank of India** 1/1, Camac Street, 1st Floor, Kolkata – 700 016 Tel: +91 33 2229 7908 Email id- ifbkolkata@unionbankofindia.com	**Vijaya Bank** Brabourne Road Branch Martin Burn Building, 1 R.N. Mukherjee Road Kolkata – 700 001 Tel: +91 33 2243 5625 Email id- brabournecal7213@vijayabank.co.in

Lead Brokers to the Issue

A. K. Stockmart Private Limited 30-39, Free Press House, Free Press Journal House, 215 Nariman Point, Mumbai – 400 021 Tel No. + 91 22 6754 4666 Fax No. + 91 22 6634 9300 E-mail: ankit@akgroup.co.in, Contact Person: Mr Ankit Gupta/ Mr Sanjay Shah	**AUM Capital Market Private Limited** 5, Lower Rawdon Street, Akashdeep Building, 1st Floor Kolkata – 700 020 Tel : +91 33 2486 1040 Fax: +91 33 2476 0191 E-mail: navin.rustagi@aumcap.com Contact Person: Mr Navin Rustagi	**Axis Capital Limited** Axis House, Level 1, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai-400 025, India Tel No. +91 22 4325 2525 Fax No. +91 22 4325 3000 Email: Ajay.sheth@axiscap.in /Vinayak.ketkar@axiscap.in Contact Person: Ajay Sheth/Vinayak Ketkar

Edelweiss Broking Limited Edelweiss House, Off C.S.T. Road Kalina, Mumbai 400 098 Tel: +9122 6747 1341/67471342 Fax: +91 22 6747 1347 Email: amit.dalvi@edelweissfin.com/prakash.boricha@ edelweissfin.com Contact Person: Mr Amit Dalvi /Mr Prakash Boricha	**HDFC Securities Limited** I Think Techno Campus Building - B, "Alpha", Office Floor 8, Opp. Crompton Greaves, Near Kanjurmarg Station, Kanjurmarg (East), Mumbai – 400 042 Tel: +91 22 3075 3400 Fax: + 91 22 3075 3435 E-mail: sharmila.kambli@hdfcsec.com/ Contact Person: Ms Sharmila Kambli/Mr Jyotheesh Kumar	**IDBI Capital Market Services Limited** 3rd Floor, Mafatlal Centre, Nariman Point, Mumbai – 400 021 Tel: + 91 22 4322 1375 Fax: + 91 22 2285 0785 E-mail: anurag.singh@idbicapital.com Contact Person: Mr Anurag Singh
India Infoline Limited IIFL House, Sun Infotech Park, 3rd Floor, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane West – 400 604 Tel : + 91 22 4103 5274/73/4103 0211 Fax : + 91 22 2580 6654 E-mail: ncd@indiainfoline.com Contact Person: Mr Anwar Ahmed	**Integrated Enterprises (India) Limited** 15, 1st Floor, Modern House, Dr. V. B. Gandhi Marg, Fort, Mumbai – 400 023 Tel: +91 22 4066 1800 Fax: +91 22 2287 4676 Email: krishnan@integratedindia.in Contact Person: Mr V Krishnan	**JM Financial Services Private Limited** 2,3 & 4, Kamanwala Chambers, Sir. P M Road, Fort, Mumbai-400 001 Tel: +91 22 3021 3500 Fax: +91 22 2266 5902 E-mail: rohit.singh@jmfl.com Contact Person: Mr Rohit Singh
Just Trade Securities Limited (Formerly known as Bajaj Capital Investor Services Ltd) Bajaj House, 97, Nehru Place, New Delhi-110 019 Tel : +91 11 4169 3000/6616 1111 Fax : +91 11 2647 6638 Email : sumitd@bajajcapital.com Contact Person : Mr Sumit Dudani	**Karvy Stock Broking Limited** "Karvy House", 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034 Tel : +91 40 2331 2454 Fax : +91 40 6662 1474 E-mail : ksbldist@karvy.com Contact Person: Mr P.B. Ramapriyan	**Kotak Securities Limited** Nirlon House. 3rd Floor, Dr. Annie BasantRoad, Nr. Passport Office, Worli, Mumbai-400 025 Tel : + 91 22 6740 9431 Fax : + 91 22 6661 7041 E-mail: Umesh.Gupta@kotak.com Contact Person: Mr Umesh Gupta
RR Equity Brokers Private Limited 47, MM Road, Rani Jhansi Marg, Jhandewalan, New Delhi - 110 055 Tel : +91 11 2363 6362 Fax : +91 11 2363 6746 E-mail : jeetesh@rrfcl.com Contact Person: Mr Jeetesh Kumar	**SMC Global Securities Ltd** 17, Netaji Subhash Marg, Opp Golcha Cinema, Daryaganj , New Delhi-110 002 Tel: +91 9818620470 / 9810059041 Fax: +91 11 2326 3297 E-mail: mkg@smcindiaonline.com, neerajkhanna@smcindisonline.com Contact Person : Mr Mahesh Gupta, Mr Neeraj Khanna	**SPA Securities Limited** 101-A, 10th Floor, Mittal Court, Nariman Point, Mumbai – 400 021 Tel : +91 22 4043 9000/2280 1240-49 Fax : +91 22 2287 1192/2284 6318 E-mail : cms@spacapital.com Contact Person: Mr Swati Maheshwari
Tipsons Stock Brokers Private Limited, Sheraton House, 5th Floor, Opp: Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad-380 015 Tel: +91 79 3061 1134/35/37/39/45 Fax: +91 79 3061 1134 Email ID: hiren.chandarana@truevalueindia.com Contact Person: Mr Hiren Chandarana/ Mr Avinash Kothari		

Self-Certified Syndicate Banks

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchanges only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Lead Managers Lead Brokers, sub-brokers or the Trading Members of the Stock Exchanges is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchanges only in the Specified Cities, see the above mentioned web-link.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names
or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013"

Minimum Subscription

If our Company does not receive the minimum subscription of 75% of the Base Issue, i.e. 1875 million, prior to Allotment, the entire subscription shall be refunded to the Applicants within fifteen (15) Days from the date of closure of the Issue. If there is delay in the refund of subscription by more than eight (8) days after our Company becomes liable to refund the subscription amount, our Company will pay interest for the delayed period, at the rate of 15 (fifteen) percent per annum to the same bank account from which the Application Money was received by our Company.

Underwriting

The Issue is not underwritten.

Arrangers to the Issue

There are no arrangers to the Issue.

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Prospectus:

Vide letter dated March 16, 2015, our Company has received consent from Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of our Company to include their name as an expert under Section 26(5) of the Companies Act 2013 in the Draft Prospectus and Prospectus in relation to the examination report dated March 19, 2015 and statement of tax benefits dated March 19, 2015 included in the Draft Prospectus and Prospectus and such consent has not been withdrawn as on the date of this Prospectus. Vide letter dated March 12, 2015 and March 13, 2015, our Company has received consent from CARE and BRICKWORK to include their name as an expert under Section 26(5) of the Companies Act 2013 in the Draft Prospectus and Prospectus and such consent has not been withdrawn as on the date of this Prospectus

Credit Ratings and Rationale

By its letter dated March 11, 2015 CARE has assigned a rating of 'CARE AA (Double A)'to the issue of NCDs by the Issuer to the extent of ₹ 3300 million with a minimum tenure of 1 (one) years & maximum tenure of 10 (ten) years.

By its letter dated March 30, 2015 CARE has assigned a rating of 'CARE AA (Double A)'to the issue of NCDs by the Issuer to the extent of ₹ 1732.80 million with a minimum tenure of 1 (one) years & maximum tenure of 10 (ten) years.

All the Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Set out below is an extract of the rating rationale adopted by CARE:

"The above ratings continue to draw strength from the established position and satisfactory track record of both the joint venture partners (the Srei group and the BNP Paribas Lease group), well established business network with large customer base, diversified credit portfolio, comfortable asset liability maturity profile and satisfactory financial performance. The ratings also factor in SEFL's satisfactory gearing and capitalization. The long term rating is, however, constrained by the risk associated with the volatility in interest rates, moderation in asset quality and increasing competition in the infrastructure equipment financing business. The ability of the Company to maintain its business growth with simultaneous protection of spreads as also improve its asset quality by containing the incremental NPAs would remain the key rating sensitivities."

By its letter dated June 20, 2014 and revalidation letter dated March 11, 2015, BRICKWORK has assigned a rating of "BWR AA" (BWR Double A) (Outlook Stable) to the issue of NCDs by the Issuer to the extent of ₹ 10,000 million. The said rating is valid till July 19, 2015.

Instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Set out below is an extract of the rating rationale adopted by BRICKWORK:

"Brickwork Ratings (BWR) has assigned the Rating of BWR AA (BWR Double A) with stable outlook for the proposed secured NCDs (Public Issue) of ₹ 500 crores of Srei Equipment Finance Limited (erstwhile Srei Equipment Finance Private Limited).

The rating, inter alia, factors experience of the promoter group in equipment financing business, its dominant market share, adequate financial performance in FY ' 14 in a difficult environment and conservative asset classification and provisioning norms followed. The rating is, however, constrained by concerns on asset quality as reflected by increasing NPAs and provision costs, decline in PAT, pressure on capital adequacy for future growth, and funding profile of the Company with high dependence on working capital lines from banks."

<u>Statement of Inter Se Allocation of Responsibilities for the Issue</u>

The following table sets forth the distribution of responsibility and coordination for various activities amongst the Lead Managers:

No	Activities	Responsibility	Coordinator
1.	Structuring of various issuance options with relative components and formalities etc.	Edelweiss	Edelweiss
2.	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of the Offering Document and of statutory advertisement including memorandum containing salient features of the Offering Document. (The Merchant Bankers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the BSE, NSE and SEBI including finalization of Offering Document and filing)	Edelweiss	Edelweiss
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, etc.	Edelweiss	Edelweiss
4.	Appointment of other intermediaries viz., Registrar(s), Printers, Advertising Agency and Bankers to the Issue	Edelweiss	Edelweiss
5.	Finalization of agreement with stock exchanges (if any) for using their platform, completing other necessary formalities in this regard and coordination in obtaining user id, password etc. from exchanges	Edelweiss	Edelweiss
6.	Preparation of road show presentation, FAQs	Edelweiss, Srei Caps	Edelweiss
7.	Marketing Strategy for Institutional and Non-Institutional Investor(s) which will cover inter alia: • Finalize media, marketing and public relation strategy and publicity budget, • Finalize centers for holding conferences for brokers, etc.	Edelweiss, Srei Caps	Edelweiss

No	Activities	Responsibility	Coordinator
	• Finalize collection centers, • Follow-up on distribution of publicity and Issue material including form, Prospectus and deciding on the quantum of the Issue material		
8.	Marketing Strategy for Individual Category Investor(s) which will cover inter alia: • Finalize media, marketing and public relation strategy and publicity budget, • Finalize centers for holding conferences for brokers, etc. • Finalize collection centers, • Follow-up on distribution of publicity and Issue material including form, Prospectus and deciding on the quantum of the Issue material	Edelweiss, Srei Caps	Edelweiss
9.	The Post Issue activities for the Issue will involve essential follow up steps, which include the management of escrow accounts, finalization of the basis of allotment, dispatch of refunds, demat and delivery of securities, finalization of listing and trading of instruments with the various agencies connected with the work such as the Registrar(s) to the Issue and Bankers to the Issue and the redressal of investor grievances in relation to post issue activities.	Edelweiss	Edelweiss

Utilisation of Issue proceeds

Our Board / Committee of Directors, as the case may be, certifies that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account maintained with a Scheduled Bank other than the bank account referred to in section 40(3) of the Companies Act 2013;
- details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue;
- Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;
- We shall utilize the Issue proceeds only upon creation of Security, receipt of the listing and trading approval from the Stock Exchanges as stated in this Prospectus in the section titled "***Issue Structure***" beginning on page no. 136 of this Prospectus; and
- The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

Issue Programme

ISSUE OPENS ON	**April 09, 2015**
ISSUE CLOSES ON	**April 30, 2015**

The Issue shall remain open for subscription from 10 A.M. to 5 P.M. (Indian Standard Time) during banking hours for the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board/ Committee of Directors, as the case maybe, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through advertisements in a leading national daily newspaper on or before such earlier date of Issue Closure or initial date of Issue closure, as the case may be.

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange(s), during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Members of the Syndicate or the Trading Members of the Stock Exchange(s), as the case maybe, at the centres mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Members of the Syndicate or the Trading Members of the Stock Exchange, as the case may be, only at the Specified Cities. On the Issue Closing Date the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and not later than 3.00 p.m (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event if a large number of Applications are received on the Issue Closing Date, there may be some Applications which may not uploaded due to lack of sufficient time for uploading. Any such Applications which are not uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Members of the Syndicate or Trading Members of the Stock Exchange(s) shall be liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise.

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled "***Issue Related Information***" beginning on page no. 136 of this Prospectus.

Common Terms of NCDs

Issuer	Srei Equipment Finance Limited
Lead Managers	Edelweiss Financial Services Limited and Srei Capital Markets Limited
Debenture Trustee	Axis Trustee Services Limited
Registrar to the Issue	Karvy Computershare Private Limited
Issue	Public Issue of Secured, Redeemable Non-Convertible Debentures of our Company of NCDs aggregating upto ₹ 2500 million with an option to retain over-subscription upto ₹ 2500 million aggregating to a total of upto ₹ 5000 million.
Type of Instrument	secured redeemable non-convertible debentures
Nature of Instrument	Secured
Nature of Indebtedness and Ranking / Seniority	The claims of the NCD Holders shall be superior to the claims of any unsecured creditors of the Company and subject to applicable statutory and/or regulatory requirements, rank pari passu inter se to the claims of other creditors of the Company having the same security.
Mode of Issue	Public Issue
Eligible Investors	The following categories of persons are eligible to apply in the Issue: **<u>Category I (Institutional Category)</u>** 1. Public financial institutions, statutory corporations, commercial banks, co-operative banks and regional rural banks, which are authorized to invest in the NCDs; 2. Provident funds, pension funds, superannuation funds and gratuity fund, which are authorized to invest in the NCDs; 3. Venture capital funds and / or Alternative Investment Funds registered with SEBI; 4. Insurance companies registered with the IRDA; 5. National Investment Fund; 6. Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India; 7. State industrial development corporations; and 8. Mutual funds registered with SEBI **<u>Category II (Non-Institutional Category)</u>** 1. Companies, bodies corporate and societies registered under the applicable laws in India and authorized to invest in the NCDs; 2. Public/private charitable/religious trusts which are authorized to invest in the NCDs; 3. Scientific and/or industrial research organizations, which are authorized to invest in the NCDs; 4. Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorized to invest in the NCDs, 5. Partnership firms in the name of the partners; 6. Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and 7. Any other incorporated and/ or unincorporated body of persons. **<u>Category III (Individual Category)</u>** 1. Resident Indian individuals; and 2. Hindu undivided families through the karta. Please see the section titled "***Who can Apply***" under Issue Procedure at page no. 167 of this Prospectus
Listing	The NCDs are proposed to be listed on BSE and NSE. The NCDs shall be listed within 12 Working Days from the date of Issue Closure. For

	more information, see "***Other Regulatory And Statutory Disclosures – Listing***" on page no. 196 of this Prospectus.
Rating of the Instrument	The NCDs have been rated 'CARE AA (Double AA)'by CARE pursuant to letters dated March 11, 2015 and March 30, 2015 and "BWR AA" (BWR Double A) (Outlook Stable) by BRICKWORK pursuant to letters dated June 20, 2014 and revalidation letter dated March 11, 2015. Instruments with a rating of of 'CARE AA (Double AA)' by CARE and 'BWR AA" (BWR Double A) (Outlook Stable) are considered to have high degree of safety regarding timely servicing of financial obligations. The rating provided by CARE and BRICKWORK may be suspended, withdrawn or revised at any time by the assigning rating agency on the basis of new information etc., and should be evaluated independently of any other rating. The rating is not a recommendation to buy, sell or hold securities and investors should take their own investment decisions.
Base Issue	₹ 2500 million.
Option to retain Oversubscription Amount	₹ 2500 million.
Total Issue Size	₹ 5000 million.
Objects of the Issue	Please see "***Objects of the Issue***" on page no. 59 of this Prospectus.
Details of the utilization of the Proceeds	Please see "***Objects of the Issue***" on page no. 59 of this Prospectus.
Coupon Rate	Please see the section titled "***Terms of the Issue - Interest on NCDs***" on page no. 153 of this Prospectus
Step Up/Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Please see the section titled "***Terms of the Issue - Interest on NCDs***" on page no. 153 of this Prospectus
Coupon payment dates	Please see the section titled "***Terms of the Issue - Interest on NCDs***" on page no. 153 of this Prospectus
Coupon Type	Fixed Coupon Rates
Coupon Reset Process	N.A.
Day Count Basis	Actual/Actual
Interest on Application Amount	Please see "***Interest on Application & Refund Amount***" on page no. 156 of this Prospectus.
Default Interest Rate	In the event of any default in fulfilment of obligations by our Company under the Debenture Trust Deed, the Default Interest Rate payable to the Applicant shall be as prescribed under the Debenture Trust Deed.
Tenor	Please see the section titled "***Terms of the Issue - Interest on NCDs***" on page no. 153 of this Prospectus
Maturity Date	Shall mean 36 months from Deemed Date of Allotment for Series I, Series II and Series III NCDs and 39 months from Deemed Date of Allotment for Series IV, Series V and Series VI NCDs and 60 months from Deemed Date of Allotment for Series VII and Series VIII NCDs and 84 months from Deemed Date of Allotment for Series IX NCDs. If the Redemption Date/Maturity Date of any Series of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment.
Maturity Amount	Repayment of the Face Value plus any interest that may have accrued at the Maturity Date for Individual and / or Institutional and /or Non-Institutional Investors, as the case may be.
Maturity Premium/Discount	N.A.
Issue Price (₹ per NCD)	₹ 1,000/-
Face Value (₹ per NCD)	₹ 1,000/-
Discount at which security is issued and the effective yield as a result of such discount	N.A.
Call /Put	N.A.
Minimum Application and in multiples of 1(one) NCD thereafter	10 (ten) NCDs for all the Series of NCDs, taken individually or collectively

In Multiples of	1 (one) NCD
Issue Opening Date	April 09, 2015
Issue Closing Date	April 30, 2015 The Issue shall remain open for subscription from 10 A.M. to 5 P.M. (Indian Standard Time), except that the Issue may close on such earlier date or extended date as may be decided by the Board/ Committee of Directors, as the case maybe, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through advertisements in a leading national daily newspaper on or before such earlier date of Issue Closure or initial date of Issue closure, as the case may be.
Pay-in Date	The date of Application. The entire Application Amount is payable on Application.
Deemed Date of Allotment	The Deemed Date of Allotment for the NCDs shall be the date on which the Board of Directors or duly authorized committee thereof approves the allotment of NCDs or such date as may be determined by the Board of our Company and/or a duly authorized committee thereof and notified to the Stock Exchange. All benefits under the NCDs including payment of interest will accrue to the NCD Holders from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.
Issuance mode of the Instrument	Compulsorily in dematerialized form to all categories of investors other than Individual Category Investors who have opted for allotment of NCDs in the physical form in accordance with Section 8 (1) of the Depositories Act, 1996. Only Category III Investors can apply for allotment of NCDs in the physical form. However Series I, Series IV and Series VII NCDs would be allotted compulsorily in dematerialized form to all categories of Investors.
Trading Lot	1(one) NCD
Trading mode of the Instrument	The trading of the NCDs on the Stock Exchange shall be in dematerialized form only.
Settlement mode of the Instrument	Through various modes. Please see page no. 158 of this Prospectus
Depositories	Central Depository Services (India) Limited ("**CDSL**") and National Securities Depository Limited ("**NSDL**")
Working Day Convention	If any Coupon/Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day along with interest for such additional period. Such additional interest will be deducted from the interest payable on the next date of payment of interest. If the Redemption Date/Maturity Date of any Series of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment.
Record Date	In connection with Series II, Series V, Series VIII and Series IX NCDs, 15 (Fifteen) Days prior to the date on which interest is due and payable, or the date of redemption, or as may be prescribed by the Stock Exchanges, and in connection with Series I, Series IV and Series VII NCDs, 7 (Seven) Working Days prior to the date on which interest is due and payable, or the date of redemption, or as may be prescribed by the Stock Exchanges and in connection with Series III and Series VI NCDs, 15 (Fifteen) Days prior to the date of redemption or as may be prescribed by the Stock Exchanges. If the Record Date falls on a day that is not a Working Day, then immediate subsequent Working Day will be deemed as Record Date.
Security	The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due on the NCDs in respect thereof shall be secured by way of first charge in favour of the Debenture Trustee on an

	identified immovable property and specific future receivables/assets of our Company as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs (along with the interest due thereon), which shall be free from any encumbrances. For further details please refer to the section titled "Terms of the Issue – Security" on page 149 of this Prospectus.
Transaction Documents	Issue Agreement dated March 16, 2015 between our Company and the Lead Managers; Registrar Agreement dated March 16, 2015 with the Registrar to the Issue; Debenture Trusteeship Agreement dated March 13, 2015 executed between our Company and the Debenture Trustee, Escrow Agreement dated March 27, 2015 between the Company, the Registrar, the Escrow Collection Banks and the Lead Managers, Lead Broker MOU dated March 27, 2015 between the Company, the Lead Brokers and the Lead Managers and the agreed form of the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.
Conditions Precedent to Disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent to disbursement. See "***General Information - Utilisation of Issue Proceeds***" on page no. 40 of this Prospectus.
Condition Subsequent to Disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement. See "***General Information - Utilisation of Issue Proceeds***" on page no. 40 of this Prospectus.
Events of Default	See "***Terms of the Issue – Events of Default***" on page no. 162 of this Prospectus
Provisions related to Cross Default Clause	As provided in the Debenture Trust Deed.
Debenture Trustee	Axis Trustee Services Limited
Role and Responsibilities of Debenture Trustee	See "***Terms of the Issue - Debenture Trustee***" on page no. 163 of this Prospectus.
Governing Law	The NCDs are governed by and shall be construed in accordance with the existing Indian laws. Any dispute between the Company and the NCD Holders will be subject to the jurisdiction of competent courts in Kolkata
Jurisdiction	The courts at Kolkata will have exclusive jurisdiction for the purposes of the Issue.

Market Lot & Trading Lot: The trading of the NCDs on the Stock Exchange shall be in dematerialized form only. Since trading of the NCDs is in dematerialized form on the Stock Exchange, the tradable lot is one NCD. Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium for such NCDs) prior to redemption of the NCDs. NCDs shall be allotted Compulsorily in dematerialized form to all categories of investors other than Individual Category Investors who have opted for allotment of NCDs in the physical form in accordance with Section 8(1) of the Depositories Act, 1996. Only Category III Investors can apply for allotment of NCDs in the physical form. However Series I, Series IV and Series VII NCDs would be allotted compulsorily in dematerialized form to all categories of Investors. Such NCDs which are allotted in the physical form shall not be eligible for being traded on the Stock Exchange unless such NCDs are converted into the dematerialized form, but shall be freely transferable otherwise, subject to applicable statutory and/or regulatory requirements. For details of allotment refer to chapter titled "**Issue Procedure**" under section titled "**Issue Related Information**" beginning on page no. 136 of this Prospectus.

Specific terms of each Instrument

We are offering NCDs which shall have a fixed rate of interest. The NCDs will be issued at a face value of ₹ 1,000/- per NCD. Interest on the NCDs shall be payable as set out hereinafter. The terms of the NCDs offered pursuant to the Issue are as follows:

Series	**I#**	**II****	**III**	**IV#**	**V**	**VI**	**VII#**	**VIII**	**IX**
Frequency of Interest Payment	Monthly	Annual	Cumulative	Monthly	Annual	Cumulative	Monthly	Annual	Annual
Category of investor	I,II,III	I,II,III	I,II,III	I,II,III	I,II,III	I,II,III	I,II,III	I,II,III	I,II,III

Series	I#	II**	III	IV#	V	VI	VII#	VIII	IX
who can apply									
Minimum Application	₹ 10000/- (10 NCDs) across all series of NCDs taken individually or collectively								
In Multiples of	₹ 1000/- (1 NCD)	₹ 1000/- (1 NCD)	₹ 1000/- (1 NCD)	₹ 1000/- (1 NCD)	₹ 1000/- (1 NCD)	₹ 1000/- (1 NCD)	₹ 1000/- (1 NCD)	₹ 1000/- (1 NCD)	₹ 1000/- (1 NCD)
Face Value of NCDs (₹ / NCD)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Issue Price (₹ / NCD)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Tenor from Deemed Date of Allotment	36 months	36 months	36 months	39 months	39 months	39 months	60 months	60 months	84 months
Coupon (%) for Individual, Institutional & Non Institutional Investor(s)	9.75%	10.20%	N.A.	9.75%	10.20%	N.A.	9.75%	10.25%	10.25%
Effective Yield (per annum) for Individual, Institutional & Non Institutional Investor(s)	10.19%	10.22%	10.21%	10.19%	10.24%	10.20%	10.19%	10.26%	10.26%
Mode of Interest Payment	Through various modes available.								
Amount (₹ / NCD) on Maturity for Individual, Institutional & Non Institutional Investor(s)*	1,000/-	1,000/-	1,339/-	1,000/-	1,000/-	1,372/-	1,000/-	1,000/-	1,000/-
Maturity Date (from Deemed Date of Allotment)	36 months	36 months	36 months	39 months	39 months	39 months	60 months	60 months	84 months

** Subject to applicable tax deducted at source, if any.*
*** Our Company shall allocate and allot Series II NCDs wherein the Applicants have not indicated their choice of the relevant NCD Series or have applied for wrong Series.*
 # Series I, IV and VII NCDs would be allotted compulsorily in dematerialized form to all categories of Investors.

Investors in the proposed NCD who fall under Category III and who are senior citizens on the Deemed Date of Allotment shall be eligible for additional coupon of 0.25% p.a. provided the proposed NCDs are held by the investors on the relevant record date applicable for payment of respective coupon and/or redemption of NCDs across all series.

For Investors who fall under Category III and who are permanent resident employees of Srei Equipment Finance Limited, Srei Infrastructure Finance Limited and BNP Paribas Leasing Group, (resident in India) on Deemed Date of Allotment shall be eligible for additional coupon of 0.25% p.a. provided the proposed NCDs are held by the investors on relevant record date applicable for payment of respective coupon and or/redemption across all series.

For Investor who fall under Category III and who are senior citizen and/or permanent resident employees of Srei Equipment Finance Limited, Srei Infrastructure Finance Limited and BNP Paribas Lease Group, (resident in India) on Deemed Date of Allotment applying in Series III and Series VI NCDs, the maturity amount at redemption along with additional yield would be ₹1,348/- per NCD and ₹1,382/- per NCD respectively.

The additional coupon will be maximum of 0.25% p.a. for Category III investor in the proposed Issue, who are senior citizen and/or permanent resident employees of Srei Equipment Finance Limited (irrespective the Category III Investor is a senior citizen and/or an employee), Srei Infrastructure Finance Limited and BNP Paribas Lease Group, (resident in India) on Deemed Date of Allotment.

On any relevant Record Date the Registrar and/or our Company shall determine the list of the Primary holder(s) of this Issue and identify such Investor/ NCD Holders, (based on their DP identification and /or PAN and/or entries in the Register of NCD Holders), and make applicable coupon/interest payments.

The additional coupon will be given only on the NCDs allotted in this Issue i.e. to the Primary holder(s) falling under Category III (senior citizens and employees of Srei Equipment Finance Limited, Srei Infrastructure Finance Limited and BNP Paribas Lease Group). In case if any NCD is bought/acquired from secondary market or from open market, additional coupon will not be paid on such bought/acquired NCD.

In case the Primary holder(s) sells/gifts/transfer any NCDs allotted in this public issue, additional coupon will not be paid on such sold/gifted/transferred NCD except in case where NCDs are transferred to the Joint holder/Nominee in case of death of the primary holder.

Senior Citizen(s) have to provide self -attested copy of PAN as additional KYC document irrespective of the mode of application either through demat or physical for the eligibility of additional coupon of 0.25% per annum. In case of non receipt of copy of PAN along with the application form while applying for the NCDs of the Proposed Issue, the additional coupon of 0.25% p.a. will not be applicable. Employees have to provide a copy of the employee ID card along with the application form to avail additional coupon of 0.25% p.a.

For details of the interest payment please refer to page no. 153 of this Prospectus.

SUMMARY FINANCIAL INFORMATION

Srei Equipment Finance Limited

Statement of Assets and Liabilities, As Reformatted

₹ in Million

	As at 30.09.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
EQUITY AND LIABILITIES						
Shareholders' Funds						
Share Capital	596.60	596.60	596.60	532.20	500.00	500.00
Reserves and Surplus	21,391.70	20,369.00	18,115.20	13,484.00	10,545.70	9,237.80
	21,988.30	**20,965.60**	**18,711.80**	**14,016.20**	**11,045.70**	**9,737.80**
Non-Current Liabilities						
Long-Term Borrowings	34,485.60	40,923.80	43,288.60	35,139.80	39,473.40	33,015.50
Deferred Tax Liabilities (Net)	1,491.40	1,569.40	1,528.70	1,113.30	608.90	784.50
Other Long-Term Liabilities	1,094.00	1,455.00	1,531.50	1,239.20	830.90	205.70
Long-Term Provisions	2,208.50	1,643.50	1,412.60	1,304.60	1,228.80	879.00
	39,279.50	**45,591.70**	**47,761.40**	**38,796.90**	**42,142.00**	**34,884.70**
Current Liabilities						
Short-Term Borrowings	89,314.80	73,952.10	74,363.80	46,615.70	24,607.80	14,234.20
Trade Payables	3,860.30	2,770.40	3,805.60	6,604.50	5,431.70	5,570.40
Other Current Liabilities						
- Current Maturities of Long-Term Borrowings	13,881.70	16,083.40	17,811.30	21,367.90	13,635.60	9,517.90
- Others Current Liabilities	2,421.20	2,238.70	1,631.80	967.80	535.00	526.10
Short-Term Provisions	1,387.40	1,069.60	794.20	468.30	836.10	15.10
	110,865.40	**96,114.20**	**98,406.70**	**76,024.20**	**45,046.20**	**29,863.70**
Total	**172,133.20**	**162,671.50**	**164,879.90**	**128,837.30**	**98,233.90**	**74,486.20**
ASSETS						
Non-Current Assets						
Fixed Assets						
- Tangible Assets	15,572.30	12,535.82	12,428.30	12,401.40	5,260.80	3,846.20
- Intangible Assets	355.50	378.60	181.00	171.60	176.70	189.00
Non-Current Investments	6.90	11.30	18.40	-	25.00	25.00
Long-Term Loans and Advances						
- Financial Assets	86,269.20	76,931.40	84,100.60	61,579.20	49,246.10	33,210.00
- Other Long-Term Advances	450.40	347.90	802.70	621.80	500.20	218.80
Other Non-Current Assets	2,855.80	2,597.80	1,908.40	3,093.70	2,918.10	544.50
	105,510.10	**92,802.80**	**99,439.40**	**77,867.70**	**58,126.90**	**38,033.50**
Current Assets						
Current Investments	12.60	297.10	295.30	-	-	-
Trade Receivables	396.40	659.70	402.00	255.40	46.10	64.00
Cash and Bank Balances	3,480.20	6,173.60	10,289.40	9,628.90	2,822.40	3,598.70
Short-Term Loans and Advances						
- Financial Assets	19,934.10	17,048.20	10,342.90	8,108.80	9,313.00	6,453.30
- Other Short Term Advances	235.90	207.90	235.80	217.30	259.90	700.60
Other Current Assets	-	-	-	-	-	-
- Current Maturities of Long-Term Financial Assets	42,215.50	44,828.20	42,771.00	31,761.40	27,279.70	25,186.20
- Other Current Assets	348.40	654.00	1,104.10	997.80	385.90	449.90
	66,623.10	**69,868.70**	**65,440.50**	**50,969.60**	**40,107.00**	**36,452.70**
Total	**172,133.20**	**162,671.50**	**164,879.90**	**128,837.30**	**98,233.90**	**74,486.20**

Srei Equipment Finance Limited

Statement of Profit and Loss, As Reformatted

₹ in million

	Half Year ended 30.09.2014	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
INCOME						
Revenue from Operations	12,887.90	26,179.30	23,732.00	18,177.90	12,359.70	9,271.40
Other Income	78.50	14.00	5.70	7.30	31.80	25.60
Total	**12,966.40**	**26,193.30**	**23,737.70**	**18,185.20**	**12,391.50**	**9,297.00**
EXPENSES						
Employee Benefits Expense	647.80	960.30	1,152.10	1,009.80	653.70	427.70
Finance Costs	7,221.10	15,328.90	13,666.00	10,439.20	6,552.90	5,359.70
Depreciation / Amortisation / Impairment	1,307.90	2,423.40	2,239.40	1,566.60	805.20	621.10
Other Expenses	713.50	1,302.70	1,185.50	1,075.40	779.10	527.00
Miscellaneous expenditure written off	2.80	8.40	8.40	8.50	43.60	14.50
Total	**9,893.10**	**20,023.70**	**18,251.40**	**14,099.50**	**8,834.50**	**6,950.00**
Profit before Bad Debts, Provisions & Tax	**3,073.30**	**6,169.60**	**5,486.30**	**4,085.70**	**3,557.00**	**2,347.00**
Bad Debts written off	1,005.30	2,308.30	1,319.10	976.80	1,022.00	1,003.20
Provision for Non-Performing Assets	487.20	289.20	45.70	26.20	194.30	-
Contingent Provisions against Standard Assets	25.10	(3.40)	86.70	36.50	208.20	-
	1,517.60	**2,594.10**	**1,451.50**	**1,039.50**	**1,424.50**	**1,003.20**
Profit Before Tax	**1,555.70**	**3,575.50**	**4,034.80**	**3,046.20**	**2,132.50**	**1,343.80**
Tax Expense :						
-Current Tax	604.40	1,281.00	920.20	538.70	788.40	225.40
-Deferred Tax	(75.80)	40.70	415.40	504.40	(175.60)	247.90
Total Tax for current year	**528.60**	**1,321.70**	**1,335.60**	**1,043.10**	**612.80**	**473.30**
Profit After Tax for current year	**1,027.10**	**2,253.80**	**2,699.20**	**2,003.10**	**1,519.70**	**870.50**
Income tax for earlier years	-	-	-	49.5	211.80	-
Less : MAT credit entitlement for earlier years	-	-	-	(18.7)	-	-
Profit After Tax	**1,027.10**	**2,253.80**	**2,699.20**	**1,972.30**	**1,307.9**	**870.50**
Earnings per Equity Share (Basic and Diluted) (in ₹) [Nominal Value of Equity Shares of ₹ 10/- each] *** Not Annualised**	17.22*	37.78	47.60	37.60	26.16	17.41

Srei Equipment Finance Limited
Cash Flow Statement, As Reformatted

(₹ in Million)

Particulars	Half Year ended 30.09.2014	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
A. Cash Flows from Operating Activities						
Net Profit Before Tax	1,555.70	3,575.50	4,034.80	3,046.20	2,132.50	1,343.80
Adjustment for :						
Depreciation /Amortisation / Impairment	1,307.90	2,423.40	2,239.40	1,566.60	805.20	621.10
Bad Debts written off	1,005.30	2,308.30	1,319.10	976.80	1,022.00	1,003.2
Provision for Non- Performing Assets	487.20	289.20	45.70	26.20	194.30	-
Contingent Provisions against Standard Assets	25.10	(3.40)	86.70	36.50	208.20	-
Loss on sale of Fixed Assets(net)	2.40	18.40	8.60	14.60	100.40	17.80
Miscellaneous Expenditure Written off	2.80	8.40	8.40	8.50	43.60	14.50
Interest & Finance Charge	7,221.10	15,328.90	13,666.00	10,439.20	6,552.90	5,359.70
Profit on sale from Current investments	(75.40)	-	-	-	-	-
Profit on sale from Non Current investments	-	-	-	(3.10)	-	-
Dividend Income from Current Investments (Non Trade)	(3.00)	(13.50)	(4.40)	(3.40)	(1.20)	-
Operating Profit before Working Capital Changes	**11,529.10**	**23,935.20**	**21,404.30**	**16,108.10**	**11,057.90**	**8,360.10**
Movements in working capital :						
(Increase) / Decrease in Trade Receivables/Others	274.90	313.90	(327.30)	(211.70)	(9.50)	(84.0)
(Increase) in Financial Assets	(10,616.30)	(3,901.60)	(37,084.10)	(16,587.40)	(22,111.70)	(4,121.20)
Decrease in Trade payables / others	1,302.10	(582.00)	(2,540.30)	1,711.50	606.30	357.80
Decrease in Fixed Deposit (Deposits with original maturity period of more than three months)	1,296.70	3,670.70	526.90	(4,906.40)	(788.00)	18.8
Cash generated from /(used in) operations	3,786.50	23,436.20	(18,020.50)	(3885.90)	(11,245.00)	4,531.50
Interest paid (net of foreign exchange fluctuation)	(7,582.50)	(15,262.10)	(12,949.10)	(10,109.00)	(6,519.40)	(5,981.50)
Advance taxes paid (including Tax deducted at Source)	(267.80)	(1,047.00)	(653.20)	(903.00)	(292.50)	(90.50)
Net Cash (used in) / generated from operating activities	(4,063.80)	7127.10	(31622.80)	(14897.90)	(18056.90)	(1,540.50)
B. Cash Flows from Investing Activities						
Purchase of Fixed Assets	(4,341.00)	(2,854.10)	(2,301.71)	(8,731.10)	(2,399.50)	(820.40)
Purchase of Investments	-	-	(313.70)	-	-	-
Proceeds from Redemption of Investments	364.30	5.30	-	-	-	-
Dividend Income from Current Investments (Non Trade)	3.00	13.50	4.40	-	-	-
Proceeds from Sale of Fixed Assets	10.79	107.20	17.40	5.10	100.90	16.80
Purchase of Mutual Funds	-	-	-	(5,500.00)	(2,000.00)	-
Sale of Investments	-	-	-	28.10	-	-
Proceeds from Sale of Mutual Funds	-	-	-	5,503.40	2,001.20	-
Net Cash (Used) / Generated in Investing Activities	(3,962.90)	(2,728.10)	(25,936.00)	(86,945.00)	(22,974.00)	(803.60)
C. Cash Flows from Financing Activities						
Increase in Equity Share Capital (including Securities Premium)	-	-	1,966.40	998.20	-	-
Proceeds from issuance of debentures	2,100.00	1,268.00	6,620.00	52,18.0	431,14.0	840,96.6
Repayment on redemption of debentures	(3,112.40)	(5,728.90)	(6,151.90)	(39,73.1)	(396,06.5)	(809,90.5)
Increase / (Decrease) in Working Capital facilities (net)	7,438.90	(1,980.5)	26176.70	23,159.50	11,980.30	(2,254.10)
Increase in Other Loans (net)	171.80	1,624.90	6,019.40	(8,24.0)	5,099.70	2049.30
Net Cash (Used) / Generated in Financing Activities	6,598.30	(4,816.50)	34660.60	24578.60	20587.50	2901.30
Net Increase / (Decrease) in Cash & Cash Equivalents	(1,428.40)	(417.50)	444.18	986.20	233.20	557.20
Cash & Cash Equivalents at the beginning of the year	2,077.70	2,495.20	2,051.00	1,064.80	831.60	274.40
Cash and Cash Equivalents at the end of the period	649.30	2,077.70	2,495.20	2,051.00	1,064.80	831.60
Note:						
Components of Cash and Cash Equivalents:						
Cash on hand	49.80	67.80	44.80	22.20	14.00	8.00
In Current Account	599.50	2,009.90	2,349.30	1,831.40	844.80	283.00
Fixed Deposits with original maturity period being three months or less3	-	-	101.10	197.40	206.00	540.60
	649.30	2,077.70	2,495.20	2,051.00	1,064.80	831.60
	-	-	-	-	-	-
#Receipts under lien with banks	-	-	101.10	87.40	206.00	540.60
	-	-	-	-	-	-

Cash and Bank Balances are represented by :	-	-	-	-	-	-
Cash and Cash Equivalents	649.30	2,077.70	2,495.20	2,051.00	1,064.80	831.60
Fixed Deposits with original maturity period exceeding three months*	3,026.00	4,322.70	7,993.40	8,520.30	3,613.90	2,825.90
	3,675.30	6,400.40	10,488.60	10,571.30	4,678.70	3,657.50
*Receipts under lien with banks as security	3,018.50	4,279.80	7,982.20	8,496.70	3,607.90	2,825.90

FINANCIAL HIGHLIGHTS OF OUR COMPANY

(₹ in Million)

Particulars	As on for the period ended 30.09.2014 (Audited)	As on for the year ended March 31, 2014 (Audited)	As on for the year ended March 31, 2013 (Audited)	As on for the year ended March 31, 2012 (Audited)
Net worth	21,988.30	20,962.80	18,700.60	13,996.70
Total Debt	137,682.10	130,959.30	135,463.70	103,123.40
of which - Non current maturities of Long Term Borrowings	34,485.60	40,923.80	43,288.60	3,5139.80
- Short Term Borrowings	89,314.80	73,952.10	74,363.80	46,615.70
- Current Maturities of Long Term Borrowings	13,881.70	16,083.40	17,811.30	21,367.90
Net Fixed Assets	15,927.80	12,914.40	12,609.30	12,573.00
Non-Current Assets -other than Net Fixed Assets (including non-current investment)	89,582.30	79,888.40	86,830.10	65,294.70
Cash & Bank Balance	3,480.20	6,173.60	10,289.40	9,628.90
Current Investments	12.60	297.10	295.30	-
Other Current Assets	63,130.30	63,398.00	54,855.80	41,340.70
Current Liabilities (Excluding Short Term Borrowing and Current Maturities of Long Term Borrowing)	7,668.90	6,078.70	6,231.60	8,040.60
Assets Under Management	18,0514.20	1,76,699.20	1,86,378.30	168,673.80
Off Balance Sheet Assets (Securitized Portfolio)	13,118.00	20,391.90	28,281.00	45.923.80
Revenue from Operations	12,887.90	2,61,79.30	23732.00	18,177.90
Finance Cost	7,221.10	1,53,28.90	13,666.00	10,439.20
Provisioning & Write-offs	1,517.60	2,594.10	1,451.50	1,039.50
PAT	1,027.10	2,253.80	2,699.20	1,972.30
Gross NPA (%)	4.74	4.97	2.96	2.94
Net NPA (%)	3.6	4.07	2.25	2.06
Tier I Capital Adequacy Ratio (%)	12.49	12.63	11.47	11.08
Tier II Capital Adequacy Ratio (%)	3.66	4.5	4.72	5.84

CAPITAL STRUCTURE

Details of Share Capital

The share capital of our Company as at date of this Prospectus is set forth below:

Share Capital	Amount (in ₹ Mn)
Authorised Capital	
7,50,00,000 Equity Shares of ₹10/- each	750.00
Total	**750.00**
Issued and Subscribed Capital	
5,96,60,000 Equity Shares of ₹10/- each	596.60
Paid-up Capital	
5,96,60,000 Equity Shares of ₹10/- each	596.60
Total	**596.60**
Securities Premium Account	**10,398.00**

Details of Share Capital as on the date of this Prospectus

Share Capital	Amount (in ₹ Mn)
Authorized Share Capital	750.00
Issued, Subscribed and Paid-up Share Capital	596.60

Changes in the authorised capital of our Company as on the date of this Prospectus is set forth below:

Sl. No.	Date of Shareholders' Resolution	Alteration of authorized share capital of our Company
1.	May 12, 2007	The authorised share capital of our Company was increased from ₹ 20.00 million divided into 2 million of Equity Shares of ₹ 10/- each to ₹ 50.00 million divided into 5 million of Equity Shares of ₹10/- each.
2.	February 26, 2008	The authorised share capital of our Company was increased from ₹ 50.00 million divided into 5 million of Equity Shares of ₹10/- each to ₹ 500.00 million divided into 50 million of Equity Shares of ₹10/- each
3.	June 22, 2011	The authorised share capital of our Company was increased from ₹ 500.00 million divided into 50 million of Equity Shares of ₹10/- each to ₹ 532.20 million divided into 53.22 million of Equity Shares of ₹10/- each.
4.	June 25, 2012	The authorised share capital of our Company was increased from ₹ 532.20 million divided into 53.22 million of Equity Shares of ₹10/- each to ₹ 750.00 million divided into 75 million of Equity Shares of ₹10/- each.

Changes in the issued and subscribed capital (equity capital) of our Company till the date of this Prospectus are set forth below:

Date of Allotment	Number of Equity shares	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Consideration (cash or other than cash)	Nature of allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹ in million)	Equity Share Premium (₹)	
November 16, 2006	20,00,000	10	10	Cash	Subscribers to the Memorandum of Association	20,00,000	20.00	-	[Ref Note 1]
May 15, 2007	50,000	10	10	Cash	Preferential allotment	20,50,000	20.50	-	[Ref Note 2]
April 2, 2008	2,50,00,000	10	310	Cash	Pursuant to Shareholders Agreement dated May 31, 2007 executed between BNP	2,70,50,000	270.50	750,00,00,000	[Ref Note 3]

Date of Allotment	Number of Equity shares	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Consideration (cash or other than cash)	Nature of allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (₹ in million)	Equity Share Premium (₹)	
					Paribas Lease Group, Srei Infrastructure Finance Limited, our Company, Hemant Kanoria and Sunil Kanoria				
April 2, 2008	2,29,50,000	10	10	Cash	Pursuant to Shareholders Agreement dated May 31, 2007 executed between BNP Paribas Lease Group, Srei Infrastructure Finance Limited, our Company, Hemant Kanoria and Sunil Kanoria	5,00,00,000	500.00	750,00,00,000	[Ref Note 4]
June 27, 2011	32,20,000	10	310	Cash	Further issue made on Rights basis to Srei Infrastructure Finance Limited and BNP Paribas Lease Group	5,32,20,000	532.20	846,60,00,000	[Ref Note 5]
August 31, 2012	32,20,000	10	310	Cash	Further issue made on Rights basis to Srei Infrastructure Finance Limited and BNP Paribas Lease Group	5,64,40,000	564.40	943,20,00,000	[Ref Note 6]
October 1, 2012	32,20,000	10	310	Cash	Further issue made on Rights basis to Srei Infrastructure Finance Limited and BNP Paribas Lease Group	5,96,60,000	596.60	1039,80,00,000	[Ref Note 7]

Notes

1. 19,99,400 Equity Shares were allotted to Srei Infrastructure Finance Limited and 100 Equity Shares each were allotted to Arun Kedia, Shashi Bhushan Tiwari, Bajrang Kumar Choudhury, Sandeep Lakhotia, A.D. Rozario and Manoj Beriwala who were holding the said 100 equity shares each as nominees of Srei Infrastructure Finance Limited.
2. 50,000 Equity Shares were allotted to Hemant Kanoria.

3. 2,50,00,000 Equity Shares were allotted to BNP Paribas Lease Group.
4. 2,29,50,000 Equity Shares were allotted to Srei Infrastructure Finance Limited.
5. 16,10,000 Equity Shares each were allotted to Srei Infrastructure Finance Limited and BNP Paribas Lease Group.
6. 16,10,000 Equity Shares each were allotted to Srei Infrastructure Finance Limited and BNP Paribas Lease Group.
7. 16,10,000 Equity Shares each were allotted to Srei Infrastructure Finance Limited and BNP Paribas Lease Group.

Equity shares issued for consideration other than cash

None

Details of any Acquisition or Amalgamation in the last 1 year

None

Details of any Reorganization or Reconstruction in the last 1 year

None

Statement of purchase and sale of securities of our Company by (i) the Promoter of our Company, (ii) the Promoter Group of our Company and (iii) Directors of our Company and their immediate relatives within six months immediately preceding the date of this Prospectus

There has been no purchase or sale of securities of our Company within six (6) months immediately preceding the date of this Prospectus by (i) the Promoter of our Company, (ii) The Promoter Group of our Company and (iii) the Directors of our Company and their immediate relatives as defined under Section 2(77) of the Companies Act, 2013.

Details of Promoter's contribution in our Company:

Srei Infrastructure Finance Limited:

Transaction	Date of Allotment/Sale	Shares						Source of Funds
		No. of Shares	Share Capital (₹)	Face Value (₹)	Issue Price (₹)	Total Sale Consideration (₹)	Cumulative Shareholding	
Subscription to Memorandum of Association	November 16, 2006	19,99,400	1,99,94,000	10	10	-	19,99,400	Own
Transfer	May 25, 2007	50,000	5,00,000	10	-	10	20,49,400	Own
Pursuant to Shareholders Agreement dated May 31, 2007 executed between BNP Paribas Lease Group, Srei Infrastructure Finance Limited, our Company, Hemant Kanoria and Sunil Kanoria	April 2, 2008	2,29,50,000	22,95,00,000	10	10	-	2,49,99,400	Own
Transfer	October 29, 2008	100	1000	10		10	2,49,99,500	Own
Transfer	October 29, 2008	100	1000	10	-	10	2,49,99,600	Own
Transfer	October 29, 2008	100	1000	10	-	10	2,49,99,700	Own
Transfer	October 29, 2008	100	1000	10	-	10	2,49,99,800	Own
Transfer	October 29, 2008	100	1000	10	-	10	2,49,99,900	Own
Transfer	October 29, 2008	100	1000	10	-	10	2,50,00,000	Own
Further issue made on Rights basis to Srei Infrastructure Finance Limited and BNP Paribas Lease Group	June 27, 2011	16,10,000	1,61,00,000	10	310	-	2,66,10,000	Own
Further issue made on Rights basis to Srei Infrastructure Finance Limited and BNP Paribas Lease Group	August 31, 2012	16,10,000	1,61,00,000	10	310	-	2,82,20,000	Own

Transaction	Date of Allotment/Sale	Shares						Source of Funds
		No. of Shares	Share Capital (₹)	Face Value (₹)	Issue Price (₹)	Total Sale Consideration (₹)	Cumulative Shareholding	
Further issue made on Rights basis to Srei Infrastructure Finance Limited and BNP Paribas Lease Group	October 1, 2012	16,10,000	1,61,00,000	10	310	-	2,98,30,000	Own
Transfer	October 15, 2013	(1)	(10)	10	-	10	2,98,29,999	Not Applicable
Transfer	October 15, 2013	(1)	(10)	10	-	10	2,98,29,998	Not Applicable
Transfer	October 15, 2013	(1)	(10)	10	-	10	2,98,29,997	Not Applicable
	Net Shares	**2,98,29,997**	**29,82,99,970**				**2,98,29,997**	

BNP Paribas Lease Group :

Transaction	Date of Allotment/Sale	Shares						Source of Funds
		No. of Shares	Share Capital (₹)	Face Value (₹)	Issue Price (₹)	Total Sale Consideration (₹)	Cumulative Shareholding	
Pursuant to Shareholders Agreement dated May 31, 2007 executed between BNP Paribas Lease Group, Srei Infrastructure Finance Limited, our Company, Hemant Kanoria and Sunil Kanoria	April 2, 2008	2,50,00,000	25,00,00,000	10	310	-	2,50,00,000	Own
Further issue made on Rights basis to Srei Infrastructure Finance Limited and BNP Paribas Lease Group	June 27, 2011	16,10,000	1,61,00,000	10	310	-	2,66,10,000	Own
Further issue made on Rights basis to Srei Infrastructure Finance Limited and BNP Paribas Lease Group	August 31, 2012	16,10,000	1,61,00,000	10	310	-	2,82,20,000	Own
Further issue made on Rights basis to Srei Infrastructure Finance Limited and BNP Paribas Lease Group	October 1, 2012	16,10,000	1,61,00,000	10	310	-	2,98,30,000	Own
Transfer	October 11, 2013	(1)	(10)	10	-	10	2,98,29,999	Not Applicable
Transfer	October 11, 2013	(1)	(10)	10	-	10	2,98,29,998	Not Applicable
Transfer	October 11, 2013	(1)	(10)	10	-	10	2,98,29,997	Not Applicable
	Net Shares	**2,98,29,997**	**29,82,99,970**				**2,98,29,997**	

Details of Promoter's shareholding in our Company's subsidiaries:

Not Applicable

Except as set forth below, none of our Directors hold any Equity Shares as on December 31, 2014:-

Sl. No.	Name of the Director	Total No. of Equity Shares	% of total number of Equity Shares
1.	Mr. Hemant Kanoria (As nominee of Srei Infrastructure Finance Limited)	01	0.0033
2.	Mr. Sunil Kanoria (As nominee of Srei Infrastructure Finance Limited)	01	0.0033
3.	Mr. Didier Jean Chappet (As nominee of BNP Paribas Lease Group)	01	0.0033

As per the Articles of Association of our Company, the Directors are not required to hold any qualification shares in our Company.

Shareholding pattern of our Company as on date of this Prospectus is set forth below:-

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)=(VII)/(III)*100
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	3*	3	0	0	0	0	0
Bodies Corporate	1	29829997	29829997	50.00	50.00	0	0
Sub Total (A)(1)	**4**	**29830000**	**29829997**	**50.00**	**50.00**	0	0
(2) Foreign							
Individuals	3**	3	0				
Bodies Corporate	1	29830000	29829997	50.00	50.00	0	0
Sub Total (A)(2)	**4**	**29830000**	29829997	**50.00**	**50.00**	**0**	**0**
Total shareholding of Promoter and Promoter Group(A) = (A)(1)+(A)(2)	**8**	**59660000**	**59659994**	**100.00**	**100.00**	**0**	**0**
(B) Public Shareholding							
(1) Institutions						**N. A.**	**N. A.**
Mutual Funds / UTI	0	0	0	0	0		
Financial Institutions / Banks	0	0	0	0	0		
Foreign Institutional Investors	0	0	0	0	0		
Sub Total (B)(1)	**0**	**0**	**0**	**0**	**0**		
(2) Non-Institutions						**N. A.**	**N. A.**
Bodies Corporate	0	0	0	0	0		
Individuals -							
Individual shareholders holding nominal share capital up to ₹1 lakh	0	0	0	0	0		
Individual shareholders holding nominal share capital in excess of ₹1 lakh	0	0	0	0	0		
Any Others (Specify) -							
Non Resident Individual	0	0	0	0	0		
Trusts	0	0	0	0	0		
Clearing Members	0	0	0	0	0		
Foreign Corporate Bodies	0	0	0	0	0		
Sub Total (B)(2)	**0**	**0**	**0**	**0**	**0**		
Total Public shareholding (B) = (B)(1)+(B)(2)	**0**	**0**	**0**	**0**	**0**	**N. A.**	**N. A.**
Total (A)+(B)	**59660000**	**59660000**	**59659994**	**100.00**	**100.00**	**0**	**0**
(C) Shares held by Custodians and against which Depository Receipts have been issued				**N. A.**		**N. A.**	**N. A.**
(1) Promoter and Promoter Group	0	0	0		0		
(2) Public	0	0	0		0		
Sub Total (C)	**0**	**0**	**0**		**0**		
GRAND TOTAL (A)+(B)+(C)	**59660000**	**59660000**	**59659994**	**N. A.**	**100.00**	**0**	**0**

**Mr Hemant Kanoria, Mr Sunil Kanoria and Mr Sanjeev Sancheti holds 1 (one) share each as nominee of Srei Infra.*
*** Mr Didier Jean Chappet, Mr Thierry Bonetto and Mr Jean Michel Vendassi holds 1 (one) share each as nominee of BPLG.*

None of the shares held by the Promoter/Promoters' Group is under pledge or otherwise encumbered as on date of the Prospectus.

Top 10 Holders of Equity Shares of the Company as on date of Prospectus:

Sl.	Name of the Shareholder	Total No. of Shares	No. of Shares in DEMAT Mode[1]	Total Shareholding as a percentage of total number of equity shares
1.	Srei Infrastructure Finance Limited	2,98,29,997	2,98,29,997	49.999
2.	BNP Paribas Lease Group	2,98,29,997	2,98,29,997	49.999
3.	Mr. Hemant Kanoria (As Nominee of SIFL)	01	0	0.0033
4.	Mr. Sunil Kanoria (As Nominee of SIFL)	01	0	0.0033
5.	Mr. Sanjeev Sancheti (As Nominee of SIFL)	01	0	0.0033
6.	Mr. Didier Jean Chappet (As Nominee of BPLG)	01	0	0.0033
7.	Mr. Thierry Bonetto (As Nominee of BPLG)	01	0	0.0033
8.	Mr. Jean Michel Vendassi (As Nominee of BPLG)	01	0	0.0033

Debt–Equity Ratio:

The long term debt-equity ratio of our Company prior to this Issue is based on a total long term outstanding debt of ₹ 48,367.30 million and shareholder funds amounting to ₹ 21,988.30 million, which was 2.20 times, as on September 30, 2014. The long term debt-equity ratio post the Issue (assuming subscription of ₹ 5,000 million) will be 2.43 times, assuming total long term outstanding debt of ₹53,367.30 million and shareholders' fund of ₹ 21,988.30 million as on September 30,2014.

(₹ In million)

Particulars	Pre Issue as at September 30, 2014 (Audited)	Post Issue*
Debt		
Long Term**	48,367.3	53,367.30
Short Term	89,314.80	89,314.80
Total Debt	**1,37,682.100**	**1,42,682.10**
Shareholders Fund		
Share Capital	596.60	596.60
Reserves & Surplus		
Special Reserve under section 45-IC of Reserve Bank of India Act, 1934	2,199.40	2,199.40
General Reserve	-	-
Capital Reserve	3.1	3.1
Securities Premium Account	10,398.00	10,398.00
Debenture Redemption Reserve	4,832.10	4,832.10
Surplus in Profit and Loss Account	3,959.10	3,959.10
Total Shareholders' Fund	**21,988.30**	**21,988.30**
Long Debt-Equity Ratio (Number of times)	**2.20**	**2.43**

** The debt-equity ratio post the Issue is indicative on account of the assumed inflow of ₹ 5,000 million from the proposed Issue in the secured debt category as on September 30, 2014. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*
*** Long Term includes the Current Maturities of Long Term Borrowing.*

Note

1. Our Company has not issued any debt securities issued for consideration other than cash, whether in whole or part, since its incorporation.
2. For details of the outstanding borrowings of the Company as on December 31, 2014, see "***Disclosure on Existing Financial Indebtedness***" on page no 110 of this Prospectus.

Employee Stock Option Scheme:
Our Company does not have any employee stock option scheme

OBJECTS OF THE ISSUE

Our Company has filed this Prospectus for a public issue of Secured Redeemable Non-Convertible Debentures aggregating upto ₹ 5,000 million

The details of the Net Proceeds are set forth in the following table :

(₹ in million)

Sr. No.	Description	Amount
1	Gross proceeds of the Issue	5,000
2	Issue related expenses	170
3	Net Proceeds of the Issue	4,830

The Net Proceeds raised through this Issue (in tranches) will be utilized for following activities in the ratio provided as below:

I. For the purpose of lending/ repayment of loan - minimum 75% of the Net Proceeds of the Issue.

II. For General Corporate Purposes – up to 25% of the Net Proceeds of the Issue. The unutilized amount if any will be used for purpose of lending/ repayment of loan.

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through this Issue.

Further, in accordance with the Debt Regulations, our Company will not utilize the proceeds of the Issue for providing loans to or acquisition of shares of any person or company who is a part of the same group as our Company or who is under the same management as our Company or any subsidiary of our Company. No part of the proceeds from this Issue will be paid by us as consideration to our Promoter/our Directors nor will any interest out of the proceeds from this Issue accrue to our Promoter/our Directors.

The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property. The Issue proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

Further, the Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI regulations.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

General Corporate Purposes

Our Company intends to deploy up to 25% of the amount raised and allotted in the Issue for general corporate purposes, including but not restricted to routine capital expenditure, renovations, strategic initiatives, meeting any expenditure in relation to our Company as well as meeting exigencies which our Company may face in the ordinary course of business, or any other purposes as may be approved by the Board of Directors.

Issue related expenses

The expenses of this Issue include, among others, fees for the Lead Managers, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses for the Total Issue Size of ₹ 5,000 million (assuming the full subscription) are as follows:

(₹ In million)

Activity	Expenses	% of Issue Size of ₹ 5,000 million
Fees paid to the Lead Managers	10.00	0.20%
Advertising and Marketing Expenses (including brokerage)	142.50	2.85%
Printing and Stationery	5.00	0.10%
Others (Debenture Trustee Fees, Registrar Fee, Credit Rating Fee, Legal Fees, Commission/processing fee to SCSBs *, Stamp Duty & Registration expense etc.)	12.50	0.25%

Activity	Expenses	% of Issue Size of ₹ 5,000 million
Total	**170.00**	**3.40%**

**SCSBs would be entitled to a processing fee of ₹15/- per Application Form for processing the Application Forms procured by the Members of Syndicate or registered brokers and submitted to SCSB.*

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors

Interim Use of Proceeds

The management of our Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended. Our Board shall monitor the utilization of the proceeds of the Issue. For the relevant quarters commencing from the financial year ending March 31, 2015, our Company will disclose in our quarterly financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Variation in terms of contract or objects in Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act 2013, at any time, vary the terms of a contract referred to in the Prospectus or objects for which the Prospectus is issued, except subject to the approval of, or except subject to an authority given by the Shareholders in general meeting by way of special resolution and after abiding by all the formalities prescribed in Section 27 of the Companies Act 2013.

Details regarding lending done out of the issue proceeds of previous public issues

Not Applicable

Benefit / interest accruing to Promoters/Directors out of the object of the Issue

Neither the Promoter nor the Directors of our Company are interested in the Objects of the Issue.

STATEMENT OF TAX BENEFITS

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

Dear Sirs,

Sub: Certification of statement of Possible Tax Benefits available to Debenture Holders of Srei Equipment Finance Limited (herein after referred to as "Company")

We hereby confirm that the enclosed Statement states the possible Tax Benefits available to the Debenture holders of the Company under the Income - tax Act, 1961 ('Act') and the Wealth Tax Act,1957 presently in force in India. The benefits are dependent on Company and its debenture holders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its debenture holders may or may not choose to fulfill.

We are informed that the debentures of the Company will be listed on a recognized stock exchange in India. The Annexure has been prepared on that basis.

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Deloitte accepts no responsibility to debenture holders or any third party and this should be stated in the public offer document. Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We do not express and opine or provide any assurance as to whether:

- the Company or its debenture holders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met.

This statement is provided solely for the purpose of assisting the Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.302009E)

A Bhattacharya
Partner
Membership No.054110

Kolkata
Date: March 19, 2015

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

The information relating to income tax implications discussed below are not exhaustive and it is only intended to provide general information to the investors and is neither designed nor intended to be substitute for professional tax advice. In view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors with respect to the specific amount of tax and other implications arising out of his or her participation in the Offer.

Any income tax information included in this written communication was not intended or written to be used, and it cannot be used by the taxpayer, for the purpose of avoiding any penalties that may be imposed by any governmental taxing authority or agency.

The income-tax implications are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto including retrospective amendments / enactments. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect the Company's business and results of operations.

The Debenture Holder is advised to consider in his own case, the tax implications in respect of subscription to the Debentures after consulting his tax advisor, since alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of income tax benefits

A. Income Tax Implications under the Income-Tax Act, 1961 ('I.T. ACT')

i. **To the Resident Debenture Holder**

1. Interest on NCD received by Debenture Holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:
   a) In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family ('HUF') Debenture Holder does not or is not likely to exceed Rs. 5,000 in the aggregate during the financial year and the interest is paid by an account payee cheque.
   b) In case the payment of interest on any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made there under (w.e.f. 01.06.2008).
   c) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.
   d) (i) When the resident Debenture Holder with PAN (not being a company or a firm) submits a declaration as per the provisions of section 197(A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the previous year in which such income is to be included in computing his total income will be NIL . However, under section 197A (1B) of the I.T. Act, Form 15G cannot be submitted nor considered for exemption from deduction from tax at source if the aggregate of income of the nature referred to in the said section, viz. dividend, interest on securities, interest on sum given on interest, income from mutual fund units and withdrawal from National Savings Scheme, credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to tax, as may be prescribed in each year's Finance Act.

   To illustrate, as on 01.04.2014, the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is Rs. 2,50,000; in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial year (Senior Citizen) is Rs. 3,00,000; and in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial year (Super Senior Citizen) is Rs. 5,00,000 for Financial Year 2014-15.

   Further, section 87A provides a rebate of 100 percent of income-tax or an amount of Rs. 2,000 whichever is less to a resident individual whose total income does not exceed Rs. 500,000.

(ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.

(iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.

2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to levy surcharge, education cess and secondary and higher education cess.

3. Under section 2(29A) of the IT Act, read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer. Under section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration.

However as per the third proviso to section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds. Thus, long term capital gains arising out of listed debentures would be subject to tax at the rate of 10 % computed without indexation.

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

In addition to the aforesaid tax, a surcharge of 10% of such tax liability, in the case of firms and a surcharge of 5% (if net income is in the range of Rs. 10,000,000 to Rs. 100,000,000) & 10% (if net income exceeds Rs. 100,000,000) of such tax liability, in case of domestic companies is also payable. A 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge) is payable by all categories of taxpayers.

4. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 3 above would also apply to such short term capital gains.

5. In case the debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

ii. To the Non Resident Debenture Holder

1. A non-resident Indian has an option to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:
   a) As per section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.
   b) As per section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I.T. Act in accordance with and subject to the provisions contained therein.

c) As per section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.

d) Under section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

2. In accordance with and subject to the provisions of section 115I of the I.T. Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,
   a) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.
   b) Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act
   c) Where, debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

3. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is. 20% on investment income and 10% on any long-term capital gains as per section 115E, and at the normal rates for Short Term Capital Gains if the payee Debenture Holder is a Non Resident Indian.

4. The income tax deducted shall be increased by a surcharge as under:
   a) In the case of non-resident Indian surcharge at the rate of 10% of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 1,00,00,000.
   b) In the case of non-domestic company, at the rate of 2%of such income tax where the income or the aggregate of such income paid or likely to be paid and subject to deduction exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000.
   c) In the case of non-domestic company, at the rate of 5% of such income tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 10,00,00,000. 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge) is also deductible.

5. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate, is a mandatory condition for availing benefits under any DTAA.

6. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 197(1) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of section 206AA.

iii. To the Foreign Institutional Investors (FIIs)

1. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and education and secondary and higher education cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and education and secondary and higher education cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.

2. Income other than capital gains arising out of debentures is taxable at 20% in accordance with and subject to the provisions of Section 115AD.

3. The Finance Act, 2013 (by way of insertion of a new section 194LD in the I.T. Act) provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian company between June 1,2013 and June 1, 2015 provided such rate does not exceed the rate as may be notified by the Government.

4. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs.

5. The provisions at para II (4, 5 and 6) above would also apply to FIIs.

iv. To the Other Eligible Institutions

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorised by the Reserve Bank of India **are** exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10(23D) of the I.T. Act subject to and in accordance with the provisions contained therein.

v. Exemption under Sections 54EC and 54F of the I.T. Act

1. Under section 54EC of the I.T .Act, long term capital gains arising to the debenture holders on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. However, the exemption is subject to a limit of investment of Rs 50 lacs during any financial year in the notified bonds. Where the benefit of section 54EC of the I.T. Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the I.T. Act.

2. As per the provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the condition that the Debenture Holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the Debenture Holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

vi. Requirement to furnish PAN under the I.T. Act

1. Sec.139A(5A)

Section 139A(5A) requires every person from whose income tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.

2. Sec.206AA:

a) Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ('deductee') to furnish his PAN to the deductor, failing which attracts tax shall be deducted at the higher of the following rates:
   i. at the rate specified in the relevant provision of the I.T. Act; or
   ii. at the rate or rates in force; or
   iii. at the rate of twenty per cent.

b) A declaration under Section 197A(1) or 197A(1A) 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.
c) Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (a) above will apply.
d) No certificate under section 197 would be granted unless the application made under that section contains the PAN of the applicant

vii. Taxability of Gifts received for nil or inadequate consideration

As per section 56(2)(vii) of the I.T. Act, where an individual or Hindu Undivided Family receives debentures from any person on or after 1st October, 2009:

(a) without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;
(b) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration shall be taxable as the income of the recipient at the normal rates of tax.

However, this provision would not apply to any receipt:

a) From any relative; or
b) On the occasion of the marriage of the individual; or
c) Under a will or by way of inheritance; or
d) In contemplation of death of the payer or donor, as the case may be; or
e) From any local authority as defined in Section 10(20) of the I.T. Act; or
f) From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in Section 10(23C); or
g) From any trust or institution registered under section 12AA.

B. Implications under the Wealth Tax Act, 1957

Wealth-tax is not levied on investment in debentures under section 2(ea) of the Wealth-tax Act, 1957.

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.
2. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and Wealth Tax Act, 1957(collectively referred to as 'direct tax laws') and does not cover benefits under any other law.
3. The above statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2015-16. Several of these benefits are dependent on the Debenture Holder fulfilling the conditions prescribed under the relevant provisions.
4. This statement is intended only to provide general information to the Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.
5. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
6. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.
7. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty.
8. Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A / 195 of the I.T. Act
9. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating

to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV: ABOUT THE ISSUER AND THE INDUSTRY

INDUSTRY

The information in this section has not been independently verified by us, the Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and Government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and Government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

GLOBAL ECONOMY

The world economy is in the middle of a balancing act. On the one hand, countries must address the legacies of the global financial crisis, ranging from debt overhangs to high unemployment. On the other, they face a cloudy future. Potential growth rates are being revised downward, and these worsened prospects are in turn affecting confidence, demand, and growth today.

The interplay of these two forces- the crisis legacies proving tougher to resolve than expected and potential growth turning lower –has resulted in several downward revisions to the forecast during the past three years. World growth is mediocre . At the same time, because these two forces operate to different degrees in various countries, the evolution of the global economy has become more differentiated.

In advanced economies, the legacies of the pre-crisis boom and the subsequent crisis (including high private and public debt) still cast a shadow on the recovery. Emerging markets are adjusting to rates of economic growth lower than those reached in the pre-crisis boom and the post-crisis recovery. Overall, the pace of recovery is becoming more country specific. Global growth in 2015–16 is projected at 3.5 and 3.7 percent, downward revisions of 0.3 percent relative to the October 2014 World Economic Outlook (WEO). The revisions reflect a reassessment of prospects in China, Russia, the euro area, and Japan as well as weaker activity in some major oil exporters because of the sharp drop in oil prices. The United States is the only major economy for which growth projections have been raised.

*(**Source:*** http://www.imf.org/external/pubs/ft/weo/2015/update/01/pdf/0115.pdf*)*

Downside risks have increased since the spring. Short-term risks includes a worsening of geopolitical tensions and a reversal of recent risk spread and volatility compression in financial markets. Medium-term risks include stagnation and low potential growth in advanced economies and a decline in potential growth in emerging markets.

Given these increased risks, raising actual and potential growth must remain a priority. In advanced economies, this will require continued support from monetary policy and fiscal adjustment attuned in pace and composition to supporting both the recovery and long-term growth. In a number of economies, an increase in public infrastructure investment can also provide support to demand in the short-term and help boost potential output in the medium term. In emerging markets, the scope for macroeconomic policies to support growth if needed varies across countries and regions, but space is limited in countries with external vulnerabilities. And in advanced economies as well as emerging market and developing economies, there is a general, urgent need for structural reforms to strengthen growth potential or make growth more sustainable.

*(**Source:*** http://www.imf.org/external/pubs/ft/weo/2014/02/*)*

Four key developments have shaped the global outlook since the release of the October 2014, WEO.

First, oil prices in U.S. dollars have declined by about 55 percent since September. The decline is partly due to unexpected demand weakness in some major economies, in particular, emerging market economies—also reflected in declines in industrial metal prices. But the much larger decline in oil prices suggests an important contribution of oil supply factors, including the decision of the Organization of the Petroleum Exporting Countries (OPEC) to maintain current production levels despite the steady rise in production from non-OPEC producers, especially the United States. Oil futures prices point to a partial recovery in oil prices in coming years, consistent with the expected negative impact of lower oil prices on investment and future capacity growth in the oil sector.

Second, while global growth increased broadly as expected to 3¾ percent in the third quarter of 2014, up from 3¼ percent in the second quarter, this masked marked growth divergences among major economies.

Specifically, the recovery in the United States was stronger than expected, while economic performance in all other major economies—most notably Japan—fell short of expectations. The weaker-than-expected growth in these economies is largely seen as reflecting ongoing, protracted adjustment to diminished expectations regarding medium-term growth prospects, as noted in recent issues of the WEO.

Third, with more marked growth divergence across major economies, the U.S. dollar has appreciated some 6 percent in real effective terms relative to the values used in the October 2014 WEO. In contrast, the euro and the yen have depreciated by about 2 percent and 8 percent, respectively, and many emerging market currencies have weakened, particularly those of commodity exporters.

Fourth, interest rates and risk spreads have risen in many emerging market economies, notably commodity exporters, and risk spreads on high-yield bonds and other products exposed to energy prices have also widened. Long-term government bond yields have declined further in major advanced economies, reflecting safe haven effects and weaker activity in some, while global equity indices in national currency have remained broadly unchanged since October.

*(**Source:** http://www.imf.org/external/pubs/ft/weo/2015/update/01/pdf/0115.pdf)*

THE INDIAN ECONOMY

Overview

While the global environment remains challenging, policy action in India has rebuilt buffers to cushion it against possible spill overs. These buffers effectively bulwarked the Indian economy against the two recent occasions of spill over to EMDEs (Emerging Market and Developing Economies) — the first, when the US Fed started the withdrawal of its large scale asset purchase programme and the second, which followed escalation of the Ukraine crisis. On both these occasions, Indian markets were less volatile than most of its emerging market peers. With the narrowing of the twin deficits – both current account and fiscal – as well as the replenishment of foreign exchange reserves, adjustment of the rupee exchange rate, and more importantly, setting in motion disinflationary impulses, the risks of near-term macro instability have diminished. However, this in itself constitutes only a necessary, but not a sufficient, condition for ensuring economic recovery. Much more efforts in terms of removing structural impediments, building business confidence and creating fiscal space to support investments will be needed to secure growth.

Since H2 of 2012-13, demand management through monetary and fiscal policies has been brought in better sync with each other with deficit targets being largely met. Monetary policy had effectively raised operational policy rates by 525 basis points (bps) during March 2010 to October 2011. Thereafter, pausing till April 2012, the Reserve Bank cut policy rates by 75 bps during April 2012 and May 2013 for supporting growth. Delayed fiscal adjustment materialised only in H2 of 2012-13, by which time the current account deficit (CAD) had widened considerably.

The easing course of monetary policy was disrupted by 'tapering' fears in May 2013 that caused capital outflows and exchange rate pressures amid unsustainable CAD, as also renewed inflationary pressures on the back of the rupee depreciation and a vegetable price shock. The Reserve Bank resorted to exceptional policy measures for further tightening the monetary policy. As a first line of defence, short-term interest rates were raised by increasing the marginal standing facility (MSF) rate by 200 bps and curtailing liquidity available under the liquidity adjustment facility (LAF) since July 2013. As orderly conditions were restored in the currency market by September 2013, the Reserve Bank quickly moved to normalise the exceptional liquidity and monetary measures by lowering the MSF rate by 150 bps in three steps. However, with a view to containing inflation that was once again rising, the policy repo rate was hiked by 75 bps in three steps.

Recent tightening, especially the last round of hike in January 2014, was aimed at containing the second round effects of the food price pressures felt during June-November 2013. Since then, inflation expectations have somewhat moderated and the temporary relative price shock from higher vegetable prices has substantially corrected along with a seasonal fall in these prices, without further escalation in ex-food and fuel CPI inflation. While headline CPI inflation receded over the last three months from 11.2 per cent in November 2013 to 8.1 per cent in February 2014, the persistence of ex-food and fuel CPI inflation at around 8 per cent for the last 20 months poses difficult challenges to monetary policy.

Against this background there are three important considerations for the monetary policy ahead. First, the disinflationary process is already underway with the headline inflation trending down in line with the glide path envisaged by the Urjit Patel Committee, though inflation stays well above comfort levels.

Second, growth concerns remain significant with GDP growth staying sub-5 per cent for seven successive quarters and index of industrial production (IIP) growth stagnating for two successive years. Third, though a negative output gap has prevailed for long, there is clear evidence that potential growth has fallen considerably with high inflation and low growth. This means that monetary policy needs to be conscious of the impact of supply-side constraints on long-run growth, recognising that the negative output gap may be minimal at this stage.

Growth in the Indian economy had been shifting down from 9.6 per cent in Q4 of 2010- 11. It troughed around 4.4 per cent for three quarters from Q3 of 2012-13 to Q1 of 2013-14. Since then there are signs of growth bottoming out with marginal improvement recorded during Q2 and Q3 of 2013-14 to 4.8 and 4.7 per cent respectively. However, this improvement has been feeble and clear signs of recovery are yet to emerge, even as the economy seems to be gearing for a modest recovery during 2014-15.

(Source: http://rbidocs.rbi.org.in/rdocs/Publications/PDFs/MM01042014D84537B376.pdf*)*

The Reserve Bank's 27th round of the Survey of Professional Forecasters outside the Reserve Bank (http://www.rbi.org.in/SPF27) showed that a modest recovery in 2014-15 is expected with growth at around 5.5 per cent. The expected CPI (Consumer Price Index) inflation for 2014-15 has been revised downwards to 8.0 per cent from 8.5 per cent in the previous round of the survey. The forecast for CAD (Current Account Deficit) in 2014-15 is also now significantly lower at 2.4 per cent of GDP (Table VI.1).

Table VI.1: Growth expected to be higher in 2014-15

Median Forecasts of Select Macroeconomic Indicators by Professional Forecasters 2013-14 and 2014-15

	Actual 2012-13	Annual forecasts						Quarterly Forecast							
		2013-14		2014-15		2013-14		2014-15							
						Q4		Q1		Q2		Q3		Q4	
		E	L	E	L	E	L	E	L	E	L	E	L	E	L
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
1. Real GDP growth rate at factor cost (%)	4.5	4.8	4.7	5.6	5.5	5.2	4.9	5.3	5.0	5.6	5.3	5.6	5.7	-	5.9
a. Agriculture and Allied Activities	1.4	4.1	4.0	2.9	3.0	4.8	4.8	3.4	3.1	3.0	3.0	3.0	3.3	-	3.0
b. Industry	0.9	1.5	0.6	3.6	3.5	2.0	1.0	3.0	2.0	3.2	2.0	3.7	3.5	-	3.9
c. Services	6.2	6.2	6.5	7.0	6.9	6.3	6.2	6.5	7.0	6.8	6.8	7.2	7.2	-	7.4
2. Gross Domestic Saving (% of GDP at current market price)	30.1	30.5	30.4	31.0	31.0	-	-	-	-	-	-	-	-	-	-
3. Average WPI-Inflation	7.4	6.4	6.0	6.0	5.8	6.6	5.2	6.8	5.8	6.0	4.6	5.5	4.9	-	6.0
4. Average CPI-Combined Inflation	10.2	9.9	9.5	8.5	8.0	9.7	8.3	9.5	8.2	8.9	7.6	8.0	7.3	-	8.4
5. Exchange Rate (`/ US$ end period)	54.4	-	-	-	-	-	-	61.5	61.0	61.5	61.0	61.0	60.0	-	59.8
6. Current Account Deficit (% of GDP)	4.8	2.7	2.0	2.8	2.4	-	-	-	-	-	-	-	-	-	-
7. Central Government Fiscal Deficit (% of GDP)	4.9	5.0	4.6	4.7	4.3	-	-	-	-	-	-	-	-	-	-

E: Previous Round Projection. L: Latest Round Projection. - : Not Available.
Note: The latest round refers to 27th Round.
Source: Survey of Professional Forecasters, 27th Round.

*(Source:*http://www.rbi.org.in/scripts/PublicationsView.aspx?id=15734) *(RBI-Macroeconomic and Monetary Developments 2014-15)*

A rise in investment is critical for a sustained pick-up in overall economic activity. While low capacity utilisation in some sectors is a dampener, the recent strong improvement in business confidence and in investment intentions should help. In this context, the still slow pace of reviving stalled projects, despite government efforts, warrants policy priority, even as ongoing efforts to ease stress in the financial system unlock resources for financing the envisaged investment push.

The fiscal outlook should brighten because of the fall in crude prices, but weak tax revenue growth and the slow pace of disinvestment suggest some uncertainty about the likely achievement of fiscal targets, and the quality of eventual fiscal adjustment. The government, however, appears determined to stay on course.

(Source: http://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/IEPRFB6CBBBDB8FDFL.pdf)

The Salient Features of Indian Economy in November, 2014 are as follows,

i. The GDP growth in the first half of the 2014-15 is estimated at 5.5 per cent as against 4.9 per cent during the same period of previous year. GDP growth in the second quarter (July-September 2014) was estimated at 5.3 per cent as against 5.2 per cent in Q2 of 2013-14. At the sectoral level growth rates are 3.2 per cent for agriculture and allied sectors, 2.2 per cent for industry sector and 7.1 per cent for service sector in Q2 of 2014-15

ii. Overall growth in the Index of Industrial Production (IIP) was 3.8 per cent during November 2014 as compared to decline of 1.3 per cent in November 2013. During April-November, 2014-15, IIP growth was 2.2 per cent as compared to 0.1 per cent growth in the same period last year

iii. Eight core infrastructure industries registered 6.7 per cent growth in November 2014 as compared to growth of 3.2 per cent in November 2013. During April-November, 2014-15, these sectors grew by 4.6 per cent as compared to 4.1 per cent growth in the same period last year.

iv. During 2014-15 (up to December 26, 2014) broad money (M3) increased by 7.9 per cent as compared to 9.9 per cent during the corresponding period of the last year. The year-on year growth, as on December 26, 2014 was 11.1 per cent as compared to 14.8 per cent in the previous year.

v. Exports and imports declined by 3.8 per cent and 4.8 per cent respectively in US$ terms in December 2014 over December 2013.

vi. Foreign Currency Assets stood at US$ 295.9 billion at end-December 2014 as compared to US$ 293.8 billion at end-December 2013.

vii. The rupee depreciated against US dollar, Pound sterling and Euro and appreciated against Japanese yen in the month of December 2014 over November 2014.

viii. The WPI inflation for all commodities for the month of December 2014 increased to 0.1 per cent from 0.0 per cent in November 2014.

ix. Gross tax revenue for the financial year 2014-15 (April-November) at ` 635583 crore, recorded growth of 6.5 per cent over (April-November) 2013-14.

x. As proportion of Budget estimate, fiscal deficit and revenue deficit during 2014-15(April-November) was 98.9 per cent and 108.6 per cent respectively.

(Source:http://finmin.nic.in/stats_data/monthly_economic_report/2014/inddec14.pdf)

Construction Equipment Finance

Domestic demand for Construction Equipment (CE) to decline during 2014-15 as against ICRA's March-14 expectations of low single digit recovery.

The revision in outlook factors in pan India ground reality checks (OEM and dealer points) and the slow pace of implementation of new policy measure. Despite several positive announcements in recent times-which have the potential to provide a multiplier effect to CE demand, actual movement on the ground has been weak so far. » This said, ICRA believes that the potential and ground map for recovery is in place and the actual translation to demand pick up in the CE industry will happen over the next 10-24 months, starting in H2,2015-16. ICRA expects the CE industry to grow by around 10% in 2015-16 and by a sharper 20-25% during 2016-17 (albeit on a low base).

As expected, demand for Mining Equipment (ME) continued to languish and is expected to contract by over 15-20% during 2014-15.

Mired in a more complex regulatory issues (relative to the CE industry), demand for ME is also set to recover slowly.

On a positive note, the recent moves by the GoI to allow e-auction of coal blocks and ensure the same is completed by March-15, improve coal evacuation infrastructure and increase levels of merchanization using new technology at Coal India Limited, are expected to provide an impetus for ME in 2015-16 and 2016-17. Assuming the auction are concluded in time, and three months for procedural clearance, the demand for mining equipment to start picking up by mid- 2015-16.

Demand Drivers to improve industry sentiments:

Recent initiatives by GoI:

1. *Improving Financing Environment:* Allowing banks to raise long-term funds for lending to infrastructure sector with minimum regulatory pre-emption CRR, SLR and priority sector lending requirements announced in budget 2014-15. Further, setting up of Infrastructure Investment Trusts (InvITs) - to provide funding for Public Private Partnership (PPP) and other infrastructure projects is a positive move

2. *Premium Rescheduling* for road and highway projects (first proposed in October 2013 and approved in March 2014), likely to provide the much needed liquidity to the road projects sector.

3. *Awarding of Projects on EPC basis:* Announced in Q2/Q3 2014-15, is likely to provide the much needed respite to the road sector

4. *Delinking forest clearance from environment clearance:* First proposed in March 2013 and approved in July 2014enabling commencement of project execution (in- non- forest stretch) which have received environmental clearance.

5. *Easing of exit norms (roads):* First proposed in February 2013. An initiative that is likely to stimulate interest from pure play construction companies which may choose to focus on project execution and

subsequently divest stake to investors interested in holding the asset for a longer duration. Easing of exit norms would also aid road developers / projects which have faced financing constraints / have been stalled for want of funds.

6. *E-auctioning of de-allocated coal blocks*
7. *Fast tracking of coal evacuation corridors*
8. *Expediting Dedicated Freight Corridors (DFCs)*
9. *Allowing 100% FDI in certain rail infrastructure projects*
10. *Boost for Low Cost Affordable Housing*
11. *Development of 100 smart cities*
12. *An institution to provide support to mainstreaming PPPPs called 4PIndia to be set up with a corpus of ` 500 crores.*
13. *Scheme for development of new airports in Tier I and Tier II Cities to be launched.*
14. *An investment of an amount of ` 37,880 crores in NHAI and State Roads is proposed which includes ` 3000 crores for the North East.*
15. *₹100 crore is allocated for a new scheme "Ultra-Modern Super Critical Coal Based Thermal Power Technology."*

(Source: *http://indiabudget.nic.in/ub2014-15/bh/bh1.pdf and ICRA report titled "India Mining and Construction Equipment Industry, Dec 2014"*

Mining and Construction Equipment Usage across Sectors:

Sectors	No of Projects*	Estimated Investments (Rs in Bn)*	MCE Industry	Estimated demand for MCE	Key Equipment types
Power	93	4189	1%	42	Cranes, Excavators and Dumpers, among others
Petroleum and Natural Gas	14	388	7%	27	Excavators, Backhoe loaders, Cranes and specialized Pipe-laying equipment among others
Coal Mining	29	124	30%	37	Heavy tonnage Excavators, Draglines, Rope shovels, Dumpers, Dozers and Drills among others
Roads and Highways	10	128	15-20%	22	Excavators, Backhoe loaders, Motor Graders, Compaction equipment, Dozers and Dumpers among others
Railways	7	138	3%	4	Excavators, Backhoe loaders, Cranes, Compaction equipment, Dozers and Dumpers among others
Ports	6	73	16%	12	Excavators, Cranes, Backhoe loaders, Dump trucks and Dozers among others
Total	**159**	**5040**	**3%**	**144**	

*Note: As of October 2014; * Projects Accepted for Consideration by PMG where all issues have been resolved*

(Source:** ICRA report titled: India Mining and Construction Equipment Industry, Dec 2014**)

Challenges:

Contrary to general expectations on the change in political tide towards a perceived pro-reform Government, several legacy issues continued to hinder recovery in H1, 2014-15.

1. Past aggressively bid infrastructure projects which have since become unviable
2. Debt laden balance sheets of infrastructure companies which hinder further fund raising thereby limiting their ability to bid for new projects.

3. With the GoI actively pushing for road infrastructure via. the EPC mode, this will strain the GoI fiscal deficit, leading to a slow-down in progress
4. Several power projects stalled for want of environmental clearances and coal linkages.
5. Environmental clearances and land acquisition for project.
6. Outdated technology in domestic mining limiting output.
7. Evacuation logistics for coal and power

Outlook:

1. Increased commitment from the global financing community to wards investments in India; Significantly higher investments pledged by Asian Development Bank and Japanese financing agencies (JICA and JBIC).
2. Banks being permitted to raise funds through long-term infrastructure bonds to support low cost and tenure matched infrastructure investments
3. Easing bureaucratic procedures by increased delegation;
    a) Road Transport and Highway Ministry (RoTHM) authorized to ease the rigid Model Concession Agreement (MCA)
    b) GoI empowerment to Ministries to clear project up to INR 10 billion as against INR 3 billion before
4. New bids for INR 750 billion for 4,000 kms of roads invited by NHAI; equipment ordering will start only post successful tendering
5. Metro projects worth INR 800 billion announced
6. Land acquisition for infrastructure projects and broader labor reforms
7. Successful completion of the e-auction and starting of coal mining by the public sector followed by commercial mining
8. Private sector participation in mining
9. Facilitation of change of hands of stressed and derailed road projects (over 260 projects worth INR 600 billion)
10. The GST game changer; resolution of Centre-State differences related to GST to ensure implementation by April 1, 2016
11. Fleshing out of proposals announced by the GoI such as Smart Cities, investment in rail and highways and the FDI in construction as well as adequate allocations for the same in the 2015-16 Budget.
12. Propping up the PPP mode of development in infrastructure as measure such as EPC while beneficial in the immediate term can only be used as stop gap measure, given the GoI's fiscal deficit.

*(**Source:** ICRA report titled: India Mining and Construction Equipment Industry, Dec 2014)*

STRUCTURE OF INDIA'S FINANCIAL SERVICES INDUSTRY

The RBI is the central regulatory and supervisory authority for the Indian financial system. The Board for Financial Supervision ("**BFS**"), constituted in November 1994, is the principal body responsible for the enforcement of the RBI's statutory regulatory and supervisory functions. SEBI and the Insurance Regulatory Development Authority ("**IRDA**") regulate the capital markets and the insurance sector respectively.

A variety of financial institutions and intermediaries, in both the public and private sector, participate in India's financial services industry. These are:

1. Commercial banks;
2. Non-Banking Finance Companies ("**NBFCs**");
3. Specialized financial institutions, such as the National Bank for Agriculture and Rural Development, the Export-Import Bank of India, the Small Industries development Bank of India and the Tourism Finance Corporation of India;
4. Securities brokers;
5. Investment banks;

6. Insurance companies;

7. Mutual funds;

8. Alternative Investment Funds; and

9. Venture capital funds.

NON-BANKING FINANCE COMPANIES

The structure and operations of NBFCs are regulated by the RBI, within the framework of Chapter III B of the RBI Act and the directions issued by it under the RBI Act. As set out in the RBI Act, a "Non-Banking Financial Company" is defined as:

- a financial institution which is a company;
- a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or
- such other non-banking institution or class of such institutions, as the bank may, with the previous approval of the central Government and by notification in the Official Gazette, specify.

Under the provisions of the RBI Act, it is mandatory for a NBFC to be registered with the RBI. For such registration with the RBI, a company incorporated under the Companies Act 1956 and which wishes to commence business as a NBFC, must have a minimum Net Owned Fund ("**NOF**") of ₹ 20,000,000. A NOF refers to funds (paid-up capital and free reserves, less accumulated losses, deferred revenue expenditure and other intangible assets) less, (i) investments in shares of subsidiaries/companies in the same group or all other NBFCs; and (ii) the book value of debentures/bonds/outstanding loans and advances, including hire-purchase and lease finance made to, and deposits with, subsidiaries/companies in the same group, in excess of 10% of the owned funds.

The registration process involves the submission of an Application by the company in prescribed format along with the necessary documents for the RBI's consideration. If the RBI is satisfied that the conditions set out in the RBI Act are fulfilled, it issues a "Certificate of Registration" to the company.

NBFCs are categorized into three (3) groups for the purpose of administering prudential regulations namely, deposit accepting NBFCs (NBFCs-D), non-deposit taking NBFCs (NBFCs-ND) with assets less than Rs.100 crore and NBFCs-ND-SI with assets Rs.100 crore and above, (categorised as non–deposit taking systemically important NBFCs, vide circular DNBS.PD/CC.No.86/03.02.089/2006-07, dated December 12, 2006. However, by circular no DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014, categorisation of NBFCs-ND have been changed as under:.

i. NBFCs-ND (those with assets of less than Rs. 500 crore) and

ii. NBFCs-ND-SI (those with assets of Rs. 500 crore and above).

In addition to having the minimum stipulated NOF, NBFCs should also comply with separate prudential norms prescribed for NBFCs-D and NBFCs–ND. The detailed regulations applicable to NBFCs are available at the RBI website of RBI (www.nbfc.rbi.org.in).

NBFCs are required to adhere to the Prudential Norms Directions which, amongst other requirements, prescribe guidelines regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans.

NBFCs are also required to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges in terms of the RBI circular dated May 24, 2007. In addition to the aforesaid, NBFCs are required to adopt an interest rate model for regulating the rates of interest charged by the them in accordance with the Master Circular on Fair Practices Code dated July 1, 2010 issued by the RBI to all NBFCs. See the section titled "***Regulations and Policies***" on page no 201 of this Prospectus.

Vide circular ref. no. RBI/2014-15/520 DNBR (PD) CC.No. 024/ 03.10.001/ 2014-15 dated March 27, 2015, RBI has notified the following Notifications for meticulous compliance:

i. Notification No. DNBR. 007/ CGM (CDS) -2015 dated March 27, 2015 amending the Net Owned Fund requirements.

ii. Non-Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 issued vide Notification No. DNBR. 008/ CGM (CDS) -2015 dated March 27, 2015.

iii. Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 issued vide Notification No. DNBR. 009/ CGM (CDS) -2015 dated March 27, 2015.

iv. Notification No. DNBR. 010/ CGM (CDS) -2015 dated March 27, 2015 amending the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

v. Notification No. DNBR. 011/ CGM (CDS) -2015 dated March 27, 2015 amending the Non-Banking Financial (Deposit Accepting or Holding) Prudential Norms (Reserve Bank) Directions, 2007.

vi. Notification No. DNBR. 012/ CGM (CDS) -2015 dated March 27, 2015 amending the Non-Banking Financial Company - Factor (Reserve Bank) Directions, 2012

Initially, NBFCs were classified into the following categories by the RBI:

- *equipment leasing companies* - any financial institution whose principal business is that of leasing equipment or the financing of equipment leasing;
- *hire-purchase companies* - any financial intermediary whose principal business relates to hire-purchase transactions or financing of hire-purchase transactions;
- *loan companies* - any financial institution whose principal business is that of providing finance, whether by making loans or advances or otherwise for any commercial activity other than its own (excluding any equipment leasing or hire-purchase finance activity); and
- *investment companies* - any financial intermediary whose principal business is that of buying and selling securities.

However, with effect from December 6, 2006, these types of NBFCs have been reclassified as follows:

1. *asset finance companies* – NBFCs whose principal business is that of financing the physical assets which support various productive and economic assets in India. "Principal business" for this purpose means that the aggregate of financing real/physical assets supporting economic activity and income arising there from is not less than 60% of total assets and total income respectively;
2. *investment companies* - NBFCs whose principal business is that of the acquisition of securities; and
3. *loan companies* - NBFCs whose principal business is that of providing finance whether by making loans or advances or otherwise for any activity other than its own, but does not include an equipment leasing company or a hire-purchase finance company.

The above mentioned companies may be further classified into those accepting deposits or those not accepting deposits. In addition, and following the *Second Quarter Review of the Monetary Policy for the Year 2009-10*, the RBI introduced a fourth category of NBFCs known as "Infrastructure Finance Companies", which were defined as entities which hold a minimum of 75% of their total assets for the purposes of financing infrastructure projects. NBFCs have been further classified into the following categories:

- *Asset Finance Company (AFC)*
- *Investment Company (IC)*
- *Loan Company (LC)*
- *Infrastructure Finance Company (IFC)*
- *Core Investment Company (CIC)*
- *Infrastructure Debt Fund- Non- Banking Financial Company (IDF-NBFC)*
- *Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI).*
- *Non-Banking Financial Company – Factor (NBFC-Factors)*
- *Non-Operative Financial Holding Company (NOFHC)*

THE INFRASTRUCTURE FINANCE INDUSTRY IN INDIA

Providers of Infrastructure Finance

The primary providers of infrastructure finance in India are financial institutions, public sector banks & other public sector institutions, private banks, foreign banks and multilateral development institutions.

Financial institutions

Financial institutions provide medium and long-term financial assistance across various industries to establish new projects and for the expansion and modernization of existing facilities. These institutions provide both fund-based and non-fund based assistance in the form of loans, underwriting, direct subscription to shares, debentures and guarantees. The primary long-term lending institutions include India Infrastructure Finance Company Limited (IIFCL), IFCI Limited, Industrial Development Bank of India Limited and Small Industries Development Bank of India.

Specialized financial institutions

In addition, there are various specialized financial institutions which cater to the specific needs of various sectors. These include the National Bank for Agricultural and Rural Development, Export-Import Bank of India, IFCI Venture Capital Funds Limited (formerly the Risk Capital and Technology Finance Corporation Limited), Tourism Finance Corporation of India Limited, Housing and Urban Development Corporation Limited, Power Finance Corporation Limited, Infrastructure Leasing & Financial Services Limited, Rural Electrification Corporation Limited and Indian Railway Finance Corporation Limited.

State level financial institutions

State financial corporations, such as Maharashtra State Financial Corporation, Delhi Financial Corporation and Madhya Pradesh Financial Corporation, were set up to finance and promote small and medium term enterprises at a state level and they form an integral part of the institutional financing system. There are also state industrial development corporations operating at state level, which provide finance primarily to medium- to large-sized enterprises. These include Maharashtra Industrial Development Corporation, Gujarat Industrial Development Corporation and Madhya Pradesh Industrial Development Corporation

Public sector banks and other public sector institutions

Public sector banks make up the largest category of banks in the Indian banking system. The primary public sector banks operating in the infrastructure finance sector include IDBI Bank, State Bank of India, Punjab National Bank, Canara Bank and the Bank of Baroda. Other public sector entities, for example, the Life Insurance Corporation of India, also provide financing to the infrastructure sector.

Private sector banks

After completion of the first phase of the bank nationalization in 1969, the majority of Indian banks were public sector banks. Some existing private sector banks, which showed signs of an eventual default, were merged with state-owned banks. In July 1993, as part of the banking reform process and to induce competition in the banking sector, the RBI permitted entry by the private sector into the banking system resulting in the introduction of nine private sector banks which are collectively known as the "new" private sector banks. The primary private sector bank operating in the infrastructure financing sector is ICICI Bank.

Infrastructure Finance Companies ("IFCs")

In February 2010, the RBI introduced IFCs as a new category of infrastructure funding entities. Non-deposit taking NBFCs which satisfy the following conditions are eligible to apply to the RBI to seek IFC status:

- A minimum of 75% of its assets deployed in infrastructure loans;
- Net owned funds of at least ` 3,000 million;
- Minimum credit rating "A" or equivalent Credit Rating and Information Services of India Limited, India Ratings and Research Private Limited, Credit Analysis and Research Limited, ICRA Limited or equivalent rating by any other accrediting agencies; and
- Capital to Risk (weighted) Assets Ratio of 15% (with a minimum Tier 1 capital of 10%).

IFCs enjoy benefits which include a lower risk weight on their bank borrowings (from a flat 100% to as low as 20% for AAA-rated borrowers), higher permissible bank borrowing (up to 20% of the bank's net worth compared to 15% for an NBFC that is not an IFC), access to external commercial borrowings (up to 75% of owned funds under the automatic route) and relaxation in their single party and group exposure norms. These benefits should enable a highly rated IFC to raise more funds, of longer tenors and at lower costs, and in turn to lend more to infrastructure companies.

THE NBFC-AFC (Asset Finance Company) IN INDIA

AFC would be defined as any company which is a financial institution carrying on as its principal business the financing of physical assets supporting productive / economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipments, moving on own power and general purpose industrial machines. Principal business for this purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of its total assets and total income respectively.

Since the classification for the purpose of income recognition, asset classification and provisioning norms is based on asset specification the extant prudential norms will continue as hitherto. However, the exposure norms as regards restriction on investments in land and buildings and unquoted shares shall be modified to make provisions applicable to EL/HP companies applicable to AFC.

The companies satisfying the above conditions may approach the Regional Office in the jurisdiction of which their Registered Office is located, along with the original Certificate of Registration (CoR) issued by the Bank to recognize their classification as Asset Finance Companies. Their request must be supported by their Statutory Auditor's certificate indicating the asset /income pattern of the company as on March 31, 2006. The change in classification would be incorporated in the Certificate of Registration issued by the Bank as NBFC-Asset Finance Company; NBFC-D-AFC if accepting deposits and NBFC-ND-AFC, if not accepting deposits.

(Source: http://www.rbi.org.in/scripts/BS_NBFCNotificationView.aspx?Id=3200)

Revised Regulatory Framework for NBFC

Requirement of Minimum NOF of Rs. 200 lakh: NBFCs are required to obtain a Certificate of Registration (CoR) from the Bank to commence/carry on business of NBFI in terms of Section 45-IA of the RBI Act, 1934. The said section also prescribes the minimum Net Owned Fund (NOF) requirement. In terms of Notification No.DNBS.132/CGM(VSNM)-99 dated April 21, 1999, the minimum NOF requirement for new companies applying for grant of CoR to commence business of an NBFC is stipulated at Rs. 200 lakh. Although the requirement of minimum NOF at present stands at Rs. 200 lakh, the minimum NOF for companies that were already in existence before April 21, 1999 was retained at Rs. 25 lakh. Given the need for strengthening the financial sector and technology adoption, and in view of the increasing complexities of services offered by NBFCs, it shall be mandatory for all NBFCs to attain a minimum NOF of Rs. 200 lakh by the end of March 2017, as per the milestones given below:

- Rs. 100 lakh by the end of March 2016
- Rs. 200 lakh by the end of March 2017

It will be incumbent upon such NBFCs, the NOF of which currently falls below Rs. 200 lakh, to submit a statutory auditor's certificate certifying compliance to the revised levels at the end of each of the two financial years as given above.

NBFCs failing to achieve the prescribed ceiling within the stipulated time period shall not be eligible to hold the CoR as NBFCs. The Bank will initiate the process for cancellation of CoR against such NBFCs.

Deposit Acceptance: As per extant NBFCs Acceptance of Public Deposit (Reserve Bank) Directions, 1998, an unrated Asset Finance Company (AFC) having NOF of Rs. 25 lakh or more, complying with all the prudential norms and maintaining capital adequacy ratio of not less than fifteen per cent, is allowed to accept or renew public deposits not exceeding one and half times of its NOF or up to Rs. 10 crore, whichever is lower. AFCs which are rated and complying with all the prudential regulations are allowed to accept deposits up to 4 times of their NOF.

In order to harmonise the deposit acceptance regulations across all deposit taking NBFCs (NBFCs-D) and move over to a regimen of only credit rated NBFCs-D accessing public deposits, existing unrated AFCs shall have to get themselves rated by March 31, 2016. Those AFCs that do not get an investment grade rating by March 31, 2016, will not be allowed to renew existing or accept fresh deposits thereafter. In the intervening period, i.e. till March 31, 2016, unrated AFCs or those with a sub-investment grade rating can only renew existing deposits on maturity, and not accept fresh deposits, till they obtain an investment grade rating.

It has been decided to harmonise the limit for acceptance of deposits across the sector by reducing the same for rated AFCs from 4 times to 1.5 times of NOF, with effect from the date of this circular. While AFCs holding deposits in excess of the revised limit should not access fresh deposits or renew existing ones till they conform to the new limit, the existing deposits will be allowed to run off till maturity. It must be mentioned here that the data available with the Reserve Bank indicates that most AFCs are already complying with the revised norms and very few NBFCs have deposits in excess of 1.5 times of the NOF. Also, in cases where this limit is exceeded, the excess is not substantial. It is therefore expected, that this harmonization measure will not be disruptive.

Systemic Significance: Currently, NBFCs are categorized into three groups for the purpose of administering prudential regulations namely, NBFCs-D, non-deposit taking NBFCs (NBFCs-ND) with assets less than Rs.100 crore and NBFCs-ND-SI with assets Rs.100 crore and above, (categorized as non–deposit taking systemically important NBFCs, vide circular DNBS.PD/CC.No.86/03.02.089/2006-07, dated December 12, 2006). The current prudential regulation mainly comprises the following elements: a) Norms relating to Income Recognition, Asset Classification and Provisioning norms; b) Capital to Risk Weighted Assets Ratio (CRAR); and c) Credit Concentration Norms [norms at b) and c) are applicable to only NBFCs–D and NBFCs-ND-SI].

The threshold for defining systemic significance for NBFCs-ND has been revised in the light of the overall increase in the growth of the NBFC sector. NBFCs-ND-SI will henceforth be those NBFCs-ND which have asset size of Rs. 500 crore and above as per the last audited balance sheet.

With this revision in the threshold for systemic significance, NBFCs-ND shall be categorized into two broad categories viz.,

i. NBFCs-ND (those with assets of less than Rs. 500 crore) and

ii. NBFCs-ND-SI (those with assets of Rs. 500 crore and above)

Multiple NBFCs: NBFCs that are part of a corporate group or are floated by a common set of promoters will not be viewed on a standalone basis. The total assets of NBFCs in a group including deposit taking NBFCs, if any, will be aggregated to determine if such consolidation falls within the asset sizes of the two categories NBFC-ND or NBFC- ND SI. Regulations as applicable to the two categories will be applicable to each of the NBFC-ND within the group. For this purpose, Statutory Auditors would be required to certify the asset size of all the NBFCs in the Group. However, NBFC-D, within the group, if any, will be governed under the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Direction 1998 and Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and other applicable Directions.

The definition of the word "group" will be the same as per Accounting Standards. "Companies in the Group", shall mean an arrangement involving two or more entities related to each other through any of the following relationships:

- Subsidiary – parent (defined in terms of AS 21),
- Joint venture (defined in terms of AS 27),
- Associate (defined in terms of AS 23),
- Promoter - Promotee [as provided in the SEBI (Acquisition of Shares and Takeover) Regulations, 1997],
- For listed companies, a related party (defined in terms of AS 18), common brand name, and investment in equity shares of 20% and above.

Prudential Norms: One of the main objectives of prudential regulation is to address systemic risks. The systemic risks posed by NBFCs functioning exclusively out of their own funds and NBFCs accessing public funds cannot be equated and hence cannot be subjected to the same level of regulation. Hence, as a principle, enhanced prudential regulations shall be made applicable to NBFCs wherever public funds are accepted and conduct of business regulations will be made applicable wherever customer interface is involved.

In conformity with the above principles, the regulatory approach in respect of NBFCs-ND with an asset size of less than Rs. 500 crore will be as under:

(i) They shall not be subjected to any regulation either prudential or conduct of business regulations viz., Fair Practices Code (FPC), KYC, etc., if they have not accessed any public funds and do not have a customer interface.

(ii) Those having customer interface will be subjected only to conduct of business regulations including FPC, KYC etc., if they are not accessing public funds.

(iii) Those accepting public funds will be subjected to limited prudential regulations but not conduct of business regulations if they have no customer interface.

(iv) Where both public funds are accepted and customer interface exist, such companies will be subjected both to limited prudential regulations and conduct of business regulations.

(v) Irrespective of whichever category the NBFC falls in, registration under Section 45 IA of the RBI Act will be mandatory.

(vi) All of the above will also be subjected to a simplified reporting system which shall be communicated separately.

All NBFCs-ND with assets of Rs. 500 crore and above, irrespective of whether they have accessed public funds or not, shall comply with prudential regulations as applicable to NBFCs-ND-SI. They shall also comply with conduct of business regulations if customer interface exists.

Note: For the purpose of this circular, the term ‘public funds’ includes “funds raised directly or indirectly through public deposits, commercial papers, debentures, inter-corporate deposits and bank finance, but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue”.

Corporate Governance and Disclosure norms for NBFCs: NBFCs-D with deposits of Rs. 20 crore and above, and NBFCs-ND with asset size of Rs. 50 crore and above are required to constitute an Audit Committee; NBFCs-D with deposits of Rs. 20 crore and above, and NBFCs-ND with assets of Rs. 100 crore and above are advised to consider constituting Nomination Committee to ensure ‘fit and proper’ status of proposed/ existing Directors and Risk Management Committee. Further, NBFCs-D with deposits of Rs. 50 crore and above were advised that it was desirable that they stipulate rotation of partners of audit firms appointed for auditing the company every three years.

Vide circular ref. no. RBI/2014-15/520 DNBR (PD) CC.No. 024/ 03.10.001/ 2014-15 dated March 27, 2015, RBI has notified the following Notifications for meticulous compliance:

i. Notification No. DNBR. 007/ CGM (CDS) -2015 dated March 27, 2015 amending the Net Owned Fund requirements.

ii. Non-Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 issued vide Notification No. DNBR. 008/ CGM (CDS) -2015 dated March 27, 2015.

iii. Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 issued vide Notification No. DNBR. 009/ CGM (CDS) -2015 dated March 27, 2015.

iv. Notification No. DNBR. 010/ CGM (CDS) -2015 dated March 27, 2015 amending the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

v. Notification No. DNBR. 011/ CGM (CDS) -2015 dated March 27, 2015 amending the Non-Banking Financial (Deposit Accepting or Holding) Prudential Norms (Reserve Bank) Directions, 2007.

vi. Notification No. DNBR. 012/ CGM (CDS) -2015 dated March 27, 2015 amending the Non-Banking Financial Company - Factor (Reserve Bank) Directions, 2012

(Source: http://rbi.org.in/scripts/NotificationUser.aspx?Id=9327&Mode=0)

OUR BUSINESS

Overview

We believe we are one of the leading non-banking financing companies in the organized equipment financing sector in India with a principal focus on financing infrastructure equipment. We are registered with the RBI as a non-deposit taking systemically important, non-banking financial company ("NBFC"). We provide financial products and services to companies operating in the construction, mining, technology and solutions, healthcare, ports and railways, oil and gas, agriculture and transportation sectors. Our financial products and services comprise loans, leases, rentals and fee-based services.

We have a widespread network of offices across India to cater to the needs of a diverse customer base across our various business segments and have been a key driver of our growth over the years. As of September 30, 2014, we have presence in approximately 19 states, including approximately 74 branch offices and 11 regional offices across India. We have strategically expanded our marketing network and operations enabling us having relationships with more than 35,000 customers. Our distribution network includes our entrepreneur partners ("SEPs"), relationship managers and dealer relationship managers. SEPs help us in sourcing and originating business and maintaining customer relationships. In addition, we have assigned relationship managers for all our customers and dealer relationship managers assigned for specific dealers, which helps us develop long-term relationships with our customers and also enables us to capitalize on local knowledge of the market. Our relationship managers are involved throughout the entire value chain for a customer and are responsible for customer origination, loan administration and monitoring loan recovery and also provide support to the SEPs. In addition, we presently run certain innovative and targeted marketing schemes such as "*Paison Ki Nilami*", "*Khul Ja Sim* Sim", "*Khyshiyon Ki Barish*" aimed at the Retail and SME segment, which have enabled us to increase our brand awareness and promote our financing products.

Our sources of funding comprise secured redeemable non-convertible debentures, term loans (rupee loans and foreign currency loans) including term loans from banks and financial institutions, working capital facilities, subordinated debentures and loans, commercial papers and inter-corporate deposits. In relation to our long-term debt instruments, we currently enjoy long term ratings of AAA (SO) rated by CRISIL, CARE AA-/AA from CARE and BWR AA from Brickwork. In relation to our short-term debt instruments, we currently have the ratings of ICRA A1+ from ICRA Limited.

As on date, our total employee strength was approximately 1797 employees. We provide continuous training to our employees and have in-house initiatives "Lead Srei" and other functional training and e-learning modules to upgrade the skills of our employees.

We have an established track record of consistent financial performance and growth:

- Our total financial assets increased from ₹ 64,849.50 million as of March 31, 2010 to ₹ 138,807.80 million as of March 31, 2014, at a CAGR of 20.96%.
- In addition, our disbursements increased from ₹ 50,405 million as of March 31, 2010 to ₹ 77,290 million as of March 31, 2014, at a CAGR of 11.28%.
- Our total income increased from ₹ 9,297.00 million in fiscal 2010 to ₹ 26,193.30 million in fiscal 2014, at a CAGR of 29.56%, while our profit after tax increased from ₹ 870.50 million in fiscal 2010 to ₹2253.80 million in fiscal 2014, at a CAGR of 26.85%
- Our AUM increased from ₹ 88,484.20 million as of March 31, 2010 to ₹ 176,699.20 million as of March 31, 2014 at a CAGR of 18.88 %.
- Our net worth increased from ₹ 9,660.30 million as of March 31, 2010 to ₹ 20,962.80 million as of March 31, 2014, at a CAGR of 21.37%.

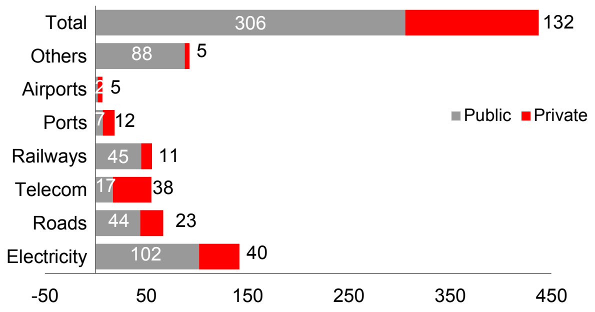
Our Strengths

We believe that the following are our key strengths:

Well positioned to access and appraise borrowers in the growing Indian infrastructure financing sector

We have been involved in infrastructure sector finance since our inception, primarily for construction & mining equipment finance. We believe we have developed extensive infrastructure sector knowledge and relationships with borrowers and the ability to appraise and extend financial assistance to the borrowers in infrastructure segment. According to the Twelfth Five Year Plan ((fiscal 2012-2017) "Twelfth Plan", the Government of India ("GoI") has planned an expenditure of approximately US$ 1.00 trillion by the end of Twelfth Five Year Plan towards infrastructure sector projects *(Source: Planning Commission Report dated 15th September 2012)*, which provides us with opportunity to offer financing for equipment required for such projects. The table set forth below represents the estimated contribution from Private and Public sectors in the planned expenditure.

Significant Private Sector Participation



We provide a broad spectrum of financial products and services, which helps us to cater to the needs of a diverse customer base at a pan-India level, from construction equipment hirers, truck owner, farmers and shopkeepers in the small-business segment, to medium-sized vendors, dealers, contractors, fleet owners, large infrastructure developers and companies, including multi-national corporations. We believe that due to our experience in the infrastructure equipment finance sector, our diversified business model and product offerings and our pan-India distribution network we are well positioned to capitalize the opportunities in the in the infrastructure sector.

Strong Promoter relationship and brand

Our Company is presently jointly promoted, managed and controlled by Srei Infra and BPLG. We believe that Srei Infra and BPLG are well established brands domestically and internationally in the banking and finance sectors. We further believe the synergies among the entities provides us with a significant competitive advantage in the domestic and international markets, with access to management talent and professionals with strong industry knowledge in their respective sectors, early access to potential business opportunities, ability to understand and efficiently cater to the needs of the customers in a comprehensive manner and access funds at competitive rates from a wide variety of market participants. Our credit approval procedures, credit delivery process and relationship-based loan administration and monitoring methodology have also aided in increasing customer loyalty and earn repeat business and customer referrals.

Experienced Board and senior management team

Our Board consists of six directors, which include two nominees from Srei Infra, two nominees from BPLG and two independent directors with extensive experience in banking and financial services sector. Our senior and middle management team comprise officials with significant experience in the financial services sector and particularly in the financing industry, which we believe helps our Company implement policies and processes to ensure credit quality and high standards of work ethics. We believe that the in-depth industry knowledge and loyalty of our management and professionals provide us with a distinct competitive advantage.

Leading infrastructure equipment financing NBFC in India

We believe we are one of the leading financing institutions in the organized sector for infrastructure equipment financing in India. We have a client base of more than 35,000 clients as of September 30, 2014. Further, as of September 30, 2014, our AUM was ₹ 180,514.20 million. Our equipment finance business has grown at a CAGR of 18.88% from fiscal 2010 to 2014. We believe that our widespread branch network enables us to service and support our existing customers from proximate locations which provide customers easy access to our services. The relationships we have developed with our customers provide us with opportunities for repeat business and to cross sell our other products as well as derive benefit from customer referrals.

Pan-India set-up with a unique relationship based distribution network

As of September 30, 2014, we have presence in approximately 19 states, including approximately 74 branch offices and 11 regional offices across India. This pan-India presence allows us to cater to a large customer base across various segments of the industry. We have developed a unique relationship based distribution network, which is managed by the relationship manager as entrepreneurs, and SEPs for our retail business which helps in commanding a better presence and penetration in markets.. This helps us develop long-term relationships with each customer. Our relationship managers are involved throughout the entire value chain for a customer and are responsible for customer origination, loan administration and monitoring as well as loan recovery.

In addition, we have also strategically expanded our distribution and marketing network and operations by entering into memoranda of understanding with manufacturers and/or vendors across various business segments including infrastructure and construction equipment, technology and solutions, healthcare equipment, agriculture and farming equipment, transportation and used equipment. We have entered into memoranda of understanding with major leading manufacturers and vendors of construction equipments across India.

Effective risk management framework and operating efficiency

We believe we have established an effective risk management framework through the implementation of robust systems and procedures for evaluating and approving debt financing proposals. Prior to our commitment of any financial assistance, we undertake extensive financial and legal due diligence of the potential debt financing opportunity, either in-house or by appointing third party experts. Subsequent to the disbursement of debt, we continue to monitor the development and performance of the relevant project or asset. We believe our risk management framework enables us to identify the risks and suitably adopt various risk mitigation measures. We believe that our in-house risk team helps us to understand the sector and industrial risks involve and process to mitigate the same.

We also use a range of quantitative as well as qualitative parameters as a part of the appraisal process to make a sound assessment of the extent of underlying credit risk in a project. We have adopted various risk management policies, including a credit risk management policy, liquidity risk management policy, operational risk management policy, interest rate policy, foreign currency policy, market risk management policy and portfolio risk management policy. In addition, our security measures include the relevant parties entering into a loan cum hypothecation agreement, which sets out the terms and conditions of the loan and requires a promissory note to be executed containing an unconditional promise of payment to be signed by both the borrower and the relevant guarantor. We also require the borrower to execute a power of attorney in our favour authorizing, among others, the repossession of the hypothecated equipment upon loan payment default.

Further to strengthen the entire credit cycle, our relationship manager involves at every stage of the credit appraisal to identify and monitor the risks involve locally, quality of assets and creditworthiness of the borrower.

Access to a range of cost effective funding sources

We believe we have diversified funding sources. At present we are meeting our funding requirement from bank loans which basically include cash credit facility and long term secured borrowing, issue of non-convertible debentures i.e. secured and unsecured, tier II borrowing, external commercial borrowing, issue of commercial paper. Our strong relationship and past credit record with nationalised banks and private sector banks enables us to access cost effective fund. We also undertake cost effective securitization and assignment transaction to maintain and balance our overall borrowing cost. In addition to this, we are planning to further diversify our funding sources like public of debt instruments.

Our Strategies

Our key strategic priorities are as follows:

Continue to leverage on our experience and wide spread distribution network to capture the expected growth in infrastructure sector spending

According to the Planning Commission, the GoI's budget towards infrastructure spending under the Twelfth Plan is US$ 1.00 trillion. We seek to steadily increase our portfolio and asset size and intend to capitalize on the opportunities for equipment finance resulting from the expected significant infrastructure spending.

Leverage on our experience and wide spread distribution network. We intend to continue to leverage our industry experience, relationships with our customers, wide spread network our operational and strength to provide comprehensive financing solutions for the equipment finance sector and expand and diversify our product portfolio.

Expand our operations and distribution network. We intend to continue to strategically expand our operations by establishing additional branches across India**.** We also intend to increase our operations in certain regions in India where we historically had relatively limited operations, and to further consolidate our position and operations in other parts of India. In addition, we also intend to seek business opportunities outside India for equipment financing through entering into strategic alliances with international OEMs.

Further develop our relationships and partnerships with customers through our unique marketing initiatives
We continue to develop innovative marketing and customer origination schemes and events specifically targeted at Retail & SMEs,, and institutions. For example, we organize "Paison Ki Nilami", an unique Dutch auction for interest rates, in several major states in India at regular intervals. Apart from “Paison Ki Nilami” every year we organise Khushiyon ki Baarish”, it has now become a landmark event every year during monsoon every year. Some of our other major innovative marketing schemes include “Srei Partnership Week”, Asset Power Card, Money Power Card etc.

These marketing schemes and events enable us to develop long standing relationships with customers and help us to generate new business. These programs and innovative schemes also provide us a platform to increase our brand awareness, aids in increasing customer loyalty and customer referrals and enable us to promote our financing products.

Continue to expand and diversify our product portfolio
We intend to continue to leverage on our experience in construction equipment financing and expand our equipment financing business. We also intend to further develop and grow our new lines of business such as financing of IT equipment, medical equipment, used equipment, Logistics & Material handling equipment. We have recently commenced agriculture equipment financing. We will also continue to expand our customer base and presence in the domestic markets.

Endeavour to reduce borrowings and explore alternate avenues of funding
We continue to evaluate various funding opportunities to lower our cost of funds, including through focussing on funding options through non-traditional banks for products such as ECBs and on retail debt instruments such as NCDs. We also intend to develop and maintain an asset base with an optimal mix of principal investments and debt financing, and also increase the proportion of long-term debt in our debt financing portfolio, which we believe will enable us to further improve credit ratings for our long-term borrowings, resulting in lower cost of funds.

Continue to reinforce operational efficiency through advanced technology, processes & training
Improve our technology and process. We continue to invest in our information technology, to improve our operational efficiencies, functionality, reduce errors and improve our productivity through well-defined processes and systems. We continue to implement technology led processing systems to make our appraisal and collection processes more efficient, facilitate rapid delivery of credit to our customers and augment the benefits of our relationship based approach. As our business and our organisation continue to grow, we intend to remain committed to technological innovation to ensure our ability to respond to our increasingly competitive market and to mitigate the risks we face as a financial institution.

Personnel development and training
We recognize that our business is largely dependent on skilled human resources, and we intend to monitor and reward employee performance and also continue taking a proactive approach, retention and recruitment of human capital. We believe we have been successful in recruiting and retaining talented professionals from a wide variety of backgrounds, including banks and NBFCs. We aim to provide continuous functional, behavioural and e-learning modules training to our employees. In order to achieve this, we will continue to capitalize on our strengths in the area of recruiting and retention

Our Business Verticals

BUSINESS VERTICAL					
Infrastructure Equipment	**Technology and Solutions Financing**	**Health care Equipment Financing**	**Agricultural and Farming Equipment**	**Material Handling Equipment**	**Used Equipment**
(Finance/lease for purchase of infrastructure equipment)	(Finance/lease for purchase of hardware, software and office equipment)	(Finance/lease for all major medical equipment used in medical industry)	(Finance for purchase of major agricultural and farming equipment)	(Finance/lease for purchase for wide range of material handling equipment)	(Finance for used construction and mining equipment)

Infrastructure Equipment Financing

We are principally engaged in the business of providing finance for the purchase of infrastructure equipment that is used in construction, mining, port, railways etc. We provide financing for a wide range of construction equipment including earthmoving equipment, cranes, dumpers, excavators, loaders, transit mixers and other construction equipment's. We focus on financing assets whose value is equal or less than approximately Rs. 150.00 million

We also provide hypothecation loans or leases for the financing for our Retail, SME and strategic customers. In this category, our equipment financing operations comprise three customer segments, namely, (i) Retail segment - wherein the aggregate risk exposure on the customer is not exceeding approximate Rs.10.00 million; (ii) SME segment - wherein the aggregate existing or proposed risk exposure is not exceeding approximately Rs.50.00 million; and (iii) Strategic segment - which includes all credits in the asset finance category excluding retail and SME segment credits, wherein the aggregate risk exposure is above ₹ 50.00 million segment, respectively**.**

The tenor of an infrastructure equipment loan varies between three - five years, and a charge on the relevant asset is created in our favour as security for repayment of the loan. In addition to secured term loans, we also provide short-term working capital loans to our existing customers. As at September 30, 2014, our total loans outstanding in the Infrastructure equipment sector were ₹ 131,329 million, which accounted for 90.76% of the total loan outstandings of our Company. For fiscal 2014, our total disbursements was ₹ 71,252 million in the infrastructure equipment financing sector, which accounted for 92.18% of the total disbursements of our Company

Technology and Solutions Financing

We are also providing finance for the purchase of hardware, software and office equipment including laptops, servers, scanners, printers and communication equipment (routers, network hubs and modems) to primarily cater to the needs of various institutional and corporate customers. In addition, we also offer financing for the associated implementation costs for the equipment, used for captive purposes only. The tenor of the loan provided to the customers in the technology sector varies between one to five years. As at September 30, 2014, our total loans outstanding in the technology and solutions financing sector were ₹ 3,131 million, which accounted for 2.16% of the total loan outstandings of our Company. For fiscal 2014, our total disbursements were ₹ 912 million in the technology and solutions financing sector, which accounted for 1.18% of the total disbursements of our Company

Healthcare Equipment Financing

We provide financing for the purchase of diagnostics and surgical equipment used in the hospitals including x-ray machines, sonography equipment, CT and MRI scanners, a charge on such equipment is created in our favour as security for repayment of the loan. As at September 30, 2014, our total loans outstanding in the healthcare equipment financing sector were ₹ 2,309 million, which accounted for 1.60% of the total loan outstandings of our Company. For fiscal 2014, our total disbursements were ₹ 632 million in the healthcare equipment financing sector, which accounted for 0.82% of the total disbursements of our Company.

Agriculture and Farming Equipment Financing

We recently started to provide finance for a wide range of agriculture; farming and allied equipment including tractors, which are widely used for sowing, tilling, irrigation and for other agricultural purposes, a charge on such equipment is created in our favour as security for repayment of the loan. As at September 30, 2014, our total loans outstanding in the agriculture and farming equipment financing sector were ₹1,269 million, which accounted for 0.88% of the total loan outstandings of our Company. For fiscal 2014, our total disbursements were ₹ 717 million in the agriculture and farming equipment financing sector, which accounted for 0.93% of the total disbursements of our Company.

Material Handling Equipment Financing

We provide financing for the purchase of a wide range of material handling equipment's like reach stacker, forklift, warehousing equipment, commercial vehicle etc, a charge on the vehicle is created in our favour as security for repayment of the loan. The total outstanding loan under the material handling equipment segment as on September 30, 2014 was ₹ 3,054 million which accounted for 2.11% of total loan outstandings of our Company**.** For fiscal 2014, our total disbursements were ₹ 1,536 million in the material handling equipment financing sector, which accounted for 1.99% of the total disbursements of our Company**.**

Used Equipment Financing

We are also engaged in providing finance for used equipment to various customers in Retail & SME segment. In this vertical we provide financing on a wide range of standard used construction & mining equipment, a charge on such equipment is created in our favour as security for repayment of the loan. As at September 30, 2014, our total loans outstanding in the healthcare equipment financing sector were ₹ 3,602 million, which accounted for 2.49% of the total loan outstandings of our Company. For fiscal 2014, our total disbursements were ₹ 2,245 million in the used equipment financing sector, which accounted for 2.90% of the total disbursements of our Company.

Operating Lease Business:
We are also engaged into the business of providing equipment on operating lease as and when required by the customers. The various kind of assets given under operating lease include Heavy earth moving infrastructure equipment's windmills, aircrafts, IT equipment etc. As at September 30, 2014 our total assets under operating were ₹ 15,555 million

We are also engaged in finance lease business which is substantially low in term of the business volumes. As on September 30, 2014 the total finance lease business was ₹ 106.7 million.

Our Operations
Our business operations include four major segments

- Customer origination and relationship
- Customer evaluation and credit appraisal
- Approval and Disbursements
- Loan administration and monitoring and debt collection and recovery.

Customer origination and relationship

Customer Base
Our customer base includes retail customers, small and medium enterprises and strategic (institutional and corporate customers). These three customer segments are classified as, (i) retail segment - wherein the aggregate risk exposure on the customer is not exceeding approximately ₹.10.00 million; (ii) SME segment - wherein the aggregate existing or proposed risk exposure is not exceeding approximately ₹. 50.00 million; and (iii) Strategic segment - which includes all credits in the asset finance category excluding retail and SME segment credits, wherein the aggregate risk exposure is above ₹ 50.00 million.

The Company's approach to the market is to build relationship directly with the customers, dealers and manufacturers of construction machinery and equipments. The aim is to generate repeat business and widen our horizon in the market place.

Our customers usually provide 10% to 15% margin on infrastructure financing, 5% to 10% margin on technology and solutions financing and 5% to 10% margin on other equipment financing sector including healthcare, oil and gas, ports and railways, agriculture and farming, transportation and used equipment financing. Our loans are secured by a hypothecation of the asset financed.

Our customer origination efforts strategically focus on building long term relationships with our customers, addresses specific issues and local business requirements of potential customers in a specific region

Tie up with vendors and manufacturer:
We have also strategically expanded our distribution and marketing network by entering into memoranda of understanding with manufacturers and vendors in order to become preferred financiers for their customers. We have entered into arrangements with manufacturers and/or vendors across various business segments including, infrastructure and construction equipment, technology and solutions, healthcare equipment, agriculture and farming equipment, commercial vehicles including tractors, and used equipment. In Construction and mining equipment segment we have tied up almost all manufacturers and vendors.

Other Marketing Initiatives
We continue to develop innovative marketing and customer origination schemes and events specifically targeted at individuals, SMEs and institutions. For example, we organize "Paison Ki Nilami", an unique Dutch auction for interest rates, in several major states in India at regular intervals. Apart from "Paison Ki Nilami" every year we organise Khushiyon ki Baarish", it has now become a landmark event every year during monsoon .Some of

our other major innovative marketing schemes include " Srei Partnership Week" , Asset Power Card , Money Power Card etc

The marketing schemes and events enables us to develop long standing relationships with repeat customers, and provides us with opportunities to generate new business. These programs and innovative schemes also provide us a platform to increase our brand awareness, aids in increasing customer loyalty and customer referrals and enable us to promote our financing products

Branding/ Advertising
We believe, our brand is well recognized in India given its association with the brand of our promoters Srei Infra and BPLG, and our own efforts of brand promotion. We have launched various publicity campaigns through print and other media to create awareness of our product features, including our speedy loan approval process with the intention of creating and enhancing our brand identity. We believe that our emphasis on brand promotion will be a significant contributor to our results of operations in future.

Customer Evaluation and Credit Appraisal

Customer Evaluation
We follow certain procedures for the evaluation of the creditworthiness of our potential borrowers and classify such customer into three segments, primarily, Retail, SMEs and strategic depending upon the requisite information and documents received for a financing proposal. Once the customer is being identified, our relationship manager gathers basic minimum information regarding his age, address, occupation, income source and submit initial report after due diligence. Along with this Relationship Manager collect KYC from customer and do the verification of the same. Further our Relationship Manager also does first level of credit evaluation at his end.

While carrying out the evaluation of the proposal, the Relationship Manager keeps following three points in mind:

i. Customer – its genuineness and track record.
ii. Asset – quality and saleability (if repossessed).
iii. Cash flow – which the asset would generate and whether after taking care of all expenses and payment of interest & repayment of principal whether it gives sufficient surplus to the customer or not

Credit Appraisal and Approval
Our lending policy is in conformity with our corporate business plan ensuring suitable risk return environment. We carry out credit appraisal of every application as per our organizational and credit policies and the credit assessment and evaluation is conducted in accordance with Company's terms and condition. We have implemented certain benchmark parameters for monitoring the health of the individual accounts/ customers. We provide approvals based on risk pricing, desirable terms of sanction and adequate due diligence.

We have a detailed credit underwriting pursuant to which the credit analysis takes place before granting of a loan based on information furnished by the applicant/ customer including personal details, financial statements, facility to finance, publicly available information such as customer's credit history which is contained in our credit report including lender's evaluation of customer's credit needs and repayment ability. We have marketing and sales team(s) which have adopted a process of carrying out unique credit appraisal memorandum ("CAM") (comprising credit appraisal, due diligence and credit approval) of our customers.

Our credit appraisal process consists of the customer profile analysis, asset evaluation, risk mitigants and analysis, profitability measurement, exit evaluation, terms and conditions, due diligence and approval depending on our customers segment

Asset Evaluation
We conduct asset evaluation taking into consideration the type of asset and have laid down certain tests to analyse the asset qualities and title to the asset. In order to mitigate risk, we have set margins for various assets to recover the asset in case of customer defaults in such a manner that the entire residual risk is covered.

Due Diligence.
We have laid down a basic framework for carrying out due diligence for customers from retail, SME and strategic segments. Our due diligence procedure consists following levels which are set out below:

a) Validation of documentation & Proposal
b) Vetting terms and conditions
c) Ensuring compliance with policy-

Credit Approval

We have adopted a five dimensional credit approval process based upon the following factors such as customer credit worthiness, asset quality, asset deployment, collateral quality and facility type. Our credit department generally assigns the different lending limits to the borrowers. Each credit proposal needs to meet the several parameters and fulfil the conditions stipulated in our credit policies.

We follow stringent credit policies in conformity with our business plan to ensure the asset quality of our loans and the security provided for such loans. Our credit policy aims to provide a basic framework for implementation of sound credit management system, dealing with various areas of credit risk that cover the entire value chain of credit origination, credit processing, credit enhancement, credit decision, credit delivery, credit management and maintaining credit risk exposures. The credit policy and strategy is periodically reviewed by our underwriting and credit committee ("UCC") and validated by the Board, depending upon various factors including the pre-defined schedules, market dynamics, portfolio analysis and the business environment.

Approval and Disbursements

Approval Process

The primary criterion for approval of a loan proposal is based upon factors such as the competitive business scenario, growth objectives, risk covenants existing in the proposals, policy compliance, proposals meeting all the set benchmarks, income sources, guarantees provided as well as the valuation of the asset to be secured by the loan. Our approval process consists of several stages, namely, sanctioning, recommending and sanctioning, preparing pre-disbursement checklist for compliance and communicating. Sanction is generally accorded to our retail customers and SMEs after approval from our CORPs team ,whereas sanction to our strategic customers is accorded once the credit approving authority or the UCC approves the facility thereof. Subject to credit evaluation and due diligence, approval is accorded to the prospective customers.

In addition, our CORPs team further checks and confirm the pre-disbursement documentation to ensure that all the parameters are have been effectively complied with prior to the disbursement of the loan. Our marketing personnel and sales representatives are responsible for communication of the sanction to the concerned customers under the retail, SME and strategic segment.

Disbursements

The objective of this process is to ensure that contract is accurately and completely booked in the system. In this stage the contract is booked in the system based on the details received from Relationship Manager. We ensure that Know Your Customer document, the applicant's acceptance of all terms and conditions of the loan are completed. Margin money and other charges are collected prior to loan disbursement. Disbursement activity is carried out by contract booking officers. Contract booking activity takes place after carrying out necessary quality assessment checks with the help of customer files, authorised compliance note and SOA (Statement of account).

Loan administration and monitoring

Each borrower is being provided with the loan repayment schedule along with a copy of the loan document executed. Repayments are being made based on the loan terms and conditions. We closely monitor the repayment schedule on monthly basis. Our central MIS team, regularly provide the payment track of each borrower to have a greater monitoring of the loan.

All borrower accounts are reviewed at least once a year, with a higher frequency for the larger exposures and delinquent borrowers. Close monitoring of debt servicing efficiency enables us to maintain high recovery ratios.

The relationship & Collection Managers are responsible for day-to-day collection of instalments from the respective customers. The relationship & Collection Managers review collections regularly, and are in regular touch with the borrowers.

Collection and Recovery

The asset recovery and management ("ARM") department of our Company conduct the recovery process in accordance with the policies and procedures. Our ARM department is primarily responsible for the collections, recovery, repossession, asset and yard management, resale of repossessed assets, loss claim and write off activities.

Our branch and regional level recovery teams are responsible for the collection and recovery of assets when payment is overdue in a particular account. Our recovery teams initiates the process of collection by analysing certain factors including the criticality of the account, nature of the account, circumstances under which the default occurred such as wilful default, default due to short term problems of the customer, default due to heavy financial problems etc., age of the asset and other assets and collateral from the customer. Our regional recovery head allocates the accounts of the customers in default to the recovery officers and maintains a control sheet capturing the details of such allocation.

We have adopted different collection and recovery procedures for our customers, primarily, retail, SMEs and strategic which have been discussed in detail below:

(a) Retail and SME Customers

The collection period commences from the day the payment becomes overdue, i.e. '0' day to '90' days in case of retail customers. In the event of a default, our recovery officer is required to make a personal visit to the customer to determine the gravity of the loan recovery problem and in order to exert pressure on the customer to clear the dues. Our recovery officer collects the payment in form of cash, cheque or demand draft. In the event any customer refuses to make the payments, our recovery officer initiates the legal process including arbitration subject to receipt of an approval from the regional recovery head and central ARM at head office. While considering the option of asset recovery, our recovery officer also assesses customers the ability to repay. Asset repossession is considered only in case customer is not unable to repay his outstanding.

(b) Strategic Customers

We have a strategic collection team to manage the strategic accounts as these accounts are high risk exposures to our Company. Our relationship managers in strategic accounts proactively monitor the client's financial condition and closely track any potential stress situations that such customers may face due to circumstances beyond their control including situations like possible environmental issues, closure of mines, new government regulations and policies and political uncertainties which may have an adverse impact on the business and operations of our strategic customers. In case of payment overdue, the relationship manager along with the regional recovery head initiates discussion with the customers to ascertain the reason of non-payment of the dues. Our relationship manager, regional sales manager, regional head along with the regional recovery head analyse the strengths, weaknesses, opportunities and threats to ascertain the project status and suggest remedial actions to the customers depending upon the crisis level. In addition, site inspections are also conducted on a regular basis. Legal actions, including arbitration, are initiated after consultation with relationship manager, regional sales manager, regional head along with the regional recovery head subject to approval received by our central ARM team.

Repossession and Resale of Assets

We may initiate repossession of asset as a last resort for recovery of the dues. In cases of strategic accounts, our recovery team enter into several discussions with the customer to avoid repossession. Our head of strategic collection along with regional head in consultation with the central ARM are responsible for the decision of repossession. We undertake repossession by different modes (a) internally, through our company itself in case of straight forward repossession; (b) through external repossession agents, in case the assets are not easily available or located (c) through legal route, in accordance with the contractual terms and conditions.

We follow a procedure of release and resale of assets after repossession. The assets may be released upon request from the customer subject to receipt of the approval by the regional recovery head. In the event of the repossession, the asset may be released only when the overdue amount along with all other charges have been collected.

Alternatively, if we are unable to recover overdue amounts, we generally conduct a resale of the assets which is carried out by our asset management team. Upkeep and maintenance of such repossessed assets at yards are done by our asset managers located in respective locations. A pre-sale notice is sent to the customer specifying the outstanding amount to be paid within a specified period failing which the repossessed assets may be sold. Our sale process consists of sourcing prospective buyers, finalising the buyers and receiving payments through cash or redefined mode upon sale of the asset. However, the sales process may be terminated in the event the customer settles the entire dues and charges.

Classification of Assets and Provisioning and Write-offs

We are a non-deposit taking systemically important NBFC and we are regulated by various provisions of the RBI. Classification of Assets are guided by the "Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007" issued by the RBI.

Accordingly, the assets of our Company are classified as follows:

Class of Asset	Definition
Standard Assets:	Assets that do not display any problems or which do not carry more than the normal risk attached to the business of the borrower.
Sub-standard Assets:	(a) Assets that are non-performing for a period not exceeding 18 months. (b) An asset where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms
Doubtful Assets:	Assets which remains a sub-standard asset for a period exceeding 18 months.
Loss Assets:	Assets where loss has been identified and the amount has been written off, wholly or partly. Such an asset is considered “not recoverable” and of such little value that its continuance as a bankable asset is not warranted, although there may be some salvage or recovery value.

Provisioning and Write-off Policies

The Company recognizes provision, for standard assets, non-performing Assets (NPAs) and other receivables, in accordance with applicable guidelines issued by RBI. The Company also makes additional provision for NPA and other receivables based on the management’s best estimate. The Company considers a restructured account as one where the Company, for economic or legal reasons relating to the borrower’s financial difficulty, grants to the borrower concessions that the Company would not otherwise consider. Restructuring would normally involve modification of terms of the advance / securities, which would generally include, among others, alteration of repayment period / repayable amount / the amount of instalments / rate of interest. Restructured accounts are classified as standard or sub-standard in accordance with guidelines on restructuring applicable to NBFCs. Necessary provision for diminution in the fair value of a restructured account is made in addition to the provision as required by RBI guidelines.

Provision on standard assets is made as per the notification DNBS.PD.CC.No.207 / 03.02.002 / 2010-11 issued by Reserve Bank of India.

Financial assets overdue for more than four years, as well as those, which, as per the management are not likely to be recovered, are considered as bad debts and written off in the accounts

Our Company categorizes its assets based on the classification prescribed by the RBI. The table below sets out the provisioning requirements applied for loans, advances and other credit facilities provided by our Company:

Class of Asset	Provisioning Requirement
Sub-standard Assets:	A general provision of 10% of the total outstanding amount.
Doubtful Assets:	• 100% provision to the extent to which the loan is not covered by the realizable value of the security to which we have valid recourse.
	• For the secured portion, depending upon the period for which the asset has remained doubtful, provision is made at the following rates:
	• Up to one year: 20%
	• Up to three years: 30%
	• More than three years: 50%
Loss Assets:	The entire asset is written-off. If the assets are permitted to remain on our books for any reason, 100% of the outstanding amount.

The Company has recognized additional provision of ₹ 109.50 million as on September 30, 2014 towards financial assets, based on the management’s best estimates.

Funding Sources

We have expanded our sources of funds in order to reduce our funding costs, protect interest margins and maintain a diverse funding portfolio that will enable us to achieve funding stability and liquidity. Our sources of funding comprise redeemable non-convertible debentures, term loans (rupee loans and foreign currency loans) including term loans from banks and financial institutions, working capital facilities, foreign guaranteed currency bonds, subordinated debentures and loans, commercial papers and inter-corporate deposits. We decide on instrument for borrowing's based on our asset liability position from time to time.

Securitization of Hypothecation Loan Portfolio

We also undertake securitization transactions to increase our capital adequacy ratio, increase the efficiency of our loan portfolio and as a cost effective source of funds. We sell part of our hypothecation loan portfolio from time to time through securitization transactions as well as direct assignment. Our securitization transactions involve provision of additional collateral and deposits.

Treasury Operations

Our treasury performs the functions of procurement, disbursement, concentration, collection and disposal of funds and manages the investment and funding activities. The responsibility of treasury department is classified into borrowing and underlying research; securitization, money market and derivatives research; ratings, management information systems and compliance documentation; and trade finance and cash management.

Our treasury department in association with the risk department works closely to monitor and mitigate several risks including operational, financial and reputational risks. Our treasury department undertakes to ensure the timely availability of funds to disburse loans and leases, manages the mismatch in the time period of repayment to our financiers and repayments from our borrowers. They further seek to maintain and mitigate the impact of the varying interest rates on our business and operations to the extent possible. Our treasury department also manages and operates to curb the refinancing risks arising due to any inability to raise new funds in order to repay an existing debt when it matures.

Our treasury department undertakes liquidity management by seeking to maintain an optimum level of liquidity and complying with the RBI requirement of asset liability management. The objective is to ensure the smooth functioning of all our branches and at the same time avoid the holding of excessive cash. Our treasury maintains a balance between interest-earning liquid assets and cash to optimize earnings.

We actively manage our cash and funds flow using various cash management services provided by banks. As part of our treasury activities, we also invest our surplus fund in fixed deposits with banks, liquid debt-based mutual funds and government securities. Our investments are made in accordance with the investment policy approved by the Board.

Capital Adequacy

We are subject to the capital adequacy ratio ("**CAR**") requirements prescribed by the RBI. We are currently required to maintain a minimum CAR of 15%, as prescribed under [the Prudential Norms Directions, 2007], based on our total capital to risk-weighted assets. As a part of our governance policy, we ordinarily maintain capital adequacy higher than the statutorily prescribed CAR. As of March 31, 2014, our capital adequacy ratio was 17.13%, compared to the minimum capital adequacy requirement of 15% stipulated by the RBI.

The following table sets out our capital adequacy ratios as of the dates indicated:

	For Period Ended September 30, 2014	**As of March 31, 2014**	**As of March 31, 2013**
Capital Adequacy Ratio	16.15%	17.13%	16.19%
Tier 1 capital	12.49%	12.63%	11.47%

For further information relating to our capital adequacy, see on page 203 of this Prospectus.

Risk Management

We have developed a strong risk-assessment model in order to maintain healthy asset quality. Our risk department ensures that our operations and business are conducted in a manner to maximise our returns on the calculated risks within our pre-defined risk framework. The risk department identifies and evaluate risks, measures and assumes the risks and regularly monitors and controls risks for reviewing and reporting. We have established an effective asset liability management system and formed an asset liability management committee ("ALCO"). The ALCO monitors risks related to liquidity and interest rates and also monitors the implementation of decisions taken in the ALCO meetings. We have adopted policy guidelines which monitor the exposure to market risks with regard to liquidity position, interest rate position and foreign exchange rate position.

The key risks and risk-mitigation principles we apply to address these risks are summarized below:

Interest Rate Risk
Interest rate risk is the risk that changes market interest rates which may have an adverse impact on our financial condition. The primary interest rate-related risks we face are from timing difference in the maturity of our fixed rate assets and liabilities, e.g., if in an increasing interest rate environment, our fixed rate liabilities mature prior to our fixed rate assets and therefore require us to incur additional liabilities at a higher interest rate, and re-pricing risk, e.g., where there is an adverse mismatch between the re-pricing terms of our loan assets and our loan liabilities.

Liquidity Risk
Liquidity risk arises due to non-availability of adequate funds or non-availability of adequate funds at an appropriate cost, or of appropriate tenure, to meet our business requirements. This risk is minimized through a mix of strategies.

Credit risk
Credit risk is the risk of loss that may occur from the default by our customers under the loan agreements with us. As discussed above, borrower defaults and inadequate collateral may lead to higher NPAs. We have established a risk department which deals with adherence and compliance of credit policies adopted and also periodically reviews the policies to adjust any environment and market related issues.

We have adopted a risk mechanism which adheres to and implements the "four eyes" principle pursuant to which we are able to minimize risks and maximize returns. We have adopted a risk based pricing model in compliance with Basel II norms. We also employ advanced credit assessment procedures, which include verifying the identity and checking references of the proposed customer thoroughly at the initial stages. Our extensive local presence also enables us to maintain regular direct contact with our customers. In this regard, we assign personal responsibility to our relationship managers for the timely recovery of the loans they originate, closely monitoring their performance against our Company's standards, and maintain client and product-wise exposure limits.

Market Risk
Market Risk is the risk to earnings arising from adverse movements in interest rates. Market risk are risk which may occur due to changes in regulatory environment, risk from competitors and economic risks. We minimize such risks by conducting quarterly risk reports and creating a healthy and risk aware portfolio with business concentration into sectors with positive outlook.

Portfolio Risk
Portfolio risks are risks which may occur from the concentration of exposure from sector, customer, geographic region and asset category. We minimize such risks by conducting periodic checks, various studies and periodic reports at regular intervals through our risk managers who help in identifying the early warning signals and enable us to take pre-emptive steps. The portfolio risks analysis covers several areas including approver wise delinquency, deviation reports, sale of repossessed assets, potential loss analysis, collection efficiency, etc. etc.

Operational Risk
Operational risks are risks arising from inadequate or failed internal processes, people and systems or from external events. We have established systems and procedures to reduce operational risks, control the different work flows within the organisation and record losses from failed transactions, client accounts, settlements and day-to-day business processes. Our operational policies also control the losses caused by the employees or involving employees, losses caused through our relationship or contacts with our clients, shareholders, third parties or regulators.

Foreign Currency Risk
Foreign currency exchange risk involves exchange rate movements among currencies that may adversely impact the value of foreign currency-denominated assets, liabilities and off-balance sheet arrangements. We have

foreign currency borrowings that could expose us to foreign currency exchange rate risk and we expect to increase our foreign currency-denominated borrowings in the future. Our exposure to foreign currency is restricted to the foreign currency loans like external commercial borrowings.

In addition, we mitigate our exchange and interest rate risks in foreign currency liabilities by entering into various hedging transactions including principle only cross-currency swaps, interest bearing cross-currency swap, forward contracts, simple buying European options and interest rate swaps.

Cash Management Risk

Our specific branches collect and deposit our customer's payment in cash. Lack of proper cash outflow and inflow can lead to losses. To mitigate the risk arise out of this we have implemented various checks and balance at different level. Out internal audit team do audit of branches, reconciliation of money receipt being issued against the cash collection on various interval.

Employees and Training

We have an experienced, qualified and committed management and employee base. As on date, our total employee strength was approximately 1797 employees. Many of our employees, particularly senior management, have been associated with our Company for long periods. We emphasize the need to continuously upgrade the competencies of our employees and equip them with latest developments in the sector and industry practices through continuous training initiatives like "Lead Srei". We believe our transparent organizational structure ensures efficient communication and feedback drives our performance-driven work culture. Further, we have also adopted the incentive and compensation policies to reward our employees based upon their performance, potential and skills.

In a business where personal relationships are an important driver of growth, product executive attrition may lead to loss of business. We therefore endeavour to build common values and goals throughout our organization, and strive to ensure a progressive career path for promising employees and retention of quality intellectual capital in our Company. We provide a performance-based progressive career path for our employees.

Information Technology

Information Technology (IT) in our company has emerged as a key business enabler and is playing a major role in improving overall productivity, customer services and managing risks. Our information technology strategy is aligned to comprehend and integrate our business, applications, technology, organizational capability and governance. The company has a stable, secure, robust and future ready IT Infrastructure and applications backbone which will provide the platform for future strategic initiatives. Our data centre has received ISO 27001 certification in Information Security Management System. All our branches are networked with our servers located in Kolkata.

Our business operates on a stable core applications platform comprising of ERP system for financials and human resource management and line of business application for fund based business. We continue to implement automation initiatives on the top of our core applications to streamline our credit approval, collections, administration, and monitoring processes to meet stakeholder requirements on a real-time basis. By leveraging the innovations in the technology space, we aim to achieve improved process efficiency, enhanced management decision making, risk management capability, greater transparency, reduced infrastructure investment and increased infrastructure availability. As our business and our organisation continue to grow, we intend to remain committed to technological innovation to ensure our ability to respond to our increasingly sophisticated and competitive market and to mitigate the risks we face as a financial institution.

Corporate Social Responsibility

Recognising its social responsibility, we had undertaken certain initiatives aimed at contributing to society at large, including supporting various charitable projects and social welfare activities. We had also made donations to the public charitable trust in the name of 'Srei Foundation' which grants scholarships and other financial assistance to deserving and talented Candidates. Our Company also promotes all-round development of a clean environment and help in propagating and imparting education for the betterment of agriculture / horticulture and other similar activities. Our Company has also duly constituted a Corporate Social Responsibility (CSR) Committee required in terms of Section 135 of the Companies Act, 2013 and the rules thereon. Our CSR initiatives are aimed at integrating our business values and operations with our social responsibilities. For the six months ended September 30, 2014, ₹ 7.39 million has been spend on CSR initiatives.

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HISTORY AND MAIN OBJECTS

Our Company was originally incorporated by the name Srei Infrastructure Development Limited on June 13, 2006 with the Registrar of Companies, West Bengal in accordance with the Companies Act 1956 as a public limited Company. The name of the Company was changed from 'Srei Infrastructure Development Limited' to 'Srei Infrastructure Development Finance Limited' vide Special Resolution passed by the shareholders at the Extra-ordinary General Meeting of the Company held on January 22, 2007 and approved by the Registrar of Companies, West Bengal vide Fresh Certificate of Incorporation dated April 16, 2007. Further the Company was converted into a private limited company and consequently the name of the Company was changed by addition of word 'Private' before the word 'Limited' in the existing name of the Company vide Special Resolution passed by the shareholders at the Extra-ordinary General Meeting of the Company held on July 30, 2007 and approved by the Registrar of Companies, West Bengal vide Fresh Certificate of Incorporated consequent upon change of name on conversion to private limited company. The name of the Company was thereafter further changed from 'Srei Infrastructure Development Finance Private Limited' to 'Srei Equipment Finance Private Limited' vide Special resolution passed at the Extra-ordinary General Meeting of the Company held on April 2, 2008 and approved by the Registrar of Companies, West Bengal vide Fresh Certificate of Incorporation dated May 30, 2008. The name of the Company was thereafter changed to 'Srei Equipment Finance Limited' by deletion of word 'Private' appearing before the word 'Limited' in the earlier name of the Company vide Special Resolution passed at the Extra-ordinary General Meeting of the Company held on October 28, 2013 and approved by the Registrar of Companies, West Bengal vide Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company dated November 1, 2013.

Our Company has its registered office at "Vishwakarma", 86C Topsia Road (South), Kolkata 700 046 since its incorporation.

Our Company was registered with Reserve Bank of India on June 12, 2007 as a Non Deposit taking Non-Banking Financial Company (Registration No. N-05.06694) under Section 45-IA of the RBI Act, 1934. Subsequently RBI issued a Registration Certificate dated January 1, 2008, consequent on conversion of our Company to private limited company and change of name to Srei Infrastructure Development Finance Private Limited allowing our Company to commence/carry on the business as a non deposit taking non-banking financial institution, under Section 45-IA of the RBI Act, 1934. Subsequently vide RBI certificate dated September 3, 2008, RBI reclassified our Company as an Asset Finance Company – Non Deposit Taking under Section 45-IA of the RBI Act, 1934. Vide registration certificate no N-05.06694 dated February 19, 2014 our Company was issued a new certificate by the RBI consequent on change of name to Srei Equipment Finance Limited and classifying our Company as an Asset Finance Company-Non-Deposit Taking under Section 45-IA of the RBI Act, 1934.

Srei Infra entered into a strategic alliance on May 31, 2007 with BPLG, a European market leader specializing in asset financing for equipments, to further develop the equipment financing business in India. Pursuant to a Scheme of Arrangement ("the Scheme") approved by shareholders and sanctioned by the Hon'ble High Court at Calcutta on January 28, 2008, all business and assets and liabilities pertaining to the project finance business and asset based financing business of the Srei Infra, including its shareholding in Srei Insurance Broking Private Limited (formerly Srei Insurance Services Limited) were transferred to our Company as a going concern on a slump sale basis in accordance with Sections 391 to 394 and other relevant provisions of the Companies Act with effect from January 1, 2008 ("Appointed Date").

The Scheme became operative from April 2, 2008 ("Effective Date") and the transfer in terms of the Scheme took place on and from the Effective Date.

Pursuant to the Scheme:

1. All assets relating to (i) the entire equity share capital of Srei Insurance Services Limited; and (ii) the project finance business and asset based financing business of Srei Infra for equipment including construction equipment, transportation and materials handling (the "Transferred Business"), whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent were transferred to our Company.
2. All present and future liabilities arising out of the activities or operations of the Transferred Business including loans, debts, debentures, current liabilities, contingent liabilities, securities convertible into equity or otherwise were transferred to our Company.
3. All employees of Srei Infra (whether permanent or temporary) employed or engaged in relation to the Transferred Business became employees of our Company.

4. All legal and other proceedings, including arbitrations, except those relating to direct tax proceedings relating to Srei Infra, by or against Srei Infra in respect of the Transferred Business were continued and enforced against our Company.
5. All licenses, consents, permissions, approvals, certificates, clearances and authorities given by, issued to or executed in favour of Srei Infra in relation to the Transferred Business were transferred to our Company.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

1. *To carry on the business of acquisition, exchange, substitution and disbursement of any and all kinds of construction and infrastructure equipment and/or any other asset in any and all manners and to deploy the same in any manner or otherwise to make available such equipment with or without additional services to the contractors, builders, promoters, projects, bodies corporate, individuals, firms or any other person or organization requiring such equipment in any manner whatsoever.*

2. *To carry on the business of assisting in the creation, expansion and modernisation of infrastructure facilities including, but not limited to, power, tele-communications, roads, highways, bridges, airports, ports, railways, sanitation water, waterways, sewerage disposal, rails, industrial estates, or any other facility of similar nature in or outside the State of West Bengal and to identify projects, project ideas, to prepare project profiles, project reports, market research, feasibility studies and reports, pre-investment studies, appraisals, evaluations and investigation of infrastructure projects.*

3. *To engage in the business of financing infrastructure projects in India and/or abroad and to also engage in development of infrastructure projects.*

4. *To carry on and undertake the business of financing industrial enterprises including those engaged in and providing infrastructural facility and setting up of projects and also to provide by way of operating lease, all types of plant, equipments, machinery, vehicles, vessels, ships, all electrical and electronic equipments and any other moveable and immovable equipments and/or properties whether in India or abroad, for industrial, commercial or other uses.*

5. *To acquire, purchase, own, build, develop, design, appropriate, operate, transfer, consult, maintain, manage, control, undertake, hire, take on lease licence, exchange or hire purchase, mortgage, assign, let, sell, dispose of any type of lands, properties, estates, farms, gardens, parks, orchards, mines, buildings, flats, sheds, structures, hostels, hotels, motels, resorts, shops commercial complexes, townships, farmhouses, roads, streets, railways, ropeways, docks, aerodromes, dams, bridges, new power plants or takeover of old plants, thermal power plants, power stations, any water works, gas works, reservoirs, electric power, heat and light supply works, reservoirs, electric stations, generators, sub-stations and transfer stations, low tension networks, electric locomotives, tramways and industrial railway, electric railway lines, beautification and modifications of Railway stations, industries, barrages, valleys, stadiums, museums, tourist and picnic spots and for any other project in the infrastructure sector including their erection, construction, demolition and rebuilding, alteration, conversion, renovation, improvement, interior and exterior decoration and to act as developers, builders, colonizers, and contractors.*

6. *To engage in infrastructure development on the Build, own, operate and Transfer format and Build, operate and Transfer format and/or any other format and for this purpose to enter into any contracts in relation to and to erect, construct, maintain, alter, repair, pull down and restore either alone or jointly with any other companies, State/Statutory Body or persons works of all descriptions including wharves, docks, piers, railways, tramways, power projects, waterways, roads, bridges, airports, dams, warehouses, factories, mills, engines, machinery, railway carriages and wagons, ships and vessels of every description, gas works, electric works, water works, drainage and sewage works and buildings of every description including hospitals and health cares and to act as advisors and consultants on matters relating to the infrastructure development.*

Subsidiaries, Joint Ventures & Associates

As on date of the Prospectus our Company does not have any subsidiary, joint ventures or associates.

Material Agreements

Other than the Agreements in relation to this Issue, the Company has not entered into any material agreements more than 2 (two) years before the date of this Prospectus, which are not in the ordinary course of business.

Key Agreements

Shareholders Agreement dated May 31, 2007 and as amended ("SHA") between BNP Paribas Lease Group, Srei Infrastructure Finance Limited ("SIFL"), Mr. Hemant Kanoria and Srei Infrastructure Development Finance Limited (currently Srei Equipment Finance Limited). The parties to the SHA are collectively referred to as the Parties.

Major Terms of the SHA

- Board Composition - The Board shall comprise 6 (six) Directors. Subject to Section 6 below: (i) 2 (two) Directors shall be nominated by each of BPLG (the "BPLG Directors") and SIFL (the "SIFL Directors"); and (ii) there shall be 2 (two) Independent Directors one of whom shall be recommended by SIFL and appointed by the Board with the other Independent Director being recommended by BPLG and appointed by the Board (each a "Recommended Director"). It is clarified that the IF appointed as Managing Director and Joint Managing Director by the Board under Section 3.5.1 below, shall always be considered SIFL Directors.
- Exercise of Rights - Each of BPLG and SIFL agree and undertake to vote their Shares or extend consents, as the case may be, and to take all other action as may be necessary (including causing the Company to call a General Meeting and exercising its votes at a General Meeting as well as at meetings of the Board or committees thereof including through its representatives or nominee Directors) so as to give effect to the provisions of this Agreement including but not limited to this Section 3.
- Non Exercise of Pre-Emptive Right - Each Shareholder shall only be entitled to subscribe according to the Pre-emptive Right attached to its Shares. In no event Pre-emptive Rights may be sold without the Shares to any Third Party. In any rights issue, a Shareholder shall be entitled to designate a Person qualifying as an Affiliate Transferee to subscribe to the Shares comprising such Shareholder's entitlement in compliance with Applicable Law.
- Restriction on Transfer of Shares - No Shareholder shall Transfer any Shares held by it to a Third Party without complying with the provisions of this Section 5. Any attempt to do so shall be ab initio void.

Joint Venture Agreement dated May 31, 2007 ("JVA") between BNP Paribas Lease Group, Srei Infrastructure Finance Limited, Mr. Hemant Kanoria, Mr. Sunil Kanoria and Srei Infrastructure Development Finance Limited (currently Srei Equipment Finance Limited). The parties to the JVA are collectively referred to as the Parties.

Major Terms of the JVA

The Parties have entered into this Agreement with the principal objective of ensuring the management and operation of the Company in a professional, profit oriented and efficient manner consistent with the highest business standards and conduct the activities of the Company so as to maximize overall long term value to its shareholders. IF shall be entitled to manage the day to day affairs of the Company with support from SIFL and BPLG.

Term and Termination

- This Agreement shall remain valid and binding on the Parties until such time that it is terminated in accordance with Section 16.2 or Section 16.3 of the JVA
- This Agreement shall remain valid and binding on the Parties until such time as the Shareholders Agreement continues to be valid and binding. Provided that, save as may be mutually agreed between the Parties, this Agreement and all the Transaction Documents shall be deemed to be terminated if the Closing does not occur on or before the Drop Dead Date or in accordance with Section 4.2 of the JVA
- Save as aforesaid, this Agreement may not be terminated by any of the Parties hereto save and except by mutual agreement by Parties.
- Any termination of this Agreement shall be without prejudice to any rights or obligations accrued to, or in respect of, the Parties prior to the date of termination hereof.

Brand Authorization Agreement dated April 2, 2008 ("BAA") between BNP Paribas Lease Group, and Srei Infrastructure Development Finance Limited (currently Srei Equipment Finance Limited). The parties to the BAA are collectively referred to as the Parties.

In the scope of the Joint venture Agreement and for the purpose of the Specified Business, BPLG has agreed to grant a royalty free authorization to use its "BPLG" trade mark, brand and corporate name to the Company in compliance with the "Graphic Guidelines for BNP Paribas and entities with BNP Paribas" for the brand and co-brand using "Srei" and the "BPLG" Brand as set forth in Annexure A of the BAA. This authorization shall terminate on the termination of the Shareholders Agreement in terms thereof or on Change of Control of BPLG.

OUR MANAGEMENT

Board of Directors

The general control, superintendence, direction and management of the affairs and business of our Company is vested in the Board of Directors which exercises all powers and does all acts and things which may be done by us under the Memorandum and Articles of Association of our Company.

The details of Board of Directors as on the date of filing of this Prospectus are as follows:

Name of Directors & Designation	DIN	Director (Since)	D.O.B Age	Occupation	Residential Address	Other Directorships
Mr. Didier Jean Chappet Chairman	06600628	June 17, 2013	September 30, 1954 60 years	Service	6, Cite Medicis 78100 Stl Germain en Laye France	- BNP Paribas Lease Group SA (France) - Arius SA (France) - BNP Paribas Leasing Solutions SA (Luxembourg) - BNP Paribas Leasing Solutions SpA (Italy) - BNP Paribas Leasing Solutions Ltd (UK) - UCB Enterprise SAS (France) - BNP Paribas Real Estate (France) - C.I.M.V. (France) - Arval Service Lease (France)
Mr. Hemant Kanoria Vice Chairman and Managing Director	00193015	May 12, 2007 (Reappointed w.e.f. 1 Nov 2013)	August 05, 1962 52 years	Industrialist	"Kanoria House" 3 Middle Road, Hastings, Kolkata – 700022	- Srei Infrastructure Finance Limited - Srei Capital Markets Limited - Viom Networks Limited - India Power Corporation Limited - Zao Srei Leasing, Russia - Texmaco Rail & Engineering Limited - Austrian Anadi Bank AG (formerly Hypo Alpe Adria Bank, Austria) - Bhavah Enterprise Private Limited
Mr. Sunil Kanoria Joint Managing Director	00421564	May 12, 2007 (Reappointed w.e.f. 1 Nov 2013)	May 04, 1965 49 years	Industrialist	"Kanoria House" 3 Middle Road, Hastings, Kolkata – 700022	- Srei Infrastructure Finance Limited - Upper Ganges Sugar & Industries Limited - India Power Corporation Limited - Viom Networks Limited - The Associated Chambers of Commerce and Industry of India - Zao Srei Leasing Russia - Viom International Singapore Pte. Limited - Viom International (Myanmar) Company Limited - Bhavah Enterprise Private Limited
Mr. Olivier De Ryck Director	06800248	February 4, 2014	May 19, 1963 51 years	Service	46 Boulevard Raspail Paris 75007, France	- All In One Vermietung GmbH - BNP Paribas Lease Group GmbH

Name of Directors & Designation	DIN	Director (Since)	D.O.B Age	Occupation	Residential Address	Other Directorships
						- BNP Paribas Lease Group & Co KG - BNP Paribas Lease Group KFT - BNP Paribas Lease Group IFN SA - Fortis Lease Denmark A/S - Fortis Lease Portugal IFIC SA - Jiangsu Financial Leasing Co. Ltd. (China)
Mr. Kora Ipe Puthenpurackal Non-Executive & Independent Director	02780367	October 26, 2010	May 25, 1951 63 years	Banker	Flat 3B, Chakolas Marina, Pandit Karuppan Road, Thevera, Kochi - 682013.	- The Anglo Scottish education Society
Mr. Shyamalendu Chatterjee Non-Executive & Independent Director	00048249	November 6, 2013	December 24, 1946 68 years	Banker	South City Apartments 17K, Tower - 1, SVC – 2 375, Prince Anwar Shah Road Kolkata - 700068	- Sahaj e-Village Limited - Srei Capital Markets Limited - Srei Infrastructure Finance Limited

None of the names of our existing and current directors are appearing in the RBI defaulter list and/or ECGC default list.

Profile of Directors

Mr. Didier Jean Chappet, Chairman

He is a Polytechnique graduate with vast experience in the financial services industry. He is presently the CEO of BNP Paribas Lease Group SA (France), Chairman of UCB Enterprise SAS (France), and Managing Director of BNP Paribas Leasing Solutions SA (Luxembourg). He is having extensive knowledge in leasing business and solutions. Previously he has served in distinguished capacities in different organisations of different nations.

Mr. Hemant Kanoria, Vice Chairman & Managing Director

He has over thirty four years of experience in industry, trade and financial services. He has held the position of Chairman of National Committee on Infrastructure of Federation of Indian Chambers of Commerce and Industry ("FICCI") and is also Council Member of Indo-German Chamber of Commerce. He is the former President of the Calcutta Chamber of Commerce and former member of Board of Governors of Indian Institute of Management (IIM), Calcutta and Member of Regional Direct Taxes Advisory Committee, Government of India.

Mr. Sunil Kanoria, Joint Managing Director

A Chartered Accountant, he has more than twenty six years of experience in the financial services industry. He is presently the Director (Senior Vice President of the Managing Committee) of The Associated Chambers of Commerce & Industry of India (ASSOCHAM), Member of the Central Direct Taxes Advisory Committee and a Governing body member of the Construction Industry Development Council (CIDC).

Mr. Olivier De Ryck, Director

He is a Postgraduate having experience in the relevant industry and is a nominee from BNP Paribas Lease Group, France. Currently, he holds directorship in eight Companies and has experience as International Director in several companies.

Mr. Kora Ipe Puthenpurockal, Independent Director

He has Master Degree from IIT, Mumbai and has 36 years of experience in the field of Corporate Banking. He was Senior Advisor to the CEO & Country Manager of BNP Paribas, India.

Mr. Shyamalendu Chatterjee, Independent Director

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

Relationship between the Directors

None of our present Directors are related to each other except Hemant Kanoria and Sunil Kanoria, who are brothers.

Remuneration of the Directors

Each of the Non-Executive Independent Director is paid ₹ 50,000 as sitting fees for attending each meeting of the Board of Directors of our Company, and ₹ 25,000 as sitting fees for attending each meeting of the Committees of the Company. Details of remuneration paid to our Directors during the financial year ended March 31, 2014 by our Company are as follows:

Sl.	Name of the Director	By our Company		Total Remuneration(₹)
		Remuneration(₹)	Nature	
1.	Didier Jean Chappet	N.A.	N.A.	N.A.
2.	Hemant Kanoria	3,61,31,022	Salary, Perquisites & commission	3,61,31,022
3.	Sunil Kanoria	3,69,48,206	Salary, Perquisites & commission	3,69,48,206
4.	Olivier De Ryck	-	-	-
5.	Kora Ipe Puthenpurockal	82,000	Sitting Fees	82,000
6.	Shyamalendu Chatterjee	30,000	Sitting Fees	30,000
7	Anjan Mitra *	53,000	Sitting fees	53,000

*Resigned w.e.f September 16, 2013

Terms of Appointment of Managing Director and Compensation payable to him

Mr. Hemant Kanoria was appointed as Vice Chairman and Managing Director of the Company w.e.f. 2nd April, 2008 which was valid till the termination of the Shareholders Agreement and his remuneration was fixed vide a resolution of the board of directors of our Company dated May 14, 2008 and an agreement dated May 14, 2008. The Company was converted to a public limited company w.e.f. 1st November, 2013 consequent upon which the provisions of section 317 of the Companies Act, 1956 had become applicable to the Company and accordingly, the tenure of appointment of Mr. Hemant Kanoria as Vice Chairman & Managing Director of the Company was required to be restricted to a maximum period of 5 (five) years at a time pursuant to provisions of the said section. The Board of Directors at their meeting duly held on 4th February, 2014 has decided to fix the tenure of appointment of Mr Hemant Kanoria as Vice Chairman & Managing Director of the Company for a period of 5 (five) years w.e.f. 1st November, 2013, the date of conversion of the Company to a Public Limited Company, to 31st October, 2018. The Board of Directors at their meeting duly held on 21st May, 2014 decided to revise the remuneration payable to him and the shareholders of the Company at the Annual General Meeting held on 1st July, 2014 have accorded their consent to the revision in remuneration payable to Mr. Hemant Kanoria as Vice Chairman and Managing Director of the Company w.e.f. 1st April, 2014 for remaining period of tenure of office from 1st April, 2014 to 31st October, 2018.Salient features of his remuneration inter alia include:

a) Salary: Rs. 20,00,000/- (Rupees Twenty Lacs only) per month with authority to the Board to increase the same from time to time.

b) Commission: 0.50% (one half percent) of the net profits of the Company as per Audited Profit and Loss Account per year.

c) Ex-gratia: Ex-gratia payment of 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 Vice-Chairman & Managing Director shall be entitled to the following perquisites:

    a) Housing: Fully furnished residential accommodation including expenses relating to furniture, gas, electricity, water and other utilities upto a maximum of one month's salary

    b) Medical Reimbursement: Reimbursement of actual medical expenses incurred in India and / or abroad including hospitalization, nursing home and surgical charges for self and family.

c) Leave Travel Concession: Reimbursement of actual traveling expenses, for proceeding on leave, once in a year in respect of self and family upto a maximum of one month's salary.

d) Club Fees: Reimbursement of membership fees for clubs in India and/or abroad, including admission and life membership fees.

e) Personal Accident Insurance: Payment of premium in respect of one Personal Accident Insurance Policy.

f) Leave: Entitled for leave with full pay or encashment thereof as per the rules of the Company.

Clauses 'a', 'c' and'd' grossed up together shall be restricted within an overall limit of Rs. 3.20 crores (Rupees Three Crores Twenty Lacs only) per annum.

e) Statutory Payments: The Vice Chairman & Managing Director shall be entitled to further Statutory Dues as applicable to all Senior Executives of the company as follows:

(i) 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.

(ii) Gratuity: Gratuity at a rate of half month's salary for each completed year of service or at such higher rate to be decided by the Board of Directors not exceeding one month's salary for each completed year of service

Terms of Appointment of Joint Managing Director and Compensation payable to him

Mr. Sunil Kanoria was appointed as Joint Managing Director w.e.f. 2nd April, 2008 which was valid till the termination of the Shareholders Agreement and his remuneration was fixed vide a resolution of the board of directors of our company dated May 14, 2008 and an agreement dated May 14, 2008. The Company was converted to a public limited company w.e.f. 1st November, 2013 consequent upon which the provisions of section 317 of the Companies Act, 1956 had become applicable to the Company and accordingly, the tenure of appointment of Mr. Sunil Kanoria as Joint Managing Director of the Company was required to be restricted to a maximum period of 5 (five) years at a time pursuant to provisions of the said section. The Board of Directors at their meeting duly held on 4th February, 2014 has decided to fix the tenure of appointment of Mr. Sunil Kanoria as Joint Managing Director of the Company for a period of 5 (five) years w.e.f. 1st November, 2013, the date of conversion of the Company to a Public Limited Company, to 31st October, 2018. The Board of Directors at their meeting duly held on 21st May, 2014 decided to revise the remuneration payable to him and the shareholders of the Company at the Annual General Meeting held on 1st July, 2014 have accorded their consent to the revision in remuneration payable to Mr. Sunil Kanoria as Joint Managing Director of the Company w.e.f. 1st April, 2014 for remaining period of tenure of office from 1st April, 2014 to 31st October, 2018. Salient features of his remuneration inter alia include:

a) Salary: Rs. 20,00,000/- (Rupees Twenty Lacs only) per month with authority to the Board to increase the same from time to time.

b) Commission: 0.50% (one half percent) of the net profits of the Company as per Audited Profit and Loss Account per year.

c) Ex-gratia: Ex-gratia payment of 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 Vice-Chairman & Managing Director shall be entitled to the following perquisites:

   a) Housing: Fully furnished residential accommodation including expenses relating to furniture, gas, electricity, water and other utilities upto a maximum of one month's salary

   b) Medical Reimbursement: Reimbursement of actual medical expenses incurred in India and / or abroad including hospitalization, nursing home and surgical charges for self and family.

   c) Leave Travel Concession: Reimbursement of actual traveling expenses, for proceeding on leave, once in a year in respect of self and family upto a maximum of one month's salary.

   d) Club Fees: Reimbursement of membership fees for clubs in India and/or abroad, including admission and life membership fees.

e) Personal Accident Insurance: Payment of premium in respect of one Personal Accident Insurance Policy.

f) Leave: Entitled for leave with full pay or encashment thereof as per the rules of the Company.

Clauses 'a', 'c' and'd' grossed up together shall be restricted within an overall limit of Rs. 3.20 crores (Rupees Three Crores Twenty Lacs only) per annum.

e) Statutory Payments: The Vice Chairman & Managing Director shall be entitled to further Statutory Dues as applicable to all Senior Executives of the company as follows:

(i) 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.

(ii) Gratuity: Gratuity at a rate of half month's salary for each completed year of service or at such higher rate to be decided by the Board of Directors not exceeding one month's salary for each completed year of service.

Borrowing Powers of the Board of Directors

Subject to the Memorandum and Articles of Association of our Company, the Shareholders at the Extra Ordinary General Meeting held on October 28, 2013, have passed a resolution under Section 180 of the Companies Act, 2013 which prescribed the maximum monetary limit for the purpose of borrowing by the Board of Directors of our Company. The aggregate value of the NCDs offered under this Prospectus, together with the existing borrowings of our Company, is within the approved borrowing limits of ₹ 25,000 crores.

The Issue of NCDs offered under this Prospectus is being made pursuant to the resolution passed by the Board of Directors at its meeting held on 6th November, 2014 and 10th February, 2015.

Nature of interest of the Directors

No Director of our Company has any interest in the appointment of the Debenture Trustee to the Issue. No Director of our Company has any interest in any property acquired by our Company within preceding two years of the date of this Prospectus or proposed to be acquired by it.

All Directors may be deemed to be interested in the contracts, agreements / arrangements entered into or to be entered into by us with any company in which they hold directorships or any partnership in which they are a partner. Directors with an interest in other companies are mentioned in this Prospectus.

Except as stated otherwise in this Prospectus, our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Prospectus in which the Directors are interested, directly or indirectly, and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Shareholding details of Director of our Company as on December 31, 2014:

Beneficiary		Name of the Company	Nature of Entity	Equity/ Preference Shares	No. of Shares	% to Total Capital
Didier Jean Chappet	As nominee of BNP Paribas Lease Group	Srei Equipment Finance Limited	Public Limited Company	Equity	1	0.0033
Hemant Kanoria	As nominee of Srei Infrastructure Finance Limited	Srei Equipment Finance Limited	Public Limited Company	Equity	1	0.0033
Sunil Kanoria	As nominee of Srei Infrastructure Finance Limited	Srei Equipment Finance Limited	Public Limited Company	Equity	1	0.0033

Changes in the Board of Directors in the last three years

Name, Designation and DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. Thierry Bonetto Director, DIN : 02193168	Resigned w.e.f February 4, 2014	June 13, 2008	-
Mr. Bertrand Pierre Gousset Chairman, DIN: 02113167	Resigned w.e.f May 15, 2013	April 2, 2008	-

Name, Designation and DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. Didier Jean Chappet Chairman, DIN : 06600628	Appointed as Additional Director w.e.f June 17, 2013 and then continued as Director w.e.f August 8, 2013	-	Confirmed as Director
Mr. Anjan Mitra Director, DIN: 01878857	Resigned w.e.f September 16, 2013	July 27, 2011	-
Mr Hemant Kanoria Vice Chairman and Managing Director DIN: 0019301	Reappointed as Vice Chairman and Managing Director w.e.f November 1, 2013		Reappointed as Vice Chairman and Managing Director w.e.f November 1, 2013
Mr Sunil Kanoria Joint Managing Director DIN: 00421564	Re-appointed as Joint Managing Director w.e.f November 1, 2013		Reappointed as Joint Managing Director w.e.f November 1, 2013
Mr. Kora Ipe Puthenpurockal Director, DIN : 02780367	Appointed as Additional Director w.e.f October 26, 2010 and then continued as Director w.e.f May 18, 2011 and appointed as Independent Director w.e.f July 1, 2014		Change of designation to Independent Director w.e.f. July 1, 2014
Mr. Shyamalendu Chatterjee Director, DIN : 00048249	Appointed as Additional Director w.e.f Nov 6, 2013 and then continued as Director w.e.f July 1, 2014 Also appointed as Independent Director w.e.f. July 1, 2014	-	Change of designation to Independent Director w.e.f. July 1, 2014
Mr. Olivier De Ryck Director, DIN : 06800248	Appointed as Additional Director w.e.f February 4, 2014 and then continued as Director w.e.f July 1, 2014	-	Confirmed as Director

Details of various committees of our Company as on December 31, 2014

The Board has constituted committees of Directors, each of which functions in accordance with the relevant provisions of the Companies Act 2013 and the RBI Directions for NBFCs. These are (i) Audit Committee (ii) Executive Committee of Directors (iii) ALM & Treasury Committee (iv) Nomination and Remuneration Committee (v) Risk Committee (vi) Corporate Social Responsibility Committee and (vii) Underwriting and Credit Committee and Receivable Management Committee.

The details of these committees are as follows:

AUDIT COMMITTEE

A. Powers of Audit Committee

The Audit Committee shall have powers, which includes the following:

(i) to investigate any activity within its terms of reference;
(ii) to seek information from any employee;
(iii) to obtain outside legal or other professional advice; and
(iv) to secure attendance of outsiders with relevant expertise, if it considers necessary.

B. Terms of Reference of Audit Committee

The Terms of Reference of Audit Committee shall include the following:

(i) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
(ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
(iii) examination of the financial statement and the auditors' report thereon;
(iv) approval or any subsequent modification of transactions of the Company with related parties;
(v) scrutiny of inter-corporate loans and investments;
(vi) valuation of undertakings or assets of the Company, wherever it is necessary;
(vii) evaluation of internal financial controls and risk management systems;
(viii) monitoring the end use of funds raised through public offers and related matters;
(ix) to oversee the vigil mechanism for directors and employees, if any, established by the Company;
(x) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
(xi) examination of the quarterly financial statements before submission to the board for approval; and
(xii) Such other matters as may be referred to the Committee by the Board of Directors from time to time.

C. Members

1. Mr. Sunil Kanoria - **Chairman**
2. Mr. Shyamalendu Chatterjee
3. Mr. Kora Ipe Puthenpurockal

D. Permanent Invitee

1. Mr. Olivier De Ryck

EXECUTIVE COMMITTEE OF DIRECTORS

Purpose

1. To carry out functions delegated by the Board from time to time regarding day-to-day general management of the Company.

Members

1. Mr. Hemant Kanoria – **Chairman**
2. Mr. Sunil Kanoria
3. Mr. Olivier De Ryck

ALM & TREASURY COMMITTEE

Purpose

1. For ensuring adherence to the limits set by the Board as well as for deciding the Business strategy of the Company (on the assets and liabilities side), in line with the Company's budget and decided risk management objectives.

Members

1. Mr. Hemant Kanoria
2. Mr. Sunil Kanoria
3. Mr. Shyamalendu Chatterjee (Alternate to Mr. Hemant Kanoria)
4. Mr. Olivier De Ryck
5. Mr. C. R. Sudharsanam

NOMINATION AND REMUNERATION COMMITTEE

Purpose

i) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
ii) To formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMPs) and other employees.

Members

1. Mr. Hemant Kanoria
2. Mr. Olivier De Ryck
3. Mr. Shyamalendu Chatterjee

4. Mr. Kora Ipe Puthenpurockal

RISK COMMITTEE

Purpose

i) To identify and assess various risks across all entities in the Srei Group and suggest measures to minimize and/or mitigate the significant risks; and
ii) To deal with such matter as may be referred to by the Board of Directors from time to time;

Members

1. Mr. Sunil Kanoria
2. Mr. Olivier De Ryck
3. Mr. Shyamalendu Chatterjee
4. Mr. Kora Ipe Puthenpurockal

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Purpose

i) Formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014;
ii) Recommending the amount of expenditure to be incurred on the activities referred to in clause (a) above;
iii) Monitoring the CSR Policy of the Company from time to time;
iv) Instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

Members

1. Mr. Hemant Kanoria - **Chairman**
2. Mr. Sunil Kanoria
3. Mr. Shyamalendu Chatterjee
4. Mr. Kora Ipe Puthenpurockal

UNDERWRITING AND CREDIT COMMITTEE AND RECEIVABLE MANAGEMENT COMMITTEE

Purpose

i) Sanction of all credit proposals as per Delegation of Authority

Members

1. Mr. Hemant Kanoria
2. Mr. Sunil Kanoria
3. Mr. Indranil Sengupta
4. Mr. C. R. Sudharsanam

OUR PROMOTER

The Promoters of our Company are:

Name of the Promoter	Srei Infrastructure Finance Limited	BNP Paribas Lease Group
PAN	AAACS1425L	AAECB1361N
CIN/Identification No.	L29219WB1985PLC055352	632 017 513 R.C.S. NANTERRE

Profile of our Promoters

SREI INFRASTRUCTURE FINANCE LIMITED ("Srei Infra")

Srei Infra entered the segment of infrastructure financing in 1989 even before the country's economy was liberalised, its role was limited to that of construction equipment financier. This was also the environment when the country's infrastructure segment was dominated by few players with negligible role for private sector players. Srei Infrastructure Finance Limited "Srei Infra" was originally incorporated by the name Shri Radha Krishna Export Industries Limited on March 29, 1985 with the Registrar of Companies, NCT Delhi and Haryana (Registration No. 21-55352) in accordance with the Companies Act 1956 as a Public Limited Company to undertake lease and hire purchase financing, bill discounting and manufacture and export of certain goods. Srei Infra obtained its certificate of commencement of business on April 9, 1985. Srei Infra's name was changed to Srei International Limited on May 29, 1992 and further changed to Srei International Finance Limited with effect from April 12, 1994 to reflect its focus on financial services. Srei Infra's was further changed from Srei International Finance Limited to its existing name of Srei Infrastructure Finance Limited on August 31, 2004.

Srei Infrastructure Finance Limited was initially registered with Reserve Bank of India on August 1, 1998 as a deposit taking Non-Banking Financial Company (Registration No. 05.02773). Srei Infra used to accept public deposits and was classified as Asset Finance Company (NBFC-D-SI) w.e.f May 15, 2007. In April 2010, Srei Infra decided to convert itself in to Non-Deposit Taking NBFC in order to qualify for registration as an 'Infrastructure Finance Company' and hence the Company decided not to accept or renew public deposits w.e.f April 20, 2010. Currently, Srei Infrastructure Finance Limited has been classified as Infrastructure Finance Company (NBFC-ND-SI) w.e.f March 31, 2011. On September 26, 2011 Company was notified as a Public Financial Institution by the MCA vide notification bearing reference no. G.S.R. No. 2223(E), dated September 26, 2011 issued under Section 4A of the Companies Act 1956 (now Section 2(72) of the Companies Act 2013).

With a history of over 25 (twenty five) years in the infrastructure sector, Srei Infra has been a holistic infrastructure institution. Srei Infra's equity shares are listed on the NSE, the BSE and the Calcutta Stock Exchange Limited ('CSE'). Srei Infra made a GDR issue (of USD 35 million) in 2005 and the GDR are listed on the London Stock Exchange ('LSE').

The business model of Srei Infra encompasses providing financial products and services for customers engaged in infrastructure development and construction, with particular focus on power, road, telecom, port, oil and gas &special economic zone sectors in India with a medium to long term perspective.

Business Activities of Srei Infra

FUND BASED BUSINESS

Project Financing

The project finance segment of Srei Infra provides customized financing to infrastructure projects and their sponsor companies. Srei Infra seeks to distinguish the products and services of the project finance segment from those of its competitors by customizing each of its offerings to the specific requirements of its customers and their projects, provide efficient transaction processing and management capabilities and act as a single point of contact for all of its customers' project financing requirements.

Srei Infra offers a wide range of financial services for infrastructure projects and is a niche player in the infrastructure space leveraging on its core expertise of asset-financing. SIFL's financing approach and ability to offer a package of fund and non-fund facilities enables sponsors to procure key equipment in the early stages of project development and substantially reduce implementation time and risks. SIFL has financed bridges, approach roads, bypasses and roads, independent power projects, captive power projects and small-to-medium sized power projects, renewable energy projects and equipment in the power sector; port equipment, private berths and container handling jetties in the port sector, SEZs, industrial parks and hotels in the social and commercial infrastructure sector.

International Business Operations

Srei's office in Germany is involved in financial advisory services. Srei has also come across various business opportunities in various African countries in the Infrastructure and Infrastructure enabling sectors which the Company is in the process of exploring.

FEE BASED BUSINESS

Infrastructure Project Development:

The Infrastructure Project Development (IPD) vertical at Srei Infra sponsors PPP ventures and / or business in road sector in our country. These projects are a diversified mix of annuity and toll-based projects and have been awarded by the National Highway Authority of India (NHAI) under National Highways Development Programme (NHDP), Ministry of Road Transport & Highways and various state governments. Currently IPD is managing projects on BOT/Annuity awarded by National Highway Authority of India (NHAI), Ministry of Road Transport and Highways (MORTH) and various State Governments under joint management with various partners. IPD is determined to expand its business from road and highways infrastructure concessions to other core infrastructure verticals of port development, urban infrastructure, railways, power transmission & distribution and water infrastructure projects in PPP space and are participating in several biding in these areas.

Infrastructure Project Advisory

Srei Infra provides a variety of infrastructure advisory services to the Government and private organisations. The Infrastructure Project Advisory Division of the Company helps development agencies in Government and private sector to identify and implement the infrastructure projects through planning, engineering, project structuring, transaction advisory and project management consultancy. This division through successful implementation of a number of projects, has gained professional strength in all major areas of Infrastructure like Power & Non-conventional energy; urban transport particularly mass rapid transport system (MRTS) including bus rapid transport (BRT), metro-rail, monorail & comprehensive transportation mobility plans for cities; urban development like integrated city development including roads, water supply, sewerage treatment, etc. This division has also diversified its portfolio of advisory services in the domain of social infrastructure segments, with a bouquet of consultancy services in education, skill development, as well as, healthcare sectors.

This division specializes and continues to provide advisory services to various clienteles in various states across the Country, as well as, to the international clients in project conceptualization, feasibility studies and detailed reports, detail designs, social and environmental aspects, economic appraisal, and financial planning and structuring including PPP. The advisory division has specialised, competent and world class team of professionals for evaluating and advising on infrastructure projects.

Strategic Investments

Srei Infra has several strategic investments in infrastructure and financial services space. These are all long term investments held for long term returns. The philosophy is to invest at an early stage, nurture & grow these businesses. Once these investments reach a critical size/stage Srei Infra looks to bring in strategic or financial partners with similar long term view.

Board of directors of Srei Infra as on the date of filing of this Prospectus

Sl.	Name of Directors	Designation
1	Salil Kumar Gupta	Chief Mentor, Non-Executive & Independent Director
2	Hemant Kanoria	Chairman & Managing Director
3	Sunil Kanoria	Vice Chairman
4	Saud Ibne Siddique	Non-Executive Director
5	Srinivasachari Rajagopal	Non-Executive & Independent Director
6	Sujitendra Krishna Deb	Non-Executive & Independent Director
7	Shyamalendu Chatterjee	Non-Executive & Independent Director
8	Dr Punita Kumar Sinha	Non-Executive & Independent Director

Srei Infra's shareholding pattern as on December 31, 2014:

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided	2	2182714	2182714	0.43	0.43	0	0.00

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
Family							
Bodies Corporate	3	245711250	245711250	48.84	48.84	0	0.00
Sub Total	**5**	**247893964**	**247893964**	**49.28**	**49.27**	**0**	**0.00**
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	**5**	**247893964**	**247893964**	**49.28**	**49.27**	**0**	**0.00**
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	2	16120	0	0.00	0.00	0	0.00
Financial Institutions / Banks	4	215962	215962	0.04	0.04	0	0.00
Foreign Institutional Investors	55	61499121	61319121	12.22	12.22	0	0.00
Sub Total	**61**	**61731203**	**61535083**	**12.27**	**12.27**	**0**	**0.00**
(2) Non-Institutions							
Bodies Corporate	1087	29205382	29098103	5.81	5.81	0	0.00
Individuals							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	54688	26529359	25389933	5.27	5.27	0	0.00
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	434	75965903	75955267	15.10	15.10	0	0.00
Any Others (Specify)	**849**	**61738922**	**59986848**	**12.27**	**12.27**	**0**	**0.00**
Non Resident Indians	715	1777661	1761304	0.35	0.35	0	0.00
Trusts	6	57985175	57985175	11.53	11.53	0	0.00
Clearing Members	127	240369	240369	0.05	0.05	0	0.00
Foreign Corporate Bodies	1	1735717	0	0.35	0.35	0	0.00
Sub Total	**57058**	**193439566**	**190430151**	**38.45**	**38.45**	**0**	**0.00**
Total Public shareholding (B)	**57119**	**255170769**	**251965234**	**50.72**	**50.72**	**0**	**0.00**
Total (A)+(B)	**57124**	**503064733**	**499859198**	**100.00**	**100.00**	**0**	**0.00**
(C) Shares held by Custodians and against which Depository Receipts have been issued	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
(1) Promoter and Promoter Group	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
(2) Public	**1**	**21600**	**21600**	**0.00**	**0.00**	**0**	**0.00**
Sub Total	**1**	**21600**	**21600**	**0.00**	**0.00**	**0**	**0.00**
Total (A)+(B)+(C)	**57125**	**503086333**	**499880798**	**0.00**	**100.00**	**0**	**0.00**

Interest of Srei Infra in our Company

Except as stated under the chapter titled "***Financial Information***" beginning on page 233 of this Prospectus and to the extent of their shareholding in our Company, Srei Infra does not have any other interest in our Company's business. Further, Srei Infra has no interest in any property acquired by our Company in the last two years from the date of this Prospectus, or proposed to be acquired by our Company, or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Srei Infra does not intend to subscribe to this Issue.

Other Confirmations

Srei Infra has confirmed that they have not been identified as wilful defaulters by the RBI or any government authority.

There were no instances of non-compliance by Srei Infra on any matter related to the capital markets, resulting in disciplinary action against the Company by the Stock Exchanges or Securities & Exchange Board of India (SEBI) or any other statutory authority

Srei Infra has not been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad.

BNP PARIBAS LEASE GROUP ('BPLG')

BPLG is a well-established global lender in the equipment finance business. BPLG operates in the business lines of technology solutions, equipment and logistic solutions, bank leasing services and run down management.

BPLG provides equipment leasing and rental solutions. BPLG offers medium and long-term financing solutions, including leasing with or without purchase options and with or without related services, operational and flexible leasing, long-term leasing solutions; and wholesale finance solutions to secure, finance and manage debts with distributors. It also offers leasing solutions for technological equipments IT, telecoms, security, and office equipment, as well as for rolling stock farming equipment, construction and public works, materials handling, commercial vehicles, and corporate and ultra-light vehicles.

The wide ranging nature of offer from BPLG, combined with global and local dimensions provides BPLG the best position to successfully support leasing business. BPLG offer a selection of finance packages which can be tailored to match the needs of each individual customer. BPLG work closely with their partners, dealers, manufacturers and customers to ensure the most suitable package is offered.

BNP Paribas is a leading bank in the eurozone and a major global bank. Active in 75 countries with nearly 185,000 employees more than 140,000 of whom are in Europe. BNP Paribas has key positions in its three main areas of activity retail banking, investment solutions, corporate and investment banking. With strong roots anchored in Europe's economic history, BNP Paribas supports its customers and employees in today's changing world and has positioned itself as a leading bank in the eurozone and a prominent international banking institution. As on December 31, 2013 the total asset under management was Eur 1,800,139 million having a revenue of Eur 38.8 billion and Eur 4.8 billion of net income attributable to equity holders

Board of directors of BNP Paribas Lease Group as on the date of filing of this Prospectus

Sl.	Name	Designation
1	Carlo THILL	President
2	Didier CHAPPET	Director
3	Francois VILLEROY DE GALHAU	Director
4	Philippe BISMUT	Director
5	Michel VIAL	Director
6	Carlo LESSEL	Director
7	Luc HENRARD	Director

Interest of BPLG in our Company

Except as stated under the chapter titled "***Financial Information***" beginning on page 233 of this Prospectus and to the extent of their shareholding in our Company, BPLG does not have any other interest in our Company's business. Further, BPLG has no interest in any property acquired by our Company in the last two years from the date of this Prospectus, or proposed to be acquired by our Company, or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

BPLG does not intend to subscribe to this Issue.

Other Confirmations

BPLG has confirmed that they have not been identified as wilful defaulters by the RBI or any government authority.

There were no instances of non-compliance by BPLG on any matter related to the capital markets, resulting in disciplinary action against the Company by the Stock Exchanges or Securities & Exchange Board of India (SEBI) or any other statutory authority.

BPLG has not been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad.

BPLG shareholding pattern as on December 31, 2014:

Name of the Shareholder	% of total share capital held
BNP Paribas Leasing Solutions SA (Luxembourg)	100%

Details of Promoter holding in the Company as on date of filling of the Prospectus:

Sl.	Name of the Promoters	Total No of Equity Shares	No of shares in demat form	Total shareholding as % of total no of equity shares	No of Shares Pledged	% of Shares Pledged with respect to shares owned.
1	Srei Infrastructure Finance Limited*	29,830,000	29,829,997	50.00%	N.A.	N.A.
2	BNP Paribas Lease Group[#]	29,830,000	29,829,997	50.00%	N.A.	N.A.

**Mr Hemant Kanoria, Mr Sunil Kanoria and Mr Sanjeev Sancheti holds 1 (one) share each as nominee of Srei Infra.*

 # Mr Didier Jean Chappet, Mr Thierry Bonetto and Mr Jean Michel Vendassi holds 1 (one) share each as nominee of BPLG.

SECTION V: EXISTING FINANCIAL INDEBTEDNESS

The outstanding borrowings of the Company as at December 31, 2014 are as follows:

Sl. No.	Nature of Borrowing	Amount(₹ *in Million)*
1.	Secured Borrowings	113,588.50
2.	Unsecured Borrowings	20,833.00

Set forth below, is a brief summary of the borrowings by our Company as at December 31, 2014 together with a brief description of certain significant terms of such financing arrangements.

(I) Details of Secured Loan Facilities:

A. Domestic Term Loan

1. **Allahabad Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	593.00	• **Purpose of the Loan:** To meet working capital requirement of the company • **Tenure:** 5 Years • **Repayment:** 54 monthly instalments with an initial moratorium of 6 months from date of disbursement • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation/assignment of assets financed out of Term Loan extended/ to be extended by Bank and assignment of entire rentals and instalment receivable against such assets. • **Prepayment:** @ 2% on outstanding loan shall be levied in case of takeover. • **Penalty:** Fee @ 1% on the total outstanding for the period of default in case of non-submission of FFR I & II. - Penal Interest @2% in case of delay in repayment of outstanding dues or any portion thereof. • **Events of Default**: Some of the material events of default are: – Non-payment of interest due or instalments due on time – Nonperformance/breach of any sanctioned term – Misrepresentation of statements or facts – Insolvency/winding up/appointment of receiver • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Outstanding amounts become payable – Enforcement of security or appointment of receiver – Bank and/or RBI or any other authorised agency will publish the name of directors/promoters and/or firm as defaulters

2. **Andhra Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	370.37	• **Purpose of the Loan:** Financing of infrastructure equipments • **Tenure:** 5 Years • **Repayment:** 54 monthly installments after 6 months of moratorium. • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation over specific assets acquired / financed and / or to be acquired / to be financed out of the term loan proceeds and charge over the entire rentals / instalment receivable against such assets. • **Prepayment:** 2% flat on the prepaid amount as on the date of closure • **Penalty:** NIL • **Events of Default**: Some of the material events of default are: – Non-payment of interest due or instalments due on time – Non-performance/breach of any sanctioned term – Misrepresentation of statements or facts

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		– Insolvency/winding up/appointment of receiver • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Outstanding amounts become payable – Enforcement of security or appointment of receiver – Bank and/or RBI or any other authorised agency will publish the name of directors/promoters and/or firm as defaulters

3. **Andhra Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	357.14	• **Purpose of the Loan:** Financing of infrastructure equipments • **Tenure:** 4 Years • **Repayment:**14 equal quarterly instalments with an initial moratorium of 6 months from date of disbursement • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation over specific assets acquired / financed and / or to be acquired / to be financed out of the loan proceeds and charge over the entire rentals / instalment receivable against such assets. • **Prepayment:** 2% or at the rate as prescribed by bank on the amount outstanding for the unexpired period • **Penalty:** • **Events of Default**: Some of the material events of default are: – Non-payment of interest due or instalments due on time – Non-performance/breach of any sanctioned term – Misrepresentation of statements or facts – Insolvency/winding up/appointment of receiver • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Outstanding amounts become payable – Enforcement of security or appointment of receiver – Bank and/or RBI or any other authorised agency will publish the name of directors/promoters and/or firm as defaulters

4. **Andhra Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	888.89	• **Purpose of the Loan:** Financing of infrastructure equipments • **Tenure:** 5 Years • **Repayment:**18 equal quarterly instalments with an initial moratorium of 6 months from date of disbursement • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation over specific assets acquired / financed and / or to be acquired / to be financed out of the loan proceeds and charge over the entire rentals / instalment receivable against such assets. • **Prepayment:** 2% or at the rate as prescribed by bank on the amount outstanding for the unexpired period • **Penalty:** • **Events of Default**: Some of the material events of default are: – Non-payment of interest due or instalments due on time – Non-performance/breach of any sanctioned term – Misrepresentation of statements or facts

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		– Insolvency/winding up/appointment of receiver • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Outstanding amounts become payable – Enforcement of security or appointment of receiver – Bank and/or RBI or any other authorised agency will publish the name of directors/promoters and/or firm as defaulters

5. **Bank of Baroda**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	370.37	• **Purpose of the Loan:** To finance acquired / to be acquired of heavy infrastructure machineries, equipment • **Tenure:** 5 years • **Repayment:** 54 equal monthly instalments with an initial moratorium of 6 months from date of disbursement. • **Rescheduling:** NIL • **Security:** Exclusive hypothecation charge on Lease/HP/Loan assets acquired out of Bank Finance and assignment of entire rentals and instalments receivable against such assets. • **Prepayment:** 1% of outstanding Principal amount pre-paid. No prepayment will be charged in cases, at the instance of the lenders, from surplus cash accrual or prepaid with 10 days' notice • **Penalty: 2% p.a. on the amount of instalment and/or interest for default period** • **Events of Default**: Some of the material events of default are: – Non payment – misrepresentation, non-performance/breach/violation of terms of sanction – amalgamation/reorganisation, nationalisation, – RBI defaults or action by RBI against Borrower – insolvency/winding up/apprehension of insolvency – jeopardising/prejudicial to security – inadequate insurance of lease assets, hire purchase assets and other assets/receivables offered as security • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Take possession of security and appoint receiver, enforce security – Sell security by public auction or otherwise and appropriate proceeds

6. **Bank of India**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,500.00	582.60	• **Purpose of the Loan:** For purchasing/refinancing cost of equipments under hire purchase / lease business of the company. • **Tenure:** 5years • **Repayment:** 54equal monthly instalments with an initial moratorium of 6 months from date of disbursement. • **Rescheduling:** NIL • **Security:** Exclusive assignment charges on financial assets / assets on operating lease under hire purchase / lease agreement / loan assets created out of new term loan. • **Prepayment:** Nil • **Penalty:** - 2% p.a. will be levied on the overdue amount for the period account remains

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		overdrawn due to irregularities such as –non-payment of interest immediately on application, non-payment of instalments within one month of their falling due. - 1% p.a. in case of default in term and conditions • **Events of Default**: Some of the material events of default are: – Non payment – misrepresentation, non-performance/breach/violation of terms of sanction – amalgamation/reorganisation, nationalisation, – RBI defaults or action by RBI against Borrower – insolvency/winding up/apprehension of insolvency – jeopardising/prejudicial to security – inadequate insurance of lease assets, hire purchase assets and other assets/receivables offered as security • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Take possession of security and appoint receiver, enforce security – Sell security by public auction or otherwise and appropriate proceeds

7. **Bank of India**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	866.40	• **Purpose of the Loan:** For purchasing/refinancing cost of equipments under hire purchase / lease business of the company. • **Tenure:** 5.5 years • **Repayment:** 60 equal monthly instalments with an initial moratorium of 6 months from date of disbursement. • **Rescheduling:** NIL • **Security:** Exclusive assignment charges on Financial assets / assets on operating lease under hire purchase / lease agreement / loan assets created out of new term loan. • **Prepayment:** Nil • **Penalty:** - 2% p.a. will be levied on the overdue amount for the period account remains overdrawn due to irregularities such as –non- payment of interest immediately on application, non- payment of instalments within one month of their falling due. - 1% p.a. in case of default in term and conditions • **Events of Default**: Some of the material events of default are: – Non payment – misrepresentation, non-performance/breach/violation of terms of sanction – amalgamation/reorganisation, nationalisation, – RBI defaults or action by RBI against Borrower – insolvency/winding up/apprehension of insolvency – jeopardising/prejudicial to security – inadequate insurance of lease assets, hire purchase assets and other assets/receivables offered as security • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Take possession of security and appoint receiver, enforce security – Sell security by public auction or otherwise and appropriate proceeds

8. **Bank of Maharashtra**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	428.00	• **Purpose of the Loan:** Acquisition / financing of infrastructure machineries / equipments

		• **Tenure:** 4 years • **Repayment:** 14 equal quarterly instalments with an initial moratorium of 6 months from date of disbursement. • **Rescheduling:** NIL • **Security:** Hypothecation of specific assets for operating lease, Lease rentals and hire purchase/loan instalments for assets acquired/financed and /or to be acquired /to be financed out of the loan proceeds. • **Prepayment: As per HO guidelines** • **Penalty:** **-** @1% on outstanding balance shall be levied in case of default in submission of monthly/quarterly receivable statements. -@2% or such other rate as may be stipulated by the bank from the date of default to actual payment **Events of Default:** Some of the material events of default are: – Non repayment of any loan instalments and /or servicing of interest on due date – Breach/default in any term and conditions sanctioned – Violation of purpose • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – In case of payment default, the bank shall and or the RBI/CIBIL will have an unqualified right to disclose or publish the name of firms and its directors as defaulters in such manner and through medium as the bank or RBI/CIIL in their absolute discretion may deem fit. – Adverse effect on credit rating with higher interest rate. – Adverse effect on assets class of the borrower – In case of violation of the purpose clause, lender may recall the loan

9. **Canara Bank**

Amount Sanctioned *(₹ in Million)*	**Amount Outstanding *(₹ in Million)***	**Terms and Conditions**
2,500.00	1,785.71	• **Purpose of the Loan:** For Onward lending for acquiring new/used equipment • **Tenure:** 4 years • **Repayment:** 14 equal quarterly instalments with 6 months of moratorium • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation/assignment of specific assets acquired/financed and /or to be acquired /to be financed out of the loan proceeds and charge over the entire rentals/instalments receivables against such assets. • **Prepayment:** - 2% prepayment penalty on the outstanding exposure at the time of prepayment - No prepayment charges if it is effected at the insistence of the Lenders or prepayment made from internal accruals/equity raise with prior notice of 30 days. • **Penalty:** **-** Non-compliance of sanction terms/conditions. In this case 2% penal interests over and above applicable ROI. **-** Non submission of periodical information like Book debt Statement or financial statements before 31st October every year will attract 2% penal interest on outstanding liability. **-** For payment default, 2% p.a. on the total outstanding for the period of default. • **Events of Default**: Some of the material events of default are: – Non repayment of any loan instalments and /or servicing of interest on due date – Breach of default in performance or observance of any provisions and /or security documents and/ or terms and conditions of sanctioned and/ or compliance of any other instructions • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Whole advance become forthwith due and payable on demand and enforcement of security.

10. **Central Bank of India**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	300.00	• **Purpose of the Loan:** Onward lending for financing infrastructure and construction equipments • **Tenure:** 3 years • **Repayment:** 10 equal quarterly instalments starting at the end of 3rd quarter from the date of disbursement • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation/assignment of specific assets operating lease, lease rentals and hire purchase / loan instalments for assets. • **Prepayment:** 1% prepayment penalty on the amount prepaid • **Penalty:** Penal interest of 1% for Noncompliance of any terms of sanction and servicing of interest / instalment on its due date Delayed / non submission of quarterly statement of loan assigned to the bank other periodical statements within the stipulated date. • In case of non submission of review proposal • **Events of Default**: Some of the material events of default are: – Non repayment of any loan instalments and /or servicing of interest on due date – Breach of default in performance or observance of any provisions and /or security documents and/ or terms and conditions of sanctioned and/ or compliance of any other instructions – Committing an act of insolvency and /or going into liquidation – Appointment of receive/winding of business • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Entire outstanding amount being due for payable – Bank and/or RBI has the unqualified right to publish the name of firm and its directors as defaulters. – Enforcement of security

11. **Corporation Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	714.00	• **Purpose of the Loan:** To purchase various equipments/ movable assets worth Rs. 134 crores required for the company's leasing business • **Tenure:** 48 months • **Repayment:** 14 equal quarterly instalments with 6 months of moratorium • **Rescheduling:** NIL • **Security:** Exclusive hypothecation / first Charge on plant & machinery and other movable assets to be purchased out of term loan with an estimated value of Rs. 134 crore (approximately). • **Prepayment:** prepayment penalty is waived if prepaid within 15 days from the date of interest reset. • **Penalty:** -, Bank will charge 1% penal interest above the ROI as applicable • **Events of Default**: Some of the material events of default are: – Non repayment of any loan instalments and /or servicing of interest on due date – Breach of default in performance or observance of any provisions and /or security documents and/ or terms and conditions of sanctioned and/ or compliance of any other instructions – Committing an act of insolvency and /or going into liquidation – Appointment of receive/winding of business • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Entire outstanding amount being due for payable – Bank and/or RBI has the unqualified right to publish the name of firm and its

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		directors as defaulters. – Enforcement of security/

12. **Dena Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	545.90	• **Purpose of the Loan:** The loan proceeds will be used for on-lending to infrastructure projects and for financing purchase of equipments to be used in infrastructure projects. • **Tenure:** 4 years • **Repayment:** 42 monthly installments with 6 months of moratorium • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation/assignment of assets financed / to be financed and assignment of entire rentals and instalment receivable against such assets. • **Prepayment:** 1% prepayment charges • **Penalty:** Bank may charge penal interest for delay in submission of QIS/ renewal papers/ servicing of instalment or interest • **Events of Default**: Some of the material events of default are: – Default in payment due – Misrepresentation of facts/undertaking/security etc. – Security documents found invalid or unenforceable – Default to furnish any financial information – Amalgamation/ compromise or reconstruction without prior notice – Winding up/insolvency/material adverse change/material litigation – Compulsory acquisition/ nationalization or expropriation – Revocation or withdrawal of permission for financial facility • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – The entire balance amount along with interest and principle become due and payable – Enforcement of security and public auction of such security

13. **Deutsche Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1250.00	1,250.00	• **Purpose of the Loan:** To meet working capital requirement of the company • **Tenure:** 1 year • **Repayment:** Bullet payment at the end of 1 year • **Rescheduling:** NIL • **Security:** Exclusive Charge on receivables of the company with an Asset cover of 1.1 x at all times • **Prepayment:** Company to compensate for any cost, loss and expense due to prepayment to Bank • **Penalty:** Interest on overdue interest will be charged at 2 % above the applicable interest rate • **Events of Default**: Some of the material events of default are: – Default of interest payment – Default in repayment of any loan instalments and /or servicing of interest on due date – Default in security creation or charge – Non- performance of its obligations or any terms and conditions or security become enforceable for any reasons etc

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		• **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Appointment and retention of nominees/ observers on the Board of Directors – Appointment of concurrent auditors – Acceleration of loan – Enforcement of security

14. **Indian Overseas Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
2,000.00	857.14	• **Purpose of the Loan:** To part finance purchase of assets • **Tenure:** 48 months • **Repayment:** 14 equal quarterly instalments after a moratorium period of 6 months from the date of first disbursement. • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation over assets acquired/financed and /or to be acquired/financed out of the loan proceeds and charge over the entire rentals / instalments receivable against such assets. • **Prepayment:** Company is allowed to prepay the term loan within 15 days from the date of interest reset without prepayment charges. - otherwise penalty of 1% of the amount pre-paid as per repayment schedule • **Penalty:** - 2% in case of default in payment of interest or principal for the default period. • **Events of Default**: Some of the material events of default are: – Non- payment of instalment of principal or interest for a period of 15 days – Misrepresentation of statements or facts – Breach or default in non- performance or observances – Act of insolvency/winding up/distress on borrower assets/liquidation etc – Appointment of receiver for any part of the borrower – Adverse effect on capacity of borrower's payment • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Enforcement of security – Public auction of the security

15. **Karnataka Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
250.00	57.14	• **Purpose of the Loan:** onward lending for acquisition of infrastructure equipments • **Tenure:** 35 months • **Repayment:** 35 equal monthly instalments without holiday period • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation over assets acquired/financed and /or to be acquired/financed out of the loan proceeds and charge over the entire rentals / instalments receivable against such assets. • **Prepayment:** Nil. • **Penalty:** Penal interest of 3% on overdue instalment and interest • **Events of Default**: Some of the material events of default are: – Non- payment of instalment of principal or interest for a period of 15 days – Misrepresentation of statements or facts – Breach or default in non- performance or observances – Act of insolvency/winding up/distress on borrower assets/liquidation etc

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		– Appointment of receiver for any part of the borrower – Adverse effect on capacity of borrower's payment • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Enforcement of security – Public auction of the security

16. **Karur Vysya Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
500.00	212.96	• **Purpose of the Loan:** To purchase infrastructure equipment for leasing and hire purchase activities to infrastructure projects and renewable energy-under multiple banking arrangement. • **Tenure:**5 years • **Repayment:** 54 equal monthly instalments after a moratorium period of 6 months from the date of first disbursement. • **Rescheduling:** NIL • **Security:** Exclusive Charge on assets acquired or to be acquired out of the loan proceeds and outstanding HP / Lease / Loan Receivables. • **Prepayment:** 2% prepayment charges for the amount so prepaid and for the unexpired repayment period. • **Penalty:** NIL • **Events of Default**: Some of the material events of default are: – Non repayment of principal remaining for a period of 15 days – Non- payment of interest remaining unpaid for a period of one month – Misrepresentation of statement – Breach or default of non- performance/observance of any sanctioned terms or security documents – Any act of insolvency/event of distress/appointment of receiver/winding up etc – Adverse-affect in any manner to repay the loan – Jeopardise of security given • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Bank reserves the right to recall the facility. – Enforcement and liquidation of security

17. **Karur Vysya Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
500.00	425.00	• **Purpose of the Loan:** To purchase infrastructure equipment for leasing and hire purchase activities to infrastructure projects and renewable energy-under multiple banking arrangement • **Tenure:** 5.5 yrs • **Repayment:** 20 equal quarterly instalments with an initial moratorium of 6 months from date of disbursement. • **Rescheduling:** NIL • **Security:** Exclusive Charge on assets acquired/ to be acquired out of the term loan and outstanding HP/lease/loan receivables. • **Prepayment:** Waived • **Penalty:** 3% penalty will be charged in case of default in paying the instalments/interest due. • **Events of Default**: Some of the material events of default are:

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		– Non repayment of principal remaining for a period of 15 days – Non- payment of interest remaining unpaid for a period of one month – Misrepresentation of statement – Breach or default of non- performance/observance of any sanctioned terms or security documents – Any act of insolvency/event of distress/appointment of receiver/winding up etc – Adverse-affect in any manner to repay the loan\ - Jeopardise of security given • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Bank reserves the right to recall the facility. – Enforcement and liquidation of security.

18. **Oriental Bank of Commerce**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
2,000.00	1,000.00	• **Purpose of the Loan:** For onward lending and general business propose • **Tenure:** 4yrs • **Repayment:** 14 equal quarterly instalments with an initial moratorium of 6 months from date of disbursement. • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation over assets acquired/financed and /or to be acquired/financed out of the loan proceeds and charge over the entire rentals / instalments receivable against such assets. • **Prepayment:** Company is allowed to prepay the term loan with 15 days prior notice without prepayment penalties • **Penalty:** Penal interest of 1% on overdue instalment and interest • **Events of Default**: Some of the material events of default are: – Non repayment of principal remaining for a period of 15 days – Non- payment of interest remaining unpaid for a period of one month – Misrepresentation of statement – Breach or default of non- performance/observance of any sanctioned terms or security documents – Any act of insolvency/event of distress/appointment of receiver/winding up etc – Adverse-affect in any manner to repay the loan – Jeopardise of security given • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Bank reserves the right to recall the facility. – Enforcement and liquidation of security.

19. **Punjab National Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,750.00	750.00	• **Purpose of the Loan:** For financing Infrastructure Equipments. • **Tenure:** 4 yrs • **Repayment:** 14 equal quarterly instalments with an initial moratorium of 6 months from date of disbursement • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation over assets acquired/financed and /or to be acquired/financed out of the loan proceeds and charge over the entire rentals / instalments receivable against such assets.

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		• **Prepayment:** -@ 2% on the outstanding amount Company is allowed to prepay the term loan within 15 days from • the date of interest reset without prepayment charges • **Penalty:** additional interest @ 2% will be charged on the following cases, - default in payment of interest on the due date on the amount outstanding - overdrawal of the amount of facility - non-compliance of terms and conditions of the sanction • **Events of Default**: Some of the material events of default are: – default in payment – default of covenants – Any act of insolvency/event of distress/appointment of receiver/winding up etc • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Bank and/or RBI has the unqualified right to publish the name of firm and its directors as defaulters. – Bank reserves the right to recall the facility. – Enforcement and liquidation of security.

20. **SIDBI**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
2,500.00	1,501.50	• **Purpose of the Loan:** For on lending by way of leasing / hire purchase / hypothecation loans in respect of SRTOs / MSMEs / eligible Service sector enterprises • **Tenure:** 5 Yrs • **Repayment:** First monthly instalment of Rs.4.3 crores and 55 monthly instalments of 4.55 crores to start after 6 months from the date of first disbursement. • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation on assets including equipment, plant and machinery, vehicles and other assets acquired / or to be acquired out of the term loan from SIDBI. • **Prepayment:** Allowed subject to prior notice period of 3 months and subject to such conditions as Bank may deem fit. • **Penalty:** - 2% on default of payment of principal or interest • **Events of Default**: Some of the material events of default are: – Non repayment of principal – Non- payment of interest remaining unpaid for a period of one month – Misrepresentation of statement – Breach or default of non- performance/observance of any sanctioned terms or security documents – Any act of insolvency/event of distress/appointment of receiver/winding up etc – Inadequate insurance coverage – Jeopardise of security given • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Bank reserves the right to recall the facility. – Enforcement and liquidation of security.

21. **SIDBI**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
3,000.00	2,530.00	• **Purpose of the Loan:** For on lending by way of leasing / hire purchase / hypothecation loans in respect of SRTOs / MSMEs / eligible Service sector enterprises • **Tenure:** 5 Yrs • **Repayment:** First monthly instalment of Rs.3 crores and 55 monthly instalments of 5.50 crores to start after 6 months from the date of first disbursement. • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation on assets including equipment, plant and machinery, vehicles and other assets acquired / or to be acquired out of the term loan from SIDBI. • **Prepayment:** Allowed subject to prior notice period of 3 months and subject such conditions as Bank may deem fit. • **Penalty:** - 2% on default of payment of principal or interest • **Events of Default**: Some of the material events of default are: – Non repayment of principal – Non- payment of interest remaining unpaid for a period of one month – Misrepresentation of statement – Breach or default of non- performance/observance of any sanctioned terms or security documents – Any act of insolvency/event of distress/appointment of receiver/winding up etc – Inadequate insurance coverage – Jeopardise of security given • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Bank reserves the right to recall the facility. – Enforcement and liquidation of security.

22. **South Indian Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
2,000.00	1,000.00	• **Purpose of the Loan:** For financing hire purchase transaction • **Tenure:** 4.5 yrs • **Repayment:** 16 equal quarterly instalments with an initial moratorium of 6 months from date of disbursement. • **Rescheduling:** NIL • **Security:** Exclusive charge by way of Hypothecation of specific assets for operating lease, Lease rentals and hire purchase/loan instalments for assets acquired/financed and /or to be acquired /to be financed out of the loan proceeds. • **Prepayment:** - No Prepayment if closed after 2 yrs - 1% of prepaid amount, if closed before 2 yrs - 2% of the prepaid amount if closed through take over by other banks • **Penalty:** Penal interest over and above the normal interest rate will be charged in following cases, - Penal Interest 2% p.a. will be charged as per rules for default and non-compliance of any sanctioned terms - Limit renewed/ reviewed within 12 months lest 2 % to be charged - In case the account becomes NPA, penal interest of 2% will be charged • **Events of Default**: Some of the material events of default are: – Non- payment of amount – Non- performance of covenants and conditions – Misrepresentation of information and statements – Inadequate security and insurance – Proceeding against or dissolution of borrower

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		– Cessation or charge in business – Jeopardise of security – Expropriation events – Change in control – Illegality or cross default – Deterioration of credit worthiness – Material adverse effect • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Outstanding amount become due and payable forthwith – Enforcement and liquidation of security – Appointment of whole time directors – Review of management – Conversion right – Revenue recovery proceeding – Assignment of debt and security – Suspension and termination

23. **Standard Chartered Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,200.00	1,200.00	• **Purpose of the Loan:** For part financing cost of acquisition or refinancing of construction / mining equipment meant for leasing / on-leasing • **Tenure:** 3 yrs • **Repayment:** Bullet. • **Rescheduling:** NIL • **Security:** First and exclusive Charge over receivables to the extent of 1x of the principal amount outstanding at all point in time. Additionally the Borrower to assign security rights over the underlying acceptable assets/create exclusive charge over assets under operating lease in favour of Lender such that minimum asset cover by way of charge over such equipment is 1.33x. Valuation to be annually. • **Prepayment:** At the time of prepayment the Company will have to pay the charge as stipulated by the Bank. • **Penalty:** 2% over and above the applicable interest rate or such rate as advices by the Bank. • **Events of Default**: Some of the material events of default are: – Non- payment of amount – Non- performance of covenants and conditions – Misrepresentation of information and statements – Failing compliance of Terms & Conditions – Appointment of Receiver – Bankruptcy – Inadequate security and insurance – Proceeding against or dissolution of borrower – Cessation or charge in business – Jeopardise of security – Expropriation events – Change in control – Illegality or cross default – Deterioration of credit worthiness – Material adverse effect • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Outstanding amount become due and payable forthwith

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		– Enforcement and liquidation of security – Appointment of whole time directors – Review of management – Conversion right – Revenue recovery proceeding – Assignment of debt and security – Suspension and termination

24. **State Bank of Bikaner & Jaipur**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	297.00	• **Purpose of the Loan:** For onward finance of assets for operating lease • **Tenure:** 5 Yrs • **Repayment:** 54 monthly instalments, first 53 instalments of 1.85 crores & last instalment of 1.95 crores with an initial moratorium of 6 months from date of disbursement. • **Rescheduling:** NIL • **Security:** Hypothecation of specific receivables net of NPA overdues and net of un-matured finance charges of the company to the extent of 1.25 times of the amount of term loan outstanding at any given point of time on exclusively basis • **Prepayment:** No penalty if paid at the time of interest reset. • **Penalty:** - Penal Interest at 1% p.a. on the total outstanding in the event of non-payment of interest/instalments to bank or any other bank on due date • **Events of Default**: Some of the material events of default are: – Default in payment of interest, additional interest and/or Principal – Non repayment of principal remaining for a period of 15 days – Non- payment of interest remaining unpaid for a period of one month – Misrepresentation of statement – Breach or default of non- performance/observance of any sanctioned terms or security documents – Any act of insolvency/event of distress/appointment of receiver/winding up etc – Adverse effect in any manner to repay the loan – Jeopardy/depreciation of security given • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Bank reserves the right to recall the facility. – Enforcement and liquidation of security

25. **State Bank of Bikaner &Jaipur**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	547.62	• **Purpose of the Loan:** For onward finance of assets for operating lease • **Tenure:** 4 Yrs • **Repayment:** 42 monthly instalments with an initial moratorium of 6 months from date of disbursement. • **Rescheduling:** NIL • **Security:** Hypothecation of specific receivables net of NPA overdues and net of un-matured finance charges of the company. • **Prepayment:** No penalty if paid at the time of interest reset. • **Penalty:** - Penal Interest at 1% p.a. on the total outstanding in the event of non-payment

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		of interest/instalments to bank or any other bank on due date • **Events of Default**: Some of the material events of default are: – Default in payment of interest, additional interest and/or Principal – Non repayment of principal remaining for a period of 15 days – Non- payment of interest remaining unpaid for a period of one month – Misrepresentation of statement – Breach or default of non- performance/observance of any sanctioned terms or security documents – Any act of insolvency/event of distress/appointment of receiver/winding up etc – Adverse effect in any manner to repay the loan – Jeopardy/depreciation of security given • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Bank reserves the right to recall the facility. – Enforcement and liquidation of security

26. **State Bank of Hyderabad**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	933.33	• **Purpose of the Loan:** To finance for acquiring assets for onward lending of retail assets on hire purchase / lease basis • **Tenure:** 5 Yrs and 6 months • **Repayment:** 60 equal monthly instalments, first instalment commencing after 6 months from the date of first disbursement. • **Rescheduling:** NIL • **Security:** Exclusive Charge over lease and hire purchase assets acquired/ to be acquired out if the term loan as well as receivable arising out of such assets. • **Prepayment:** As per Bank's guidelines • **Penalty:** 1% on the total outstanding for the period of default for any non- payment of interest/installment • **Events of Default**: Some of the material events of default are: – Non repayment of principal/interest remaining for a period of 30 days – Misrepresentation of statement – Breach or default of non- performance/observance of any sanctioned terms or security documents – Any act of insolvency/event of distress/appointment of receiver/winding up etc – Adverse-affect in any manner to repay the loan\ - Jeopardise of security given • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Bank reserves the right to recall the facility. – Enforcement and liquidation of security.

27. **Syndicate Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	428.57	• **Purpose of the Loan:** For meeting the onward lending requirement of the company. • **Tenure:** 48 months • **Repayment:** 14 equal quarterly instalments with an initial moratorium of 6 months from date of disbursement • **Rescheduling:** NIL

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		• **Security:** Exclusive charge by way of Hypothecation / assignment of specific assets for operating lease, Lease rentals and hire purchase/loan instalments for assets acquired/financed and /or to be acquired /to be financed out of the loan proceeds. • **Prepayment:** - If closed within 15 days from interest reset due date, no penal • **Penalty:** Penal interest of 0.50% on the amount outstanding in the following cases, - Non submission of financial statement within 7 months from the close of Financial year • **Events of Default**: Some of the material events of default are: – Non repayment of principal/interest – Misrepresentation of statement – Breach or default of non- performance/observance of any sanctioned terms or security documents – Any act of insolvency/event of distress/appointment of receiver/winding up etc – Adverse-affect in any manner to repay the loan • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Recall of credit facilities and all outstanding become due and payable forthwith – Enforcement and liquidation of security

28. **Union Bank of India**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	333.33	• **Purpose of the Loan:** For onward lending in infrastructure activities • **Tenure:** 5 Yrs • **Repayment:** 18 equal quarterly instalments with an initial moratorium of 6 months from date of disbursement. • **Rescheduling:** NIL • **Security:** Exclusive Charge on the assets financed by the term loan • **Prepayment:** Applicable penalty to be charged. • **Penalty:** @2% in case of non- submission of relevant data regularly within stipulated time. • **Events of Default**: Some of the material events of default are: – Non- payment of interest and instalments – Any act of insolvency – Breach and default of observance or terms & conditions – Execution of decree or any legal initiation on any part or entire property – Material adverse effect/winding up • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Outstanding amount become due and payable forthwith along with additional penal interest and other charges

29. **Union Bank of India**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
2,000.00	857.14	• **Purpose of the Loan:** For onward lending in infrastructure activities • **Tenure:** 4 Yrs • **Repayment:** 14 equal quarterly instalments with an initial moratorium of 6 months from date of disbursement. • **Rescheduling:** NIL • **Security:** Exclusive Charge on the assets financed by the term loan

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		• **Prepayment:** Applicable penalty to be charged as per Bank's rule. • **Penalty:** Applicable penalty to be charged as per Bank's rule. • **Events of Default**: Some of the material events of default are: – Non- payment of interest and instalments – Any act of insolvency – Breach and default of observance or terms & conditions – Execution of decree or any legal initiation on any part or entire property – Material adverse effect/winding up • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Outstanding amount become due and payable forthwith along with additional penal interest and other charges

30. **Vijaya Bank India**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	900.00	• **Purpose of the Loan:** For onward lending for financing acquisitions of equipment • **Tenure:** 5.5 Yrs • **Repayment:** 20 equal quarterly instalments, first instalment commencing after 6 months from the date of first disbursement • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation over specific assets acquired / financed and / or to be acquired / to be financed out of the loan proceeds and charge over the entire rentals / instalment receivable of specific assets for operating lease, lease rentals and hire purchase / loan instalments for assets acquired / to be financed out of the loan proceeds • **Prepayment:** NIL • **Penalty:** 2% on - delayed / unpaid instalments without any notice to Bank. - Delay in submission of QIS - Delay in submission of annual renewal data • **Events of Default**: Some of the material events of default are: – Non- payment of interest and instalments – Any act of insolvency – Breach and default of observance or terms & conditions – Execution of decree or any legal initiation on any part or entire property – Material adverse effect/winding up • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Outstanding amount become due and payable forthwith along with additional penal interest and other charges.

B. Foreign Term Loan*-

1. DBS Bank Ltd, Singapore

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
945.45	236.36	• **Purpose of the Loan:** Towards financing the import of equipment to be leased for infrastructure projects • **Tenure:** 7 Years • **Repayment:** 9 unequal & consecutive semi-annually installments after 36 months grace period. • **Rescheduling:** NIL

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		• **Security:** first charge on assets acquired out of proceeds of the loan, receivables under any investment agreement/transaction funded using the loan, rights under investment agreements. • **Prepayment:** the Borrower may, if it gives the Lender not less than fifteen (15) Business Days' prior notice (or such shorter notice as the Lender agrees), prepay the whole or any part of any Loan on a Repayment Date (but if in part, being an amount that reduces the amount of such Loan by a minimum amount of JPY 550,000,000 or in higher multiples of JPY 110,000,000 • **Penalty: :** In case of default/delay in payment of interest, 2% higher than the rate which would have applied if the Unpaid Sum had not become due. • **Events of Default**: Some of the material events of default are: – Non- payment of interest due or instalments due on time – Misrepresentation of statements or facts/cross default – Insolvency/cross default/creditor's process – Unlawfulness/repudiation/moratorium/expropriation – Material adverse change/material litigation/rating – Acceleration • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Unpaid amount or balance amount become liable to be paid/acceleration – Enforcement of security or appointment of receiver

2. DEUTSCHE INVESTITIONS – UND ENTWICKLUNGSGESELLSCHAFT MBH (DEG)

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
762.60	127.74	• **Purpose of the Loan:** For financing of import of equipment for infrastructure • **Tenure:** 10 Years • **Repayment:** 18 unequal half yearly installments • **Rescheduling:** NIL • **Security:** First ranking charge by way of hypothecation over all or any of the following assets: (i) Leases Assets, (ii) amounts receivable by the borrower under sub loans, lease and hire purchase agreements, including any security obtained as collateral for any amounts owing to it under such sub loans, lease and hire purchase agreements. • **Prepayment:** the Borrower may, prepay the whole or any part of the loan at any payment date by giving not less than one month's prior written notice • **Penalty:** In case of default/delay in payment of interest, 2% higher than the rate which would have applied shall be payable calculated from the due date to the actual date of payment • **Events of Default**: Some of the material events of default are: – Non- payment of interest due or instalments due on time – Non- performance/breach of any sanctioned term/financial covenants – Misrepresentation of statements or facts/cross default – Insolvency/winding up/receivership – Execution/Sequestration – Representation or warranty – Expropriation – Change of control/cessation of business/repudiation or recession of agreements • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Unpaid amount or balance amount along with accrued interest become liable to be paid/termination of disbursement – Termination of agreement

3. Nordic Investment Bank (NIB)

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
A-126.06 B-378.18	A- Nil B - 116.36	• **Purpose of the Loan:** Towards financing the import of infrastructure equipment for leasing to projects in accordance to the loan agreement. • **Tenure:** 8 years • **Repayment:** For A-12 semi-annually installments For B-12 semi-annual installments after 53 months from date of disbursement. • **Rescheduling:** NIL • **Security:** Exclusive charge by way of hypothecation by the borrower over (i) leases assets and (ii) the amounts payable to the borrower under the lease agreements and hire purchase agreement. • **Prepayment:** The Borrower may, if it gives the Agent not less than 30 Business Days (or such shorter period as the Lender may agree) prior notice, prepay on the last day of an Interest Period applicable thereto the whole or any part of any Loan (but, if in part, being an amount that reduces the amount of the Loan by a minimum amount of US$1,000,000 (and thereafter, in integral multiples of US$ 500,000). • **Penalty:** In case of default/delay in payment of interest, 2% higher than the rate which would have applied if the Unpaid Sum had not become due. • **Events of Default**: Some of the material events of default are: – Non- payment of interest due or instalments due on time – Any financial covenant not satisfied. – Non- performance/breach of any sanctioned term – Misrepresentation of statements or facts – Insolvency/winding up/creditor's process – Unlawfulness/repudiation/governmental intervention – Material adverse change/deterioration in financial situation • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Unpaid amount or balance amount become liable to be paid/acceleration of loan – Enforcement of security or appointment of receiver

4. DBS Bank Ltd, Singapore

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
Tranche I - 1657.75 Tranche II- 1575.75	Tranche I- 994.65 Tranche II- 1260.60	• **Purpose of the Loan:** Financing purchase of Infrastructure Equipment • **Tenure:** 7 years • **Repayment:** 9 semi-annual installments • **Rescheduling:** NIL • **Security:** first charge on assets acquired out of proceeds of the loan, receivables under any investment agreement/transaction funded using the loan, rights under investment agreements. • **Prepayment:** The Borrower may, if it gives the Agent not less than fifteen (15) Business Days' prior notice, prepay the whole or any part of any Loan on a Repayment Date (but if in part, being an amount that reduces the amount of such Loan by a minimum amount of USD 10,000,000 and being integral amounts of USD 5,000,000 where the loan is in USD and by a minimum amount of SGD 10,000,000 and being integral amounts of SGD 5,000,000 where the loan is in SGD. • **Penalty:** In case of default/delay in payment of interest, 2% higher than the rate which would have applied if the Unpaid Sum had not become due. • **Events of Default**: Some of the material events of default are: – Non- payment of interest due or instalments due on time – Any financial covenant not satisfied. – Non- performance/breach of any sanctioned term/cross default – Misrepresentation of statements or facts – Insolvency/winding up/creditor's process

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		– Unlawfulness/repudiation/governmental intervention/embargo/ illicit origin of funds/corruption/expropriation – Material adverse change/deterioration in financial situation or business relationship • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Unpaid amount or balance amount become liable to be paid/acceleration of loan – Enforcement of security or appointment of receiver

5. HSBC

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
Facility A-2521.20 Facility B-2521.20	Facility A-2521.20 Facility B-2048.28	• **Purpose of the Loan:** Towards financing the import of infrastructure equipment into India for the purpose of leasing such equipment in respect of infrastructure projects in India. • **Tenure:** 5.5 Years • **Repayment: Facility A-** 3 half-yearly unequal installments & Facility B**-** 3 half-yearly unequal installments. • **Rescheduling:** NIL • **Security:** Exclusive first priority charge on all the assets acquired by the borrower using the proceeds of the loan, as well as any receivables arising therefrom , as security for the discharge of the secured liabilities , which charge shall rank pari-passu inter- se between the finance parties. • **Prepayment:** The Borrower may, if it gives the Agent not less than 30 Business Days (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period applicable thereto the whole or any part of any Loan (but, if in part, being an amount that reduces the amount of the Loan by a minimum amount of US$10,000,000 (and thereafter, in integral multiples of US$ 1,000,000). • **Penalty:** In case of default/delay in payment of interest, 2% higher than the rate which would have applied if the Unpaid Sum had not become due. • **Events of Default**: Some of the material events of default are: – Non- payment of interest due or instalments due on time – Any financial covenant not satisfied – Non- performance/breach of any sanctioned term/cross default – Misrepresentation of statements or facts – Insolvency/winding up – Unlawfulness/repudiation/governmental intervention/embargo/ illicit origin of funds/corruption/expropriation – Material adverse change/deterioration in financial situation or business relationship – Environmental matters • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Unpaid amount or balance amount become liable to be paid/acceleration – Enforcement of security or appointment of receiver

6. HSBC

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
A-945.45 B-5357.55	A- 945.45	• **Purpose of the Loan:** Towards financing the import of infrastructure equipment into India for the purpose of leasing such equipment in respect of

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
	B-1260.60	infrastructure projects in India. • **Tenure:** 5.5 Years • **Repayment:** 3 half-yearly unequal installments for A and 3 half-yearly unequal installments for B • **Rescheduling:** NIL • **Security:** Exclusive first priority charge on all the assets acquired by the borrower using the proceeds of the loan, as well as any receivables arising therefrom , as security for the discharge of the secured liabilities , which charge shall rank pari-passu inter- se between the finance parties. • **Prepayment:** The Borrower may, if it gives the Agent not less than 30 Business Days (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period applicable thereto the whole or any part of any Loan (but, if in part, being an amount that reduces the amount of the Loan by a minimum amount of US$10,000,000 (and thereafter, in integral multiples of US$ 1,000,000). • **Penalty:** In case of default/delay in payment of interest, 2% higher than the rate which would have applied if the Unpaid Sum had not become due. • **Events of Default**: Some of the material events of default are: – Non- payment of interest due or instalments due on time – Any financial covenant not satisfied – Non- performance/breach of any sanctioned term/cross default – Misrepresentation of statements or facts – Insolvency/winding up – Unlawfulness/repudiation/governmental intervention/embargo/ illicit origin of funds/corruption/expropriation – Material adverse change/deterioration in financial situation or business relationship – Environmental matters • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Unpaid amount or balance amount become liable to be paid/ acceleration – Enforcement of security or appointment of receiver

7. Standard Chartered Bank, Singapore

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
3781.80	1260.60	• **Purpose of the Loan:** Towards financing the import of infrastructure equipment for the purpose to infrastructure projects. • **Tenure:** 5.5 Years • **Repayment:** 14 quarterly unequal installments starting from the end of 27th month from the disbursement date • **Rescheduling:** NIL • **Security:** Exclusive first priority charge on all the secured assets acquired by the borrower using the proceeds of the loan, as well as any receivables arising therefrom. • **Prepayment:** the Borrower may, prepay the whole or any part of the loan on the last day of its current term by giving not less than 10 business days' prior notice **Penalty:** In case of default/delay in payment of interest, 2% higher than the rate which would have applied if the Unpaid Sum had not become due. • **Events of Default**: Some of the material events of default are: – Non- payment of interest due or instalments due on time – Any financial covenant not satisfied – Non- performance/breach of any sanctioned term/cross default – Misrepresentation of statements or facts – Insolvency/winding up

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		– Unlawfulness/repudiation/governmental intervention/embargo/ illicit origin of funds/corruption/expropriation – Material adverse change/deterioration in financial situation or business relationship – Deterioration of security interest • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Unpaid amount or balance amount become liable to be paid/ acceleration – Enforcement of security or appointment of receiver

***In case of all Foreign Term Loan, the sanction amount and outstanding amount have been converted to INR as per the RBI ref rate as on December 31, 2014.**

C. Working Capital under consortium*

Sl. No.	Name of Lender	Type of Facility	Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Repayment Schedule	Security
1	Various Banks, UCO Bank being the Lead Bank under consortium*	Cash Credit	96,880.00	70,673.30	One year with renewable clause every year.	First charge by way of hypothecation of all assets for operating lease, lease rentals ,hire purchase / loan assets and hypothecation & assignment of receivables on pari passu basis(excluding assets specifically charged to others) with all members of consortium.

***Note: Name of Consortium members banks for Cash Credit facility as on December 31, 2014:**

Sl. No.	Name of lender	Sl. No.	Name of lender
1	Allahabad Bank	20	Karur Vysya Bank
2	Andhra Bank	21	Lakshmi Vilas Bank
3	Axis Bank	22	Oriental Bank of Commerce
4	Bank of Baroda	23	Punjab National Bank
5	Bank of India	24	Punjab & Sind Bank
6	Bank of Maharashtra	25	Ratnakar Bank
7	Canara Bank	26	State Bank of Bikaner & Jaipur
8	Central Bank of India	27	State Bank of Hyderabad
9	Corporation Bank	28	State Bank of India
10	Dena Bank	29	State Bank of Mysore
11	Federal Bank	30	State Bank of Travancore
12	HDFC Bank	31	South Indian Bank
13	ICICI Bank	32	Syndicate Bank
14	IDBI Bank	33	UCO Bank
15	Indian Bank	34	Union Bank of India
16	IndusInd Bank	35	United Bank of India
17	ING Vysya Bank	36	Vijaya Bank
18	Indian Overseas Bank	37	Yes Bank
19	Karnataka Bank		

(II) Details of Unsecured Loan Facilities:

Sl. No.	Name of Lender	Type of Facility	Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Repayment Schedule
1	Syndicate Bank	Subordinated Loan	500	500	Sept 30, 2016

Sl. No.	Name of Lender	Type of Facility	Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Repayment Schedule
2	Vijaya Bank	Subordinated Loan	500	500	June 29, 2018
3	Central Bank of India	Subordinated Loan	1,000	1,000	Dec 29, 2017
4	Dena Bank	Subordinated Loan	500	500	Jun 27, 2017
5	ICICI Bank	Short Term Loan	2,000	2000	Mar 13, 2015

(III) Details of NCD's:

- **Secured Redeemable Non-convertible Debentures:**

Sl. No.	Debenture Series	Tenor / Period of Maturity (Days/Year)	Coupon	Amount Outstanding *(₹ in Million)*	Date of Allotment	Date of Maturity	Credit Rating
1	N.A.	3 Years	11.50%	1,010	19-Jul-12	19-Jul-15	CARE AA
2	N.A.	2 Years	10.65%	500	15-May-14	15-May-15	CARE AA
3	N.A.	10 Years	10.92%	100	13-Jun-14	13-Jun-24	CARE & BWR AA
4	N.A.	10 Years	10.90%	100	20-Jun-14	20-Jun-24	CARE & BWR AA
5	N.A.	3 Years	11.15%	200	26-Jun-14	20-Jun-17	CARE AA
6	N.A.	1 Year	10.65%	1,200	04-Jul-14	04-Jul-15	CARE AA
7	N.A.	1.25 Year	10.50%	1,950	03-Nov-14	03-Feb-16	CARE AA
8	N.A.	2 Years	10.50%	1,950	03-Nov-14	03-Nov-16	CARE AA
9	N.A.	3 Years	10.70%	1,300	03-Nov-14	03-Nov-17	CARE AA
10	N.A.	376 days	10.15%	950	06-Nov-14	16-Nov-15	CARE AA

**** Security:** Receivables/assets of the Company & Immovable Property*

- **Unsecured Subordinate Debentures:**

Sl. No.	Debenture Series	Tenor/ Period of Maturity	Coupon	Amount Outstanding *(₹ in Million)*	Date of Allotment	Date of Maturity	Credit Rating
1	N.A	10 Years 5 months	12.00%	1,000.00	8-Mar-07	3-Aug-17	Tier II
2	N.A	10 Years	10.00%	1,000.00	23-Dec-09	24-Dec-19	BWR & CARE
3	N.A	10 Years	10.00%	255.00	19-Mar-10	19-Mar-20	BWR & CARE
4	N.A	10 Years	10.00%	745.00	31-Mar-10	31-Mar-20	BWR & CARE
5	N.A	5 Years 6 months	9.15%	150.00	26-Oct-10	26-Apr-16	CARE AA-
6	N.A	5 Years 6 months	9.15%	250.00	26-Oct-10	26-Apr-16	CARE AA-
7	N.A	5 Years 6 months	9.15%	100.00	26-Oct -10	26-Apr-16	CARE AA-
8	N.A	7 Years	11.50%	500.00	30-Mar-11	30-Mar-18	BWR & CARE

Sl. No.	Debenture Series	Tenor/ Period of Maturity	Coupon	Amount Outstanding (₹ in Million)	Date of Allotment	Date of Maturity	Credit Rating
9	N.A	5 Years 6 months	11.00%	140.00	30-Mar-11	30-Sep-16	Care AA
10	N.A	5 Years 6 months	11.00%	110.00	30-Mar-11	30-Sep-16	Care AA
11	N.A	7 Years	12.00%	680.00	27-Sep-11	27-Sep-18	CARE AA-
12	N.A	N.A.	12.50%	375.00	30-Dec-11	N/A	Care A+
13	N.A	5 Years 7 months	12.60%	250.00	30-Dec-11	30-Jul-17	BWR & CARE
14	N.A	10 Years	11.50%	170.00	17-Dec-12	17-Dec-22	Brickwork AA
15	N.A	10 Years	11.25%	90.00	24-Jan-13	24-Jan-23	CARE AA-
16	N.A	5 Years 6 months	11.60%	500.00	8-Feb-13	8-Aug-18	CARE AA-
17	N.A	5 Years 6 months	11.50%	250.00	28-Mar-13	28-Sep-18	CARE AA-
18	N.A	5 Years 3 months	11.10%	150.00	7-May-13	7-Aug-18	BWR AA
19	N.A	10 Years	11.25%	208.00	7-May-13	7-May-23	CARE AA- & BWR AA
20	N.A	7 Years	10.85%	100.00	29-Jun-13	29-Jun-20	BWR AA
21	N.A	5 Years 10 months	10.75%	250.00	29-Jun-13	29-Apr-19	CARE AA- & BWR AA
22	N.A	5 Years 10 months	10.75%	150.00	24-Jul-13	24-May-19	BWR AA
23	N.A	7 Years	11.00%	160.00	27-Sep-13	27-Sep-20	BWR AA & CARE AA
24	N.A	5 Years 6 months	11.00%	150.00	29-Nov-13	29-May-19	BWR AA
25	N.A	7 Years	11.10%	100.00	20-Dec-13	20-Dec-20	BWR AA

(IV) Non-Convertible Debentures issued on private placement basis during the last five years and 9 months:

Year/Period ended	Amount Issued (₹ in Million)
31st December, 2014	8,250.00
31st March, 2014	1,268.00
31st March, 2013	6,620.00
31st March, 2012	5,218.00
31st March, 2011	43,114.00
31st March, 2010	84,096.60

(V) List of Top 10 Debenture Holders as on December 31, 2014:

- **<u>Top 10 Debenture Holders- Secured NCDs on cumulative basis:</u>**

Sl. No.	Name of Debenture Holders	Address	Amount (₹ in Million)
1	Standard Chartered Bank (Mauritius) Limited –Debt	Standard Chartered Bank, Crescenzo Securities Services, 3rd Floorc-38/39 G-Block, BKC Bandra (East)Mumbai India	2,700
2	Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Short Term Opportunities Fund	CITIBANK N.A. Custody Services FIFC-11th Floor, G Block Plot C-54 and C-55, BKC Bandra-East, Mumbai	1,900
3	Incredible India Focus Fund Limited	Standard Chartered Bank, Crescenzo Securities Services, 3rd Floorc-38/39 G-Block, BKC Bandra (East)Mumbai India	950

Sl. No.	Name of Debenture Holders	Address	Amount (₹ in Million)
4	First Rand Bank Limited	HSBC Securities Services11th Floor, Building No.3, NESCO - IT Park NESCO Complex, W E Highway Goregaon East, Mumbai	600
	Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Cash Manager	CITIBANK N.A. Custody Services FIFC-11th Floor, G Block Plot C-54 and C-55, BKC Bandra-East, Mumbai	600
5	Religare Invesco Short Term Plan	Deutsche Bank AGDB House, Hazarimal Somani Marg Post Box No. 1142, Fort Mumbai	598
6	JP Morgan India Treasury Fund	Standard Chartered Bank, Crescenzo Securities Services, 3rd Floorc-38/39 G-Block, BKC Bandra (East)Mumbai India	450
7	Dena Bank	Dena Bank , Treasury Dept. Dena Corporate Centre 4th Floor Bandra Kurla Complex, Bandra East, Mumbai	250
	Punjab And Sind Bank	H.O. Funds Management Dept1st Floor 'Bank House'21 Rajendra Palace, New Delhi	250
	Union Bank of India	C/O. ILFS, ILFS House, Plot No.14,Raheja Vihar, Chandivali, Andheri (E)Mumbai	250
8	UTI - FTIF SERIES XIX - V (1095 Days)	UTI Mutual Fund, UTI Asset Management Company Ltd, Dept. Of Fund Accounts, UTI Tower, GN Block, BKC, Bandra (East), Mumbai	160
9	Syndicate Bank		150
10	Food Corporation Of India CPF Trust	Khadya Sadan 13th Floor16 20 Barakhamba Lane New Delhi	100
	Oriental Bank Of Commerce Employees' Pension Fund	Plot No 5sector 32institutional Area, Gurgaon	100

- **Top-10 Debenture Holders-Unsecured NCDs on Cumulative basis:**

Sl. No.	Name of Debenture Holders	Address	Amount (₹ in Million)
1	HVPNL Employees Pension Fund Trust	Shakti Bhawan, Sector -6 Panchkula 134109	808
2	Syndicate Bank	F I M Department Maker Towers E II Floor Cuffe Parade Colabamumbai400005	728
3	Indrani Patnaik	A/6,Commercial Estate, Civil Township,Rourkelaorissa769004	640
4	Chhattisgarh State Electricity Board Gratuity and Pension Fund Trust	O/F Ed Finance Shed No 7cseb Danganiaraipurchhattisgarh490001	558
5	HPGCL Employees Pension Fund Trust	HPGCL Urja Bhawan,C 7, Sector -6 Panchkula, Haryana134109	510
6	Bank Of India	Treasury Branch, Head Office, Star House,7th Floorc-5, G Block, Bandra Kurla Complex Bandra(East)Mumbai.400051	500
7	HVPNL Employees Provident Fund Trust	Shakti Bhawan Sector 6panchkula (Haryana)134109	393
8	ICICI Bank Ltd	Treasury Middle Office Group2nd Floor, North Tower, East Wing ICICI Bank Tower, BKC Bandra (East) , Mumbai400051	391
9	Punjab And Sind Bank	H.O. Funds Management Dept1st Floor 'Bank House'21 Rajendra Palace, New Delhi110008	300
10	Rajasthan Rajya Vidyut Karamchari Gratuity Trust	C/O Rajasthan Rajya Vidyut Prasaran Shed No 11 Vidyut Bhavan Jyoti Nagarjaipur302005	240

(VI) Details of Corporate Guarantee issued by the Issuer: NIL

(VII) Details of Commercial Paper:

Sl. No.	Maturity Date	Amount Outstanding (` in Million)
1	5-Mar-15	750
2	5-Feb-15	1,000

Sl. No.	Maturity Date	Amount Outstanding (` in Million)
3	6-Feb-15	250
4	6-Feb-15	1,000
5	9-Mar-15	250
6	9-Feb-15	500
7	6-Feb-15	250
8	6-Feb-15	1,000
9	6-Feb-15	1,000
10	9-Feb-15	1,000
11	10-Feb-15	250
12	10-Feb-15	250
13	20-Feb-15	1,000

Restrictive Covenants

Many of our financing agreement includes various restrictive conditions and covenants restricting certain corporate actions, and our Company may be required to take the prior approval of the lender before carrying out such activities. For instance, our Company is required, inter alia, to obtain the prior written consent of the lenders in the following instances:

- Change in the capital structure of our Company;
- Substantial changes in the management set up;
- Make any fundamental changes such as the financial year of our Company;
- Formulate any scheme for merger, amalgamation or re-organization;
- Implement any scheme of expansion or diversification or capital expenditure except normal replacement;
- Approaching the capital markets for mobilising additional resources either in the form of debt or equity;
- Create or form a subsidiary of our Company;
- Undertake guarantee obligations on behalf of any other company, firm or person, other than in ordinary course of business;
- Entering into borrowing arrangements

Our Company has from time to time, obtained the consent of its lenders to undertake certain corporate actions and enter into various transactions. Our Company has obtained the requisite consents from its lenders in order to undertake the present Issue. For further information on restrictive covenants, please see "***Risk Factors***" on page no. 14 of this Prospectus.

Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities

As on the date of this Prospectus, there have been no defaults in payment of principal or interest on any term loan or debt securities issued by our Company in the past.

SECTION VI: ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapters titled "***Terms of the Issue***" beginning on page no. 149 and "***Issue Procedure***" on page no. 166 of this Prospectus.

The key common terms and conditions of the Public Issue of NCDs are as follows:

Common Terms of NCDs

Issuer	Srei Equipment Finance Limited
Lead Managers	Edelweiss Financial Services Limited and Srei Capital Markets Limited
Debenture Trustee	Axis Trustee Services Limited
Registrar to the Issue	Karvy Computershare Private Limited
Issue	Public Issue of Secured, Redeemable Non-Convertible Debentures of our Company of NCDs aggregating upto ₹ 2500 million with an option to retain over-subscription upto ₹ 2500 million aggregating to a total of upto ₹ 5000 million.
Type of Instrument	secured redeemable non-convertible debentures
Nature of Instrument	secured
Nature of Indebtedness and Ranking / Seniority	The claims of the NCD Holders shall be superior to the claims of any unsecured creditors of the Company and subject to applicable statutory and/or regulatory requirements, rank pari passu inter se to the claims of other creditors of the Company having the same security.
Mode of Issue	Public Issue
Eligible Investors	The following categories of persons are eligible to apply in the Issue: **<u>Category I (Institutional Category)</u>** 1. Public financial institutions, statutory corporations, commercial banks, co-operative banks and regional rural banks, which are authorized to invest in the NCDs; 2. Provident funds, pension funds, superannuation funds and gratuity fund, which are authorized to invest in the NCDs; 3. Venture capital funds and / or Alternative Investment Funds registered with SEBI; 4. Insurance companies registered with the IRDA; 5. National Investment Fund; 6. Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India; 7. State industrial development corporations; and 8. Mutual funds registered with SEBI **<u>Category II (Non-Institutional Category)</u>** 1. Companies, bodies corporate and societies registered under the applicable laws in India and authorized to invest in the NCDs; 2. Public/private charitable/religious trusts which are authorized to invest in the NCDs; 3. Scientific and/or industrial research organizations, which are authorized to invest in the NCDs; 4. Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorized to invest in the NCDs, 5. Partnership firms in the name of the partners; 6. Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and 7. Any other incorporated and/ or unincorporated body of persons. **<u>Category III (Individual Category)</u>** 1. Resident Indian individuals; and 2. Hindu undivided families through the karta. Please see the section titled "***Who can Apply***" under Issue Procedure at page no. 167 of this Prospectus
Listing	The NCDs are proposed to be listed on BSE and NSE. The NCDs shall be listed within 12 Working Days from the date of Issue Closure. For more information, see "***Other Regulatory And Statutory Disclosures – Listing***"

	on page no. 196 of this Prospectus.
Rating of the Instrument	The NCDs have been rated 'CARE AA (Double AA)'by CARE pursuant to letters dated March 11, 2015 and March 30, 2015 136 and "BWR AA" (BWR Double A) (Outlook Stable) by BRICKWORK pursuant to letters dated June 20, 2014 and revalidation letter dated March 11, 2015. Instruments with a rating of of 'CARE AA (Double AA)' by CARE and 'BWR AA" (BWR Double A) (Outlook Stable) are considered to have high degree of safety regarding timely servicing of financial obligations. The rating provided by CARE and BRICKWORK may be suspended, withdrawn or revised at any time by the assigning rating agency on the basis of new information etc., and should be evaluated independently of any other rating. The rating is not a recommendation to buy, sell or hold securities and investors should take their own investment decisions.
Base Issue	₹ 2500 million.
Option to retain Oversubscription Amount	₹ 2500 million.
Total Issue Size	₹ 5000 million.
Objects of the Issue	Please see "***Objects of the Issue***" on page no. 59 of this Prospectus.
Details of the utilization of the Proceeds	Please see "***Objects of the Issue***" on page no. 59 of this Prospectus.
Coupon Rate	Please see the section titled "***Terms of the Issue - Interest on NCDs***" on page no. 153 of this Prospectus
Step Up/Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Please see the section titled "***Terms of the Issue - Interest on NCDs***" on page no. 153 of this Prospectus
Coupon payment dates	Please see the section titled "***Terms of the Issue - Interest on NCDs***" on page no. 153 of this Prospectus
Coupon Type	Fixed Coupon Rates
Coupon Reset Process	N.A.
Day Count Basis	Actual/Actual
Interest on Application Amount	Please see "***Interest on Application & Refund Amount***" on page no. 156 of this Prospectus.
Default Interest Rate	In the event of any default in fulfilment of obligations by our Company under the Debenture Trust Deed, the Default Interest Rate payable to the Applicant shall be as prescribed under the Debenture Trust Deed.
Tenor	Please see the section titled "***Terms of the Issue - Interest on NCDs***" on page no. 153 of this Prospectus
Maturity Date	Shall mean 36 months from Deemed Date of Allotment for Series I, Series II and Series III NCDs and 39 months from Deemed Date of Allotment for Series IV, Series V and Series VI NCDs and 60 months from Deemed Date of Allotment for Series VII and Series VIII NCDs and 84 months from Deemed Date of Allotment for Series IX NCDs. If the Redemption Date/Maturity Date of any Series of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment.
Maturity Amount	Repayment of the Face Value plus any interest that may have accrued at the Maturity Date for Individual and / or Institutional and /or Non-Institutional Investors, as the case may be.
Maturity Premium/Discount	N.A.
Issue Price (₹ per NCD)	₹ 1,000/-
Face Value (₹ per NCD)	₹ 1,000/-
Discount at which security is issued and the effective yield as a result of such discount	N.A.
Call /Put	N.A.
Minimum Application and in multiples of 1(one) NCD thereafter	10 (ten) NCDs for all the Series of NCDs, taken individually or collectively
In Multiples of	1 (one) NCD
Issue Opening Date	April 09, 2015
Issue Closing Date	April 30, 2015

	The Issue shall remain open for subscription from 10 A.M. to 5 P.M. (Indian Standard Time), except that the Issue may close on such earlier date or extended date as may be decided by the Board/ Committee of Directors, as the case maybe, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through advertisements in a leading national daily newspaper on or before such earlier date of Issue Closure or initial date of Issue closure, as the case may be.
Pay-in Date	The date of Application. The entire Application Amount is payable on Application.
Deemed Date of Allotment	The Deemed Date of Allotment for the NCDs shall be the date on which the Board of Directors or duly authorized committee thereof approves the allotment of NCDs or such date as may be determined by the Board of our Company and/or a duly authorized committee thereof and notified to the Stock Exchange. All benefits under the NCDs including payment of interest will accrue to the NCD Holders from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.
Issuance mode of the Instrument	Compulsorily in dematerialized form to all categories of investors other than Individual Category Investors who have opted for allotment of NCDs in the physical form in accordance with Section 8 (1) of the Depositories Act, 1996. Only Category III Investors can apply for allotment of NCDs in the physical form. However Series I, Series IV and Series VII NCDs would be allotted compulsorily in dematerialized form to all categories of Investors.
Trading Lot	1(one) NCD
Trading mode of the Instrument	The trading of the NCDs on the Stock Exchange shall be in dematerialized form only.
Settlement mode of the Instrument	Through various modes. Please see page no. 158 of this Prospectus
Depositories	Central Depository Services (India) Limited ("**CDSL**") and National Securities Depository Limited ("**NSDL**")
Working Day Convention	If any Coupon/Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day along with interest for such additional period. Such additional interest will be deducted from the interest payable on the next date of payment of interest. If the Redemption Date/Maturity Date of any Series of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment.
Record Date	In connection with Series II, Series V, Series VIII and Series IX NCDs, 15 (Fifteen) Days prior to the date on which interest is due and payable, or the date of redemption, or as may be prescribed by the Stock Exchanges, and in connection with Series I, Series IV and Series VII NCDs, 7 (Seven) Working Days prior to the date on which interest is due and payable, or the date of redemption, or as may be prescribed by the Stock Exchanges and in connection with Series III and Series VI NCDs, 15 (Fifteen) Days prior to the date of redemption or as may be prescribed by the Stock Exchanges. If the Record Date falls on a day that is not a Working Day, then immediate subsequent Working Day will be deemed as Record Date.
Security	The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due on the NCDs in respect thereof shall be secured by way of first charge in favour of the Debenture Trustee on an identified immovable property and specific future receivables/assets of our Company as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs (along with the interest due thereon), which shall be free from any encumbrances. For further details please refer to the section titled "***Terms of the Issue – Security***" on page 149 of this Prospectus.
Transaction Documents	Issue Agreement dated March 16, 2015 between our Company and the Lead Managers; Registrar Agreement dated March 16, 2015 with the Registrar to

	the Issue; Debenture Trusteeship Agreement dated March 13, 2015 executed between our Company and the Debenture Trustee, , Escrow Agreement dated March 27, 2015 between the Company, the Registrar, the Escrow Collection Banks and the Lead Managers, Lead Broker MOU dated March 27, 2015 between the Company, the Lead Brokers and the Lead Managers and the agreed form of the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.
Conditions Precedent to Disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent to disbursement. See "***General Information - Utilisation of Issue Proceeds***" on page no. 40 of this Prospectus.
Condition Subsequent to Disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement. See "***General Information - Utilisation of Issue Proceeds***" on page no. 40 of this Prospectus.
Events of Default	See "***Terms of the Issue – Events of Default***" on page no. 162 of this Prospectus
Provisions related to Cross Default Clause	As provided in the Debenture Trust Deed.
Debenture Trustee	Axis Trustee Services Limited
Role and Responsibilities of Debenture Trustee	See "***Terms of the Issue - Debenture Trustee***" on page no. 163 of this Prospectus.
Governing Law	The NCDs are governed by and shall be construed in accordance with the existing Indian laws. Any dispute between the Company and the NCD Holders will be subject to the jurisdiction of competent courts in Kolkata
Jurisdiction	The courts at Kolkata will have exclusive jurisdiction for the purposes of the Issue.

Market Lot & Trading Lot: The trading of the NCDs on the Stock Exchange shall be in dematerialized form only. Since trading of the NCDs is in dematerialized form on the Stock Exchange, the tradable lot is one NCD. Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium for such NCDs) prior to redemption of the NCDs. NCDs shall be allotted Compulsorily in dematerialized form to all categories of investors other than Individual Category Investors who have opted for allotment of NCDs in the physical form in accordance with Section 8(1) of the Depositories Act, 1996. Only Category III Investors can apply for allotment of NCDs in the physical form. However Series I, Series IV and Series VII NCDs would be allotted compulsorily in dematerialized form to all categories of Investors. Such NCDs which are allotted in the physical form shall not be eligible for being traded on the Stock Exchange unless such NCDs are converted into the dematerialized form, but shall be freely transferable otherwise, subject to applicable statutory and/or regulatory requirements. For details of allotment refer to chapter titled "**Issue Procedure**" under section titled "**Issue Related Information**" beginning on page no. 166 of this Prospectus.

Specific terms of each Instrument

We are offering NCDs which shall have a fixed rate of interest. The NCDs will be issued at a face value of ₹ 1,000/- per NCD. Interest on the NCDs shall be payable as set out hereinafter. The terms of the NCDs offered pursuant to the Issue are as follows:

Series	I#	II**	III	IV#	V	VI	VII#	VIII	IX
Frequency of Interest Payment	Monthly	Annual	Cumulative	Monthly	Annual	Cumulative	Monthly	Annual	Annual
Category of investor who can apply	I,II,III	I,II,III	I,II,III	I,II,III	I,II,III	I,II,III	I,II,III	I,II,III	I,II,III
Minimum Application	₹ 10000/- (10 NCDs) across all series of NCDs taken individually or collectively								
In Multiples of	₹ 1000/- (1 NCD)	₹ 1000/- (1 NCD)	₹ 1000/- (1 NCD)	₹ 1000/- (1 NCD)	₹ 1000/- (1 NCD)	₹ 1000/- (1 NCD)	₹ 1000/- (1 NCD)	₹ 1000/- (1 NCD)	₹ 1000/- (1 NCD)
Face Value of NCDs (₹ / NCD)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Issue Price (₹ / NCD)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Tenor from Deemed Date of	36 months	36 months	36 months	39 months	39 months	39 months	60 months	60 months	84 months

Series	I#	II**	III	IV#	V	VI	VII#	VIII	IX
Allotment									
Coupon (%) for Individual, Institutional & Non Institutional Investor(s)	9.75%	10.20%	N.A.	9.75%	10.20%	N.A.	9.75%	10.25%	10.25%
Effective Yield (per annum) for Individual, Institutional & Non Institutional Investor(s)	10.19%	10.22%	10.21%	10.19%	10.24%	10.20%	10.19%	10.26%	10.26%
Mode of Interest Payment	Through various modes available.								
Amount (₹ / NCD) on Maturity for Individual, Institutional & Non Institutional Investor(s)*	1,000/-	1,000/-	1,339/-	1,000/-	1,000/-	1,372/-	1,000/-	1,000/-	1,000/-
Maturity Date (from Deemed Date of Allotment)	36 months	36 months	36 months	39 months	39 months	39 months	60 months	60 months	84 months

** Subject to applicable tax deducted at source, if any.*
*** Our Company shall allocate and allot Series II NCDs wherein the Applicants have not indicated their choice of the relevant NCD Series or have applied for wrong Series.*
 # Series I, IV and VII NCDs would be allotted compulsorily in dematerialized form to all categories of Investors.

Investors in the proposed NCD who fall under Category III and who are senior citizens on the Deemed Date Of Allotment shall be eligible for additional coupon of 0.25% p.a. provided the proposed NCDs are held by the investors on the relevant record date applicable for payment of respective coupon and/or redemption of NCDs across all series.

For Investors who fall under Category III and who are permanent resident employees of Srei Equipment Finance Limited, Srei Infrastructure Finance Limited and BNP Paribas Leasing Group, (resident in India) on Deemed Date of Allotment shall be eligible for additional coupon of 0.25% p.a. provided the proposed NCDs are held by the investors on relevant record date applicable for payment of respective coupon and or/redemption across all series.

For Investor who fall under Category III and who are senior citizen and/or permanent resident employees of Srei Equipment Finance Limited, Srei Infrastructure Finance Limited and BNP Paribas Lease Group, (resident in India) on Deemed Date of Allotment applying in Series III and Series VI NCDs, the maturity amount at redemption along with additional yield would be ₹1,348/- per NCD and ₹1,382/- per NCD respectively.

The additional coupon will be maximum of 0.25% p.a. for Category III investor in the proposed Issue, who are senior citizen and/or permanent resident employees of Srei Equipment Finance Limited (irrespective the Category III Investor is a senior citizen and/or an employee), Srei Infrastructure Finance Limited and BNP Paribas Lease Group, (resident in India) on Deemed Date of Allotment.

On any relevant Record Date the Registrar and/or our Company shall determine the list of the Primary holder(s) of this Issue and identify such Investor/ NCD Holders, (based on their DP identification and /or PAN and/or entries in the Register of NCD Holders), and make applicable coupon/interest payments.

The additional coupon will be given only on the NCDs allotted in this Issue i.e. to the Primary holder(s) falling under Category III (senior citizens and employees of Srei Equipment Finance Limited, Srei Infrastructure Finance

Limited and BNP Paribas Lease Group). In case if any NCD is bought/acquired from secondary market or from open market, additional coupon will not be paid on such bought/acquired NCD.

In case the Primary holder(s) sells/gifts/transfer any NCDs allotted in this public issue, additional coupon will not be paid on such sold/gifted/transferred NCD except in case where NCDs are transferred to the Joint holder/Nominee in case of death of the primary holder.

Senior Citizen(s) have to provide self -attested copy of PAN as additional KYC document irrespective of the mode of application either through demat or physical for the eligibility of additional coupon of 0.25% per annum. In case of non receipt of copy of PAN along with the application form while applying for the NCDs of the Proposed Issue, the additional coupon of 0.25% p.a. will not be applicable. Employees have to provide a copy of the employee ID card along with the application form to avail additional coupon of 0.25% p.a.

For details of the interest payment please refer to page no. 153 of this Prospectus.

Day Count Convention

Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis, on the principal outstanding on the NCDs.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest with interest for such additional period (the “Effective Date”). Such additional interest will be deducted from the interest payable on the next date of payment of interest. Interest and principal or other amounts, if any, will be paid on the Effective Date. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

Set forth below is an illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/ IMD/ DF/ 18/ 2013 dated October 29, 2013:

Cash Flow for Series I

Company	**Srei Equipment Finance Limited**
Face value (per NCD)	₹1000
Issue Opening date/ Date of allotment (tentative)	April 09, 2015/May 11, 2015*
Redemption Date	May 11, 2018
Interest rate for Categories I, II & III	9.75%
Interest rate for Categories III- eligible for additional coupon of 0.25%	10.00%
Frequency of interest payment with specified dates	For the first interest payment for NCDs under the monthly options, interest from the Deemed date of Allotment till last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month
Day count convention	Actual/Actual
* Based on current Issue Closing Date and post Issue timelines. Subject to further change	

Cash flows (event)	**Due date**	**Date of payment**	**Payment period (days)**	**Amount(₹)Payable per NCD for Categories I, II & III,**	**Amount(₹) per NCD for Categories III (₹)- eligible for additional 0.25% coupon**
1 Coupon	Jul 01, 2015 (Wednesday)	Jul 01, 2015 (Wednesday)	51	14	14
2 Coupon	Aug 01, 2015 (Saturday)	Aug 01, 2015 (Saturday)	31	8	8

3 Coupon	Sep 01, 2015 (Tuesday)	Sep 01, 2015 (Tuesday)	31	8	8
4 Coupon	Oct 01, 2015 (Thursday)	Oct 01, 2015 (Thursday)	30	8	8
5 Coupon	Nov 01, 2015 (Sunday)	Nov 02, 2015 (Monday)	32	9	9
6 Coupon	Dec 01, 2015 (Tuesday)	Dec 01, 2015 (Tuesday)	29	8	8
7 Coupon	Jan 01, 2016 (Friday)	Jan 01, 2016 (Friday)	31	8	8
8 Coupon	Feb 01, 2016 (Monday)	Feb 01, 2016 (Monday)	31	8	8
9 Coupon	Mar 01, 2016 (Tuesday)	Mar 01, 2016 (Tuesday)	29	8	8
10 Coupon	Apr 01, 2016 (Friday)	Apr 01, 2016 (Friday)	31	8	8
11 Coupon	May 01, 2016 (Sunday)	May 02, 2016 (Monday)	31	8	8
12 Coupon	Jun 01, 2016 (Wednesday)	Jun 01, 2016 (Wednesday)	30	8	8
13 Coupon	Jul 01, 2016 (Friday)	Jul 01, 2016 (Friday)	30	8	8
14 Coupon	Aug 01, 2016 (Monday)	Aug 01, 2016 (Monday)	31	8	8
15 Coupon	Sep 01, 2016 (Thursday)	Sep 01, 2016 (Thursday)	31	8	8
16 Coupon	Oct 01, 2016 (Saturday)	Oct 01, 2016 (Saturday)	30	8	8
17 Coupon	Nov 01, 2016 (Tuesday)	Nov 01, 2016 (Tuesday)	31	8	8
18 Coupon	Dec 01, 2016 (Thursday)	Dec 01, 2016 (Thursday)	30	8	8
19 Coupon	Jan 01, 2017 (Sunday)	Jan 02, 2017 (Monday)	32	9	9
20 Coupon	Feb 01, 2017 (Wednesday)	Feb 01, 2017 (Wednesday)	30	8	8
21 Coupon	Mar 01, 2017 (Wednesday)	Mar 01, 2017 (Wednesday)	28	7	8
22 Coupon	Apr 01, 2017 (Saturday)	Apr 01, 2017 (Saturday)	31	8	8
23 Coupon	May 01, 2017 (Monday)	May 02, 2017 (Tuesday)	31	8	8
24 Coupon	Jun 01, 2017 (Thursday)	Jun 01, 2017 (Thursday)	30	8	8
25 Coupon	Jul 01, 2017 (Saturday)	Jul 01, 2017 (Saturday)	30	8	8
26 Coupon	Aug 01, 2017 (Tuesday)	Aug 01, 2017 (Tuesday)	31	8	8
27 Coupon	Sep 01, 2017 (Friday)	Sep 01, 2017 (Friday)	31	8	8
28 Coupon	Oct 01, 2017 (Sunday)	Oct 02, 2017 (Monday)	31	8	8
29 Coupon	Nov 01, 2017 (Wednesday)	Nov 01, 2017 (Wednesday)	30	8	8
30 Coupon	Dec 01, 2017 (Friday)	Dec 01, 2017 (Friday)	30	8	8
31 Coupon	Jan 01, 2018 (Monday)	Jan 01, 2018 (Monday)	31	8	8
32 Coupon	Feb 01, 2018 (Thursday)	Feb 01, 2018 (Thursday)	31	8	8
33 Coupon	Mar 01, 2018 (Thursday)	Mar 01, 2018 (Thursday)	28	7	8
34 Coupon	Apr 01, 2018 (Sunday)	Apr 02, 2018 (Monday)	32	9	9
35 Coupon	May 01, 2018 (Tuesday)	May 02, 2018 (Wednesday)	30	8	8
36 Coupon	May 11, 2018 (Friday)	May 11, 2018 (Friday)	9	2	2
Principal	May 11, 2018 (Friday)	May 11, 2018 (Friday)	0	1000	1000
Total				**1289**	**1291**

Cash Flow for Series II

Series II	
Company	Srei Equipment Finance Limited
Face value (per NCD)	₹1000
Issue Opening date/ Date of allotment (tentative)	April 09, 2015/May 11, 2015*
Redemption Date	May 11, 2018
Interest rate for Categories I, II & III	10.20%
Interest rate for Categories III- eligible for additional coupon of 0.25%	10.45%
Frequency of interest payment with specified dates	Interest is to be paid on an annual basis, relevant interest will be paid on April 1, 2016 for the period commecing from Deemed date of allotment till March 31, 2016. The last interest payment will be made at the time of redemption of the NCD on a pro rata basis.
Day count convention	Actual/Actual
** Based on current Issue Closing Date and post Issue timelines. Subject to further change*	

Cash flows (event)	Due date	Date of payment	Payment period (days)	Amount (₹) payable per NCDs for Category	Amount (₹) payable per NCDs for Categories III (₹)-

				I, II & III(₹)	eligible for additional 0.25% coupon
First coupon	April 01, 2016 (Friday)	Apr 01, 2016 (Friday)	326	91	93
Second coupon	April 01, 2017 (Saturday)	Apr 01, 2017 (Saturday)	365	102	105
Third coupon	April 01, 2018 (Sunday)	Apr 02, 2018 (Monday)	366	102	105
Fourth Coupon	May 11, 2018 (Friday)	May 11, 2018 (Friday)	39	11	11
Principal	May 11, 2018 (Friday)	May 11, 2018 (Friday)	0	1000	1000
Total				**1306**	**1314**

Cash Flow for Series III

Series III	
Company	Srei Equipment Finance Limited
Face value (per NCD)	₹1000
Issue Opening date/ Date of allotment (tentative)	April 09, 2015/May 11, 2015*
Redemption Date	May 11, 2018
Interest rate for Categories I, II & III	10.20%
Interest rate for Categories III- eligible for additional coupon of 0.25%	10.45%
Frequency of interest payment with specified dates	At Par on Maturity
Day count convention	Actual/Actual
** Based on current Issue Closing Date and post Issue timelines. Subject to further change*	

Cash flows (event)	Due date	Date of payment	Payment period (days)	Amount (₹) Payable per NCD for Categories I, II & III	Amount (₹) Payable per NCD for Categories III- eligible for additional 0.25% coupon
Principal/Maturity Value	**May 11, 2018 (Friday)**	**May 11, 2018 (Friday)**	**1096**	**1339**	**1348**

Cash Flow for Series IV

Series IV	
Company	Srei Equipment Finance Limited
Face value (per NCD)	₹1000
Issue Opening date/ Date of allotment (tentative)	April 09, 2015/May 11, 2015*
Redemption Date	August 11, 2018
Interest rate for Categories I, II & III	9.75%
Interest rate for Categories III- eligible for additional coupon of 0.25%	10.00%
Frequency of interest payment with specified dates	For the first interest payment for NCDs under the monthly options, interest from the Deemed date of Allotment till last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month
Day count convention	Actual/Actual
** Based on current Issue Closing Date and post Issue timelines. Subject to further change*	

Cash flows (event)	Due date	Date of payment	Payment period (days)	Amount Payable per NCD for	Amount Payable per NCD for

				Categories I, II & II(₹)	Categories III (₹)- eligible for additional 0.25% coupon
1 Coupon	July 01, 2015 (Wednesday,)	Jul 01, 2015 (Wednesday)	51	14	14
2 Coupon	Aug 01, 2015 (Saturday)	Aug 01, 2015 (Saturday)	31	8	8
3 Coupon	Sep 01, 2015 (Tuesday)	Sep 01, 2015 (Tuesday)	31	8	8
4 Coupon	Oct 01, 2015 (Thursday)	Oct 01, 2015 (Thursday)	30	8	8
5 Coupon	November 01, 2015 (Sunday,)	Nov 02, 2015 (Monday)	32	9	9
6 Coupon	Dec 01, 2015 (Tuesday)	Dec 01, 2015 (Tuesday)	29	8	8
7 Coupon	Jan 01, 2016 (Friday)	Jan 01, 2016 (Friday)	31	8	8
8 Coupon	Feb 01, 2016 (Monday)	Feb 01, 2016 (Monday)	31	8	8
9 Coupon	March 01, 2016 (Tuesday,)	Mar 01, 2016 (Tuesday)	29	8	8
10 Coupon	Apr 01, 2016 (Friday)	Apr 01, 2016 (Friday)	31	8	8
11 Coupon	May 01, 2016 (Sunday)	May 02, 2016 (Monday)	31	8	8
12 Coupon	Jun 01, 2016 (Wednesday)	Jun 01, 2016 (Wednesday)	30	8	8
13 Coupon	July 01, 2016 (Friday,)	Jul 01, 2016 (Friday)	30	8	8
14 Coupon	Aug 01, 2016 (Monday)	Aug 01, 2016 (Monday)	31	8	8
15 Coupon	Sep 01, 2016 (Thursday)	Sep 01, 2016 (Thursday)	31	8	8
16 Coupon	Oct 01, 2016 (Saturday)	Oct 01, 2016 (Saturday)	30	8	8
17 Coupon	November 01, 2016 (Tuesday,)	Nov 01, 2016 (Tuesday)	31	8	8
18 Coupon	Dec 01, 2016 (Thursday)	Dec 01, 2016 (Thursday)	30	8	8
19 Coupon	Jan 01, 2017 (Sunday)	Jan 02, 2017 (Monday)	32	9	9
20 Coupon	Feb 01, 2017 (Wednesday)	Feb 01, 2017 (Wednesday)	30	8	8
21 Coupon	March 01, 2017 (Wednesday,)	Mar 01, 2017 (Wednesday)	28	7	8
22 Coupon	Apr 01, 2017 (Saturday)	Apr 01, 2017 (Saturday)	31	8	8
23 Coupon	May 01, 2017 (Monday)	May 02, 2017 (Tuesday)	31	8	8
24 Coupon	Jun 01, 2017 (Thursday)	Jun 01, 2017 (Thursday)	30	8	8
25 Coupon	July 01, 2017 (Saturday,)	Jul 01, 2017 (Saturday)	30	8	8
26 Coupon	Aug 01, 2017 (Tuesday)	Aug 01, 2017 (Tuesday)	31	8	8
27 Coupon	Sep 01, 2017 (Friday)	Sep 01, 2017 (Friday)	31	8	8
28 Coupon	Oct 01, 2017 (Sunday)	Oct 02, 2017 (Monday)	31	8	8
29 Coupon	November 01, 2017 (Wednesday,)	Nov 01, 2017 (Wednesday)	30	8	8
30 Coupon	Dec 01, 2017 (Friday)	Dec 01, 2017 (Friday)	30	8	8
31 Coupon	Jan 01, 2018 (Monday)	Jan 01, 2018 (Monday)	31	8	8
32 Coupon	Feb 01, 2018 (Thursday)	Feb 01, 2018 (Thursday)	31	8	8
33 Coupon	March 01, 2018 (Thursday,)	Mar 01, 2018 (Thursday)	28	7	8
34 Coupon	Apr 01, 2018 (Sunday)	Apr 02, 2018 (Monday)	32	9	9
35 Coupon	May 01, 2018 (Tuesday)	May 02, 2018 (Wednesday)	30	8	8
36 Coupon	Jun 01, 2018 (Friday)	Jun 01, 2018 (Friday)	30	8	8
37 Coupon	July 01, 2018 (Sunday,)	Jul 02, 2018 (Monday)	31	8	8
38 Coupon	Aug 01, 2018 (Wednesday)	Aug 01, 2018 (Wednesday)	30	8	8
39 Coupon	Aug 11, 2018 (Saturday)	Aug 11, 2018 (Saturday)	10	3	3
Principal	Aug 11, 2018 (Saturday)	Aug 11, 2018 (Saturday)	0	1000	1000
Total				**1314**	**1316**

Cash Flow For Series V

Series V	
Company	Srei Equipment Finance Limited
Face value (per NCD)	₹1000
Issue Opening date/ Date of allotment (tentative)	April 09, 2015/May 11, 2015*
Redemption Date	August 11, 2018
Interest rate for Categories I, II & III	10.20%
Interest rate for Categories III- eligible for additional coupon of 0.25%	10.45%
Frequency of interest payment with specified	Interest is to be paid on an annual basis, relevant interest will

dates	be paid on April 1, 2016 for the period commecing from Deemed date of allotment till March 31, 2016. The last interest payment will be made at the time of redemption of the NCD on a pro rata basis.
Day count convention	Actual/Actual
** Based on current Issue Closing Date and post Issue timelines. Subject to further change*	

Cash flows (event)	Due date	Date of payment	Payment period (days)	Amount (₹) payable per NCDs for Categories I & II(₹)	Amount (₹) payable per NCDs for Categories III (₹)- eligible for additional 0.25% coupon
First coupon	April 01, 2016 (Friday)	Apr 01, 2016 (Friday)	326	91	93
Second coupon	April 01, 2017 (Saturday)	Apr 01, 2017 (Saturday)	365	102	105
Third coupon	April 01, 2018 (Sunday)	Apr 02, 2018 (Monday)	366	102	105
Fourth Coupon	August 11, 2018 (Saturday)	Aug 11, 2018 (Saturday)	131	37	38
Principal	August 11, 2018 (Saturday)	Aug 11, 2018 (Saturday)	0	1000	1000
Total				**1332**	**1341**

Cash Flow Series VI

Series VI	
Company	Srei Equipment Finance Limited
Face value (per NCD)	₹1000
Issue Opening date/ Date of allotment (tentative)	April 09, 2015/May 11, 2015*
Redemption Date	August 11, 2018
Interest rate for Categories I, II & III	10.20%
Interest rate for Categories III- eligible for additional coupon of 0.25%	10.45%
Frequency of interest payment with specified dates	At Par on Redemption
Day count convention	Actual/Actual
** Based on current Issue Closing Date and post Issue timelines. Subject to further change*	

Cash flows (event)	Due date	Date of payment	Payment period (days)	Amount Payable per NCD for Categories I, II & III (₹)	Amount Payable per NCD for Categories III (₹)- eligible for additional 0.25% coupon
Principal/Maturity Value	**August 11, 2018 (Saturday,)**	**Aug 11, 2018 (Saturday)**	**1188**	**1372**	**1382**

Cash Flow For Series VII

Series VII	
Company	Srei Equipment Finance Limited
Face value (per NCD)	₹1000
Issue Opening date/ Date of allotment (tentative)	April 09, 2015/May 11, 2015*
Redemption Date	May 11, 2020

Interest rate for Categories I, II & III	9.75%
Interest rate for Categories III- eligible for additional coupon of 0.25%	10.00%
Frequency of interest payment with specified dates	For the first interest payment for NCDs under the monthly options, interest from the Deemed date of Allotment till last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month
Day count convention	Actual/Actual
** Based on current Issue Closing Date and post Issue timelines. Subject to further change*	

Cash flows (event)	Due date	Date of payment	Payment period (days)	Amount Payable per NCD for Categories I, II & III (₹)	Amount Payable per NCD for Categories III (₹)- eligible for additional 0.25% coupon
1 Coupon	July 01, 2015 (Wednesday,)	Jul 01, 2015 (Wednesday)	51	14	9
2 Coupon	Aug 01, 2015 (Saturday)	Aug 01, 2015 (Saturday)	31	8	10
3 Coupon	Sep 01, 2015 (Tuesday)	Sep 01, 2015 (Tuesday)	31	8	9
4 Coupon	October 01, 2015 (Thursday,)	Oct 01, 2015 (Thursday)	30	8	10
5 Coupon	Nov 01, 2015 (Sunday)	Nov 02, 2015 (Monday)	32	9	9
6 Coupon	Dec 01, 2015 (Tuesday)	Dec 01, 2015 (Tuesday)	29	8	10
7 Coupon	January 01, 2016 (Friday,)	Jan 01, 2016 (Friday)	31	8	9
8 Coupon	Feb 01, 2016 (Monday)	Feb 01, 2016 (Monday)	31	8	9
9 Coupon	Mar 01, 2016 (Tuesday)	Mar 01, 2016 (Tuesday)	29	8	10
10 Coupon	April 01, 2016 (Friday,)	Apr 01, 2016 (Friday)	31	8	9
11 Coupon	May 01, 2016 (Sunday)	May 02, 2016 (Monday)	31	8	10
12 Coupon	Jun 01, 2016 (Wednesday)	Jun 01, 2016 (Wednesday)	30	8	10
13 Coupon	July 01, 2016 (Friday,)	Jul 01, 2016 (Friday)	30	8	9
14 Coupon	Aug 01, 2016 (Monday)	Aug 01, 2016 (Monday)	31	8	10
15 Coupon	Sep 01, 2016 (Thursday)	Sep 01, 2016 (Thursday)	31	8	10
16 Coupon	October 01, 2016 (Saturday,)	Oct 01, 2016 (Saturday)	30	8	9
17 Coupon	Nov 01, 2016 (Tuesday)	Nov 01, 2016 (Tuesday)	31	8	9
18 Coupon	Dec 01, 2016 (Thursday)	Dec 01, 2016 (Thursday)	30	8	10
19 Coupon	January 01, 2017 (Sunday,)	Jan 02, 2017 (Monday)	32	9	10
20 Coupon	Feb 01, 2017 (Wednesday)	Feb 01, 2017 (Wednesday)	30	8	9
21 Coupon	Mar 01, 2017 (Wednesday)	Mar 01, 2017 (Wednesday)	28	7	10
22 Coupon	April 01, 2017 (Saturday,)	Apr 01, 2017 (Saturday)	31	8	9
23 Coupon	May 01, 2017 (Monday)	May 02, 2017 (Tuesday)	31	8	10
24 Coupon	Jun 01, 2017 (Thursday)	Jun 01, 2017 (Thursday)	30	8	9
25 Coupon	July 01, 2017 (Saturday,)	Jul 01, 2017 (Saturday)	30	8	9
26 Coupon	Aug 01, 2017 (Tuesday)	Aug 01, 2017 (Tuesday)	31	8	10
27 Coupon	Sep 01, 2017 (Friday)	Sep 01, 2017 (Friday)	31	8	9
28 Coupon	October 01, 2017 (Sunday,)	Oct 02, 2017 (Monday)	31	8	10
29 Coupon	Nov 01, 2017 (Wednesday)	Nov 01, 2017 (Wednesday)	30	8	10
30 Coupon	Dec 01, 2017 (Friday)	Dec 01, 2017 (Friday)	30	8	9
31 Coupon	January 01, 2018 (Monday,)	Jan 01, 2018 (Monday)	31	8	10
32 Coupon	Feb 01, 2018 (Thursday)	Feb 01, 2018 (Thursday)	31	8	9
33 Coupon	Mar 01, 2018 (Thursday)	Mar 01, 2018 (Thursday)	28	7	10
34 Coupon	April 01, 2018 (Sunday,)	Apr 02, 2018 (Monday)	32	9	9
35 Coupon	May 01, 2018 (Tuesday)	May 02, 2018 (Wednesday)	30	8	10
36 Coupon	Jun 01, 2018 (Friday)	Jun 01, 2018 (Friday)	30	8	10
37 Coupon	July 01, 2018 (Sunday,)	Jul 02, 2018 (Monday)	31	8	9
38 Coupon	Aug 01, 2018 (Wednesday)	Aug 01, 2018 (Wednesday)	30	8	10

39 Coupon	Sep 01, 2018 (Saturday)	Sep 01, 2018 (Saturday)	31	8	9
40 Coupon	October 01, 2018 (Monday,)	Oct 01, 2018 (Monday)	30	8	10
41 Coupon	Nov 01, 2018 (Thursday)	Nov 01, 2018 (Thursday)	31	8	9
42 Coupon	Dec 01, 2018 (Saturday)	Dec 01, 2018 (Saturday)	30	8	10
43 Coupon	January 01, 2019 (Tuesday,)	Jan 01, 2019 (Tuesday)	31	8	10
44 Coupon	Feb 01, 2019 (Friday)	Feb 01, 2019 (Friday)	31	8	9
45 Coupon	Mar 01, 2019 (Friday)	Mar 01, 2019 (Friday)	28	7	10
46 Coupon	April 01, 2019 (Monday,)	Apr 01, 2019 (Monday)	31	8	10
47 Coupon	May 01, 2019 (Wednesday)	May 02, 2019 (Thursday)	31	8	9
48 Coupon	Jun 01, 2019 (Saturday)	Jun 01, 2019 (Saturday)	30	8	10
49 Coupon	July 01, 2019 (Monday,)	Jul 01, 2019 (Monday)	30	8	9
50 Coupon	Aug 01, 2019 (Thursday)	Aug 01, 2019 (Thursday)	31	8	10
51 Coupon	Sep 01, 2019 (Sunday)	Sep 02, 2019 (Monday)	32	9	9
52 Coupon	October 01, 2019 (Tuesday,)	Oct 01, 2019 (Tuesday)	29	8	10
53 Coupon	Nov 01, 2019 (Friday)	Nov 01, 2019 (Friday)	31	8	9
54 Coupon	Dec 01, 2019 (Sunday)	Dec 02, 2019 (Monday)	31	8	10
55 Coupon	January 01, 2020 (Wednesday,)	Jan 01, 2020 (Wednesday)	30	8	10
56 Coupon	Feb 01, 2020 (Saturday)	Feb 01, 2020 (Saturday)	31	8	9
57 Coupon	Mar 01, 2020 (Sunday)	Mar 02, 2020 (Monday)	30	8	10
58 Coupon	April 01, 2020 (Wednesday,)	Apr 01, 2020 (Wednesday)	30	8	9
59 Coupon	May 01, 2020 (Friday)	May 02, 2020 (Saturday)	31	8	10
60 Coupon	May 11, 2020 (Monday)	May 11, 2020 (Monday)	9	2	9
Principal	May 11, 2020 (Monday)	May 11, 2020 (Monday)	0	1000	1000
Total				**1481**	**1572**

Cash Flow for Series VIII

Series VIII	
Company	Srei Equipment Finance Limited
Face value (per NCD)	₹1000
Issue Opening date/ Date of allotment (tentative)	April 09, 2015/May 11, 2015*
Redemption Date	May 11, 2020
Interest rate for Categories I, II & III	10.25%
Interest rate for Categories III- eligible for additional coupon of 0.25%	10.50%
Frequency of interest payment with specified dates	Interest is to be paid on an annual basis, relevant interest will be paid on April 1, 2016 for the period commecing from Deemed date of allotment till March 31, 2016. The last interest payment will be made at the time of redemption of the NCD on a pro rata basis.
Day count convention	Actual/Actual
** Based on current Issue Closing Date and post Issue timelines. Subject to further change*	

Cash flows (event)	Due date	Date of payment	Payment period (days)	Amount Payable per NCD forCategories I ,II & III (₹)	Amount Payable per NCD for Categories III (₹)- eligible for additional 0.25% coupon
First coupon	Apr 01, 2016 (Friday)	Apr 01, 2016 (Friday)	326	91	94
Second coupon	Apr 01, 2017 (Saturday)	Apr 01, 2017 (Saturday)	365	103	105
Third coupon	Apr 01, 2018 (Sunday)	Apr 02, 2018 (Monday)	366	103	105
Fourth coupon	Apr 01, 2019 (Monday)	Apr 01, 2019 (Monday)	364	102	105
Fifth coupon	Apr 01, 2020 (Wednesday)	Apr 01, 2020 (Wednesday)	366	103	105
Sixth Coupon	May 11, 2020 (Monday)	May 11, 2020 (Monday)	40	11	11
Principal	May 11, 2020 (Monday)	May 11, 2020 (Monday)	0	1000	1000

Total				1513	1525

Cash Flow for Series IX

Series IX	
Company	Srei Equipment Finance Limited
Face value (per NCD)	₹1000
Issue Opening date/ Date of allotment (tentative)	April 09, 2015/May 11, 2015*
Redemption Date	May 11, 2022
Interest rate for Categories I, II & III	10.25%
Interest rate for Categories III- eligible for additional coupon of 0.25%	10.50%
Frequency of interest payment with specified dates	At par on Maturity
Day count convention	Actual/Actual
** Based on current Issue Closing Date and post Issue timelines. Subject to further change*	

Cash flows (event)	Due date	Date of payment	Payment period (days)	Amount Payable per NCD forCategories I, II & II (₹)	Amount Payable per NCD for Categories III (₹)- eligible for additional 0.25% coupon
First coupon	Apr 01, 2016 (Friday)	Apr 01, 2016 (Friday)	326	91	94
Second coupon	Apr 01, 2017 (Saturday)	Apr 01, 2017 (Saturday)	365	103	105
Third coupon	Apr 01, 2018 (Sunday)	Apr 02, 2018 (Monday)	366	103	105
Fourth coupon	Apr 01, 2019 (Monday)	Apr 01, 2019 (Monday)	364	102	105
Fifth coupon	Apr 01, 2020 (Wednesday)	Apr 01, 2020 (Wednesday)	366	103	105
Sixth Coupon	Apr 01, 2021 (Thursday)	Apr 01, 2021 (Thursday)	365	103	105
Seventh Coupon	Apr 01, 2022 (Friday)	Apr 01, 2022 (Friday)	365	103	105
Eight Coupon	May 11, 2022 (Wednesday)	May 11, 2022 (Wednesday)	40	11	12
Principal	May 11, 2022 (Wednesday)	May 11, 2022 (Wednesday)	0	1000	1000
Total				**1719**	**1736**

Minimum Subscription

If our Company does not receive the minimum subscription of 75% of Base Issue i.e. ₹ 1875.00 million prior to the Allotment, our Company will refund the entire application monies within 12 days from the Issue Closing Date. If there is delay in the refund of the application monies, our Company becomes liable to refund the subscription amount along with interest for the delayed period at the rate prescribed under applicable law and in the manner as may be prescribed in accordance with Section 39(3) of the Act, 2013.

Under Section 39 (3) of the Companies Act 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Company and/or Registrar, refunds will be made to the account prescribed. However, where the Company and/or Registrar does not have the necessary information for making such refunds, the Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Listing

For information, see "***Other Regulatory and Statutory Disclosures – Listing***" on page 196 of this Prospectus.

TERMS OF THE ISSUE

Authority for the Issue

The Board of Directors, at their meeting held on 6th November, 2014 and 10th February, 2015 have approved the public issue of secured, redeemable, non-convertible debentures of face value of ₹ 1,000/- each, (the "Debentures" or "NCDs"), for an amount up to ₹ 2,500 million with an option to retain oversubscription upto ₹ 2500 million, aggregating to ₹ 5,000 million (the " Issue")

Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the Debt Regulations, the Act, the Act 2013, the Memorandum and Articles of Association of our Company, the terms of this Prospectus, the Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE, NSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Face Value

The face value of each NCD shall be ₹ 1,000/-.

Security

The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due on the NCDs in respect thereof shall be secured by way of first charge in favour of the Debenture Trustee on an identified immovable property and specific future receivables/assets of our Company as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs (along with the interest due thereon), which shall be free from any encumbrances.

Our Company intends to enter into an indenture/deed with the Debenture Trustee, ('Debenture Trust Deed'), the terms of which will govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution of the Debenture Trust Deed before allotment and shall utilize the funds only after the stipulated security has been created.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in the Prospectus and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value.

However the Company reserves the right to create second/pari passu charge on the said immovable property without seeking NOC from the NCD holders/ bond holders and the Trustee is empowered to Issue NOC to create second/ pari passu Charge on the said immovable property.

Credit Rating

The NCDs have been rated 'CARE AA (Double AA)'by CARE pursuant to letters dated March 11, 2015 and March 30, 2015 and "BWR AA" (BWR Double A) (Outlook Stable) by BRICKWORK pursuant to letters dated June 20, 2014 and revalidation letter dated March 11, 2015.136 Instruments with a rating of of 'CARE AA (Double AA)' by CARE and 'BWR AA" (BWR Double A) (Outlook Stable)136 are considered to have high degree of safety regarding timely servicing of financial obligations.

Issue Period

Issue Opens on	**April 09, 2015**
Closing Date*	**April 30, 2015**

**The subscription list shall remain open for a period as indicated above, with an option for early closure or extension by such period, as may be decided by the Board/ Committee of Directors, as the case maybe, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through advertisements in a leading national daily newspaper on or before such earlier date of Issue Closure or initial date of Issue closure, as the case may be.*

*Further please note that Application shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "IST") ("**Bidding Period**") during the Issue Period as mentioned above by the Members of the Syndicate, Trading Members and designated branches of SCSBs as mentioned on the Application Form, except that on the Issue Closing Date when Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by Stock Exchange. It is clarified that the Applications not uploaded in the Stock Exchange Platform would be rejected.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor any Member of the Syndicate, Trading Members or designated branches of SCSBs is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

Application Amount

₹ 10,000/- (10 NCDs) and in multiples of 1 NCD thereafter (for all Series of NCDs, either taken individually or collectively).

Allotment of NCDs

Deemed Date of Allotment

The Deemed Date of Allotment for the NCDs shall be the date on which the Board of Directors or duly authorized committee thereof approves the allotment of NCDs or such date as may be determined by the Board of our Company and/or a duly authorized committee thereof and notified to the Stock Exchange. All benefits under the NCDs including payment of interest will accrue to the NCD Holders from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.

Grouping of Applications and Allocation Ratio

For the purposes of the basis of allotment:

A. *Applications received from Category I Applicants:* Applications received from Category I, shall be grouped together,**(" Institutional Portion");**

B. *Applications received from Category II Applicants:* Applications received from Category II, shall be grouped together,**("Non-Institutional Portion");**

C. *Applications received from Category III Applicants:* Further with respect to Applications received from Category III applicants*)*, shall be grouped together, **("Individual Category Portion")**.

For removal of doubt, "***Institutional Portion***", "***Non-Institutional Portion***" and "***Individual Category Portion***" are individually referred to as "***Portion***" and collectively referred to as **"*Portions*"**.

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription upto ₹ 2500 million. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription), and/or the aggregate value of NCDs upto the Base Issue Size shall be collectively termed as the **"*Overall Issue Size*".**

Allocation Ratio

Institutional Portion	***Non-Institutional Portion***	***Individual Category Portion***
20 % of Overall Issue Size	20% of Overall Issue Size	60% of Overall Issue Size

Retention of Oversubscription

Our Company is making a public Issue of NCDs aggregating upto ₹ 2500 million with an option to retain oversubscription of NCDs up to ₹ 2500 million.

Basis of Allotment for NCDs

(a) Allotments in the first instance:

(i) Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs upto 20 % of Issue Size on first come first served basis which would be determined on the basis of upload of their Applications in to the electronic book with Stock Exchanges;

(ii) Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs upto 20% of Issue Size on first come first served basis which would be determined on the basis of upload of their Applications in to the electronic book with Stock Exchanges;

(iii) Applicants belonging to the Individual Category Portion, in the first instance, will be allocated NCDs upto 60 % of Issue Size on first come first served basis which would be determined on the basis of upload of their Applications in to the electronic book with Stock Exchanges;

(b) Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with Stock Exchange, in each Portion subject to the Allocation Ratio. However, on the date of oversubscription, the allotments would be made to the applicants on proportionate basis.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of circular (No. CIR./IMD/DF-1/20/2012) dated July 27, 2012 to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application. In the event of, and on the date of oversubscription, however, allotments in public issues of debt securities is to be made on a proportionate basis.

(c) Under Subscription:

Under subscription, if any, in any Portion, priority in allotments will be given in the following order (decreasing order of priority):

i. Individual Category Portion

ii. Non-Institutional Portion

iii. Institutional Portion

Within each Portion, priority in Allotments will be given on a first-come-first-serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchanges.

(d) For each Portion, all Applications uploaded in to the Electronic Book with Stock Exchanges would be treated at par with each other. Allotment would be on proportionate basis, where NCDs uploaded into the Platform of the Stock Exchanges on a particular date exceeds NCDs to be allotted for each Portion respectively.

(e) Minimum allotments of 1 (one) NCD and in multiples of 1 (one) NCD thereafter would be made in case of each valid Application.

(f) Allotments in case of oversubscription:

In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription (i.e. where in the number of NCDs available for allotment in the respective Category is less than the demand for NCDs by the applicants in the respective Category) and proportionate allotment of NCDs to the Applicants on the date of oversubscription (based on the date of upload of each Application into the Electronic Book with Stock Exchanges, in each Category).

However for the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application and re-categorised based on their total application amount. This re- categorization of investor categories may result in proportionate allotment on the date of oversubscription in the respective categories. Pursuant to re-categorization, each of the applications (based on the date of upload of each Application into the Electronic Book with Stock Exchanges, in each Category) made by the applicant, will compete for allocation with other applications made by the applicants in that respective Category on that respective date.

(g) Proportionate Allotments: For each Portion, on the date of oversubscription:

i) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer,

ii) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose allotment size, prior to rounding off, had the highest decimal point would be given preference,

iii) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalized by draw of lots in a fair and equitable manner.

(h) Applicant applying for more than one Series of NCDs:

If an Applicant has applied for more than one Series of NCDs, and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with Lead Managers and Designated Stock Exchange.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Issue shall be taken by our Company in consultation with the Lead Managers and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Managers.

Our Company shall allocate and allot Series I NCDs wherein the Applicants have not indicated their choice of the relevant NCD Series or have applied for wrong Series.

Please note in case KYC documents are not proper, Registrar shall hold back physical certificate allotted to the Applicant pending receipt of complete KYC documents from Applicant and the Company shall keep in abeyance the payment of interest or other benefits, till such time. The Company shall also not be liable to pay interest for delay in despatch of the certificate in case of delay caused due to non-receipt of proper KYC documents to the satisfaction of the Registrar.

Additional/Multiple Applications

Please refer "***Issue Procedure – Additional/Multiple Applications***" on page 181 of this Prospectus.

Form of Allotment & Denomination

As per the Debt Regulations, the trading of the NCDs shall be in dematerialized form only. Irrespective of whether the NCDs are held in dematerialized or physical form, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of one (1) NCD ("**Market Lot**").

Individual Category Investors shall have the option to apply for NCDs in the physical form. Such NCDs which are allotted in the physical form shall not be eligible for being traded on the Stock Exchange unless such NCDs are converted into the dematerialized form, but shall be freely transferable otherwise, subject to applicable statutory and/or regulatory requirements. Allotment in the Issue to all Allottees (other than Individual Category Investors who have opted for allotment of NCDs in the physical form), will be in electronic form in multiples of one NCD. For details of allotment refer to chapter titled "***Issue Procedure***" under section titled "***Issue Related Information***" beginning on page no. 136 of this Prospectus.

In case of NCDs held in physical form, a Consolidated NCD Certificate will be issued to the NCD Holder for the aggregate amount for each type of NCDs. The Applicant can also request for the issue of NCD certificates in denomination of one NCD ("**Market Lot**").

In respect of Consolidated NCD Certificates, we will, only upon receipt of a request from the NCD Holder, split such Consolidated NCD Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

Allotment Advice / Refund orders

The unutilised portion of the Application Amount will be refunded to the Applicant no later than twelve (12) Working Days from the Issue Closing Date in the manner as provided below:

A. In case of Applications made on the Stock Exchange through the Members of the Syndicate/ Trading Members of the Stock Exchange by making payment though cheques, the unutilised portion of the Application Amount (includes refund amounts payable to unsuccessful Applicants and also the excess amount paid on Application) will be credited to the Bank Account of the Applicant as per the banking account details as provided with the demat details of the Applicant by way of any of the following modes:

i. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.

ii. NECS – Payment of refund would be done through NECS for Investors having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds through this mode will be done for Applicants having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).

iii. NEFT – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

iv. RTGS – If the refund amount exceeds ₹ 200,000, the Investors have the option to receive refund through RTGS. Charges, if any, levied by the refund bank(s) for the same would be borne by us. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

v. For all other Investors (non-ASBA) the refund orders will be despatched through Speed Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/ first Investor and payable at par.

vi. Credit of refunds to Investors in any other electronic manner permissible under the banking laws, which are in force and are permitted by the SEBI from time to time.

B. In case of ASBA Applications, the unutilised portion of the Application Amount shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSBs.

C. In case of eligible refund through electronic mode, if there will be any rejection because of any wrong account details received from depositories in case of demat application or wrong account details mentioned in the application form in case of physical application, our company will issue refund orders to those investors which may further delay the refund credit beyond twelve (12) working days from Issue closing date. In case of such delays in credit of refund to investors neither the Lead managers nor the Company shall have any responsibility and undertake any liability for such delays on part of the investors.

Further,

- Allotment of NCDs offered to the public shall be made within a time period of twelve (12) Working Days from the date of closure of the Issue;
- Credit to demat account will be given no later than twelve (12) Working Days from the date of the closure of the Issue;
- Our Company shall pay interest at 15% (fifteen) per annum if Allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within twelve (12) Working Days of the Issue Closing Date or date of refusal of the Stock Exchange(s), whichever is earlier. In case listing permission is not granted by the Stock Exchange to our Company and if such money is not repaid within 8 (eight) days from the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of 8 (eight) days, be liable to repay the money with interest at the rate of 15% as prescribed under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the Companies Act 2013, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

Our Company will provide adequate funds to the Registrars to the Issue, for this purpose.

Interest on NCDs

In case of Series I NCDs, interest would be paid monthly at 9.75 % per annum to Category I, II & III Investors as on the Record Date on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series I NCD.

Investors in Category III, who are senior citizen and/or permanent resident's employees (Srei Equipment Finance Limied, Srei Infrastructure Finance Limited and BNP Paribas Lease Group, (resident in India)) on Deemed Date of Allotment and also the relevant record dates, will be eligible for additional coupon of 0.25% p.a. would be paid monthly at 10.00% p.a.

Series I NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 36 months from the Deemed Date of Allotment.

In case of Series II NCDs, interest would be paid annually at 10.20 % per annum to Category I II & III Investors as on the Record Date on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series II NCD.

Investors in Category III, who are senior citizen and/or permanent resident's employees (Srei Equipment Finance Limied, Srei Infrastructure Finance Limited and BNP Paribas Lease Group, (resident in India)) on Deemed Date of Allotment and also the relevant record dates, will be eligible for additional coupon of 0.25% p.a. would be paid annually at 10.45% p.a.

Series II NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 36 months from the Deemed Date of Allotment.

In case of Series III NCDs shall be redeemed at the end of 36 months from the Deemed Date of Allotment at ₹1,339/- (Face Value per NCD plus premium per NCD) subject to applicable tax deducted at source if any as on the Record Date for redemption of the Series III NCDs for Category I, II and III.

Investors in Category III who are senior citizen and/or permanent resident's employees (Srei Equipment Finance Limied, Srei Infrastructure Finance Limited and BNP Paribas Lease Group, (resident in India)) on Deemed Date of Allotment and also the relevant record dates, NCDs shall be redeemed at ₹ 1348/- subject to applicable tax deducted at source if any on the Record Date for redemption of the Series III.

In case of Series IV NCDs, interest would be paid monthly at 9.75% per annum to Category I, II & III Investors as on the Record Date on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series IV NCD.

Investors in Category III, who are senior citizen and/or permanent resident's employees (Srei Equipment Finance Limied, Srei Infrastructure Finance Limited and BNP Paribas Lease Group, (resident in India)) on Deemed Date of Allotment and also the relevant record dates, will be eligible for additional coupon of 0.25% p.a. would be paid monthly at 10.00% p.a.

Series IV NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 39 months from the Deemed Date of Allotment.

In case of Series V NCDs, interest would be paid annually at 10.20% per annum to Category I II & III Investors as on the Record Date on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series V NCD.

Investors in Category III, who who are senior citizen and/or permanent resident's employees (Srei Equipment Finance Limied, Srei Infrastructure Finance Limited and BNP Paribas Lease Group, (resident in India)) on Deemed Date of Allotment and also the relevant record dates, will be eligible for additional coupon of 0.25% p.a. would be paid annually at 10.45% p.a.

Series V NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 39 months from the Deemed Date of Allotment.

Series VI NCDs shall be shall be redeemed at the end of 39 months from the Deemed Date of Allotment at ₹1,372/- (Face Value per NCD plus premium per NCD) subject to applicable tax deducted at source if any as on the Record Date for redemption of the Series VI NCDs for Category I, II and III investors.

Investors in Category III who are senior citizen and/or permanent resident's employees (Srei Equipment Finance Limied, Srei Infrastructure Finance Limited and BNP Paribas Lease Group, (resident in India)) on Deemed Date of Allotment and also the relevant record dates, NCDs shall be redeemed at ₹ 1382/- subject to applicable tax deducted at source if any on the Record Date for redemption of the Series VI.

In case of Series VII NCDs, interest would be paid monthly at 9.75 % per annum to Category I, II & III Investors as on the Record Date on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VII NCD.

Investors in Category III, who are senior citizen and/or permanent resident's employees (Srei Equipment Finance Limied, Srei Infrastructure Finance Limited and BNP Paribas Lease Group, (resident in India)) on Deemed Date of Allotment and also the relevant record dates, will be eligible for additional coupon of 0.25% p.a. would be paid monthly at 10.00% p.a.

Series VII NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

In case of Series VIII NCDs, interest would be paid annually at 10.25 % per annum to Category I II & III Investors as on the Record Date on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VIII NCD.

Investors in Category III, who are senior citizen and/or permanent resident’s employees (Srei Equipment Finance Limied, Srei Infrastructure Finance Limited and BNP Paribas Lease Group, (resident in India)) on Deemed Date of Allotment and also the relevant record dates, will be eligible for additional coupon of 0.25% p.a. would be paid annually at 10.50% p.a.

Series VIII NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

In case of Series IX NCDs, interest would be paid annually at 10.25% per annum to Category I II & III Investors as on the Record Date on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series IX NCD.

Investors in Category III, who are senior citizen and/or permanent resident’s employees (Srei Equipment Finance Limied, Srei Infrastructure Finance Limited and BNP Paribas Lease Group, (resident in India)) on Deemed Date of Allotment and also the relevant record dates, will be eligible for additional coupon of 0.25% p.a. would be paid annually at 10.50% p.a.

Series IX NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 84 months from the Deemed Date of Allotment.

Payment of Interest will be made to those NCD Holders whose names appear in the register of NCD Holders (or to first holder in case of joint-holders) as on Record Date.

For NCDs subscribed, in respect to Series I, Series IV and Series VII , where the interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till last day of every month during the tenor of such NCDs, and paid on the first day of every subsequent month. For the first interest payment for NCDs under the monthly options, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month.

For NCDs subscribed, in respect to Series II, Series V, Series VIII and Series IX , where the interest is to be paid on an annual basis, relevant interest will be made on April 1st every year for the amount outstanding. The first interest payment will be made on April 1, 2016 for the period commencing from the Deemed Date of Allotment till March 31, 2016. Subject to The last interest payment will be made at the time of maturity of the NCD on a pro rata basis.

For NCDs subscribed in respect to Series III and Series VI, where the interest is to be paid on a cumulative basis and compounding annually, relevant interest will be made on the date of redemption for the amount outstanding from time to time, commencing from the Deemed Date of Allotment.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the investors. In such cases, interest, on the Interest Payment Date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NECS, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Refer to the paragraph on “***Manner of Payment of Interest / Refund / Maturity Amount***” at page no. 158 in this Prospectus.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar at least 7(seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company’s books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialized form.

However in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor (in case of resident Individuals and HUFs), if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by Individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all Applicants (including companies and firms) by making an Application in the prescribed form i.e. Form No. 13. The aforesaid documents, as may be applicable, should be submitted to our Company quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original from Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

If any Coupon/Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day. If the Redemption Date/Maturity Date (also being the last Coupon/Interest Payment Date) of any Series of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment.

Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Title

In case of:

(i) NCDs held in the dematerialised form, the person for the time being appearing in the Register of Debenture holders (as defined below) maintained by the Depository; and

i. The NCDs held in physical form, the person for the time being appearing in the Register of Debenture holders (as defined below) maintained by the Company,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the Debenture holder.

No transfer of title of a NCD will be valid unless and until entered on the Register of Debenture holders prior to the Record Date. In the absence of transfer being registered, interest, and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of Debenture holders. In such cases, claims, if any, by the transferees of the NCDs will need to be settled with the transferors of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act 1956 and the Companies Act 2013 shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Interest on Application Amount & Refund Amount

Interest on Application Amounts received, which are used towards Allotment of NCDs

The Company shall pay interest on application money to the successful Applicants, interest at the rate of 9.75 % p.a on the Application Amount allotted, from the date of realisation of application money through cheque(s)/demand draft(s)/ any other mode upto one (1) day prior to the Deemed Date of Allotment, subject to deductions under the provisions of the Income Tax Act or any other statutory modification or re-enactment thereof, as applicable Interest on Application Amount as mentioned above shall be paid within 7 (Seven) Working Days from the Deemed Date of Allotment for all the Series of NCDs.

However no interest is to be paid on Application Amount(s) to the ASBA Applicants.

Our Company may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the applicants. Alternatively, the interest warrant will be dispatched along with the Letter(s) of Allotment at the sole risk of the applicant, to the sole/first applicant.

TDS on Interest on Application Amount

Interest on Application Amount is subject to deduction of income tax under the provisions of the Income Tax Act or any other statutory modification or re-enactment thereof, as applicable. Tax exemption certificate/declaration of non-deduction of tax at source on interest on Application Amount, if any, should be submitted along with the Application Form.

Interest on Application Amounts received, which are liable to be refunded

a) We shall pay interest on Application Amounts which is liable to be refunded to the Applicants (other than ASBA Applicants) subject to deduction of income tax under the provision of Section 172 of the Income Tax Act, as applicable, from the date of realization of the cheque(s)/demand draft(s) / any other mode upto one day prior to the Deemed Date of Allotment, at the rate of 7 % p.a. Such interest shall be paid along with the monies liable to be refunded. Interest warrants will be dispatched/credited (in case of electronic payment) along with the letter(s) of refund at the sole risk of the Applicant, to the sole/first Applicant.

b) A tax deduction certificate will be issued for the amount of income tax so deducted.

   Provided that, notwithstanding anything contained hereinabove, our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid Applications or Applications liable to be rejected, and/or (b) applications which are withdrawn by the applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. Please see section titled "***Rejection of Application***" on page 182 of this Prospectus.

Terms of Payment

The entire issue price of ₹1000/- per NCD is payable on Application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall refund/unblock the excess amount paid on Application to the Applicant in accordance with the terms of this Prospectus. For further details please refer to the paragraph on "***Interest on Application & Refund Amount***" beginning on page no.156 of this Prospectus.

Maturity

The NCDs issued pursuant to this Prospectus have a fixed Maturity Date. The date of maturity for NCDs subscribed under Series I, Series II and Series III is 36 months from the Deemed Date of Allotment, for NCDs subscribed under Series IV, Series V and Series VI NCDs is 39 months from the Deemed Date of Allotment, for NCDs subscribed under Series VII and Series VIII NCDs is 60 months from the Deemed Date of Allotment and for NCDs subscribed under Series IX NCDs is 84 months from the Deemed Date of Allotment.

Procedure upon Maturity by NCD Holders

The procedure upon Maturity is set out below:

NCDs held in physical form:

No action would ordinarily be required on the part of the Individual category holder at the time of Maturity of the NCDs and the Maturity Amount(s) would be paid to those Individual category holders whose names stand in the register of NCD Holders maintained by us on the Maturity Date fixed for the purpose of payment of Maturity Amount(s). However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint holders (signed on the reverse of the NCD certificate(s)) be surrendered upon maturity and should be sent by the Individual category holder(s) by registered post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. Individual category holder (s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the Maturity Date so as to facilitate timely payment.

We may at our discretion pay the Maturity Amount(s) without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the Maturity Amount(s) would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Maturity Date fixed for the purpose of payment of Maturity Amounts. In such case, the NCD certificates would be deemed to have been cancelled. Also see the paragraph on *"Payment on Maturity"* given below.

NCDs held in electronic form:

No action is required on the part of NCD Holder(s) at the time of payment of Maturity Amounts.

Payment on Maturity

The manner of payment of Maturity Amounts is set out below:

NCDs held in physical form:

The Maturity Amounts will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s)). Despatch of cheques/pay order, etc. in respect of such payment will be made on the Maturity Date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate. The transferees, if any, should ensure lodgement of the transfer documents with us at least 15 (fifteen) days prior to the Maturity Date. In case the transfer documents are not lodged with us at least 15 (fifteen) days prior to the Maturity Date and we dispatch the Maturity Amount(s) to the transferor, claims in respect of the maturity proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrars.

Our liability to holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the Maturity Date in all events and when we dispatch the Maturity Amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of payment of Maturity Amounts of the NCD(s).

We may at our discretion pay the Maturity Amounts without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the maturity proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of payment of Maturity Amounts.

NCDs held in electronic form:

On the Maturity Date, Maturity Amounts would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Maturity Date fixed for the purpose of payment of Maturity Amounts.

These NCDs may be simultaneously extinguished to the extent of the Maturity Amounts paid through appropriate debit corporate action upon payment of the corresponding Maturity Amounts of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the Maturity Date in all events and when we dispatch the Maturity Amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of payment of Maturity Amounts of the NCD(s).

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest with interest for such additional period (the "Effective Date"). Such additional interest will be deducted from the interest payable on the next date of payment of interest. Interest and principal or other amounts, if any, will be paid on the Effective Date. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Manner of Payment of Interest / Refund / Maturity Amount

The manner of payment of interest / refund / Maturity Amount in connection with the NCDs is set out below:

For NCDs applied / held in electronic form:

The bank details will be obtained from the Depositories for payment of Interest / refund / Maturity Amount as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the Applicant at the Applicant's sole risk, and the Lead Managers, our Company or the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

For NCDs held in physical form:

The bank details will be obtained from the Registrar to the Issue as available to them for payment of interest / refund / Maturity Amount as the case may be.

The mode of interest / refund / Maturity Amount payments shall be undertaken in the following order of preference:

1. **Direct Credit**

   Investors having their bank account with the Refund Banks, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

2. **NECS**

   Payment of interest / refund / Maturity Amount shall be undertaken through NECS for Applicants having an account at the centres mentioned in NECS MICR list.

This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code, IFSC code, bank account number, bank name and branch name as appearing on a cheque leaf, from the Depositories.

3. **RTGS**

Applicants having a bank account with a participating bank and whose interest payment / refund / Maturity Amount exceeds ₹ 2 lacs, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment / refund / Maturity Amount through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrars to the Issue at least 7 (seven) days before the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment / refund / Maturity Amount shall be made through NECS subject to availability of complete bank account details for the same as stated above.

4. **NEFT**

Payment of interest / refund / Maturity Amount shall be undertaken through NEFT wherever the Applicants' bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a Magnetic Ink Character Recognition ("**MICR**"), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/refund/ Maturity Amount will be made to the Applicants through this method.

5. **Speed Post**

For all other Applicants, including those who have not updated their bank particulars with the MICR code and if the interest payment through NECS to such Applicants is unsuccessful the interest payment shall be dispatched by ordinary post for value up to ₹ 1,500/- and through Speed Post for interest payment of value above ₹ 1,500/-. The refund orders shall be dispatched through Speed Post.

Please note that Applicants are eligible to receive payments through the modes detailed in (1), (2) (3), (4) and (5) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCD, for any delay in receiving credit of interest / refund / Maturity Amount so long as our Company has initiated the process of such request in time.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form either on account of allotment (to Individual Category) or rematerialisation or transfer, the investors are advised to submit their bank account details with our Company / Registrar at least 7 (seven) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCD as available in the records of our Company.

Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Record Date

In connection with Series II, Series V, Series VIII and Series IX NCDs, 15 (Fifteen) Days prior to the date on which interest is due and payable, or the date of redemption, or as may be prescribed by the Stock Exchanges, and in connection with Series I, Series IV and Series VII NCDs, 7 (Seven) Working Days prior to the date on which interest is due and payable, or the date of redemption, or as may be prescribed by the Stock Exchanges and in connection with Series III and Series VI NCDs, 15 (Fifteen) Days prior to the date of redemption or as may be prescribed by the Stock Exchanges. If the Record Date falls on a day that is not a Working Day, then immediate subsequent Working Day will be deemed as Record Date.

Transfer/Transmission of NCD (s)

The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Companies, 1956 (to the extent applicable)/ Companies Act, 2013, as the case may be and the Company's Articles of Association will apply, mutatis mutandis (to the extent applicable to debentures) to the NCDs.

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act 2013. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the Companies Act 2013 shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCD(s) as well. In respect of the NCDs held in physical form, a suitable instrument of transfer as may be prescribed by the Issuer may be used for the same. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

For NCDs held in electronic form:

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

In case the transferee does not have a DP account, the seller can re-materialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter the NCDs can be transferred in the manner as stated above.

In case the buyer of the NCDs in physical form wants to hold the NCDs in dematerialised form, he can choose to dematerialise the securities through his DP.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under RBI requirements and as provided in our Articles of Association. Please refer to the chapter titled "***Summary of Key Provisions of Articles of Association***" beginning on page no. 210 of this Prospectus.

Taxation

For details, please see "***Statement of Tax Benefits***" on page 61 of this Prospectus.

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act 2013, confer upon the holders thereof any rights or privileges available to our members including the right to receive notices or annual reports of, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136 of the Companies Act 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to us.

2. Subject to applicable statutory/regulatory requirements, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

3. The registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

4. The NCDs are subject to the provisions of the Debt Regulations, the Companies Act 2013, the Memorandum and Articles of Association of our Company, the terms of this Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

5. A register of NCD Holders ("**Register of Debenture holders**") will be maintained in accordance with

Section 88 of the Companies Act 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. Further as the NCDs issued are also being issued in Demat form, the Depositories shall also maintain the updated register of holders of the NCDs in Demat Form. In terms of Section 88 of the Companies Act 2013, the register of beneficial owners maintained by a Depository for any NCD in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of Debenture holders for this purpose.

6. Subject to compliance with RBI/SEBI/any other regulatory authority's requirements, NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21 days prior notice for such roll over and in accordance with the Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

7. The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of the Prospectus and the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Nomination facility to NCD Holder

In accordance with Section 72 of the Companies Act 2013, Any NCD Holder may, at any time, nominate, in Form No. SH.13, any person as his nominee in whom the NCDs hall vest in the event of his death. On the receipt of the said nomination form being Form No. SH.13, a corresponding entry shall forthwith be made in the relevant register of securities holders, maintained under Section 88 of the Companies Act, 2013.

Where the NCDs are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, any person to whom all the rights in the NCDs shall vest in the event of death of all the joint holders. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in Form No.SH.13 any person as nominee.

The request for nomination should be recorded by the Company within a period of two months from the date of receipt of the duly filled and signed nomination form. In the event of death of the NCD Holder or where the NCDs are held by more than one person jointly, in the event of death of all the joint holders, the person nominated as the nominee may upon the production of such evidence as may be required by the Board, elect, either-

(a) to register himself as holder of the NCDs ; or
(b) to transfer the NCDs as the deceased holder could have done.

If the person being a nominee, so becoming entitled, elects to be registered as holder of the NCDs himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased NCD Holder(s).

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the NCDs, where a nomination made in the prescribed manner purports to confer on any person the right to vest the NCDs. the nominee shall, on the death of the holder of NCDs or, as the case may be, on the death of the joint holders, become entitled to all the rights in the NCDs, of the NCD Holder or, as the case may be, of all the joint holders, in relation to the said NCDs, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

All the limitations, restrictions and provisions of the Companies Act 2013 relating to the right to transfer and the registration of transfers of the NCDs shall be applicable to any such notice or transfer as aforesaid as if the death of the NCD Holder had not occurred and the notice or transfer were a transfer signed by that NCD Holder.

Where the nominee is a minor, it shall be lawful for the NCD Holder, making the nomination to appoint, in the prescribed manner, any person to become entitled to the NCDs, in the event of the death of the nominee during his minority. Where the nominee is a minor, NCD Holder making the nomination, may appoint a person in Form No. SH.14 specified under sub-rule (1) of Rule 19 of Companies (Share Capital and Debentures) Rules, 2014, who shall become entitled to the NCDs, in the event of death of the nominee during his minority.

A person, being a nominee, becoming entitled to NCDs by reason of the death of the NCD Holder shall be entitled to the same interests and other advantages to which he would have been entitled to if he were the registered NCD Holder except that he shall not, before being registered as a NCD Holder in respect of such NCDs, be entitled in respect of these NCDs to exercise any right conferred by subscription to the same in relation to meetings of the NCD Holders convened by the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the NCDs, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of interests, bonuses or other moneys payable in respect of the said NCDs, until the requirements of the notice have been complied with.

A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the NCD Holder who has made the nomination, by giving a notice of such cancellation or variation, to the Company in Form No. SH.14. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received by the Company.

For nominations made in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the Debenture holder(s). It will be sufficient for our Company to delete the name of the deceased Debenture holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased Debenture holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCDs. In the event of demise of the sole or first holder of the NCDs, our Company will recognize the executors or administrator of the deceased Debenture holders, or the holder of the succession certificate or other legal representative as having title to the NCDs only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

(a) Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased Debenture holder.

(b) Proof that the non-resident Indian is an Indian national or is of Indian origin. Such holding by a non-resident Indian will be on a non-repatriation basis.

Events of Default

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a Special Resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to the Company specifying that the NCDs and/or any particular Series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice inter alia if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences is specified in the Debenture Trust Deed:

(i) Default in any payment of the principal amount due in respect of any Series of the NCDs and such failure continues for a period of 30 days;

(ii) Default in any payment of any instalment of interest in respect of any Series of the NCDs and such failure continues for a period of 15 days;

(iii) Default in any payment of any other sum due in respect of any Series of the NCDs and such failure continues for a period of 15 days;

(iv) The Company is (in the reasonable opinion of the Debenture Trustee or as notified by the Company to the Debenture Trustee), or is deemed by a court of competent jurisdiction under applicable law to be, insolvent or bankrupt or unable to pay a material part of its debts, or stops, suspends or threatens to stop or suspend payment of all or a material part (in the reasonable opinion of the Debenture Trustee) of, or of a particular type of, its debts;

(v) The Company does not perform or comply with one or more of its other material obligations in relation to the NCDs and/or under the Debenture Trust Deed and/or Security Documents, which default is incapable of remedy or, if in the reasonable opinion of the Debenture Trustee is capable of remedy, is not remedied within 30 days of written notice of such default being provided to the Company by the Debenture Trustee; or

(vi) Any encumbrance takes possession, or an administrative or other receiver or an administrator is appointed, of the whole or (in the reasonable opinion of the Debenture Trustee) any substantial part of the property, assets or revenues of the Company, and is not discharged within 45 days.

The amount(s) so payable by the Company on the occurrence of one or more Event(s) of Default shall be as detailed in the Debenture Trust Deed. If an Event of Default occurs, which is continuing, the Debenture Trustee may, with the consent of the NCD Holders, obtained in accordance with the Debenture Trust Deed, and with prior written notice to the Company, take action in terms of the Debenture Trust Deed. In the event of a conflict between the terms mentioned here and those in the Debenture Trust Deed, the Bond Trust Deed shall prevail.

Trustees for the NCD Holders

We have appointed Axis Trustee Services Limited to act as the Debenture Trustees for the NCD Holders. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under Debt Regulations. Material updates, if any, between the date of filing of the Prospectus with ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

Impersonation

Attention of the Applicants is specifically drawn to sub-section (1) of Section 38 of the Companies Act 2013, reproduced below:

"Any person who:

(a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447."

Listing

The NCDs offered through this Prospectus are proposed to be listed on the Stock Exchanges. Our Company had made an application to BSE and NSE for in-principle approval and the same was received vide BSE's letter ref no. DCS/RK//PK-Bond/25/14-15 dated March 30, 2015 and NSE's letter ref. no. NSE/List/20415 dated March 30, 2015 respectively. For the purposes of the Issue, BSE shall be the Designated Stock Exchange..

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE and NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at Stock Exchange are taken within twelve (12) Working Days from the date of closure of the Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Series, such NCDs with Series(s) shall not be listed.

Utilization of Issue Proceeds

i. All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account maintained with a Scheduled Bank, other than the bank account referred to in Section 40 of the Companies Act, 2013.

ii. Details of all monies utilized out of Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;

iii. Details of all unutilized monies out of issue of NCDs, if any, referred to in sub-item (i) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

iv. We shall utilize the Issue proceeds only upon allotment of NCDs as stated in this Prospectus and on receipt of the minimum subscription 75% of the Issue; and

v. The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property; however the Issue Proceeds may be used for issuing Loans against securities.

Monitoring & Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended. Our Board shall monitor the utilization of the proceeds of the Issue. For the relevant quarters commencing from the financial year ending March 31, 2015, our Company will disclose in our quarterly financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Ranking of NCDs

The NCDs would constitute direct and secured obligations of ours and shall rank pari passu inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first charge in favour of the Debenture Trustee on an identified immovable property and specific future receivables of our Company as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs (along with the interest due thereon), which shall be free from any encumbrances The claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements.

Debenture Redemption Reserve

Regulation 16 of the Debt Regulations and Section 71 of the Companies Act 2013 states that any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures.

The Companies (Share Capital and Debentures) Rules, 2014 inter alia provides as follows:

(a) the Debenture Redemption Reserve shall be created out of the profits of the company available for payment of dividend;

(b) the company shall create Debenture Redemption Reserve equivalent to at least twenty five percent of the amount raised through the debenture issue before debenture redemption commences.

(c) every company required to create Debenture Redemption Reserve shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, of the amount of its debentures maturing during the year ending on the 31st day of March of the next year, in any one or more of the following methods, namely:-

   (i) in deposits with any scheduled bank, free from any charge or lien;

   (ii) in unencumbered securities of the Central Government or of any State Government;

   (iii) in unencumbered securities mentioned in sub-clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882;

   (iv) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of Section 20 of the Indian Trusts Act, 1882;

   (v) the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above: Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below fifteen percent of the amount of the debentures maturing during the year ending on the 31st day of March of that year;

The said Companies (Share Capital and Debentures) Rules, 2014 further provides that the amount credited to the Debenture Redemption Reserve shall not be utilised by the company except for the purpose of redemption of debentures.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Issue of Duplicate NCD Certificate(s)

If any NCD certificate(s) is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Call /Put

There is no put or call for the NCDs.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, pari passu or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection.

Lien

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to our Company.

Lien on Pledge of NCDs

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

Procedure for Rematerialisation of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time.

Sharing of Information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Jurisdiction

Our Company has in the Debenture Trusteeship Agreement agreed, for the exclusive benefit of the Debenture Trustee and the Debenture holders, that the courts in Kolkata are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Debenture Trust or the NCDs and that accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with the Debenture Trust Deed and the NCDs may be brought only in the courts in Kolkata.

ISSUE PROCEDURE

This section applies to all Applicants. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involves Application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.

ASBA Applicants should note that they may submit their ASBA Applications to the Members of the Syndicate or Trading Members only at the Syndicate ASBA Application Locations, or directly to the Designated Branches of the SCSBs. Applicants other than direct ASBA Applicants are required to submit their Applications to the Members of the Syndicate or Trading Members (at the Application centres of the Members of the Syndicate will be mentioned in the Application Form) or make online Applications using the online payment gateway of the Stock Exchange.

*Please note that this section has been prepared based on the circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI ("**Debt Application Circular**"). The procedure mentioned in this section is subject to the Stock Exchange putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by Stock Exchange and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI.*

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the Debt Application Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application. In the event of, and on the date of oversubscription, however, allotments in public issues of debt securities is to be made on a proportionate basis.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE STOCK EXCHANGES AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGES.

Please note that as per Para 4 of SEBI Circular No. CIR/CFD/DIL/12/2012 dated September 13, 2012, for making Applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB/s. Such account shall be used solely for the purpose of making Application in public issues and clear demarcated funds should be available in such account for ASBA Applications.

The Members of the Syndicate and the Company shall not be responsible or liable for any errors or omissions on the part of trading members in connection with the responsibility of Trading Members in relation to collection and upload of Applications in this issue on the electronic application platform provided by the Stock Exchange. Further Stock Exchange will be responsible for addressing investor grievances arising from Applications through Trading Members.

1. How to Apply?

i. Applicants may use any of the following facilities for making Applications:

(a) ASBA Applications through the Lead Managers, Brokers to the Issue and trading members of the Stock Exchange for Applicants who intend to hold the NCDs in demat form; ("**Syndicate ASBA**");

(b) ASBA Applications through SCSBs for Applicants who intend to hold the NCDs in demat form;

(c) Non ASBA Applications through the Lead Managers, Brokers to the Issue and trading members of the Stock Exchange for Applicants who intend to hold the NCDs in demat form; and

(d) Non ASBA Applications through the Lead Managers, Brokers to the Issue and trading members of the Stock Exchange for Applicants who intend to hold the NCDs in physical form.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct Application by investors to a public issue of their debt securities with an online payment facility ("Direct Online Application Mechanism"). In this regard, SEBI has, through the Debt Application Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. In the event that the Stock Exchange put in necessary systems, infrastructure and processes in place so as to enable the adoption of the Direct Online Application Mechanism prior to the Issue Opening Date, we shall offer eligible investors desirous

of applying in the Issue the option to make Applications through the Direct Online Application Mechanism.

ii. Availability of Prospectus and Application Forms

Physical copies of the abridged Prospectus containing the salient features of the Prospectus together with Application Forms may be obtained from:

a) Our Company's Registered Office and Head Office;
b) Offices of the Lead Managers, Lead Brokers and sub-brokers;
c) Trading Members; and
d) Designated Branches of the SCSBs.

Electronic Application Forms may be available for download on the websites of the Stock Exchange and on the websites of the SCSBs that permit submission of ASBA Applications electronically. A unique application number ("UAN") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

On a request being made by any Applicant before the Issue Closing Date, physical copies of the Prospectus and Application Form can be obtained from the Company's Registered and Head Office, as well as offices of the Lead Managers. Electronic copies of the Draft Prospectus, Prospectus will be available on the websites of the Lead Managers, the Designated Stock Exchange, SEBI and the SCSBs

iii. Who can Apply

The following categories of persons are eligible to apply in the Issue:

Category I (Institutional Category)

1. Public financial institutions, statutory corporations, commercial banks, co-operative banks and regional rural banks, which are authorized to invest in the NCDs;
2. Provident funds, pension funds, superannuation funds and gratuity fund, which are authorized to invest in the NCDs;
3. Venture capital funds and / or alternative investment funds registered with SEBI;
4. Insurance companies registered with the IRDA;
5. National investment fund;
6. Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India;
7. State industrial development corporations; and
8. Mutual funds registered with SEBI

Category II (Non-Institutional Category)

1. Companies, bodies corporate and societies registered under the applicable laws in India and authorized to invest in the NCDs;
2. Public/private charitable/religious trusts which are authorized to invest in the NCDs;
3. Scientific and/or industrial research organizations, which are authorized to invest in the NCDs;
4. Partnership firms in the name of the partners;
5. Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
6. Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorized to invest in the NCDs, and
7. Any other incorporated and/ or unincorporated body of persons.

Category III (Individual Category)

1. Resident Indian individuals; and
2. Hindu undivided families through the karta.

Please see the section titled "***Who can Apply***" under Issue Procedure at page no. 167 of this Prospectus

Note: *Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/ or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.*

Applications cannot be made by:

- Minors without a guardian name *;

- Foreign nationals inter-alia including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- Persons resident outside India including without limitation Foreign Institutional Investors, Foreign Portfolio Investors, Qualified Foreign Investors and Overseas Corporate Bodies; and
- Persons ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

The Lead Managers, and their respective associates and affiliates are permitted to subscribe in the Issue.

The information below is given for the benefit of the investors. Our Company and/or the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus.

Applications by certain categories of Applicants

Applications by Mutual Funds

No mutual fund scheme shall invest more than 15% of its NAV in debt instruments issued by a single Company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of Asset Management Company.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The Applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason there for.

Application by Scheduled Banks, Co-operative Banks and Regional Rural Banks

Scheduled Banks, Co-operative banks and Regional Rural Banks can apply in this public issue based upon their own investment limits and approvals. The Application must be accompanied by certified true copies of (i) Board Resolution authorising investments; (ii) Letter of Authorisation. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason there for.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason there for.

Applications by Indian venture capital funds registered with SEBI

Applications made by an existing Venture Capital Fund eligible to invest in accordance with the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, for Allotment of the NCDs must be accompanied by certified true copies of (i) the SEBI registration certificate of such Venture Capital Fund; (ii) a resolution authorising the investment and containing operating instructions; and (iii) specimen signatures of authorised persons. Failing this, our Company reserves the right to accept or reject any Applications from an

Venture Capital Fund in whole or in part, in either case, without assigning any reason thereof.

Venture Capital Funds applying for Allotment of the NCDs shall at all times comply with the conditions for categories as per their SEBI registration certificate and the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.

Applications by Alternative Investments Funds

Applications made by an Alternative Investments Fund eligible to invest in accordance with the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012, for Allotment of the NCDs must be accompanied by certified true copies of: (i) the SEBI registration certificate of such Alternative Investment Fund; (ii) a resolution authorising the investment and containing operating instructions; and (iii) specimen signatures of authorised persons. Failing this, our Company reserves the right to accept or reject any Applications from an Alternative Investment Fund in whole or in part, in either case, without assigning any reason thereof.

Alternative Investment Funds applying for Allotment of the NCDs shall at all times comply with the conditions for categories as per their SEBI registration certificate and the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012.

Applications by State Industrial Development Corporations

Applications made by state industrial development corporations for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which the such state industrial development corporation is incorporated and its constitutional documents; (ii) a resolution of the board of directors of such state industrial development corporation authorising investments; and (iii) specimen signature of authorized persons. Failing this, our Company reserves the right to accept or reject any Applications from such state industrial development corporation for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason there for.

Applications by Public Financial Institutions, Statutory Corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions (Resolution); (iv) Specimen signature of authorized person.

Applications under Power of Attorney or by limited companies, corporate, trust etc.

In case of Applications made pursuant to a power of attorney by Category I and Category II Applicants being Institutional and Non Institutional Category Applicants, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and

Articles of Association and/or bye laws must be lodged along with the Application Form, failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason there for.

In case of Investments made pursuant to a power of attorney by Category III Applicants being Individual Category Applicants, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of an ASBA Application pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. Failing this, our Company, in consultation with the Lead Managers reserves the right to reject such Applications.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms (ASBA as well as Non-ASBA Applications) virtually online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a Power of Attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Form subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Applications by provident funds, resident pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, resident pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs in physical form must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor

Applications by National Investment Funds

Application made by a National Investment Funds for Allotment of the NCDs in physical form must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefore.

3. **Filing of the Prospectus with ROC**

A copy of the Prospectus shall be delivered for registration with the Registrar of Companies, Kolkata, West Bengal in terms of Section 26 and Section 30 of the Companies Act 2013, along with the endorsed/certified copies of all requisite consents and documents.

4. **Procedure for Application**

A. Non-ASBA Applications

i. Applications through the Members of the Syndicate/ Trading Members of the Stock Exchange through Collecting Banks without using ASBA Facility

Applicants must use the Application Form, which will be serially numbered, bearing the stamp of the relevant Members of the Syndicate or Trading Member of the stock exchange(s), as the case may be, from whom such Application Form is obtained. All Application Forms (available for download on the website of the Stock Exchange, the Lead Managers and available in physical form as mentioned above) duly completed and accompanied by account payee cheques / drafts shall be submitted with the Members of the Syndicate, Trading Members of the Stock Exchange before the closure of the Issue. The Applications are to be submitted to the Members of the Syndicate and Trading Members on a timely manner so that the details can be uploaded on to the platform of the Stock Exchange during the Bidding Period. The cheque/bank draft can be drawn on any bank, including a co-operative bank which is situated at and is member or sub-member of the bankers' clearing-house located at the place where the Application Form is submitted, i.e. at designated collection centres of the Banker to the Issue. Outstation cheques /bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected and the collecting bank shall not be responsible for such rejections. Payment though Stockinvest would also not be allowed as the same has been discontinued by the RBI *vide* notification No. DBOD.NO.FSC.BC. 42/24.47.001/2003-04 dated November 5, 2003. Cash/Stockinvest/Money Orders/Postal

Orders will not be accepted. In case payment is effected in contravention of conditions mentioned herein, the Application is liable to be rejected and Application Amount will be refunded and no interest will be paid thereon. A separate cheque / bank draft must accompany each Application Form. No cash payments shall be accepted.

All cheques / bank drafts accompanying the Applications made by eligible Applicants should be crossed "A/c Payee only" and must be made payable to "SEFL - NCD I Public Issue Escrow Account ".

The Members of the Syndicate/ Trading Members of the Stock Exchange, upon receipt of the Non-ASBA Applications, shall upload all the details of the Applications on the online platform of the Stock Exchange. The Members of the Syndicate/ Trading Members of the Stock Exchange shall thereafter submit the physical Application Form along with the cheque/ bank draft to the Escrow Collection Banks. The Members of the Syndicate/ Trading Members of the Stock Exchange are requested to note that all Applications are required to be banked with only the designated branches of Escrow Collection Banks.

Applicant's Bank Account Details

The Registrar to the Issue will obtain the Applicant's bank account details from the Depository. The Applicant should note that on the basis of the name of the applicant, PAN details, Depository Participant's (DP) name, Depository Participants identification number and beneficiary account number provided by them in the Application Form and uploaded in platform of the Stock Exchange, the Registrar to the Issue will obtain the Applicant's bank account details from the Depositories. The Applicants are advised to ensure that bank account details are updated in their respective DP Accounts as these bank account details would be printed on the refund order(s) or used for refunding through electronic mode, as applicable. Please note that failure to do so could result in delays in credit of refunds to Applicants at the Applicant's sole risk and neither the Lead Managers, our Company, the Refund Banker(s) nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Applicant's Depository Account Details

ALL APPLICANTS WHO HAVE A DEMAT ACCOUNT AND WISH TO HOLD NCDs IN DEMAT FORM SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, PAN DETAILS, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM.

Applicant should note that on the basis of name of the applicant, PAN details, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Application Form and uploaded in the Platform of the Stock Exchange, the Registrar to the Issue will obtain from the Depository, demographic details of the Applicant such as address, PAN, bank account details for printing on refund orders or used for refunding through electronic mode, as applicable **("*Demographic Details*").** Hence, Applicants should carefully fill in their Depository Account details in the Application Form. Applicants are advised to update their Demographic Details such as address, PAN and bank account details such as account number, ISFC, MICR code etc. with their Depository Participants and ensure that they are true and correct.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the refund orders/ Allotment Advice and printing of bank particulars on the refund/interest order and the Category. PAN of Applicants and the Demographic Details given by Applicant in the Application Form would not be used for these purposes by the Registrar.

Refund orders/Allotment Advice would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicant may note that delivery of Refund orders/Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicant's sole risk and neither we nor the Lead Managers or the Registrars shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

However in case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of Refund orders /Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Applicants (including the order of names of joint holders), (b) the DP ID and (c) the beneficiary account number, then such Applications are liable to be rejected.

ii. Applications for allotment of physical NCDs by Non-ASBA Applicants

All Applicants who intend to apply for NCDs in physical form, should submit the Application Forms duly completed and accompanied by account payee cheques / drafts and the Know Your Customer ("KYC") documents shall be submitted with the Members of the Syndicate, Trading Members of the Stock Exchange. The cheque/bank draft can be drawn on any bank, including a co-operative bank which is situated at and is member or sub-member of the bankers' clearing-house located at the place where the Application Form is submitted, i.e. at designated collection centres of the Banker to the Issue. Outstation cheques /bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected and the Escrow Collection Banks shall not be responsible for such rejections. Payment though Stockinvest would also not be allowed as the same has been discontinued by the RBI *vide* notification No. DBOD.NO.FSC.BC.42/24.47.001/2003-04 dated November 5, 2003. Cash/Stockinvest/Money Orders/Postal Orders will not be accepted. In case payment is effected in contravention of conditions mentioned herein, the Application is liable to be rejected and Application Amount will be refunded and no interest will be paid thereon. A separate cheque / bank draft must accompany each Application Form. No cash payments shall be accepted.

Any Applicant who provides Depository Participant details in the Application Form shall be Allotted the NCDs in dematerialised form only, irrespective of whether such Applicant has provided the details required for Allotment in physical form. Such Applicant shall not be Allotted NCDs in physical form.

All cheques / bank drafts accompanying the Applications made by eligible Applicants should be crossed "A/c Payee only" and must be made payable to "SEFL - NCD I Public Issue Escrow Account".

KYC Documents to be submitted by Non-ASBA Applicants who are applying for NCDs in the Physical Form

a. Self-attested copy of the proof of identification (for individuals);

Any of the following documents shall be considered as a verifiable proof of identification:

- Passport;
- Voter's ID;
- Driving Licence;
- Government ID Card;
- Defence ID Card;
- Photo PAN Card
- Photo Ration Card.

b. Self-attested copy of the PAN card;

c. Self-attested copy of the proof of residence;

Any of the following documents shall be considered as a verifiable proof of residence:

- ration card issued by the GoI;
- valid driving license issued by any transport authority of the Republic of India;
- electricity bill (not older than three months);
- landline telephone bill (not older than three months);
- valid passport issued by the GoI;
- AADHAR Card / Letter issued by Unique Identification Authority of India ("UIDAI");
- voter's Identity Card issued by the GoI;
- passbook or latest bank statement issued by a bank operating in India;
- registered leave and license agreement or registered agreement for sale or rent agreement or flat maintenance bill;
- self-attested copy of Registered Office address in case of Applicants under Category I or Category II; or
- Life insurance policy.

d. Self-attested copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest, as applicable, should be credited.

The Applicant shall be responsible for providing the above information accurately. Delays or failure in credit of the payments due to inaccurate details shall be at the sole risk of the Applicants and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for the same.

Applications for Allotment of the NCDs in physical form, which are not accompanied with the aforestated documents, may be rejected at the sole discretion of our Company.

The Members of the Syndicate/ Trading Members of the Stock Exchange shall on receipt of the completed Application Form along with the KYC Documents and the cheque/ draft, provide an acknowledgment of the Application to the Applicant. After verification of the KYC documents submitted by the Applicant along with the Application, the Members of the Syndicate/ Trading Members of the Stock Exchange shall upload all such details of the Applicant that is required for the purpose of allotment based on the Application Form on the online platform of the Stock Exchange. The Members of the Syndicate/ Trading Members of the Stock Exchange shall thereafter submit the physical Application Form (duly stamped by such Members of the Syndicate/ Trading Members of the Stock Exchange) along with the cheque/ bank draft and the KYC Documents to the Escrow Collecting Bank(s).

The Members of the Syndicate/ Trading Members of the Stock Exchange are required to ensure that the Applicants are competent to contract under the Indian Contract Act, 1872 including minors applying through guardian.

In absence of the cancelled cheque, the Issuer may reject the Application or it may consider the bank details as given on the Application Form at its sole discretion. In such case the Issuer, Lead Managers and Registrar shall not be liable for any delays / errors in payment of refund and/or interests.

The Registrar shall dispatch the physical certificate to the Applicant as per address provided in the Application. In case KYC documents are not proper, Registrar shall hold back physical certificate pending receipt of complete KYC documents from the Applicant.

The Members of the Syndicate and the Trading Members of the Stock Exchange shall ensure they shall accept Application Forms only in such cities/ towns where the banking branches (Escrow Banks) are available. Details of the branches of the Escrow Banks where the Application Form along with the cheque/ demand draft submitted by a Non ASBA Applicant shall be deposited by the Members of the Syndicate and Trading Members are available on the website of the Stock Exchange at www.bseindia.com **and www.nseindia.com. A link shall also be provided to the above mentioned websites in the Application Form as well.**

B. ASBA Applications

Procedure for Application through the Members of the Syndicate/ Trading Members of the Stock Exchange using the Applications Supported by Blocked Amount ("ASBA") facility and Applications through SCSBs using ASBA facility

This section is for the information of the Applicants proposing to subscribe to the Issue through the ASBA Process ("**ASBA Investors**"). Please note that Application through ASBA is optional for all categories of Applicants. The Lead Managers and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. ASBA Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the amount payable on Application has been blocked in the relevant ASBA Account.

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on http://www.sebi.gov.in. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above mentioned SEBI link.

ASBA Applicants applying through a Member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only in the Specified Cities. ASBA Applicants should also ensure that Application Forms submitted to the Members of the Syndicate in the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Syndicate to deposit the Application Form from ASBA Applicants (A list of such branches is available at http://www.sebi.gov.in. ASBA Applicants Applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch, of a SCSB where the ASBA Account is maintained (A list of such branches is available at http://www.sebi.gov.in).

Those Applicants who wish to apply through the ASBA process by filling in physical Application Form will have to select the ASBA mechanism in Application Form and provide necessary details. The filled in Application Form containing instructions to SCSB to block the Application Amount shall be submitted to the designated branches of the SCSBs. The ASBA Applications can also be submitted with the Member of the Syndicate at the Syndicate ASBA Centres (only in Specified Centres) or with the Trading Members of the Stock Exchange, who shall in turn upload all such details of the Applicant that is required for the purpose of allotment based on the ASBA Application Form on the Platform of the Stock Exchange and forward the same to the SCSBs, in accordance with the circulars issued by SEBI in this regard from time to time. The Members of

Syndicate and Trading Members of the Stock Exchange shall accept ASBA Applications only at the Syndicate ASBA Centres and should ensure that they verify the details about the ASBA Account and relevant SCSB prior to accepting the Application Form.

Care should be taken that such Application Forms should bear the stamp of the relevant SCSB, Members of the Syndicate or trading members of the Stock Exchange, otherwise they will be rejected.

ASBA Application in electronic mode will only be available with such SCSBs who provide such facility. In case of Application in such electronic form, the ASBA Applicant shall submit the Application Form with instruction to block the Application amount either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA Account held with SCSB, as would be made available by the concerned SCSB.

In case of ASBA Application in physical mode, the ASBA Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB. The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the bidding platform of the stock exchange(s). If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the bidding platform of the stock exchange(s). If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the bidding platform of the stock exchange(s). The Designated Branch of the SCSBs shall stamp the Application Form.

Applications are liable to be rejected, wherein the SCSBs are not able to block the funds for Application Forms which have been uploaded by the Member of the Syndicate or Trading Members of the Stock Exchange due to any reason.

ASBA Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the stock exchange(s) at least one day prior to the Issue Opening Date. The Application Forms would be serially numbered. Further, the SCSBs shall ensure that the abridged Prospectus is made available on their websites.
(b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from ASBA Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from ASBA Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue Programme, please refer to "***General Information***" on page 32 of this Prospectus.
(c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Members of the Syndicate or Trading Members of the stock exchange(s), as the case maybe, if not, the same shall be rejected. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs, if not, the same are liable to be rejected.

Submission of Non-ASBA Applications (Other than Direct Online Applications)

Applicants must use the specified Application Form, which will be serially numbered, bearing the stamp of the relevant Lead Manager, Lead Broker, sub-broker or Trading Member of the Stock Exchange, as the case maybe, from whom such Application Form is obtained. Such Application Form must be submitted to the relevant Lead Manager, Lead Broker, sub-broker or Trading Member of the Stock Exchange, as the case maybe, at the centres mentioned in the Application Form along with the cheque or bank draft for the Application Amount, before the closure of the Issue Period. **Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for payment of the Application Amount.** The Stock Exchange may also provide Application Forms for being downloaded and filled. Accordingly the investors may download Application Forms and submit the completed Application Forms together with cheques/ demand drafts to the Lead Manager, Lead Broker, sub-broker or Trading Member of the Stock Exchange at the centres mentioned in the Application Form. On submission of the complete Application Form, the relevant Lead Manager, Lead Broker, sub-broker or Trading Member of the Stock Exchange, as the case maybe, will upload the Application Form on the electronic system provided by the Stock Exchange, and once an Application Form has been uploaded, issue an acknowledgement of such upload by stamping the acknowledgement slip attached to the Application Form with the relevant date and time and return the same to the Applicant. Thereafter, the Application Form together with the cheque or bank draft shall be forwarded to the Escrow Collection Banks for realization and further processing.

The duly stamped acknowledgment slip will serve as a duplicate Application Form for the records of the

Applicant. The Applicant must preserve the acknowledgment slip and provide the same in connection with:

a. any cancellation/ withdrawal of their Application;
b. queries in connection with allotment and/ or refund(s) of NCDs; and/or
c. all investor grievances/ complaints in connection with the Issue.

Submission of Direct Online Applications

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility will be as per the Stock Exchange and the Stock Exchange have till date not issued any circular confirming that the necessary infrastructure and facilities for the same has been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

Relevant "know your customer" details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated UAN and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

As per Circular No. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchange putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI.

Mode of payment

The Applicant applying under the ASBA Process agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form or through which the Application is being made in case of electronic ASBA Application, the SCSB shall block an amount equivalent to the amount payable on Application mentioned in the Application Form until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account. This amount will be transferred into the Public Issue Account maintained by us as per the provisions of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSBs.

The SCSB may reject the Application at the time of acceptance of Application Form if the ASBA Account with the SCSB, details of which have been provided by the Applicant in the Application Form, does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, the Registrar would have a right to reject the Application only on technical grounds.

In the event of withdrawal or rejection of Application Form or for unsuccessful Application Forms, the Registrar shall give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within twelve (12) Working Days of receipt of such instruction.

Depository account and bank details for Applicants applying under the ASBA Process

IT IS MANDATORY FOR ALL THE APPLICANTS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR NCDS IN DEMATERIALISED FORM. ALL APPLICANTS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, PAN DETAILS, BANK ACCOUNT DETAILS, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM.

Applicants applying under the ASBA Process should note that on the basis of name of these Applicants, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository demographic details of these Applicants such as PAN, address for printing on Allotment advice and occupation

("Demographic Details"). Hence, Applicants applying under the ASBA Process should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with such Applicants including mailing of the letters intimating unblocking of their respective ASBA Accounts. The Demographic Details given by the Applicants in the Application Form would not be used for any other purposes by the Registrar. Hence, Applicants are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Applicants applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking the funds would be mailed at the address of the ASBA Applicant as per the Demographic Details received from the Depositories. The Registrar to the Issue will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent NCDs are not allotted to such ASBA Applicants. ASBA Applicants may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned/undelivered.

Note that any such delay shall be at the sole risk of the ASBA Applicants and none of us, the SCSBs or the Lead Managers shall be liable to compensate the Applicant applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Applicants (including the order of names of joint holders), (b) the DP ID and (c) the beneficiary account number, then such Applications are liable to be rejected.

5. **Instructions for completing the Application Form**

Submission of Application Form

General Instructions

- Applications to be made in prescribed form only;
- The forms to be completed in block letters in English;
- Ensure that the details about Depository Participant and Beneficiary Account in the Applications for seeking allotment of NCDs in dematerialised mode are correct, as allotment of NCDs to these Applicants will be in the dematerialized form only;
- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta;
- Information provided by the Applicants in the Application Form will be uploaded on to the Platform of the Stock Exchange by the Members of the Syndicate, Trading Members of the Stock Exchange as the case may be, and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- Ensure that the Applications are submitted to the Members of the Syndicate and Trading Members on a timely manner on the Issue Closing Date so that the details can be uploaded before the closure of the bidding period;
- Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. In case of Applications for Allotment in physical form, Applicants should submit a self-certified copy of their PAN card as part of the KYC documents. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;;
- Applicants (other than those applying for Allotment of NCDs in physical form) should correctly mention their DP ID and Client ID in the Application Form. For the purpose of evaluating the validity of Applications, the Demographic Details of Applicants shall be derived from the DP ID and Client ID mentioned in the Application Form;
- Applicants applying for Allotment of NCDs in physical form should submit the KYC documents as

mentioned above;

- Ensure that you request for and receive a TRS for all your Applications and an acknowledgement as a proof of having been accepted;
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form;
- All Applicants are required to tick the relevant box of the "Mode of Application" in the Application Form choosing either ASBA or Non-ASBA mechanism;
- All Applicants applying through Non-ASBA mechanism shall mention the Application Number, Sole/ first Applicant's name and the phone number on the reverse side of the cheque and demand draft;
- Ensure that you select the correct option while filling in the Application Form.;
- All Application Forms (except in case of Application Forms through ASBA mechanism) duly completed together with cheque/bank draft for the amount payable on Application must be delivered before the closing of the subscription list to any of the Members of the Syndicate and Trading Members of the Stock Exchange, who shall upload the same on the Platform of the Stock Exchange before the closure of the Issue; and
- No receipt will be issued for the Application Amount. However, Bankers to the Issue and/or their branches receiving the Applications will acknowledge the same;

Further Instructions for ASBA Applicants

- ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch, otherwise the concerned SCSB shall reject the Application;
- If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account;
- For ASBA Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchange on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;
- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchange and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

Our Company shall allocate and allot Series II NCDs wherein the Applicants have not indicated their choice of the relevant NCD Series or have applied for wrong Series.

Permanent Account Number

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act (Except for Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market). In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. For minor Applicants applying through the guardian, it is mandatory to mention the PAN of minor Applicant. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

Terms of Payment

The entire face value for the NCDs is payable on Application only. In case of allotment of lesser number of NCDs than the number applied, our Company shall refund / unblock the excess amount paid on Application to the applicant.

Payment mechanism for ASBA Applicants

The ASBA Applicants shall specify the ASBA Account number in the Application Form.

For ASBA Applications submitted to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allocable to the successful ASBA Applicants to the Public Issue Account(s). In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Escrow Mechanism for Applicants other than ASBA Applicants

We shall open Escrow Account(s) with each of the Escrow Collection Bank(s) to the Issue, in whose favour the non-ASBA Applicants, shall draw the cheque or demand draft in respect of their Application. Cheques or demand drafts for the Application amount received from Applicants would be deposited in the Escrow Account. All cheques/demand drafts accompanying the Application should be crossed “A/c Payee only” by eligible Applicants and must be made payable to SEFL - NCD I Public Issue Escrow Account. Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for payment of the Application Amount.

The Escrow Collection Bank(s) shall transfer the funds from the Escrow Account into the Public Issue Account(s), as per the terms of the Escrow Agreement and Prospectus.

The Escrow Collection Banks will act in terms of the Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Applicants, shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of NCDs (other than in respect of Allotment to successful ASBA Applicants) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account(s).

The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the relevant Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement and Prospectus.

The Banker(s) to the Issue will act in terms of the the Escrow Agreement and Prospectus. The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Lead Managers, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Applicants.

Payment by cash/ Stock Invest/ money order

Payment through cash/ Stock Invest/ money order shall not be accepted in this Issue.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange have confirmed that the necessary infrastructure and facilities for the same have not been implemented by both Stock Exchange. Hence, the Direct Online

Application facility will not be available for this Issue.

6. **General Instructions**

Do's

- Check if eligible to apply;
- Read all the instructions carefully and complete the Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account in the Applications for seeking allotment of NCDs in dematerialised mode are correct, as allotment of NCDs to these Applicants will be in the dematerialized form only;
- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta;
- Ensure that the Applications are submitted to the Members of the Syndicate and Trading Members on a timely manner on the Issue Closing Date so that the details can be uploaded before the closure of the Bidding Period;
- Ensure that the Applicant's name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant;
- Ensure that you mention your PAN allotted under the IT Act;
- Ensure the use of an Application Form bearing the stamp of the relevant SCSB, Trading Members of the Stock Exchange or the Members of the Syndicate (except in case of electronic ASBA Applications) to whom the Application is submitted;
- Ensure that you receive an acknowledgement from the Designated Branch, the Trading Member of the Stock Exchange or from the Members of the Syndicate, as the case may be, for the submission and upload of your Application Form;
- Ensure that the Demographic Details are updated, true and correct in all respects (except in case where the Application is for NCDs in physical form);
- If applying for NCDs in physical form ensure the KYC documents are submitted along with the Application Form;
- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities, as applicable to each category of investor, to apply for, subscribe to and/or seek allotment of NCDs pursuant to the Issue;
- Ensure the use of an Application Form bearing the stamp of the relevant SCSB, Trading Members of the Stock Exchange or the Members of the Syndicate (except in case of electronic ASBA Applications) to whom the Application is submitted;
- Ensure that you select the correct option while filling in the Application Form;
- In case you are submitting an Application Form to a trading member ensure that he is located in a town / city that has an escrow banking facility (a list of such locations are available on the websites of Stock Exchange, and at www.sebi.gov.in); and
- Ensure that you receive an acknowledgement from the Designated Branch, the Trading Member of the Stock Exchange or from the Members of the Syndicate, as the case may be, for the submission and upload of your Application Form;

Do's for ASBA Applicants in addition to the above mentioned general instructions

- Ensure that you specify ASBA as the 'Mode of Application' and use the Application Form bearing the stamp of the relevant SCSB, Trading Members of the Stock Exchange or the members of the Syndicate (except in case of electronic Application Forms) to whom the Application is submitted;
- Ensure that your Application Form is submitted either at a Designated Branch of an SCSB, with a Trading Member of the Stock Exchange or with the members of the Syndicate at the Syndicate ASBA Centres (in Specified Cities) where the ASBA Account is maintained and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- ASBA Applicants applying through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only in the Specified Cities. ASBA Applicants should also ensure that Application Forms submitted to the Syndicate in the Specified Cities will not be accepted if the SCSB

where the ASBA Account, as specified in the Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit the Application Form from ASBA Applicants Bidders (A list of such branches is available at http://www.sebi.gov.in). ASBA Applicants Applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch, of a SCSB where the ASBA Account is maintained.

- Ensure that the Application Form is also signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- Ensure that you have funds equal to or more than the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch, with a Trading Member of the Stock Exchange or to the members of the Syndicate;
- Ensure that you have correctly checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the Designated Branch, the Trading Member of the Stock Exchange or from the members of the Syndicate, as the case may be, for the submission of your Application Form; and
- In case you are submitting the Application Form to a member of the Syndicate, please ensure that the SCSBs with whom the ASBA Account specified in the Application Form is maintained, has a branch specified for collecting such Application Forms in the location where the Application Form is being submitted.

Don’ts:

- Do not apply for lower than the minimum Application size;
- Do not pay the Application amount in cash or by money order or by postal order or by Stockinvest;
- Do not fill up the Application Form such that the NCDs applied for exceeds the issue size and/or investment limit applicable to such investor under laws or regulations applicable to such investor or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground; and
- Do not submit the Application Forms without the full Application Amount;
- Do not submit Application Forms in non-ASBA mode to any of the Collection Centres of the Bankers to the Issue/Registrar/Company;
- Do not submit Application accompanied with Stockinvest.

The Reserve Bank of India has issued standard operating procedure in terms of paragraph 2(a) of RBI circular number DPSS. CO. CHD. No./133/04.07.05/2013-14 dated July 16, 2013, detailing the procedure for processing CTS 2010 and non-CTS 2010 instruments in the three CTS grid locations.

SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011 stipulated the time between closure of the Issue and listing at 12 Working Days. In order to enable compliance with the above timelines, investors are advised to use CTS cheques or use ASBA facility to make payment. Investors using non-CTS cheques are cautioned that applications accompanied by such cheques are liable to be rejected due to any clearing delays beyond 6 Working Days from the date of the closure of the Issue to avoid any delay in the timelines mentioned in the aforesaid SEBI Circular.

Don’ts for ASBA Applicants in addition to the above mentioned general instructions

- Payment of Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts shall not be accepted under the ASBA;
- Do not send your physical Application Form by post. Instead submit the same to a Designated Branch, a Trading Member of the Stock Exchange or to a member of the Syndicate, as the case may be;
- Do not submit more than five Application Forms per ASBA Account;
- Do not submit the Application Form with a member of the Syndicate, at a location other than where the Syndicate ASBA Centres are located; and

- Do not submit ASBA Applications to a member of the Syndicate or the Trading Members of the Stock Exchange unless the SCSB where the ASBA Account is maintained as specified in the Application Form, has named at-least one branch, as displayed on the SEBI website (*http://www.sebi.gov.in*) in the relevant area for the Syndicate or the Trading Members of the Stock Exchange to deposit the Application Forms.

7. **Other Instructions**

A. Joint Applications

Applications may be made in single or joint names (not exceeding three). If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. In the case of joint Applications, all payments will be made out in favour of the first applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

B. Additional / Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other Series of NCDs (as applicable to the category of investors he/she/it belongs), subject to a minimum Application size of ₹ 10,000 (10 NCDS , and in multiples of ₹ 1,000 thereafter, for each Application. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as joint applicant, shall not be deemed to be a multiple Application.

For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more Applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

C. Depository Arrangements

As per the provisions of Section 29 of the Companies Act 2013 read with Section 8 of Depositories Act, 1996, the allotment of NCDs of our Company can be made in both dematerialised form (i.e. not in the form of physical certificates but be fungible and be represented by the Statement issued through electronic mode) as well as physical form.

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the Depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialized form. In this context:

i. Tripartite Agreement dated March 27, 2015 between us, the Registrar to the Issue and NSDL, respectively for offering depository option to the Investors,

ii. Tripartite Agreement dated March 27, 2015 between us, the Registrar to the Issue and CDSL, respectively for offering depository option to the Investors,

iii. An Applicant who wishes to apply for NCDs in the electronic form must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application,

iv. The Applicant seeking allotment of NCDs in the Electronic Form must necessarily fill in the details (including the beneficiary account number and DP's ID) appearing in the Application Form under the heading 'Request for NCDs in Electronic Form',

v. NCDs allotted to an Applicant in the Electronic Account Form will be credited directly to the Applicant's respective beneficiary account(s) with the DP,

vi. For subscription in electronic form, names in the Application Form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository,

vii. Non-transferable Allotment Advice/refund orders will be directly sent to the Applicant by the Registrars to this Issue,

viii. If incomplete/incorrect details are given under the heading 'Request for NCDs in electronic form' in the Application Form, it will be deemed to be an Application for NCDs in physical form and thus will be rejected.

ix. For allotment of NCDs in electronic form, the address, nomination details and other details of the Applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, our Company would not be liable for losses, if any,

x. It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL,

xi. The trading of the NCDs shall be in dematerialized form only.

D. Communications

- All future Communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.
- Applicants can contact the Compliance Officer to the Issue/Compliance Officer of our Company/Lead Managers or the Registrar to the Issue in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non- receipt of Allotment Advice / credit of NCDs in depository's beneficiary account / refund orders, etc. applicants may contact our Compliance Officer as well as the contact persons of the Company/Lead Managers/Lead Brokers or Registrar. Please note that Applicants who have applied for the NCDs through Trading Members should contact the Stock Exchange in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / credit of NCDs in depository's beneficiary account/ refund orders, etc.

8. **Rejection of Application**

The Board of Directors and/or any committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Amount paid doesn't tally with the amount payable for the NCDs applied for. However, our Company may allot NCDs up to the value of application monies paid, if such Application Monies exceed the minimum Application Size as prescribed hereunder;
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants;
- GIR number furnished instead of PAN;
- Date of Birth for First/ Sole Applicant for persons applying for allotment of NCDs in physical form not mentioned in the Application Form;
- Bank account details not given, for Applicants seeking allotment in physical mode;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications by any persons outside India, including Applications by OCBs;
- Any Application for an amount below the minimum Application size;
- Application for number of NCDs, which are not in multiples of one;
- Category not ticked;
- Payment option not ticked;
- Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Application Form does not have Applicant's depository account details and has not opted for Allotment of NCDs in physical form;
- Applications accompanied by Stockinvest/money order/postal order;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form

and the Draft Prospectus and Prospectus and as per the instructions in the Draft Prospectus and Prospectus and the Application Form;

- In case the subscription amount is paid in cash;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the applicant, the Depository Participant's Identity and the beneficiary's account number;
- ASBA Applications submitted directly to the Escrow Collection Banks, if such bank is not the SCSB;
- Application Form accompanied with more than one cheque;
- Application not uploaded in to the Platform of the Stock Exchange.
- Applications submitted directly to the Escrow Collection Banks, if such bank is not the SCSB;
- Application Form accompanied with more than one cheque;
- Applications not being signed by the sole/joint Applicants;
- For Applications in demat mode, DP ID/Client ID/PAN as per Electronic file does not match with depository records
- Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- ASBA Application Forms not being signed by the ASBA Account holder;
- ASBA Applications not having details of the ASBA Account to be blocked;
- With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- Applications where clear funds are not available in the Applicant’s bank account as per final certificates from Escrow Collection Banks;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian;
- Copy of KYC documents not provided in case of option to hold NCDs in physical form;
- Authorization to the SCSB for blocking funds in the ASBA Account not provided;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- ASBA Applications submitted to the Members of Syndicate or Trading Members of the Stock Exchange at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- Application for allotment in physical form for Series I, Series IV and Series VII NCDs;

Kindly note that the ASBA Applications being submitted with the Member of the Syndicate or with the Trading Members of the Stock Exchange should be submitted at the Syndicate ASBA Centres (only in Specified Cities). Further, ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one Designated Branch at that Specified City for the Members of the Syndicate or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in).

For further instructions regarding Application for the NCDs, investors are requested to read the Application Form.

9. **Retention of oversubscription**

Our Company is making a public Issue of NCDs aggregating upto ₹ 2500 million with an option to retain oversubscription upto ₹ 2500 million, aggregating to ₹ 5000 million.

10. **Investor Withdrawals and Pre-closure**

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Closing Date, subject to receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

If our Company does not receive the minimum subscription of 75% of Base Issue, our Company will refund the entire application monies within 12 working days from the Issue Closing Date. If there is delay in the refund of the application monies, our Company becomes liable to refund the subscription amount along with interest at the rate of 15 (fifteen) percent per annum for the delayed period to the same bank account from which the Application Money was received by our Company.

Under Section 39(3) of the Companies Act 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Company and/or Registrar, refunds will be made to the account prescribed. However, where the Company and/or Registrar does not have the necessary information for making such refunds, the Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Undertaking by the Issuer

Statement by the Board:

(i) All monies received pursuant to the Issue shall be transferred to a separate bank account other than the bank account referred to in Section 40(3) of the Companies Act 2013;

(ii) Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in our Company's financial results, indicating the purpose for which such monies were utilized; and

(iii) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our Company's financial results, indicating the form in which such unutilized monies have been invested.

(iv) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;

(v) We shall utilize the Issue proceeds only upon execution of the documents for creation of security as stated in this Prospectus and on receipt of the minimum subscription of 75% of the Base Issue.

(vi) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

Other Undertakings by the Company

The Company undertakes that:

a. Complaints received in respect of the Issue will be attended to by the Company expeditiously and satisfactorily;
b. Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
c. Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 12 Working Days of the Issue Closing Date;
d. Funds required for dispatch of refund orders/Allotment Advice/NCD Certificates will be made available by our Company to the Registrar to the Issue;
e. Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Statutory Auditor, to the Debenture Trustee;
f. Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in the Prospectus.
g. Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.
h. Our Company undertakes that the necessary documents for the creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant

regulations/act/rules and the same would be uploaded on the website of the Designated Stock exchange, where the debt securities will be listed, within five working days of execution of the Trust Deed.

11. **Utilization of Application Amount**

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND STATUTORY DEFAULTS

As on date of this Prospectus, there are no defaults or non-payment of statutory dues including institutional / bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against our Company. Except as described below, there are no outstanding litigations against our Company that may have an adverse effect on our business.

Save and except as disclosed herein below, there are no pending proceedings/litigations pertaining to:

- *matters likely to affect operation and finances of our Company including disputed tax liabilities of any nature;*
- *criminal prosecution launched against our Company and the Directors for alleged offences under the enactments specified in Paragraph 1 of Part I of Schedule V to the Companies Act, 2013.*
- *litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter during the last five years immediately preceding the date of this Prospectus and /or any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;*
- *litigation involving our Company, our Promoter, our Director and our group companies or any other person, whose outcome could have material adverse effect on the position of our Company;*
- *proceedings initiated against our Company for economic offences;*
- *matters pertaining to default and non-payment of statutory dues;*
- *matters pertaining to any material frauds committed against our Company in the last five financial years; and*
- *Any inquiry, inspections or investigations initiated or conducted under the Companies Act 2013 or any previous companies' law in the last five years in the case of our Company.*

Save and except as disclosed herein below:

- *No other prosecutions were filed under the Companies Act 2013 or any previous companies' law in the last five years in the case of our Company;*
- *No other fines were imposed under the Companies Act 2013 or any previous companies' law in the last five years in the case of our Company; and*
- *No other compounding of offences was done in the last five years under the Companies Act 2013 or any previous companies' law in the last five years in the case of our Company.*

Further, save and except as disclosed herein there are no matters likely to affect operation and finances of our Company including disputed tax liabilities of any nature and there are no such litigation whose outcome could have material adverse effect on our position and involves our Company, our Promoter, our Directors, our group companies or any other person.

Further from time to time, we have been and continue to be involved in legal proceedings filed by and against us, arising in the ordinary course of our business. These legal proceedings are both in the nature of civil and criminal proceedings. We believe that the number of proceedings in which we are / were involved is not unusual for a company of our size doing business in India.

The term "material" as used herein means:

i. Any Legal Proceeding which may have any impact on the current or future revenues of the Company, whether individually or in aggregate, where the aggregate amount involved in such proceedings approximately exceeds ₹220 million ; and/or

ii. Where the decision in one proceeding is likely to affect the decision in other proceedings, even though the amount involved in single proceeding individually may not exceed ₹220 million ; and/or

iii. Where such Legal Proceedings individually or in the aggregate is likely to disrupt and/or adversely impact the operations and/or profitability of the Company.

Applying the aforementioned parameters, in the view of our Company, all pending proceedings whether civil, arbitral, tax related litigations, or otherwise, of value more than ₹220 million are material/potentially material to the Company.

Litigation involving our Company

(I) Atlanta Limited and Mr Rikiin Rajhoo Bbarot (director of Atlanta Limited) has filed Contempt Petition No 57 of 2012 in Suit No 1758 of 2011 before the Honorable High Court of Bombay against Srei Equipment Finance Limited, and others, alleging violation of consent terms in Suit No 1195 of 2011. The said suit (L) No. 1195 of 2011 was filed by Atlanta Limited against our Company and Srei Infra, before the Honorable High Court at Bombay for release of certain number of shares which were pledged in favour of Srei Equipment Finance Limited by the said Mr Rikiin Rajhoo Bbarot for loans taken by Atlanta Limited. Atlanta Limited has further alleged that as part of the consent terms in which it was agreed inter alia that the respondents in Suit No 1195 of 2011 shall not institute any fresh complaint/ proceedings against Atlanta Limited and it is further alleged that Srei Equipment Finance Limited, regardless of the terms of the consent terms had informed CIBIL of the repayment defaults of Atlanta Limited. As such Atlanta Limited and Mr. Rikiin Rajhoo Bbarot (director of Atlanta Limited) has filed Contempt Petition No 57 of 2012 against Srei Equipment Finance Limited and other directors of Srei Equipment Finance Limited. In addition to the above. Atlanta Limited has also filed Suit No 2560 of 2012 against Srei Equipment Finance Limited and others claiming damages to the extent of ₹50,00,00,000/- (Rupees Fifty Crores) alleging wrongful lodging of incorrect and false compliant with CIBIL and the damages caused as a result thereto. The Notice of Motion no. 493 of 2013 filed with the above referred civil suit has been dismissed vide order dated July 25, 2013 of Honorable High Court of Bombay. Both the Contempt Petition No 57 of 2012 and Civil Suit No 2560 of 2012 are pending as on date.

(II) Our Company has initiated arbitration proceedings against Green Concretex Global Limited claiming our outstanding dues along with interest thereon, which aggregates to approximately ₹22.7 Crores. Additionally an Application under Section 9 of Arbitration and Conciliation Act 1996 being A.P. No 1465 of 2014 has been filed before the Hon'ble High Court at Calcutta by our Company against Green Concretex Global Limited. Both the proceedings are pending as on date.

(III) Our Company has initiated arbitration proceedings against Partha De, the proprietor of M/s Green Concretex claiming our outstanding dues along with interest thereon, which aggregates to approximately ₹31.1 Crores. Additionally an Application under Section 9 of Arbitration and Conciliation Act 1996 being A.P. No 1464 of 2014 has been filed before the Hon'ble High Court at Calcutta by our Company against Partha De, the proprietor of M/s Green Concretex. Both the proceedings are pending as on date.

(IV) Our Company has initiated three separate arbitration proceedings against one DSC Limited, claiming our outstanding dues along with interest thereon, which aggregates to approximately ₹31.95 Crores and ₹43.62 Crores respectively. The matters are pending as on date.

(V) Our Company has initiated an arbitration proceeding against one M/s National Construction Company and its partners namely Khimji H. Patel, Bhikalal K. Patel and Ramesh Khimji Patel, claiming our outstanding dues along with interest thereon, which aggregates to approximately ₹43.08 Crores. The matter is pending as on date. Additionally, our Company has filed a Criminal complaint under Section 200 of CrPC before the Court of the Learned Chief Metropolitan Magistrate at Bankshall against M/s National Construction Company and its partners namely Khimji H. Patel, Bhikalal K. Patel and Ramesh Khimji Patel for offences alleged under sections 406/420/467/471 read with 34 of IPC, pursuant to which warrants have been issued against the said accused. The matter is pending.

(VI) Our Company has initiated arbitration proceedings against one ARSS Limited, claiming our outstanding dues along with interest thereon, which aggregates to approximately ₹138.51 Crores. The matter is pending as on date.

Regulatory proceedings against our Company

The Company in the normal course of business receives or has received correspondence from various statutory authorities including the Reserve Bank of India, Ministry of Corporate Affairs, etc. calling for various information and explanations from time to time and the same has been duly replied to.

The Registrar of Companies, West Bengal (ROC) issued show cause notices to the Directors and Company Secretary of the Company for the alleged violations of the provisions of Section 211 and 217 of the Companies Act, 1956. Subsequently upon suo moto applications, made by the Directors and Company Secretary of the Company before the Company Law Board, Kolkata Bench (CLB). CLB was pleased to compound the alleged violations and imposed an aggregate compounding fees of ₹71,000/- on the Directors and Company Secretary of the Company vide its Order dated March 4, 2013. The necessary compounding fees as imposed by the CLB has been subsequently paid by the Directors and Company Secretary of the Company.

Other Proceedings involving our Company in the Ordinary course of business

A. Criminal Proceedings filed by our Company

(I) Our Company has initiated various Criminal cases in various courts/fora against its customers who had obtained finance facility and has defaulted in repaying the finance facility amount, alleging that the customers have availed finance facility from our Company with the intention not to repay and/or destroyed/sold off the financed asset(s). Our Company has filed approximately 117 such cases mostly under sections 403, 406, 417, 420, 418, 465, 468 and 471 of IPC either in the form of complaint before the sessions court(s) of relevant jurisdictions or as complaint(s) u/S 156(3) of CrPC or u/S 200 of CrPC.

(II) Our Company has filed one FIR against one of its employee Mr. Munikishore Challa, who had been working with our Company as credit manager since March 10, 2014 and has been alleged for misuse of Company's documents as well as for wrongfully collecting money from our Company's customers during credit appraisal process(es).

B. Criminal Proceedings filed against our Company

1. One Somnath Chakraborty being a partner of Bhagawati Infrastructure had lodged one FIR bearing 118/2014 at the Electronic Complex Police Station against Mr. Hemant Kanoria, Managing Director of our Company), Rohit Chawla and 2 (two) employees of our Company for offences alleged under sections under sections 420/409/467/468/471/120B of IPC. Rohit Chawla (as an employee of our Company) has filed a quashing application being C.R.R. 510 of 2015 before the Honorable High Court at Calcutta and an order had been passed on February 18, 2015 granting interim stay on all further proceedings in the said FIR. The matter is pending.
2. One Mosas Mani had lodged one FIR being No. 426/2014 at the Nesamani Police Station, Kanyakumari against 9 (nine) employees of the Company for offences alleged under sections 147/294B/323/506/379 of IPC, who had approached the Hon'ble High Court at Madras and filed an application CR. No. 406 of 2014,CRL OP(MD) No 17202/2014 praying for anticipatory bail which was allowed. The matter is pending.
3. One S. Selvan pursuant to an order of the Court of the Honorable Judicial Magistrate at Trichy under Section 156(3) of CrPC had lodged one FIR bearing No. 125/2014 before Police Station, Inamkulathur Police Station against 2(two) employees of our Company for offences alleged under sections 379/506/147 of IPC. The said executives of the Company who were arrayed as accused in the said FIR No. 125/2014 approached Ld. Sessions Court at Trichy for Anticipatory Bail vide CRL.MP. No.2251 of 2014 wherein bail was granted. The matter is pending.
4. One Ravindra Sao, pursuant to an order of the Court of Chief Judicial Magistrate at Kodarma under Section 156(3) of CrPC, had lodged one FIR bearing No. 149/2014 before the Kodarma Police station against 5 employees of the Company for offences alleged under sections 406/420/379 read with Section 34 of IPC. The matter is pending..
5. One Sangram Keshari Das had lodged one FIR bearing No. 359 of 2014/GR Case No 2885/2014 at the Shahidnagar Police Station at Bhubaneswar against 2(two) employees of our Company and others for offences alleged under sections 467/468/420 read with Section 34 of IPC, who had approached the Hon'ble High Court at Cuttack and filed an anticipatory bail application being BLAPL 15433 of 2014 which was granted. Further one Writ Petition 801 of 2014 has been filed by the said employees against inter alia, Commissioner of Police, Cuttack in relation to the said FIR. The matters are pending.
6. One PVS Sriniwas, pursuant to an order of the Court of XI Metropolitan Magistrate at Cyberabad under Section 156(3) of CrPC had lodged one FIR being No 13 of 2013 against 1(one) employee of our Company and Others for offences alleged under sections 420/419/120B/109 of IPC who had approached the Hon'ble High Court at Hyderabad and filed CRL.P. No. 4628 of 2014 praying for anticipatory bail which was allowed vide order dated April 28, 2014. The matter is still pending.
7. One Arup Barua, pursuant to an order of the Chief Judicial Magistrate, Kamrup under Section 156(3) of CrPC had lodged one FIR bearing No. 156 at the Kamrup Police Station, against 1(one) employee and others for offences alleged under sections 379/392 of IPC. Matter is still pending.
8. One Amol Ramesh Patil, pursuant to an order of Court of VIII Chief Judicial Magistrate First Class at Kolhapur had lodged one FIR bearing No. 101/2014 against 7(seven) employees of our Company for offences alleged under sections 417/419/420/465/467/471/120B read with Sec 34 of IPC. The Police Authority has filed a negative charge sheet indicating that no offence has been made out. The matter is pending.
9. One Vankadoth Deepak, pursuant to an order of the Court of the First Fist Class Judicial Magistrate at Khammam had lodged one FIR being No 364 of 2014 under Section 200/156(3) of CrPC against 3(three) employees of our Company for offences alleged under sections 294(b)/406/409/420/499/500/504/506 read with Section 34 of IPC. The Honourable 1st JFCM at Khammam referred the said complaint for investigation under section 156(3) CrPC to Police Station, 1st JFCM at Khammam whereupon FIR No. 346 of 2014 for offences under sections 294B/406/409/420/499/500/504/506 read with Section 34 of Indian Penal Code was registered. The matter is pending.
10. One S. Papa Rao, pursuant to an order of the XI Additional Chief Metropolitan Magistrate at Secunderabad under Section 200/156(3) of CrPC had lodged FIR No 163 of 2012 before Begumpet Police Station against our Company, Sunil Kanoria, 5 executives of our Company and Others for offences alleged under section 406/409/419/420 of IPC who had thereafter approached the Honorable High Court at Hyderabad for quashing under CRL.P.No.1007 of 2013 and an order dated February 18, 2013 granting interim stay of all further proceedings in the above FIR was passed. S. Papa Rao, had further pursuant to an order of the Chief Metropolitan Magistrate at Hyderabad under Section 200/156(3) of CrPC lodged FIR No 351 of 2014 before Police Station, Humayun Nagar against Hemant Kanoria and one more executive of our Company for

offences alleged under section 120B/406/420 of IPC who had thereafter approached the Honorable High Court at Hyderabad for quashing under CRL.P.No.15713 of 2014 and an order dated December 18, 2014 granting interim stay of all further proceedings in the above FIR was passed. The matters are pending.

11. One M. Ravi, pursuant to an order of the Honorable High Court at Madras under Sections 482/156(3) of CrPC had lodged FIR No 23 of 2015 before Vilampatti Police station, Dindugal District against 1(one) employee of our Company and 5 (five) others for offences alleged under section 147/341/294(b)/506 of IPC who had thereafter approached the Honorable High Court at Madras for quashing under CRLOPS No. 3520 of 2015 and stay order was granted vide order dated March 10, 2015. The matter is pending.

12. One S. Ilangomani, pursuant to an order of the Honorable High Court at Madras under Sections 482/156(3) of CrPC had lodged FIR No 10 of 2015 before Muthaiapuram Police station against 2(two) employees of our Company and 2(two) others for offences alleged under section 352/342/294(b)/506 of IPC who had thereafter approached the Honorable High Court at Madras for quashing under CRLOPS No. 2580 of 2015. The matter is pending.

13. One Girish N. had lodged one FIR No. 71/2015 at the Halasaru Police Station against our Company for offences alleged under sections 420/34 of IPC. The matter is pending.

14. One Surender Yadav had filed a complaint under Section 200 of CrPC before the Chief Judicial Magistrate, Hazaribagh against 7(seven) employees of our Company for offences alleged under section 420/406/407/409/120B of IPC. The matter is pending.

15. One GGS Infrastructure Private Limited had pursuant an order of the Sub-Divisional Judicial Magistrate, Bhubaneshwar under Section 156(3) of CrPC had lodged ICC No 5388 of 2013 before Shaheed Nagar Police station against our Company, Sunil Kanoria, 2(two) employee and 5(five) others for offences alleged under section 392/395/324/327/294/506 read with Sections 25,27 and 34 of IPC. Negative charge sheet has been filed by the Police Authority. The matter is pending.

16. One Mohan Singh Chundawat has lodged one FIR being 18/2014 before Ambamata Police Station, Rajasthan against Hemant Kanoria and Others alleging offences under sections 420/406/467/468/470/120B of IPC. The matter is pending.

17. One Robin Sharma has filed one criminal writ petition being CRWP 1920 of 2014 before the Honorable High Court at Punjab and Harayana against State of Punjab & Others, which includes one employee of our Company. It has been alleged in the said CRWP 1920 of 2014 that our employee has unlawfully detained the petitioner’s driver, Mr Simranjit Singh. One Sohan Singh Bhardwaj has also filed one criminal writ petition being CRWP 1921 of 2014 before the said Honorable High Court at Punjab and Harayana against State of Punjab & Others, which includes one employee of our Company. It has been alleged in the said CRWP 1921 of 2014 that our employee has unlawfully detained the petitioner’s driver, Mr Gurmukh Singh and vide order dated March 12, 2015 the said matter is to be heard with CRWP 1920 of 2014. Both the matters are pending.

18. One Borrower of our Compnay M/s Roman Tarmat Ltd. has filled a Criminal Wirt Petition for Mandamus being Writ Petition (CRI) no.1074 of 2015 by making Mumbai Police and Resreve Bank of India as Parties along with our Compnay asking for ditrection by Hon’ble Court to Concerned police Authorites to register FIR against our company and others for alledgedly having wrongfully sold off the financed asset of Defautling borrower M/s Roman Tarmat Ltd. The matter is pending.

C. Section 138 and Other Proceedings

Our Company has initiated numerous cases under section 138 of the Negotiable Instruments Act, 1881, against our customers to recover money due under dishonoured cheques which were presented to the Company. These cases are pending across different courts in India.

Our Company has also initiated several arbitration proceedings against defaulting customers. These proceedings are pending before various arbitrators. In cases where the arbitral award was passed in our favour, we have filed execution petitions to execute the awards and have several execution petitions pending for attachment of certain property or for issuance of warrants before several courts in India. We have also filed petitions under Section 9 of the Arbitration and Conciliation Act, 1996 for restraining customers from disposing of certain property during the pendency of the arbitration proceedings.

Litigation involving our Promoters and/ or Directors:

(I) Hope Hall Co-operative Housing Society Limited had filed WP No. 1719 of 2013 before the Hon’ble High Court at Bombay praying for directions to be issued to Municipal Corporation of Greater Mumbai to take necessary action on alleged commercial use of premises of Avantika Building Plot no. 46, Dr. Gopal Rao Deshmukh Marg, (Pedder Road), Mumbai – 400026. at which has been occupied by Srei Infra. The Hon’ble High Court at Bombay vide order dated August 8, 2013 had directed Municipal Corporation of Greater Mumbai to take necessary and appropriate action, in the absence of any stay.

Thereafter, Birhanmumbai Municipal Corporation has lodged a FIR bearing no. 2 of 2013 against inter alia, Mr Hemant Kanoria and Mr Sunil Kanoria, our Directors amongst others under section 53(7) of Maharashtra Regional and Town planning Act 1966 for preventing commercial use of the basement and for vacating the premises, which has been leased to First Fitness (India) Private Ltd. at Avantika Building, being basement portion of 46, Dr. Gopal Rao Deshmukh Marg, (Pedder Road), Mumbai – 400026. Our Directors being Mr Hemant Kanoria and Mr Sunil Kanoria and Others have filed quashing proceedings under Section 482 of CrPC at Hon'ble High Court at Bombay being Criminal Writ Petition No. 1726 of 2014 which is likely to come up on June 23, 2015.

(II) The Enforcement Directorate, Kolkata had conducted proceedings vide show cause notice(s) dated April 12, 2001 bearing reference no. T-3/ FE /85 /CAL /2000 /DNP /1247 against Srei Infra for certain alleged irregularities in foreign exchange transactions during the year 2000 and held Srei Infra and its officials (including Mr Hemant Kanoria, one of our Directors) guilty of contravening the relevant provisions of FERA and imposed a personal penalty of ₹20,00,000/- on Srei Infra, ₹10,00,000/- on Mr Hemant Kanoria (being Vice Chairman and Managing Director of our Company) & ₹5,00,000/- each on two of Srei Infra's employees vide Order dated March 03, 2014, Order No-CIT(A)-11(SM)/Kol/Adj. Off. (FERA)/2004. Srei Infra thereafter filed an appeal being Appeal no. 447, 445 & 449 of 2004 before the Appellate Tribunal for Foreign Exchange at New Delhi. The Learned Tribunal has imposed the precondition of paying penalty as pre-deposit before deciding the appeal on merits vide order dated March 26, 2008.

The Hon'ble High Court at Calcutta in Writ Petition no. 10091 of 2008 vide order dated June 23, 2008 has modified the order of the Learned Tribunal to the effect of reducing the pre-deposit to ₹10,00,000/- which was to be furnished by way of a Bank Guarantee of equivalent amount, which was further confirmed by order dared May 06, 2009 of the Learned Tribunal. The matter is pending.

(III) Based on an inspection of the books of accounts and other records of Srei Infra pursuant to Section 209A of the Companies Act 1956, the Regional Director (Eastern Region) (RD), Ministry of Corporate Affairs, Government of India, Kolkata had sent a Preliminary Finding Report to Srei Infra dated 30 August 2008 observing violation of various provisions of the Companies Act 1956. Srei Infra had thereafter submitted its explanations to the aforesaid observations. However, the Registrar of Companies, West Bengal issued a notice dated 21 October 2008 to launch prosecution proceedings against Srei Infra and / or its directors and officers (which includes Mr Hemant Kanoria and Mr Sunil Kanoria, being our Directors) in default alleging violation of certain provisions of the Companies Act 1956 like Sections 125, 153, 205, 209, 211, 212, 217, 269 and 292 and also advised them to file application seeking to compound the alleged offences, if they desire to do so. The Directors (including Mr Hemant Kanoria and Mr Sunil Kanoria) and Company Secretary of Srei Infra thereafter filed a petition before the Hon'ble High Court at Calcutta seeking relief under Section 633 of the Companies Act 1956.

An Ad-interim order of injunction in C.A no. 654 of 2008 / C.P. No. 385 of 2008 restraining the Regional Director and the Registrar of Companies, West Bengal (jointly referred to as Respondents) from instituting or causing to be instituted any criminal proceeding against the Directors (including Mr Hemant Kanoria and Mr Sunil Kanoria) and Company Secretary of Srei Infra pursuant to notices dated August 30, 2008 and October 21, 2008 was passed by the Hon'ble High Court at Calcutta on November 28, 2008. The injunction is operative till further orders of the Hon'ble High Court at Calcutta.

(IV) One Mr Naveen Bansal has filed one application being CP No 99 of 2014 u/S(s) 397, 298, 399, 402, 403, 406 and 409 of the Act before the Hon'ble Company Law Board, Kolkata Bench ("**CLB Kolkata**") against I Log Ports Private Limited, Srei Alternative Investment Managers Limited, Srei Venture Capital Trust and others (which includes Srei Infra, Mr Hemant Kanoria and Mr Sunil Kanoria and certain Key Managerial Personnel of Srei Infra). The petitioner i.e. Mr Naveen Bansal has approached CLB Kolkata seeking several interim reliefs including injunctions on I Log Ports Private Limited from operating bank accounts, holding any board meetings, etc. The amount involved in the matter is not ascertainable and the matter is pending as on date hereof.

(V) M/s DHV India Private Limited ('DHV'), has instituted arbitration proceeding against Srei Infra claiming an amount of ₹ 69,189,451.00 along with an interest @ 18%. The dispute relates to alleged claims of DHV on Srei Infra for consultancy work jointly carried out for the Government of Uttar Pradesh. We have disputed the claim and the matter is still pending.

(VI) Mr Vijay Gopal Jindal, an ex-employee of Srei Alternative Investment Managers Limited (Formerly Srei Venture Capital Limited), has filed a suit for recovery and an application for mandatory and permanent injunction being C.S. (OS) no. 1575 of 2008 along with I.A. No. 9448 of 2008 before the Hon'ble High Court of Delhi, at New Delhi against Srei Infra and Srei Alternative Investment Managers Limited (Formerly Srei Venture Capital Limited) alleging that he was promised 500,000 equity shares at the rate of ₹ 100/- per share of Srei Infra. An Objection to the said injunction and the written statement has been filed by Srei Infra &

SVCL and the matter has been slated for filing the list of witnesses and evidences by Mr Vijay Gopal Jindal. The matter is still pending. The amount involved is not ascertainable.

Mr Vijay Gopal Jindal ('Plaintiff') has also filed a suit bearing no. C.S. (O.S) 2478 of 2011 before the Hon'ble High Court at Delhi against Srei Infra and Srei Alternative Investment Managers Limited (Formerly Srei Venture Capital Limited) (collectively referred to as 'Defendants') alleging that he was appointed as the managing director of SVCL and the terms of such appointment comprised of payment of ₹ 24,000,000 per annum, entitlement to 10% of the net profit of SVCL, entitlement to 25% equity stake in proposed media/entertainment funds, payment of ₹ 50,000,000 as an advance against security of properties/shares/other assets and 500,000 equity shares at ₹ 100 each of Srei Infra and further alleging that the Defendants did not honour their commitments. In the said Suit, the Plaintiff, has inter alia, prayed for decree directing the Defendants to make payment of ₹ 17,875,000 to the Plaintiff (along with 18% interest per annum), allegedly being the Plaintiff's salary in lieu of compensation for the period July 2008 to July 2009 and for the period August 2009 to August 2011. The Defendants have filed their respective written statements with the Court Registry. The matter is pending. The amount involved in the matter is ₹ 17,875,000 and interest thereon @18% per annum.

(VII) Dr Syed Sabahat Azim, ex-chief executive officer of Sahaj e-village Ltd. (erstwhile Srei Sahaj E-village Ltd.), has filed a company petition being No. 259 of 2011 under Sections 397, 398, 399, 402, 403 and 406 of the Act read with Sections 235 & 239 and Sections 539-545 of the Act, before the Company Law Board, Eastern Region Bench, Kolkata against Srei Infra, erstwhile Srei Sahaj e-village Ltd. and others. The said Petition is currently pending. The amount involved in the matter is not ascertainable. The matter is pending as on date.

(VIII) Srei Infra extended by way of loan a sum of ₹ 1,000 million to one K. S. Oil Limited ("defendant") vide Rupee Loan Agreement dated August 23, 2010. The above loan amount was secured by way of hypothecation of the defendant's 92 wind turbines in the States of Madhya Pradesh, Rajasthan, Tamil Nadu and Gujarat vide Deed of Hypothecation dated August 23, 2010. The above charge was subservient to the charges created by the defendant in favour of its other consortium of lenders with State Bank of India as the lead bank ("Consortium"). The defendant defaulted in payment of the loan amount and interests accrued. We have instituted a criminal case being Case No. 10440 of 2012 before the Learned Chief Metropolitan Magistrate, Calcutta against K.S. Oil (hereinafter referred to as "Accused Company"), its Directors and its Company Secretary under Sections 406, 420, 467, 468, 471, 477 read with 120B of the IPC for failure by the Accused Company to register the charges with the Registrar of Companies and for dishonour of cheques issued by the Accused Company with respect to the rupee loan of ₹ 1,000 million extended by us to the Accused Company. The opposite party (Accused Company) has filed application being CRR 1891 of 2013 under 482 of Cr. PC 1973, in the Hon'ble High Court at Calcutta and in this case the Hon'ble Court has granted a stay on the proceeding in the criminal case being Case No. 10440 of 2012. However the stay has been vacated. The matter is pending as on date.

(IX) Srei Infra has filed O.A. No. 393 of 2012 before the Hon'ble Debts Recovery Tribunal-I against Deccan Chronicle Holdings Limited (DCHL) and others for recovery of outstanding dues (along with interest thereon) to the extent of ₹ 3,017,024,829/-. The next date of hearing is on November 26, 2014. Srei Infra has also filed Company Application No(s) 347 & 346 of 2013 before the Honourable High Court at Hyderabad objecting the demerger application of DCHL. The said applications are pending as on date. Further, Srei Infra has filed criminal compliant being Case No C-15890 under Section 156 of CrPC before the 16th M.M Court, Calcutta (Bankshall Court) and in relation to the same, Hare Street PS Case no 381/13 has been lodged against DCHL and others. The matter is pending as on date.

(X) Srei Infra has initiated arbitration proceedings against Tuff Drilling Private Limited, claiming outstanding dues along with interest thereon, aggregating to approximately ₹ 29.25 Crores. The matter is pending as on date.

(XI) Srei Infra has filed a recovery Application bearing no. 477 for 2012 before the Hon'ble Debts Recovery Tribunal-I, Kolkata against (1) Gujarat Hydro Carbons and Power SEZ Limited (Defendant No.1), (2) Mr Aditya Kumar Jajodia (Defendant No.2), (3) Assam Company Limited (Defendant No.3) and (4) Link Holdings Private Limited (Defendant No.4) for recovery of principal amount of loan of ₹ 100 Crores provided to Defendant No 1 by the Company under loan agreement dated 5 January 2011 along with applicable interests aggregating to ₹ 1,21,41,39,813/-. The matter is pending as on date and next dates for hearing of two interim applications I.A. No. 831 of 2013 and I.A. No. No. 1027 of 2013 and date of hearing for all Interim application is June 10, 2014. The opposite party had filed an appeal, at the Debts Recovery Appellate Tribunal, being Appeal no. 417 of 2013, against one order of Hon'ble Debts Recovery Tribunal-I, Kolkata passed in the application being OA no. 477 of 2012. The appeal has been dismissed in favour of Srei Infra. The Defendant No. 1 has filed an application to recalling the order of making Gujarat Industrial Development Corporation a party to the current proceeding in this case. The Opposite party has filled a case being CO 1702 of 2104 under Article 227 of Constitution of India challenging the maintainability of the Case at DRT. The matter is pending as on date.

(XII) Srei Infra has filed C.S. No. 76 of 2014 and G.A. No. 655 of 2014 before the Honourable High Court at Calcutta against Violet Arch Capital Advisors Private Ltd. & Others for recovery of loan amount of ₹29,65,38,579.89 (approximately) in order to implicate its assets on which Srei Infra has a security interest. Other respondents include Bajpai Capital Advisors and Mr Varun Bajpai. Srei Alternative Investment Managers Limited has been added as Pro-forma Respondent. The Honourable High Court at Calcutta vide ad interim order dated June 2, 2014 granted injunction on the receivables in Violet Arch Capital Advisors Private Ltd from the BSE Limited and The National Stock Exchange of India Limited (being deposits maintained) and refund of Income Tax, which were to be received by Violet Arch Capital Advisors Private Ltd till disposal of the said suit. A demurral application has been filed by Mr Varun Bajpai. The amount involved is ₹29,65,38,579.89 (approximately). The matter is pending as on date.

(XIII) Srei Infra has filed O.A. 469 of 2014 before the Debt Recovery Tribunal-I, Kolkata against ARSS Infrastructure Projects Limited and Others claiming outstanding dues along with interest thereon, aggregating to approximately ₹ 552.33 million plus interest at the rate of 16% per annum. The matter is still pending.

(XIV) Srei Infra and our Company has filed C.S No 238 of 2014 before the Honorable High Court at Calcutta against Microsoft Corporation and Others for inter alia, a decree of ₹28,513.59 million along with interest at the rate of 18% per annum, being damages on account of losses suffered by Srei Infra due to alleged harassing and surreptitious actions of Microsoft Corporation and Others.

(XV) Mr Hemant Kanoria, Vice Chairman and Managing Director of our Company and Mr Sunil Kanoria, Joint Managing Director of our Company are also directors of India Power Corporation Limited (erstwhile DPSC Limited), a listed public company. SEBI, by its interim ex-parte order No. WTM/PS/OS/CFD/JUNE/2013 dated June 04, 2013 ('Interim Order') has, inter alia, prohibited the directors of India Power Corporation Limited till such time, India Power Corporation Limited complies with the Minimum Public Shareholding Requirement ("MPSR"), from (i) buying, selling or otherwise dealing in securities of India Power Corporation Limited, either directly or indirectly, in any manner whatsoever, except for the purpose of complying with MPSR, and (ii) holding any new position as director in any listed company. SEBI has further clarified that the Interim Order is without prejudice to its right to take any other action morefully mentioned in the said Order. The final order of SEBI in the matter is awaited as on the date of this Prospectus. However, the shareholding pattern of India Power Corporation Limited as on December 31, 2013, March 31, 2014, June 30, 2014, September 30, 2014 and December 31, 2014 available on the website of NSE and MCX Stock Exchange Limited (where shares of India Power Corporation Limited are listed) shows prima facie compliance by India Power Corporation Limited of the MPSR.

(XVI) Srei Infra in the normal course of business receives or has received notices from various statutory authorities including from the Ministry of Corporate Affairs calling for various information and explanations from time to time and the same has been duly replied to.

(XVII) Direct Tax Litigations of Srei Infra

I) Srei Infra is involved in 11 disputes pertaining to income tax demands amounting to ₹421.6 Million as on December 31, 2014.

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

(XVIII) Indirect Tax Litigations of Srei Infra

I) Service Tax department had issued a Show Cause cum Demand notice (SCN) for ₹ 450 lacs, on April 20, 2012 with regard to availment of Cenvat Credit, considering the observations of auditors appointed u/s 14AA of the Central Excise Act, 1944. Srei Infra has filed reply followed by personal hearings. Final Order-In-Original was received from the Commissioner of Service Tax, Kolkata on April 12, 2014 confirming the Total Tax Demand of ₹ 151.18 lacs along with Penalty for ₹ 151.18 lacs. Hence, the total Demand raised is ₹ 302.36 lacs Plus Interest on Service Tax (To be quantified later). Srei Infra has filed an Appeal and Stay Petition before CESTAT, Kolkata and the matter is awaited to be heard on March 25, 2015.

II) The West Bengal Commercial Tax Authorities have rejected Srei Infra's claim of High Sea Sales in Transfer of Right to use transaction. Thereby raising a basic demand of ₹ 1,60,46,922/- &₹ 50,96,381/- as interest. The total demand in the matter is ₹ 2,11,43,303/-. Srei Infra had filed an Appeal in October 2013. The final hearing has taken place on August 28, 2014 and the order has been received on September 6, 2014 from the Appellate Authority confirming the demand of ₹ 16,046,922

&₹ 5,096,381/- by way of Interest. Thus, no relief has been provided to Srei Infra from the Appellate Authority. Appeal condemning the order was filed on October 21, 2014 and hearing is fixed on March 31, 2015.

(XIX) BPLG being one of the Promoters of our Company has confirmed as follows:

(a) BPLG does not have any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority during the last five years immediately preceding the date of the issue of the Prospectus. "Government" shall mean Indian Central Government and/or any Indian State Government, " Ministry" shall mean any ministry of the Indian Central Government and/or any Indian State Government and "statutory authority" shall mean any Indian statutory authority; and

(b) BPLG does not have any pending litigation whose outcome would have material adverse effect on the position of the Company.

Tax Matters involving our Company

(I) Direct Tax Matters

We are involved in a number of disputed income tax demand amounting to approximately ₹58.31 million as on March 1, 2015. Out of the said matters, ITAT No 21 of 2015 involving an amount of ₹55.9 million is pending before the Honorable High Court at Calcutta, wherein our Company has preferred an appeal against an order of the Income Tax Appellate Tribunal. The other matters relates to inter alia, TDS related matters.

(II) Indirect Tax Matters

We are involved in a number of indirect tax litigations relating to different assessment years which are pending before various fora and are at different stages, which includes 2(two) writ petitions being W.P No. 1148 of 2009 filed by our Company and pending before the Honorable High Court at Calcutta, and W.P No. 27381 of 2013 filed by our Company pending before the Honorable High Court at Hyderabad. The aggregate amount involved in the indirect tax litigations of our Company is approximately ₹151.2 million as on March 18, 2015.

Material Development since the last Balance Sheet as on March 31, 2014

In the opinion of the Board, except as stated below and other than as disclosed in this Prospectus, there has not arisen, since the date of the last financial statements, any circumstance that materially or adversely affects the profitability of our Company or the value of our assets or our ability to pay our material liabilities over the next 12 months.

The non convertible debentures issued by our Company after quarter ended December 31, 2014 are as follows. For details of non convertible debentures as on December 31, 2014, please refer to section titled "***Financial Indebtedness***" on page no. 110.

- Our Company has raised ₹ 50 million through issue of non convertible debentures on private placement basis which were allotted and listed on BSE.
- An issue of non convertible debentures in the nature of sub ordinated debt on private placement basis of our Company for ₹ 1,450 million has closed on March 31, 2015. The said non convertible debentures in the nature of sub ordinated debt are yet to be allotted.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the present Issue

The shareholders of our Company, subject to the Memorandum and Articles of Association, have passed a resolution under Section 180(1)(c)of the Companies Act 2013, at the Extra Ordinary General meeting held on October 28, 2013 which prescribes the maximum monetary limit for the purpose of borrowing. The aggregate value of the NCDs offered under the Prospectus, together with the existing borrowings of our Company, is within the approved borrowing limits of ₹25,000 crores.

The Issue of NCDs offered to the public under the Prospectus is being made pursuant to resolution passed by the Board of Directors of our Company at its meeting held on 6th November, 2014 and 10th February, 2015.

Prohibition by SEBI / Eligibility of our Company to come out with the Issue

Our Company, persons in control of the Company and/or our Promoters have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Disclaimer clause of the BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN VIDE ITS LETTER DATED MARCH 30, 2015 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER: -

a) WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR

b) WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR

c) TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

Disclaimer clause of the NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN VIDE ITS LETTER NSE/LIST/20415 DATED MARCH 30, 2015 PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS DRAFT OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER.

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Disclaimer clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS* BEING EDELWEISS FINANCIAL SERVICES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS* ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS* HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 31, 2015 WHICH READS AS FOLLOWS:

1. ***WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.***

2. ***WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDs OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.***

3. ***WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED.***

4. ***WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 1956, COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED AS ON THE DATE OF THE PROSPECTUS), SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH, IN RELATION TO THE ISSUE, PLEASE NOTE THE FOLLOWING:***

   AS PER THE REQUIREMENTS OF SECTION 39 (3) OF THE COMPANIES ACT, 2013 READ WITH RULE 11(2) OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, IF THE COMPANY DOES NOT RECEIVE THE MINIMUM SUBSCRIPTION AMOUNT WITHIN THE SPECIFIED PERIOD THE ENTIRE APPLICATION MONEY RECEIVED IS TO BE CREDITED ONLY TO THE BANK ACCOUNT FROM WHICH THE SUBSCRIPTION WAS REMITTED. IN ORDER TO ENSURE COMPLIANCE WITH THIS REQUIREMENT, TO THE EXTENT POSSIBLE, WHERE THE REQUIRED INFORMATION FOR MAKING SUCH REFUNDS IS AVAILABLE WITH THE COMPANY AND/OR REGISTRAR, REFUNDS WILL BE MADE TO THE ACCOUNT PRESCRIBED. HOWEVER, WHERE THE COMPANY AND/OR REGISTRAR DOES NOT HAVE THE NECESSARY INFORMATION FOR MAKING SUCH REFUNDS, THE COMPANY AND/OR REGISTRAR WILL FOLLOW THE GUIDELINES PRESCRIBED BY SEBI IN THIS REGARD INCLUDING ITS CIRCULAR (BEARING CIR/IMD/DF-1/20/2012) DATED JULY 27, 2012.

5. ***WE CONFIRM THAT NO COMMENTS/ COMPLAINTS WERE RECEIVED ON THE DRAFT PROSPECTUS DATED MARCH 19, 2015 POSTED ON THE WEBSITE OF THE STOCK***

EXCANGES.

***Srei Capital Markets Limited is a wholly owned subsidiary of Srei Infrastructure Finance Limited, which is one of the Promoters of the Company and shall only be involved in marketing of the Issue.**

Disclaimer clause of the RBI

RBI HAS ISSUED CERTIFICATE OF REGISTRATION DATED JUNE 12, 2007 AND CERTIFICATE OF REGISTRATION DATED SEPTEMBER 3, 2008 RE-CLASSIFYING OUR COMPANY UNDER THE CATEGORY "ASSET FINANCE COMPANY – NON – DEPOSIT TAKING". IT MUST BE DISTINCTLY UNDERSTOOD THAT THE ISSUING OF THIS CERTIFICATE AND GRANTING A LICENSE AND APPROVAL BY RBI IN ANY OTHER MATTER SHOULD NOT IN ANY WAY, BE DEEMED OR CONSTRUED TO BE AN APPROVAL BY RBI TO THIS PROSPECTUS NOR SHOULD IT BE DEEMED THAT RBI HAS APPROVED IT AND THE RBI DOES NOT TAKE ANY RESPONSIBILITY OR GUARANTEE THE FINANCIAL SOUNDNESS OF OUR COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED BY OUR COMPANY IN THIS CONNECTION AND FOR REPAYMENT OF DEPOSITS / DISCHARGE OF LIABILITIES BY OUR COMPANY.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of Lead Manager	**Website**
Edelweiss Financial Services Limited	www.edelweissfin.com
Srei Capital Markets Limited	www.srei.com

Listing

The NCDs proposed to be offered through this Prospectus are proposed to be listed on the stock exchanges. We had applied for obtaining in-principle approval for the Issue and the same has been obtained from BSE vide BSE's letter ref. no. DCS/RK//PK-Bond/25/14-15 dated March 30, 2015 and from NSE vide NSE's letter ref. no. NSE/List/20415 dated March 30, 2015 If permissions to deal in and for an official quotation of our NCDs are not granted by BSE and NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within twelve (12) Working Days from the date of Issue Closing Date.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Series, such NCDs with Series(s) shall not be listed.

Consents

Consents in writing of: (a) the Directors, (b) the Compliance Officer to the Issue, (c) the Compliance Officer of the Company, (d) the Statutory Auditors, (e) Lenders to our Company, (f) Lead Managers, (g) Registrar, (h) Legal Advisor to the Issue, (i) Credit Rating Agencies, (j) Bankers to the Issue, (k) Lead Brokers and (l) the Debenture Trustee, to act in their respective capacities, have been obtained and filed along with a copy of this Prospectus with the Stock Exchange.

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Prospectus:

Vide letter dated March 16, 2015, our Company has received consent from Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of our Company to include their name as an expert under Section 26(5) of the Companies Act 2013 in the Draft Prospectus and Prospectus in relation to the examination report dated March 19, 2015 and statement of tax benefits dated March 19, 2015 included in the Draft Prospectus and Prospectus and such consent has not been withdrawn as on the date of this Prospectus. Vide letter dated March 12, 2015 and March 13, 2015, our Company has received consent from CARE and BRICKWORK to include their name as an expert under Section 26(5) of the Companies Act 2013 in the Draft Prospectus and Prospectus and such consent has not been withdrawn as on the date of this Prospectus

Common Form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs held in physical form and the provisions of SCRA / Act and all applicable laws shall be duly complied with in respect of all transfer of NCDs and registration thereof.

Minimum Subscription

If our Company does not receive the minimum subscription of 75% of Base Issue i.e. ₹ 1875 million, our Company will refund the entire application monies within 12 days from the Issue Closing Date. If there is delay in the refund of the application monies, our Company becomes liable to refund the subscription amount along with interest for the delayed period at the rate prescribed under applicable law and in the manner as may be prescribed in accordance with Section 39(3) of the Act, 2013.

Under Section 39(3) of the Companies Act 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Company and/or Registrar, refunds will be made to the account prescribed. However, where the Company and/or Registrar does not have the necessary information for making such refunds, the Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Filing of Draft Prospectus

The Draft Prospectus was filed with the Stock Exchange in terms of Regulation 6 and 7 of the Debt Regulations, for dissemination on their website(s) prior to the opening of the Issue.

Filing of the Prospectus with the RoC

A copy of the Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a Debenture Redemption Reserve ("DRR") out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-lA of the RBI (Amendment) Act, 1997 shall be 25% of the value of debentures issued through a public issue as per the Debt Regulations. The Rules further mandates (a) every company to create/maintain the required DRR before the 30th day of April of each year and (b) deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March following. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during the period as mentioned above.

Issue Related Expenses

The expenses of this Issue include, among others, fees for the Lead Managers, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses for the Total Issue Size of ₹ 5000 million (assuming the full subscription) are as follows:

(₹ In million)

Activity	Expenses	% of Issue Size of ` 5,000 million
Fees paid to the Lead Managers	10.00	0.20%
Advertising and Marketing Expenses (including brokerage)	142.50	2.85%
Printing and Stationery	5.00	0.10%
Others (Debenture Trustee Fees, Registrar Fee, Credit Rating Fee, Legal Fees, Commission/processing fee to SCSBs *, Stamp Duty & Registration expense etc.)	12.50	0.25%
Total	**170.00**	**3.40%**

**SCSBs would be entitled to a processing fee of ₹15/- per Application Form for processing the Application Forms procured by the Members of Syndicate or registered brokers and submitted to SCSB.*

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors

Underwriting

This Issue has not been underwritten.

Public / Rights Issues by our Company by the Company during last 3 (three) years from the date of the Prospectus

Not Applicable

Utilisation details of Previous Issues

Not Applicable as the Company has not had any public issue in the past.

Previous issues of shares otherwise than for cash

Our Company has not issued any shares for consideration other than cash.

Dividend

Our Company has not paid any dividend in the previous five years.

Revaluation of assets

Our Company has not re-valued its assets in the last five years.

Debentures or NCDs and redeemable preference shares and other instruments outstanding by our Company

As at December 31, 2014, our Company had outstanding listed / rated / unrated, secured / unsecured, non-convertible redeemable debentures and commercial papers aggregating to ₹ 25,593.04 million. Apart from the above, there are no outstanding debentures, NCDs, redeemable preference shares or other instruments issued by our Company that are outstanding.

Mechanism for redressal of investor grievances

Karvy Computershare Private Limited has been appointed as the Registrar to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints. The Registrar Agreement between the Registrar and our Company will provide for retention of records with the Registrar for a period of at least 7 years from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar for redressal of their grievances. All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, Series of NCDs applied for, amount paid on Application, Depository Participant and the collection centre of the Members of the Syndicate where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a)the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, Series applied for number of NCDs applied for, amount blocked on Application.

All grievances arising out of Applications for the NCDs made through Trading Members may be addressed directly to the Stock Exchange.

Details of Registrar to the Issue

Karvy Computershare Private Limited
Plot No. 17 to 24, Vithalrao Nagar
Madhapur, Hyderabad 500 081
Tel: +91 40 4465 5000
Fax: +91 40 2343 1551
Email: einward.ris@karvy.com
Investor Grievance Email: sreiequip.ncdipo@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr M. Murali Krishna
Compliance Officer: Mr Rakesh Santhalia
SEBI Registration No.: INR000000221

In addition, the Compliance Officer to the Issue would also handle all investors' grievances:

Name	:	Mr. Mr. C. R. Sudharsanam
Address	:	Plot No. Y-10, Block-EP, Sector-V, Salt Lake City Kolkata- 700091, West Bengal, India
Telephone	:	+91 33 6160 7734
Fax	:	+91 33 6602 2600
Toll Free No.	:	18004197734
E-Mail	:	sreinbnpncd@srei.com, connect@sreibonds.com

We estimate that the average time required by the Registrar for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Change in auditors of our Company during the last three years

The changes in statutory auditors of our Company during the preceding three years are:

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of resignation)	Remarks
S. R. Batliboi & Co. LLP Chartered Accountants	22, Camac Street, 3rd Floor, Block 'C' Kolkata – 700016 , India	Retired from the conclusion of the 8th Annual General Meeting held on July 1, 2014. (Board of Directors of the Company approved the said resignation at the meeting held on July 1, 2014)	From the conclusion of the 4th Annual General Meeting held on July 20, 2010	None
Deloitte Haskins & Sells, Chartered Accountants	Bengal Intelligent Park, Building Alpha, 1st Floor Plot No - A2, M2 & N2, Block - EP & GP, Sector – V, Salt Lake Electronics Complex Kolkata - 700 091	Appointed from the conclusion of the 8th Annual General Meeting held on July 1, 2014. (Board of Directors of the Company recommended for the said appointment at the meeting held on July 1, 2014)	-	None

Details of Auditor of the Company

The current statutory auditor of our Company, Deloitte Haskins & Sells, Chartered Accountants having registration No. 302009E allotted by The Institute of Chartered Accountants of India (ICAI) were appointed as the statutory auditor of our Company pursuant to the resolution passed at the 8th AGM of our Company held on July 1, 2014. The details of our statutory auditors are as under:

Name	Address	Auditor Since
Deloitte Haskins & Sells, Chartered Accountants	Bengal Intelligent Park, Building Alpha, 1st Floor Plot No - A2, M2 & N2, Block - EP & GP, Sector - V Salt Lake Electronics Complex Kolkata - 700 091	From the conclusion of the 8th Annual General Meeting held on July 1, 2014

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under Debt Regulations. Material updates, if any, between the date of filing of the Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Auditors' Remarks

The statutory auditor of the Company, Deloitte Haskins & Sells, confirm that there have been no reservations or qualifications or adverse remarks in the Financial Statements of the Company in the last five financial years immediately preceding the Prospectus except as stated below :

Our statutory auditors have made remarks in their audit report with respect to certain matters in the financial statements for the Fiscal 2010. The Auditor has drawn attention to note-17(b) of Schedule 19 (II) without qualifying its opinion, whereby it was stated in the accounts that "Financial Assets includes certain long term project loans amounting to ₹ 1,074.90 million. There has been considerable delay in executing these projects. The company is in the process of assessing the status of these projects. However in view of the company, the principal amounts in these loans are recoverable as per the respective loan agreements."

Subsequently, the same had been clarified in the note- 15(b) to Schedule 20, by the Auditor's in the accounts of financial year ended March 31, 2011 without any note or qualification that "Financial Assets at the commencement of the year included certain long term project loans aggregating to ₹ 1,074.90 million given in earlier years. Against the above, during the year, the Company has recovered an amount of ₹ 1,000.00 million and the balance amount of ₹ 74.9 million considered as doubtful of recovery has been provided for in the accounts."

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Trading

Debt securities issued by our Company, which are listed on BSE and NSE's Wholesale Debt Market are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities.

Caution

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

a. *makes or abets making of an application in a fictitious name to a company for acquiring or subscribing for, its securities; or*

b. *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

c. *otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or any other person in a fictitious name*

shall be liable for action under section 447."

Material Contracts

Our Company has not entered into any material contracts other than in the ordinary course of business, in the last two years.

Disclaimer in respect of Jurisdiction

ISSUE OF THE DEBENTURES HAVE BEEN / WILL BE MADE IN INDIA TO INVESTORS AS SPECIFIED UNDER SECTION "WHO CAN APPLY" ON PAGE NO. 167 OF THIS PROSPECTUS THE DEBENTURES ARE GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE EXISTING INDIAN LAWS AS APPLICABLE IN THE STATE OF WEST BENGAL. ANY DISPUTE ARISING IN RESPECT THEREOF WILL BE SUBJECT TO THE EXCLUSIVE JURISDICTION OF THE COURTS AND TRIBUNALS OF KOLKATA.

Disclaimer Statement from the Issuer

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS DRAFT PROSPECTUS ISSUED BY OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE DEBENTURES AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER OWN RISK.

REGULATIONS AND POLICIES

The regulations summarized below are not exhaustive and are only intended to provide general information to Investors and is neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, Central Sales Tax Act, 1956 and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations such as the Trade and Merchandise Marks Act, 1958 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below.

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The major regulations governing our Company are detailed below:

We are a non-deposit taking (which does not accept public deposits), systemically important, NBFC. As such, our business activities are regulated by RBI regulations applicable to non-public deposit accepting NBFCs ("***NBFC-ND***").

Regulations governing NBFCs

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares / stock / bonds / debentures / securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale / purchase / construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its 'principal business' is to be treated as an NBFC. The term 'principal business' has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/ 1269) issued in 1999, that in order to identify a company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every Company which satisfies the aforementioned conditions are required to get itself registered with the RBI in order to be able to commence any of the aforementioned activities within the meaning of section 45-IA of the RBI Act.

Further, an NBFC may be registered as a deposit accepting NBFC ("***NBFC-D***") or as a non-deposit accepting NBFC ("***NBFC-ND***"). NBFCs registered with RBI are further classified as:

- Asset Finance Companies;
- Investment Companies;
- Core Investment Company;
- Loan Companies ;
- Infrastructure Finance Companies.

Our Company is an NBFC-ND-SI, and classified as an Asset Finance Company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("***Prudential Norms – D***"), the Non-Banking

Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("***Prudential Norms – ND***"), and the provisions of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- an NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand; and

- NBFCs are not allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard.

Systemically Important NBFC-NDs
All NBFC-ND with an asset size of ₹ 5,000 million or more as per the last audited balance sheet will be considered as a systemically important NBFC-ND. RBI by a notification dated November 10, 2014 has revised the threshold for systemic significance, NBFC-ND shall be categorized into two broad categories viz.,

i. NBFCs-ND (those with assets of less than ₹ 5,000 million) and
ii. NBFCs-ND-SI (those with assets of ₹ 5,000 million and above)

All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio of 15%.

As per the revised regulatory framework issued vide RBI notification dated November 10, 2014, the systemically important NBFCs shall maintain minimum Tier 1 capital of 10%. The compliance to the revised Tier I capital will be phased in as follows:

- 8.5% by end of March 2016.
- 10% by end of March 2017.

Rating of NBFCs
All NBFCs with an asset size of ₹ 5,000 million are required to, as per RBI to, furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

Prudential Norms
The Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended, (the **"*Prudential Norms – ND*"),** amongst other requirements prescribe guidelines on NBFC-ND regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans.

Provisioning Requirements
A NBFC-ND, after taking into account the time lag between an account becoming non-performing, its recognition, the realization of the security and erosion overtime in the value of the security charged, shall make provisions against sub-Standard Assets, Doubtful Assets and Loss Assets in the manner provided for in the *Prudential Norms Directions.*

In the interests of counter cyclicality and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, RBI *vide* their circular no. DNBS.PD.CC.No.207/ 03.02.002 /2010-11 dated January 17, 2011, introduced provisioning for Standard Assets by all NBFCs. NBFCs are required to make a general provision at 0.25 per cent of the outstanding standard assets. The provisions on standard assets are not reckoned for arriving at net NPAs. The provisions towards Standard Assets are not needed to be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet. NBFCs are allowed to include the '*General Provisions on Standard Assets*' in Tier II capital which together with other 'general provisions/ loss reserves' will be admitted as Tier II capital only up to a maximum of 1.25 per cent of the total risk-weighted assets.

Pursuant to the RBI notification dated November 10, 2014, the provision for standard assets for NBFCs-ND-SI is being increased to 0.40%. The compliance with the revised norm will be phased in as given below:

- 0.30 by the end of March 2016
- 0.35% by the end of March 2017
- 0.40% by the end of March 2018

Vide circular ref. no. RBI/2014-15/520 DNBR (PD) CC.No. 024/ 03.10.001/ 2014-15 dated March 27, 2015, RBI has notified the following Notifications for meticulous compliance:

i. Notification No. DNBR. 007/ CGM (CDS) -2015 dated March 27, 2015 amending the Net Owned Fund requirements.

ii. Non-Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 issued vide Notification No. DNBR. 008/ CGM (CDS) -2015 dated March 27, 2015.

iii. Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 issued vide Notification No. DNBR. 009/ CGM (CDS) -2015 dated March 27, 2015.

iv. Notification No. DNBR. 010/ CGM (CDS) -2015 dated March 27, 2015 amending the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

v. Notification No. DNBR. 011/ CGM (CDS) -2015 dated March 27, 2015 amending the Non-Banking Financial (Deposit Accepting or Holding) Prudential Norms (Reserve Bank) Directions, 2007.

vi. Notification No. DNBR. 012/ CGM (CDS) -2015 dated March 27, 2015 amending the Non-Banking Financial Company - Factor (Reserve Bank) Directions, 2012

Capital Adequacy Norms

Every systemically important NBFC-ND is required to maintain, with effect from April 1,2007, a minimum capital ratio consisting of Tier I and Tier II capital of not less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Also, the total of the Tier II capital of a NBFC-ND shall not exceed 100% of the Tier I capital.

Tier -I Capital, has been defined in the Prudential Norms – ND as, owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a systemically important NBFC-ND in each year to the extent it does not exceed 15% of the aggregate Tier I capital of such company as on March 31 of the previous accounting year.

Owned Funds, has been defined in the Prudential Norms – ND as, paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier - II Capital has been defined in the Prudential Norms – ND, includes the following (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth per cent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier - I capital; and (f) perpetual debt instrument issued by a systemically important NBFC-ND, which is in excess of what qualifies for Tier I Capital to the extent that the aggregate Tier-II capital does not exceed 15% of the Tier -I capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed.

Exposure Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Prudential Norms, prescribed credit exposure limits for financial institutions in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the systemically important NBFC-ND, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the systemically important NBFC-ND. Further, the systemically important NBFC-ND may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Any NBFC-ND-SI not accessing public funds, either directly or indirectly may make an application to the RBI for modifications in the prescribed ceilings Any systemically important NBFC-ND classified as asset finance company by RBI, may in exceptional circumstances, exceed the above ceilings by 5% of its owned fund, with the approval of its Board of Directors. The loans and investments of the systemically important NBFC-ND taken together may not exceed 25% of its owned funds to or in single party and 40% of its owned funds to or in single group of parties. A systemically important ND-NBFC may, make an application to the RBI for modification in the prescribed ceilings.

Asset Classification

The Prudential Norms require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard Assets;
- Doubtful Assets; and
- Loss assets

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such up-gradation.

Regulatory Requirements of an NBFC under the RBI Act

Net Owned Fund

Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹20 million (Rupees twenty million only). For this purpose, the RBI Act and the circulars issued thereunder have defined "net owned fund" to mean:

the aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, and (iii) other intangible assets; and further reduced by the amounts representing,

(i) investment by such companies in shares of (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and

(ii) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10% of (a) above.

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such withdrawal.

Information in regard to change of address, Directors, Auditors, etc. to be submitted

Others

An NBFC-ND is required to inform the RBI of any change in the address, telephone no.'s, etc. of its Registered Office, names and addresses of its directors / auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC would need to ensure that its registration with the RBI remains current.

All NBFCs (whether accepting public deposits or not) having an asset base of ₹ 5,000 million or more or holding public deposits of ₹ 200 million or more (irrespective of asset size) as per their last audited balance sheet are required to comply with the RBI Guidelines for an Asset-Liability Management System.

Similarly, all NBFCs are required to comply with "Know Your Customer Guidelines - Anti Money Laundering

Standards" issued by the RBI, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

Corporate Governance

All systematically important ND NBFCs having an asset size above ₹ 5,000.00 million- are required to consider adopting best practices and transparency in their systems as specified below. An NBFC having assets of ₹ 500 million and above as per its last audited balance sheet is already required to constitute an audit committee, consisting of not less than three members of its Board of Directors. Constitution of a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending have also been prescribed in the RBI Circular.

Accounting Standards & Accounting policies

Subject to the changes in Indian Accounting Standards and regulatory environment applicable to a NBFC we may change our accounting policies in the future and it might not always be possible to determine the effect on the Statement of profit and loss of these changes in each of the accounting years preceding the change. In such cases our profit/ loss for the preceding years might not be strictly comparable with the profit/ loss for the period for which such accounting policy changes are being made.

Reporting by Statutory Auditors

The statutory auditors of the NBFC-ND is required to submit to the Board of Directors of the company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

KYC Guidelines

The RBI has extended the Know Your Customer ("KYC") guidelines to NBFCs and advised all NBFCs to adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The KYC policies are required to have certain key elements, including, customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, diligence of client accounts opened by professional intermediaries, customer due diligence and diligence of accounts of politically exposed persons, adherence to KYC guidelines and the exercise of due diligence by persons authorised by the NBFC, including its brokers and agents.

Financing of NBFCs by bank

The RBI has issued the guidelines vide a circular Number DBOD No. FSD. BC.46/24.01.028/2006-07 dated December 12, 2006 relating to the financial regulation of systemically important NBFC-NDs and the relationship of banks with such institutions. In particular, the guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) further lending to individuals for the purpose of subscribing to an initial public offer.

Norms for excessive interest rates

In addition, the RBI has vide a circular Number RBI/ 2006-07/ 414 dated May 24, 2007 whereby all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 01, 2013 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of a statement of capital funds, and risk asset ratio, etc as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditors that it is engaged in the business of non-banking financial institution requiring to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalization of the balance sheet within 15 days from the end of a quarter. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013 the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI.

Asset Liability Management
The RBI has prescribed the Guidelines for Asset Liability Management ("**ALM**") System in relation to NBFCs ("**ALM Guidelines**") that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2013. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹ 5,000 million, irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of ₹ 20 crore or more (irrespective of the asset size) as per their audited balance sheet as of March 31, 2001, are required to put in place an ALM system. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/31 days' time-bucket should not exceed the prudential limit of 15% of cash outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993
The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "**DRT Act**") provides for establishment of the Debts Recovery Tribunals (the "**DRTs**") for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

Anti-Money Laundering
The RBI has issued a Master Circular dated July 01, 2013 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("**PMLA**") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 1 million; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 1 million where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 1 million. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

SARFAESI Act
The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default.

The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution may sell financial assets to an asset reconstruction company provided the asset is an NPA. A bank or financial institution may sell a financial asset only if the borrower has a consortium or multiple banking arrangements and at least 75% by value of the total loans to the borrower are classified as an NPA and at least 75% by the value of the banks and financial institutions in the consortium or multiple banking arrangement agree to the sale. These assets are to be sold on a "without recourse" basis only. The SARFAESI Act provides for the acquisition of financial assets by securitization company or reconstruction company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Companies Act, 2013

The Companies Act, 2013 (the "2013 Act") has been notified by the Government of India on August 30, 2013 (the "Notification"). Under the Notification, Section 1 of the 2013 Act that dealt with the commencement and application of the 2013 Act, and amongst others, sets out the types of companies to which the 2013 Act applies came into effect. Further the Ministry of Corporate Affairs has by its notification dated September 12, 2013 ("September 12 Notification") notified 98 sections of the 2013 Act to come into force from September 12, 2013. Additionally, pursuant to a notification dated March 26, 2014, 171 new sections, certain un-notified sub – sections under the sections notified in the September 12 Notification and 6 schedules were notified that came into effect from April 1, 2014. The Companies Act, 2013 has 470 sections of which 269 sections are now notified. The Government of India has reserved for itself the power to notify different provisions of the 2013 Act at different points of time. The 2013 Act seeks to overhaul the Companies Act, 1956 so as to make it more adaptable to the changing circumstances and make it comprehensive.

Additionally, section 465 (yet to be notified) of the 2013 Act provides for repeals and savings where under anything done or any action taken or purported to have been done or taken, including any rule, notification, inspection, order or notice made or issued or any appointment or declaration made or any operation undertaken or any direction given or any proceeding taken or any penalty, punishment, forfeiture or fine imposed under the repealed enactments shall, insofar as it is not inconsistent with the provisions of 2013 Act, be deemed to have been done or taken under the corresponding provisions of the 2013 Act.

Foreign Investment Regulations

Foreign direct investment (including foreign institutional investment, investments by non-resident Indians, persons of Indian origin and overseas corporate bodies) ("**FDI**") in an Indian company is governed by the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**") read with the Consolidated Foreign Direct Investment Policy effective from April 05, 2013 ("**FDI Policy**") issued by the Department of Industrial Promotion and Policy, Ministry of Commerce, Government of India ("**DIPP**").FDI is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made. Under the automatic route, no prior Government approval is required for the issue of securities by Indian companies/ acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. Investors are required to file the required documentation with the RBI within 30 days of such issue/ acquisition of securities. However, if the foreign investor has any previous joint venture/ tie-up or a technology transfer/ trademark agreement in the "same field" in India, prior approval from the FIPB is required even if that activity falls under the automatic route, except as otherwise provided.

Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, the following are the relevant norms applicable for FDI in NBFCs:

(a) FDI investments upto 100% of the paid-up share capital of the NBFC is allowed under the automatic route in the following NBFC activities:

    (i) Merchant banking;
    (ii) Underwriting;

(iii) Portfolio Management Services;
(iv) Investment Advisory Services;
(v) Financial Consultancy;
(vi) Stock Broking;
(vii) Asset Management;
(viii) Venture Capital;
(ix) Custodial Services;
(x) Factoring;
(xi) Credit rating Agencies;
(xii) Leasing and Finance;
(xiii) Housing Finance;
(xiv) Forex Broking;
(xv) Credit card business;
(xvi) Money changing Business;
(xvii) Micro Credit; and
(xviii) Rural Credit.

(b) Minimum Capitalization Norms for fund based NBFCs:

(i) For FDI up to 51% - US$ 0.5 million to be brought up-front.
(ii) For FDI above 51% and up to 75% - US $ 5 million to be brought up-front.
(iii) For FDI above 75% and up to 100% - US $ 50 million out of which US $7.5 million to be brought up-front and the balance in 24 months
(iv) NBFCs (i) having foreign investment more than 75% and up to 100%, and (ii) with a minimum capitalization of US$ 50.00 million, can set up step down subsidiaries for specific NBFC activities, without any restriction on the number of operating subsidiaries and without bringing in additional capital. The minimum capitalization condition as mandated by the FDI Policy at paragraph 3.10.4.1, therefore, shall not apply to downstream subsidiaries.

Joint venture operating NBFCs that have 75% or less than 75% foreign investment can also set up subsidiaries for undertaking other NBFC activities, subject to the subsidiaries also complying with the applicable minimum capitalisation norm mentioned in (b)(i), (ii) and (iii) above and (f) below.

Non- Fund based activities: US $0.5 million to be brought upfront for all permitted non-fund based NBFCs irrespective of the level of foreign investment subject to the following condition. It would not be permissible for such a company to set up any subsidiary for any other activity, nor it can participate in any equity of an NBFC holding/operating company.

(c) Where FDI is allowed on an automatic basis without FIPB approval, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issue price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The foregoing description applies only to an issuance of shares by, and not to a transfer of shares of, Indian companies. Every Indian company issuing shares or convertible debentures in accordance with the RBI regulations is required to submit a report to the RBI within 30 days of receipt of the consideration and another report within 30 days from the date of issue of the shares to the non-resident purchaser.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter-alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

Labour Laws

India has stringent labour related legislations. We are required to comply with certain labour laws, which includes the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972 and the Payment of Wages Act, 1936, amongst others.

Intellectual Property

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. In case of any inconsistency between the Articles of Association of our Company and the Companies Act, 1956 and Companies Act, 2013, the provisions of the Companies Act, 1956 and the Companies Act 2013 shall prevail over the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act, 1956 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

1. The regulations contained in Table "A" in Schedule I to the Companies Act, 1956 (the "Act") (hereinafter referred to as "Table A") as amended from time to time, so far as they are not hereinafter excluded, modified or altered, either expressly or by necessary implication shall be deemed to be incorporated with and to form a part of these Articles and shall accordingly apply to the company. In the event of any inconsistency between the provisions of Table A and these Articles, these Articles shall prevail.

2. Regulations No. 21, 22, 23, 24, and 66, of Table "A" shall not apply to the company.

SHARE CAPITAL

5. The authorised share capital of the Company shall be as per Clause V of the Memorandum of Association of the Company.

6. Subject to the provisions of the Act and the provisions of these Articles, the shares shall be under the control of the Board.

7. The Board may allot or otherwise dispose of the shares or any of them, from time to time, to such persons (whether already members or not) in such proportions and on such terms & conditions, and for such consideration, in accordance with the Act.

8. Subject to the provisions of the Act and the provisions of these Articles, the Company shall have the power to issue preference shares carrying a right to redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of such redemptions or liable to be redeemed at the option of the Company and the Board may, in accordance with the applicable provisions of the Act, exercise such power in such manner as the Company may determine by special resolution before the issue of such preference shares.

9. Regulation 9 of Table "A" shall be read as if the words and brackets "(not being a fully-paid share)" have been deleted therefrom.

10. Regulation 13 of Table "A" shall apply subject to the deletion of the words "provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call."

11. The Company shall be entitled to register any shares in the name of any minor person, if fully paid up and allow the dividend thereof to be collected by such person as it deems the guardian of such minor shareholder.

ISSUE OF FURTHER SHARES

12. The Company may, subject to the other provisions of these Articles, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount as may be specified in the resolution.

13. Subject to any special rights or privileges for the time being attached to any shares in the capital of the Company then issued and subject to the other provisions of these Articles, the new shares may be issued upon such terms and conditions and with such rights and privileges attached thereto as direction may be given, as the Board will determine and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company.

14. The Company shall not, and SIFL and BPLG shall not exercise their voting rights in favour of causing the Company to, and to the extent permitted under applicable law, directly or indirectly, issue, effect any offer, sale, grant or other Transfer of any option to purchase, or otherwise dispose of (or announce any offer, sale, grant or other Transfer of any option to purchase or other disposition of) any of its equity or equity equivalent securities or equity linked securities convertible into shares including by way of a preferential allotment, unless the Company shall have first complied with these Articles.

15. First Right of Shareholders: No further shares shall be issued by the Company unless: (i) the issuance has been approved by BPLG and SIFL in accordance with Article 93 or Article 96 as the case may be; and (ii) the shares offered pursuant to such issuance (the "**Fresh Offering**") are first offered to each of the Shareholders as nearly as possible in proportion to the Shareholding Percentage of each of the Shareholders on the date of the Fresh Offering (the "**Pre-emptive Right**"). In any Fresh Offering to which all Shareholders subscribe on a pro rata basis either directly or through an Affiliate Transferee, the price for the issue of shares may be at a price mutually agreed between SIFL and BPLG. Provided however in the event of any Shareholder not subscribing to its entitlement in the Fresh Offering (directly or through an Affiliate Transferee), the price at which the other Shareholders may subscribe to the shares shall be at FMV as of the date of the Fresh Offering.

16. Non-exercise of Pre-emptive Right: Each Shareholder shall only be entitled to subscribe according to the Pre-emptive Right attached to its shares. The Pre-emptive Rights shall not be sold without the shares to any Third Party in any event. In any rights issue, a Shareholder shall be entitled to designate a person qualifying as an Affiliate Transferee to subscribe to the shares comprising such Shareholder's entitlement in compliance with Applicable Law.

In the event a Shareholder chooses not to exercise its Pre-emptive Right under Article 15 above:

(i) its voting rights at an AGM and/or EGM shall be accordingly diluted to the extent of its resulting Shareholding Percentage in the Company;

(ii) the Pre-emptive Right shall stand transferred to the other Shareholder who may (but need not) subscribe to such number of additional shares; and

(iii) the other Shareholder shall subscribe to: (a) the shares issued pursuant to the Fresh Offering, and (b) such number of additional shares pursuant to the exercise of the transferred Pre-Emptive Right in terms of sub-section (ii) above to the extent so exercised, at the FMV as of the date of the Fresh Offering.

Nothing contained above shall prejudice the rights of the Parties in Article 17 and Article 18.

17. SIFL Right to Preferential Allotment: Subject to Applicable Law and Articles 34 to 36 below, in the event that SIFL's Shareholding Percentage is diluted as a result of the non-exercise of the Pre-emptive Right to subscribe to further shares of the Company in terms of Article 15, the following provisions shall apply:

(i) **During the Initial Three Years***:* If SIFL's shareholding is diluted up to and above 26% by 01.04.2011 ("**Initial Three Years**"), SIFL, and/or IF shall have the right (the "**SIFL PA Right**"), at any time before the expiry of the later of: (a) the Initial Three Years; or (b) 2 (two) years from the date of allotment of shares in a Fresh Offering that led to the dilution of SIFL's shareholding (the "**SIFL PA Right Exercise Period**"), to issue a written notice (the "**SIFL PA Right Notice**") in terms of Article 17(iii) below.

(ii) **After the Initial Three Years:** If SIFL's shareholding is diluted up to and above 40% after the Initial Three Years, SIFL, shall have the right (the "**SIFL PA Right**"), at any time before the expiry of 6 (six) months from the date of allotment of shares in a Fresh Offering that led to the dilution of SIFL's shareholding (the "**SIFL PA Right Exercise Period**"), to issue a written notice (the "**SIFL PA Right Notice**") in terms of Article 17(iii) below.

(iii) The SIFL PA Right Notice shall allow SIFL to require the Company to, within 30 (thirty) days from the date of receipt of the SIFL PA Right Notice, issue additional Shares by way of a preferential allotment, such that it shall hold a maximum Shareholding Percentage equal to its Shareholding Percentage immediately preceding the relevant Fresh Offering (the "**SIFL Maximum Shareholding**"). It is clarified for the avoidance of doubt that in the event of successive Fresh Offerings resulting in sequential dilutions during the Initial Three Years, the SIFL PA Right Notice exercised prior to the expiry of the Initial Three Years shall entitle SIFL to increase its holding to any share percentage level up to the original Shareholding Percentage before the first of such dilutions occurred, provided that the SIFL PA Right Notice exercised pursuant to Article 17(i)(b) but after the expiry of the Initial Three Years shall only entitle SIFL to increase its Shareholding Percentage to that immediately preceding the relevant Fresh Offering.

(iv) The issuance shall be made on terms identical to those applicable to the relevant Fresh Offering and at a price which is equal to:

(a) the price paid by BPLG in the Fresh Offering provided that SIFL issued the SIFL PA Right Notice prior to the expiry of 3 (three) months from the date of allotment under the Fresh Offering to the extent that such subscription would bring SIFL back to the level of Shareholding Percentage immediately preceding that Fresh Offering; OR

(b) the FMV as of the date of the SIFL PA Right Notice if SIFL issued the SIFL PA Right Notice after the expiry of 3 (three) months from the date of allotment under the relevant Fresh Offering.

18. On the date of expiry of the SIFL PA Right Exercise Period, SIFL's Shareholding Percentage shall be fixed as of such date for all purposes (the "**SIFL Reduced Shareholding**"). For the avoidance of doubt Article 34 and Article 100(i) shall not apply during the SIFL PA Right Exercise Period and, in the event of the SIFL PA Right Notice having been issued by SIFL, until the completion of allotment pursuant to the SIFL PA Right Notice.

19. The Company shall and each of the Shareholders, shall take all necessary steps to ensure that: (i) the Company issues such number of shares to SIFL by way of a preferential allotment in accordance with the provisions of the Act as may be required under Article 17 and (ii) BPLG and any other Shareholders of the Company shall renounce their entitlement to the shares under such preferential allotment in favour of SIFL for the purpose of Article 17.

20. BPLG Right to Preferential Allotment: Subject to Applicable Law and Articles 34 to 36 below, in the event that BPLG's Shareholding Percentage is diluted as a result of the non-exercise of the Pre-emptive Right (such non-exercise being permitted only in the event of regulatory restrictions not permitting the exercise of the Pre-emptive Right) to subscribe to further shares of the Company, the following provisions shall apply:

(i) **During the Initial Three Years***:* If BPLG's shareholding is diluted up to and above 26% within the Initial Three Years, BPLG shall have the right (the "**BPLG PA Right**"), at any time before the expiry of the later of: (a) the Initial Three Years; or (b) 2 (two) years from the date of allotment of shares in a Fresh Offering that led to the dilution of BPLG's shareholding (the "**BPLG PA Right Exercise Period**"), to issue a written notice (the "**BPLG PA Right Notice**") in terms of Article 20(iii) below.

(ii) **After the Initial Three Years:** If BPLG's shareholding is diluted up to and above 40% after the Initial Three Years, BPLG, shall have the right (the "**BPLG PA Right**"), at any time before the expiry of 6 (six) months from the date of allotment of shares in a Fresh Offering that led to the dilution of BPLG's shareholding (the "**BPLG PA Right Exercise Period**"), to issue a written notice (the "**BPLG PA Right Notice**") in terms of Article 20(iii) below.

(iii) The BPLG PA Right Notice shall allow BPLG to require the Company to, within 30 (thirty) days from the date of receipt of the BPLG PA Right Notice, issue additional Shares by way of a preferential allotment, such that it shall hold a maximum Shareholding Percentage equal to its Shareholding Percentage immediately preceding the relevant Fresh Offering (the "**BPLG Maximum Shareholding**"). It is clarified for the avoidance of doubt that in the event of successive Fresh Offerings resulting in sequential dilutions during the Initial Three Years, the BPLG PA Right Notice exercised prior to the expiry of the Initial Three Years shall entitle BPLG to increase its holding to any share percentage level up to the original Shareholding Percentage before the first of such dilutions occurred, provided that the BPLG PA Right Notice exercised pursuant to Article 20(i)(b) but after the expiry of the Initial Three Years shall only entitle BPLG to increase its Shareholding Percentage to that immediately preceding the relevant Fresh Offering..

(iv) The issuance shall be made on terms identical to those applicable to the relevant Fresh Offering and at a price which is equal to:

(a) the price paid by SIFL in the Fresh Offering provided that BPLG issued the BPLG PA Right Notice prior to the expiry of 3 (three) months from the date of allotment under the Fresh Offering to the extent that such subscription would bring BPLG back to the level of Shareholding Percentage immediately preceding that Fresh Offering; OR

(b) the FMV as of the date of the BPLG PA Right Notice if BPLG issued the BPLG PA Right Notice after the expiry of 3 (three) months from the date of allotment under the relevant Fresh Offering.

21. On the date of expiry of the BPLG PA Right Exercise Period, BPLG's Shareholding Percentage shall be fixed as of such date for all purposes (the "**BPLG Reduced Shareholding**"). For the avoidance of doubt Article 35 shall not apply during the BPLG PA Right Exercise Period and, in the event of the BPLG PA Right Notice having been issued by BPLG, until the completion of allotment pursuant to the BPLG PA Right Notice.

22. The Company shall and each of the Shareholders, shall take all necessary steps to ensure that: (i) the Company issues such number of shares to BPLG by way of a preferential allotment in accordance with the provisions of the Act as may be required under Article 20 above and (ii) SIFL and any other Shareholders of the Company shall renounce their entitlement to the shares under such preferential allotment in favour of BPLG for the purpose of Article 20.

23. The provisions of Articles 17 to 22 shall apply *mutatis mutandis* to all securities and the Company shall not issue any further securities except in accordance with these Articles.

TRANSFER OF SHARES

24. The Company shall cause a Register of Members to be maintained in accordance with Section 150 of the Act, and Section 11 of the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media (including electronic media) as may be permitted by law. The Register of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall be deemed to be the Register of Members holding shares in dematerialised form, for the purposes of the Act.

25. No Shareholder shall Transfer any Shares held by it to a Third Party without complying with these Articles. Any attempt to do so shall be *ab initio* void.

26. Notwithstanding anything contained in Article 25, a Shareholder shall be entitled, at any time, to Transfer all or part of its shares to an Affiliate Transferee, provided, however, that prior written notice of such Transfer has been given to the other Shareholders. In the event of such Affiliate Transferee ceasing to be an Affiliate Transferee, the Shareholder who effected the transfer to such Affiliate Transferee shall acquire all (but not less than all) of the Shares then held by the erstwhile Affiliate Transferee.

27. Notwithstanding Article 25, a Shareholder shall be entitled, at any time after the expiry of the Initial Three Years, to sell all (but not some) of its shares in the manner and subject to the restrictions contained in these Articles.

28. A Shareholder exercising its right to sell its shares under Article 27 above (the "**Selling Shareholder**") shall prior to a proposed Transfer of the shares to a third party, first offer the shares, by notice in writing containing the material terms of the offer including the number of the shares (the "**Offer Notice**"), for sale to the other Shareholder (the "**Non-Selling Shareholder**"), who may acquire all (but not some only) of the shares so specified in the Offer Notice directly or through a nominee at a FMV.

28A. In the event of the Non-Selling Shareholder declining the offer or failing to notify its acceptance to the offer within the Offer Period, the Selling Shareholder shall be free to sell all (and not some only) its Shares specified in the Offer Notice to any Third Party purchaser provided that the ultimate beneficiary of such Third Party purchaser is not listed on the list of notified persons suspected of terrorism published by official authorities of India, France, European Union, United States, Canada, Australia or natural persons or legal entities on whom any financial embargo has been imposed, as updated from time to time, on terms no more favourable (including at a lower price) to such Third Party purchaser as compared to the terms offered in the Offer Notice.

29. The sale of the shares to the Third Party purchaser shall be completed within 90 (ninety) days from the expiry of the Offer Period and in the event the sale of shares to the Third Party is not completed within 90 (ninety) days from the expiry of the Offer Period (time taken to obtain applicable regulatory approvals shall be excluded subject to such extension not exceeding a further period of 90 days), the Selling Shareholder shall have to comply with these Articles again prior to effecting a sale to a third party.

30. Without prejudice to the generality of the foregoing, the Company shall not register a Transfer of shares to a Person if such Transfer is otherwise than in accordance with these Articles.

31. No fee shall be charged for registration of any Transfer by grant of probate, grant of letters of administration, certificate of death or marriage, power of attorney or other instruments.

32. Subject to the provisions of these Articles, any person becoming entitled to or to the Transfer of any share in consequence of the death or insolvency of any member thereof, upon producing such evidence of his title thereto or that he sustains the character in respect of which he proposes to act under these Articles as the Board may think fit, may with the consent of the Board (which they shall not be under any obligation to give) and may with or without the production of any probate or letters of administration or succession certificate, as the Board may deem fit and upon such terms as to indemnity or otherwise as the Board may impose, be registered as a member himself in respect of such share, and may with such consent and subject as aforesaid, Transfer to such other person as the Board may approve of unanimously. However in the event of his proposing to Transfer to such other person as aforesaid, it shall be subject to the same restrictions contained in these Articles.

33. The provisions of these Articles dealing with Transfer of shares shall apply *mutatis mutandis* to all securities.

SHAREHOLDING THRESHOLD

34. Notwithstanding anything contained in these Articles, if, subject to SIFL's Right to Preferential Allotment, the Shareholding Percentage of SIFL is below 40% but above 26% after the expiry of the SIFL PA Right Exercise Period as applicable after the expiry of the Initial Three Years, or subject to BPLG's Right to Preferential Allotment, the Shareholding Percentage of BPLG is below 40% but above 26% after the expiry of the BPLG PA Right Exercise Period as applicable after the expiry of the Initial Three Years (each, the "**Diluted Shareholder**") the following events shall occur:

(i) Notwithstanding anything contained in Article 47, the Board shall be reconstituted to comprise of 4 (four) Directors wherein the Diluted Shareholder shall have a right to nominate 1 (one) Director and the other Shareholder shall gain a right to nominate 3 (three) Directors. There shall be no Recommended Directors on the Board. It is hereby clarified that the Parties may mutually agree to increase the number of Directors on the Board provided however, that the ratio of the number of Directors appointed by the Diluted Shareholder to the number of Directors appointed by the other Shareholder shall always be 1:3;

(ii) The Diluted Shareholder shall thereafter not be entitled to any rights under Article 93 save and except for those contained in Article 93 (i), (iii), (iv), (vi), (viii), (ix), (x), (xi) and (xiv);

(iii) The other Shareholder shall have the right to nominate the Chairman, Managing Director and Joint Managing Director and the Diluted Shareholder shall only have the right to nominate a deputy managing director;

(iv) Notwithstanding anything contained in Article 71, the Diluted Shareholder shall not be entitled to designate a Vice Chairman to be appointed on the Board.

(v) Save and except for matters referred to in Article 34(ii) above, the Diluted Shareholder shall not be entitled to the mandatory attendance of the Diluted Shareholder or Diluted Shareholder's nominee for the purpose of quorum at meetings of the Board and General Meetings respectively; and

(vi) Notwithstanding anything contained in these Articles, should the Diluted Shareholder be BPLG, BPLG shall cease to have a right to nominate any key employee for appointment by the Company save as provided in Article 34(iii) above in relation to the appointment of the deputy managing director, and the Director nominated by BPLG shall cease to be Chairman of the Company.

35. Notwithstanding anything contained in these Articles, if the Shareholding Percentage of any Shareholder is below 26% of the Share Capital after the Initial Three Years (the "**Reduced Shareholder**"), all the shares held by the Reduced Shareholder shall mandatorily be acquired by the other Shareholder (the "**Continuing Shareholder**") at the price at which the Continuing Shareholder subscribed in the Fresh Offering ("**Squeeze-Out Price**") which resulted in the dilution of the Shareholding Percentage of the Reduced Shareholder to below 26%. Provided however that where the dilution of the Reduced Shareholder to below 26% occurred during the Initial Three Years, the Squeeze-Out Price shall be at the FMV as at the expiry of the Initial Three Years. Without any further act or deed, unless the Parties agree otherwise in writing, the other Shareholder shall purchase and the Reduced Shareholder shall sell all the shares held by the Reduced Shareholder at the Squeeze-Out Price. The Continuing Shareholder shall pay the Squeeze Out Price for the Shares held by the Diluted Shareholder to an account designated by the Diluted Shareholder and the Diluted Shareholder shall deliver all its Shares (including the Shares held by its Affiliate Transferees) to the Continuing

Shareholder, both on a spot delivery basis, no later than 45 (forty five) days from the later of: (i) the date of the relevant Fresh Offering which resulted in the dilution of the Reduced Shareholder to below 26%; or as the case may be, (ii) the expiry of the Initial Three Years where the dilution of the Reduced Shareholder to below 26% occurred prior to the expiry of the Initial Three Years. In the event of the completion of sale and purchase in terms of this Article 80 not being possible within such deadline due to regulatory restrictions, the provisions of Article 104-105 shall be applicable.

36. During the Initial Three Years, notwithstanding anything contained herein, if the Shareholding Percentage of any Shareholder falls below 26%, the Reduced Shareholder shall cease to be entitled to any rights under Articles 12 to 34, 37 to 43, 47 to 49 and 67 to 96.

GENERAL MEETINGS

37. All General Meetings shall be held in accordance with the applicable provisions of the Act.

38. Deleted.

39. Notice of a General Meeting shall be accompanied by an agenda setting out the business proposed to be transacted thereat. No business shall be transacted at any General Meeting duly convened and held other than that specified in the notice without the prior written consent of the Shareholders of the Company.

40. The quorum for a General Meeting shall be at least 5 (five) members or such higher number of members, as provided in Section 103 of the Companies Act, 2013, of the Company present in person or through their representatives subject to the presence of representatives of each of BPLG and SIFL as long as they each hold the minimum Shareholding Percentage required under Articles 34 to 36 above.

41. In the absence of a valid quorum at a General Meeting, duly convened and held within half-an hour from the time appointed for the General Meeting, the meeting shall be adjourned to the same time and place on the same day of the following week by giving a notice of not less than 3 days, either individually or by publishing an advertisement in the newspapers in accordance with Section 103 (2) of the Companies Act, 2013. The Shareholders present at such adjourned General Meeting shall constitute a valid quorum. Provided however, subject to the provisions of Article 34 above (shareholding threshold), in the event of any of the items referred to in Article 93 below (Affirmative covenants) being on the agenda of the General Meeting, for purposes of such agenda item, the quorum requirement of at least 5 (five) Shareholders with the presence of a representative of BPLG and SIFL shall be applicable at such adjourned General Meeting. In the absence of a valid quorum for purposes of such agenda items at such adjourned General Meeting, the meeting shall be adjourned to the same time and place on the same day of the following week. In the absence of a valid quorum at such adjourned General Meeting, the meeting shall once again be adjourned to the same time and place on the same day of the following week. In the absence of a valid quorum at such second adjourned General Meeting, at which General Meeting, all the items on the first agenda circulated in accordance with Article 39 including the items set out in Article 92 below may be transacted. Nothing contained herein shall preclude either BPLG or SIFL from communicating by way of a notice its rejection of a proposal in the first agenda circulated in accordance with Article 39 covered by Article 93 below, in which event a negative vote shall be deemed to have been passed in relation to the relevant item on the agenda.

42. BPLG and SIFL agree that at any General Meeting duly convened for the purpose of voting on any matter required to be transacted by the Shareholders thereat, they shall, on a commercially reasonable effort basis, be present in person or through their duly authorised representatives appointed in accordance with the applicable provisions of the Act for the purpose of complying with the requirements of a valid quorum, and shall vote all shares owned and held by them at such General Meeting in the manner agreed between the Parties.

42A. The Shareholders hereby jointly and severally undertake to ensure:

(i) that they, their representatives, proxies and agents representing them at General Meetings shall at all times exercise their votes in respect of the Shares in such manner so as to comply with, and to fully and effectually implement, the provisions of these Articles; and

(ii) that if any resolution is proposed contrary to the terms of these Articles, they, their representatives, proxies and agents representing them shall vote against such resolution. If for any reason such a resolution is passed, the Shareholders shall if necessary, join together and convene an EGM pursuant to Section 100 of the Companies Act, 2013 for implementing the terms of these Articles.

43. Notwithstanding anything contained herein, in the event of either Shareholder having provided a prior written affirmative consent by way of a notice to any agenda item set out in Article 93 below (Affirmative covenants), the presence of such Shareholder at the General Meeting shall not be necessary to constitute a valid quorum and the provisions of Article 40 shall apply.

44. Deleted.

VOTES OF MEMBERS

45. Subject to any right or restrictions for the time being attached to any class or classes of shares, on a show of hands, every member present in person or by proxy shall have voting right in proportion to his share of the paid up equity capital of the Company, provided that the members holding preference shares shall have no voting rights in respect of such shares except on resolutions or matters directly effecting the rights attached to such preference shares.

46. A member entitled to more than 1 (one) vote, or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

BOARD OF DIRECTORS

47. The Board shall comprise of 6 (six) Directors. Subject to Articles 34 to 36 above, 2 (two) Directors shall be nominated by each of BPLG (the "**BPLG Directors**") and SIFL (the "**SIFL Directors**") and there shall be 2 (two) Independent Directors, 1 (one) of whom shall be recommended by BPLG and appointed by the Board with the other being recommended by SIFL and appointed by the Board (each a "**Recommended Director**"). The IF appointed as Managing Director and Joint Managing Director by the Board under Article 71 shall always be considered SIFL Directors.

48. Subject to Articles 34 to 36 above, any change in the total number of Directors shall be only with the prior written consent of BPLG and SIFL.

48A. Each of BPLG and SIFL agree and undertake to vote their Shares or extend consents, as the case may be, and to take all other action as may be necessary (including causing the Company to call a General Meeting and exercising its votes at a General Meeting as well as at meetings of the Board or committees thereof including through its representatives or nominee Directors) so as to give effect to the provisions of these Articles.

49. (i) Each of BPLG and SIFL may require the removal of their nominee and/or Recommended Director(s) at any time and shall be entitled to nominate or recommend another representative as a Director in place of the Director so removed, and each of BPLG and SIFL shall exercise their rights in such manner so as to cause the removal or appointment of the nominee or Recommended Director of the other as aforesaid.

(ii) In the event of the resignation, retirement or vacation of office of any BPLG Director, BPLG shall be entitled to appoint another Director in his place and SIFL shall exercise its rights to ensure the appointment of the individual nominated as aforesaid.

(iii) In the event of the resignation, retirement or vacation of office of any SIFL Director, SIFL shall be entitled to appoint another Director in his place and BPLG shall exercise its rights to ensure the appointment of the individual nominated as aforesaid.

50. The persons hereinafter named shall be the first Directors of the Company:

(i) Mr. Arun Kedia

(ii) Mr. Shashi Bhushan Tiwari

(iii) Mr. Sandeep Lakhotia

51. Unless otherwise determined by the Company in a General Meeting, a Director shall not be required to hold any share in the capital of the Company as qualification shares.

52. Subject to the other provisions of these Articles, the Board shall have power at any time, and from time to time, to appoint any person as an Additional Director or to appoint any person to act as an Alternate Director or to appoint any person to fill any casual vacancy in the Board, in accordance with the provisions of the Act and these Articles.

53. 1 (one) BPLG Director and 1 (one) SIFL Director shall be non-rotational directors.

54. Subject always to Articles 47 and 48, if at any time the Company obtains loans or borrows money or obtains any assistance in any manner, financial or otherwise or in connection therewith by way of guarantee or otherwise from any person, firm, body corporate, local authority, financial corporation, institution, government, government body, public body, bank, collaborator or any other agency or source or person giving such assistance (hereinafter referred to as **"Institution"**) or if at any time the Company issues any shares and debentures and enters into any contract or arrangement with any Institution whereby the Institution(s) subscribes for or underwrites the issue of the Company's shares or debentures and it is a term of the contract or arrangement that the institution shall have the right to appoint one or more Directors on the Board of the Company, then subject to such terms and conditions, the institution shall be entitled to appoint one or more Director or Directors, as the case may be, on the Board of the Company and to remove from office any Director so appointed and to appoint another in his place or in the place of a Director so appointed who resigns or otherwise vacates his office. Any such appointment or removal will be made in writing and will be served at the registered office of the Company. The Director or Directors so appointed will neither be required to hold any qualification shares not be liable to retire by rotation and will continue in office for so long as the loan, assistance, contract or arrangement as the case may be subsists or continues.

55. Subject to the provisions of the Act and these Articles, the control and management of the Company shall be vested in the Board and the Board shall be entitled to exercise all such powers and do all such acts and things as the Company is authorised to exercise and do by these Articles provided that the Board shall not exercise any power to do any act or thing which is directed or required, whether by these Articles or by any other statute or law for the time being applicable to the Company, or which is required to be done by the Company in a General Meeting but subject to the provisions in the Act and these Articles and the regulations from time to time made by the Company in General Meeting and any other law for the time being applicable to the Company, provided that no such regulations shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

56. The Board shall have the power to delegate any of the power or authorities vested in it (including the power to sub-delegate), except such as are not hereby or by statute directed or required to be expressly exercised or done by the Board in a Board Meeting or by any committee of Directors, the Managing Directors(s), Whole time Directors(s), Director(s)-in-Charge or Director or Manager or Secretary or any other person(s), either singly or jointly as and subject to such restrictions, as it may think fit and proper.

57. The Directors may, subject to the provisions of the Act and in accordance with the other Articles, delegate any of their powers to committees consisting of such member or members of their Board as they think fit, and they may from time to time revoke such delegation. Any committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors.

58. The Board shall constitute the following committees and determine their functions, powers, authorities and responsibilities by 01.07.2008:

(i) Management or Executive Committee;

(ii) Underwriting and Credit Committee;

(iii) Audit Committee;

(iv) Remuneration Committee;

(v) ALM & Treasury Committee;

(vi) Receivable Management Committee.

59. Every committee of the Board so constituted shall however include at least 1 (one) representative nominated by BPLG ("**BPLG Committee Representative**") and 1 (one) representative nominated by SIFL ("**SIFL Committee Representative**").

60. No quorum at any meeting of such committee shall be validly constituted unless at least 1 (one) BPLG Committee Representative and 1 (one) SIFL Committee Representative are present at the commencement of such meeting and throughout its proceedings.

61. Subject to the provisions of these Articles, the Board may from time to time and at any time by power of attorney under the common seal of the Company, appoint any company, firm or body or person, to

be attorney or attorney of the Company for such purposes and with such powers, authorities and discretion (not exceeding those which may not be delegated by the Board under the Act or these Articles) and for such period and subject to such conditions as the Board may think fit and proper and any power(s) of such attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and the Board may also authorise such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him for the time being.

62. Each Director shall be entitled to be paid a fee out of the funds of the Company for his services in attending meetings of the Board or a committee of the Board including adjourned meetings and such fee shall be as may be determined by the Board from time to time in accordance with all statutory provisions. All other remuneration, if any, payable by the Company to such Director whether in respect of his services as a Managing Director or a Director in the whole or part-time employment of the Company shall be determined in accordance with and subject to the provisions of the Act and these Articles.

63. In addition to the remuneration payable to them in pursuance of the Act or these Articles, every Director shall also be entitled to be paid all reasonable travelling and hotel and other expenses incurred by him, in consequence of his attending the meetings of the Board of Directors of the Company or any committee thereof or any General Meeting of the Company in accordance with the global travel cost policy which may be mutually agreed between the Shareholders and the Company.

64. Every Director shall also be entitled to be paid all expenses otherwise incurred by him in execution of his duties as Director of the Company or for the purposes of or in connection with the business of the Company.

65. If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of residence for any of the purposes of the Company or giving special attention to the business as a member of committee of the Board or to hold any office in the Company or to work as contractor, agent purchaser or to perform any other duty or to make any special exertions for any of the purposes of the Company, the Company may, subject to the provisions of the Act, remunerate such Director by a fixed sum or by a percentage of profits or otherwise as may be determined by the Board and such remuneration may either be in addition to or in substitution for any other remuneration to which he may otherwise be entitled.

66. The Company may, subject to the provisions of these Articles and the Act, pay a commission on the net profits of the Company to its Directors, whether in the whole or part-time employment of Company.

CHAIRMAN AND VICE CHAIRMAN

67. The initial Chairman of the Board shall be Mr. Salil K. Gupta ("**Initial Chairman**") and shall hold office until the later of the annual General Meeting after 02.04.2008 ("**Next AGM**") or 01.04.2009. In the event of the Initial Chairman ceasing to hold office in this period other than by reason of his ceasing to be a Director, the Recommended Director recommended by BPLG shall be designated as replacement of the Initial Chairman and shall hold office until the later of the Next AGM or 01.04.2009. In the event of the Initial Chairman ceasing to hold the office of Chairman by reason of his ceasing to be a Director, the Recommended Director appointed on the recommendation of SIFL in place of the Recommended Director recommended by SIFL ceasing to be a Director, shall be designated as replacement of the Initial Chairman and be appointed and hold office as Chairman until the later of the Next AGM or 01.04.2009.

68. BPLG shall have the right (i) to designate for appointment by the Board from amongst the Directors the non-executive Chairman of the Board to be appointed at the later of the Next AGM or 01.04.2009 for such period as agreed between the Parties, and (ii) to designate his replacement for appointment by the Board in the event of his ceasing to hold office as Chairman for any reason whatsoever prior to the expiry of the tenure of office of Chairman appointed by the Board and in such event the replacement shall hold office as the non-executive Chairman for the residual unexpired period of the term of office of Chairman, and (iii) to re-designate and appoint another Director as the non-executive Chairman of the Board for any reason whatsoever.

69. The Chairman shall preside at all meetings of the Board or any committee thereof of which he is appointed the chairman and at all General Meetings. In the absence of the Chairman for any reason whatsoever at a meeting of the Board or any committee thereof where he is a member, or any General Meeting, the Vice-Chairman shall be the chairman of the meeting.

70. The Chairman shall not have a casting or second vote at any meeting of the Board or any committee thereof or at any General Meeting in the event of an equality of votes.

71. During the tenure of the Initial Chairman, each of SIFL and BPLG shall have the right: (i) to designate one SIFL Director as an executive Vice Chairman and one BPLG Director as a non-executive Vice Chairman to be appointed by the Board as Co- Vice Chairmen (the "**SIFL Vice Chairman**" and the "**BPLG Vice Chairman**" respectively); (ii) to designate the replacement for appointment by the Board in the event of the SIFL Vice Chairman or the BPLG Vice Chairman, as the case may be, ceasing to hold office as Vice Chairman for any reason whatsoever prior to the expiry of the tenure of office of Vice Chairman appointed by the Board and in such event the replacement shall hold office as Vice-Chairman for the residual unexpired period of the term of office of Vice- Chairman, or (iii) to re-designate and appoint another SIFL Director or BPLG Director, as the case may be, as the SIFL Vice Chairman or the BPLG Vice Chairman, as the case may be, for any reason whatsoever. Initially, Mr. Hemant Kanoria shall be the SIFL Vice Chairman. After the tenure of the Initial Chairman, BPLG shall cease to have a right to designate any BPLG Director as a Vice Chairman and SIFL shall have a right to designate one of the IF as the executive Vice Chairman who shall be the SIFL Vice Chairman.

PRINCIPLE OFFICERS OF THE COMPANY

72. The Board shall appoint the Managing Director and Joint Managing Director of the Company in accordance with and subject to the terms of these Articles. Save as otherwise agreed between the Parties and subject to Articles 34 to 36 above and Article 75 below, Mr. Hemant Kanoria shall be appointed by the Board to be the Vice-Chairman and Managing Director of the Company and Mr. Sunil Kanoria shall be appointed by the Board to be the Joint Managing Director of the Company. It is clarified that in the event the IF appointed as Managing Director, ceases to be the Managing Director of the Company, the other IF holding the office of the Joint Managing Director shall hold the office of the Managing Director and shall manage the day to day affairs of the Company and the Board shall appoint such IF as the Managing Director of the Company. The IF, so appointed as the Vice-Chairman and Managing Director and Joint Managing Director shall manage the Company with support from SIFL and BPLG.

72A. In terms of and subject to Section 317 of the Companies Act, 1956 and the provisions of these Articles, Mr. Hemant Kanoria or the other IF holding the office of the Managing Director, as the case may be, shall be appointed as the Managing Director for a term not exceeding 5 years at a time. Upon the expiry of their term, Mr. Hemant Kanoria or the other IF holding the office of the Managing Director, as the case may be, shall be eligible to re-appointment as Managing Director. Subject to the provisions of these Articles, BPLG shall exercise its rights to ensure the appointment of Mr. Hemant Kanoria or the other IF holding the office of the Managing Director, as the case may be, as Managing Director for a fresh term not exceeding 5 years at a time. Further, upon the expiry of the term of office of Mr. Sunil Kanoria as the Joint Managing Director, Mr. Sunil Kanoria shall be eligible to re-appointment as Joint Managing Director. Subject to the provisions of these Articles, BPLG shall exercise its rights to ensure the appointment of Mr. Sunil Kanoria as Joint Managing Director for a fresh term not exceeding 5 years at a time.

73. Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in Section 292 and the provisions of these Articles, the Board may, from time to time, entrust to and confer upon a Managing Director or Joint Managing Director or Deputy Managing Director for the time being such of the powers exercisable under these Articles by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit; and the Board may confer such powers, wither collaterally with or to the exclusion of and substitution for all or any of the powers of the Board in that behalf, and may from time to time, revoke, withdraw, alter or vary all or any or such powers.

74. Subject to the provisions of the Act, the Board may from time to time, appoint one or more Directors to be Whole-time Director(s) of the Company, either for a fixed term or without any limitation as to the period for which he is to hold such office, and may, from time to time (subject to the provisions of any contract between him and the Company) remove or dismiss him from office and appoint another in his place. Regulations 39 to 42 as contained in these Articles shall also apply to a whole-time Director of the Company.

75. In the exercise of their duties, functions and responsibilities on the Board, the IF shall be responsible to the Board for the operation of the business of the Company.

76. In the event that neither of the IF is engaged as Managing Director and therefore ceases to manage the day-to-day affairs of the Company:

(i) BPLG shall have the right to nominate the Managing Director by way of written notice (the "**Managing Director Nomination Notice**") who shall be so appointed by the Board within 2 (two) days of receipt of the Managing Director Nomination Notice;

In terms of and subject to Section 317 of the Companies Act, 1956 and the provisions of these Articles, the person nominated by BPLG shall be appointed as Managing Director for a term not exceeding 5 years at a time and shall be eligible to re-appointment as Managing Director upon expiry of the term. Subject to the provisions of these Articles, SIFL shall exercise its rights to ensure the appointment of the person nominated by BPLG as Managing Director for a fresh term not exceeding 5 years at a time.

(ii) BPLG shall have the right to call upon the shares held by SIFL, subject to and in accordance with Article 100 below; and

(iii) SIFL shall have the right to appoint a deputy managing director and shall have the right to exercise the Put Option, subject to and in accordance with Article 99(iii) below.

(iv) The IF will have a right to continue with the other businesses in which they have an interest including directorships of other companies.

77. BPLG shall have the right to nominate the CFO, the HBD and the DCURM with the requisite professional qualifications in prior consultation with the Managing Director and/or the Joint Managing Director acting reasonably and such nominees shall thereafter be so appointed by the Managing Director and/or the Joint Managing Director. The CFO shall also be appointed by the Managing Director and/or the Joint Managing Director to be a member of the Executive Committee. BPLG shall have the right to, at any time, cause the Managing Director and/or the Joint Managing Director to remove the CFO, the HBD and/or the DCURM for any reason whatsoever in prior consultation with the Managing Director and/or the Joint Managing Director, and nominate such other nominees as may be so intimated by BPLG by way of a written notice. Provided that the CFO, the HBD or the DCURM shall be removed in the event of demonstrable willful misconduct or gross negligence on their part.

78. The CFO shall, in the performance of his duties and responsibilities, report to and be answerable to the Managing Director and/or the Joint Managing Director.

79. The CFO, the HBD and the DCURM so appointed as aforesaid or any of them may be invited, at the sole discretion of the Board, to be present at any meeting of the Board or committee thereof but shall not be entitled to vote thereat.

80. The Managing Director and Joint Managing Director shall, in consultation with the Board, be entitled to determine the roles and responsibilities, duties and functions of all the employees in the senior management of the Company, including the financial duties and functions of the CFO who shall be responsible for the financial affairs of the Company.

80A. Mr. Hemant Kanoria and Mr. Sunil Kanoria shall have a right to continue as the executive Vice Chairman and Managing Director and as Joint Managing Director respectively despite the change in the Chairman. These positions on the Board shall not be capable of being filled by any other Person save and except with the prior consent of SIFL and IF.

MEETINGS OF THE BOARD

81. The Board shall meet in accordance with the annual schedule agreed between the Parties at the beginning of the Financial Year (the "**Annual Board Meeting Schedule**") or at such other frequency as may be agreed upon in writing by BPLG and SIFL from time to time in accordance with the Act.

82 At least 14 (fourteen) days prior written notice along with the agenda of each meeting of the Board or a committee thereof shall be given to each of the Directors and their alternates, if any, at the address notified from time to time by each Director and their Alternate Directors, if any, in writing to the Company from time to time. The detailed agenda setting out in reasonable detail the items of business proposed to be transacted thereat together with necessary background and other information and/or supporting documents pertaining thereto shall be delivered to the Directors and their Alternate Directors, if any, at least 5 (five) Business Days in advance of such Board meeting.

83. A meeting of the Board or committee thereof may however be called by the Chairman or the Vice Chairman or the Managing Director or the Joint Managing Director on less than 14 (fourteen) days

prior written notice in the case of urgency or an emergency or if special circumstances so warrant (which notice shall in any case be a notice of not less than 3 (three) Business Days) with the prior written consent of at least 1 (one) BPLG Director and 1 (one) SIFL Director.

84. The travel and accommodation costs incurred by a Director in attending a meeting of the Board or committee thereof or a General Meeting shall be borne by the Company in accordance with the global travel cost policy which may be mutually agreed between the Shareholders and the Company.

QUORUM AT MEETINGS OF THE BOARD

85. The quorum for a meeting of the Board, duly convened and held, shall be one third of the total number of Directors or 2 (two) Directors, whichever shall be higher. Provided however that no quorum as aforesaid shall be validly constituted, and no business at any meeting of the Board shall be transacted, unless at least 1 (one) BPLG Director and 1 (one) SIFL Director are present at the commencement of such meeting and throughout its proceedings so long as each of BPLG and SIFL hold the minimum Shareholding Percentage under Articles 34 to 36 above.

86. In the absence of a valid quorum at a meeting of the Board, duly convened, the meeting shall be adjourned to the same time and place on the same day of the following week. The quorum at such adjourned meeting of the Board shall, notwithstanding anything to the contrary contained hereinabove, be one third of the total number of Directors or 2 (two) Directors, whichever shall be higher and all business transacted thereat shall be regarded as having been validly transacted.

87. Notwithstanding anything contained hereinabove, in the absence of a valid quorum at a meeting of the Board, duly convened which includes in its agenda any item set out in Article 93 below, subject to the provisions of Articles 34 to 36 above, the meeting shall be adjourned to the same time and place on the same day of the following week. The aforesaid quorum requirements shall also be applicable at such adjourned meeting of the Board. In the absence of a valid quorum at such adjourned meeting of the Board, the meeting shall once again be adjourned to the same time and place on the same day of the following week or such other time and place as may be mutually agreed by at least 1 (one) BPLG Director and 1 (one) SIFL Director. The quorum at such second adjourned meeting of the Board shall, notwithstanding anything to the contrary contained hereinabove, be one third of the total number of Directors or 2 (two) Directors, whichever shall be higher and all business with respect to items on the agenda as included in the first agenda circulated in accordance with Article 81 including the items set out in Article 93 below) transacted thereat shall be regarded as having been validly transacted. Nothing contained herein shall preclude either BPLG or SIFL from communicating by way of a notice its rejection of a proposal on the agenda circulated in accordance with Article 81 covered by Article 93 below, in which event a negative vote shall be deemed to have been passed in relation to the relevant item on the agenda.

88. Notwithstanding anything contained in these Articles, in the event of either Shareholder having provided a prior written affirmative consent to any agenda item set out in Article 93 below, the presence of such Shareholder's nominee Director at the meeting of the Board shall not be necessary to constitute a valid quorum and the provisions of Article 86 shall apply.

ALTERNATE DIRECTOR

89. The Board may appoint an Alternate Director who is recommended for such appointment by a Director (an "**Original Director**") to act for him during his absence for a period of not less than 3 (three) months from the state in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that state. If the term of office of the Original Director is determined before he so returns to that state, any provisions in the Act for the automatic reappointment of any retiring Director, in default of another appointment, shall apply to the Original Director and not to the Alternate Director. The act of an Alternate Director acting for the Original Director shall be deemed to be the act of the Original Director. Upon the appointment of the Alternate Director, the Company shall ensure compliance with the provisions of the Act, including by filing necessary forms with the Registrar of Companies. The Alternate Director shall be entitled to receive notice of a meeting of the Board or committee thereof, along with all relevant papers in connection therewith including in terms of Article 82 and to attend and vote thereat in place of the Original Director and generally to perform all functions of the Original Director in his absence.

RESOLUTION BY CIRCULATION

90. No resolution shall be deemed to have been duly passed by the Board or a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any to all Directors or to all members of the committee, and to all other Directors or members at their usual address, and has been approved by a majority of such of them as are entitled to vote on the resolution. Provided that such majority shall comprise at least 1 (one) BPLG Director and 1 (one) SIFL Director in relation to any agenda items covered by Article 93 below.

VOTING AT MEETINGS

91. Except as provided in Article 93 above and in respect of matters where the Act requires otherwise, all decisions at any meeting of the Shareholders of the Company shall be by a simple majority of the votes of the Shareholders present in person and entitled to vote thereat.

92. Except as provided in Article 93 above, all decisions at any meeting of the Board or a committee thereof shall be by a simple majority of the votes of the Directors present or represented through their Alternate Directors.

AFFIRMATIVE COVENANTS

93. No action shall be taken by the Company or the Board or committee meeting thereof or at any General Meeting or at any meeting of the Board or committee thereof or by resolution by circulation with respect to any of the following matters without the prior written consent of each of BPLG and SIFL or the affirmative vote of the BPLG Directors and the SIFL Directors as the case may be:

(i) alteration of the provisions of these Articles;

(ii) commencement of a new line of business not part of the Specified Businesses;

(iii) issuance of further shares to meet regulatory capital adequacy requirements in accordance with the business objectives;

(iv) issuance of further shares (other than for regulatory capital adequacy requirements) or securities to any person (including Shareholders);

(v) reduction of share capital or any buy back of securities;

(vi) approval of variation of rights of shares;

(vii) any change in the constitution of the Board or in the number of Directors other than as expressly agreed between the Parties or provided in these Articles;

(viii) declaration of dividend;

(ix) adoption of audited annual accounts;

(x) apply to a court to wind up the Company;

(xi) any merger, de-merger or other corporate restructuring by way of a scheme of amalgamation, arrangement or compromise including but not limited to a scheme of arrangement made under Section 517 of the Act to be undertaken by the Company;

(xii) remuneration of the Managing Director and the Joint Managing Director;

(xiii) approval of the annual business plan and annual budget;

(xiv) transactions with any Shareholder or any Affiliate of the Shareholders of an amount exceeding Rs. 2,50,00,000/- (Rupees Two Crores and Fifty Lakhs only) cumulatively per Financial Year;

(xv) creation of any security or encumbrance on the assets of the Company, or of any indebtedness, or the granting of any guarantee in excess of Rs. 2,50,00,000/- (Rupees Two Crores and Fifty Lakhs only) outside the ordinary course of business in any given Financial Year or such other limit prescribed by the Board from time to time, it being clarified that any such revision of the limit specified by the Board under this sub-section shall be subject to the affirmative vote of at least 1(one) BPLG Director and 1 (one) SIFL Director;

(xvi) capital expenditures or disposals (including business or asset acquisitions or disposals) for the use of the Company in excess of Rs. 5,00,00,000/- (Rupees Five Crores only) in any given Financial Year or such other limit prescribed by the Board from time to time outside the ordinary course of business – it being clarified that any such revision of the limit specified by the Board under this sub-section shall be subject to the affirmative vote of at least 1(one) BPLG Director and 1 (one) SIFL Director;

(xvii) appointment or replacement of the Auditor; and

(xviii) delegation of any of the above matters to a committee or an individual.

DEADLOCK

94. In the event of the prior written consent of BPLG or SIFL or the affirmative vote of at least 1 (one) BPLG Director and 1 (one) SIFL Director not being obtained with respect to any of the matters specified in Article 93, BPLG and SIFL shall in good faith attempt to resolve such difference/matter through discussions and negotiations between the IF and the Managing Director of BPLG or senior nominees designated by the IF and the Managing Director of BPLG, which discussions shall be held as soon as practicable after such difference/matter arises but not later than 21 (twenty one) days from the date on which the difference/matter having emerged. Any resolution agreed between the IF and the Managing Director of BPLG or their nominees shall be given effect to by BPLG, SIFL, the Board or the relevant committee, as the case may be, and the Company, without delay. If such difference/matter is not resolved within 45 (forty five) days following the date on which the difference/matter emerged, then a deadlock shall have arisen ("**Deadlock**") and the deadlock shall then be dealt with in the manner set out in Article 96 below..

95. Status quo shall prevail with respect to the matter(s) which has been the subject matter of the unresolved Deadlock until such time as the Deadlock is resolved in accordance with the manner mutually agreed between the Parties.

96. In the event of the Deadlock not being resolved within the prescribed time period agreed between the Parties, the following provisions shall govern the Parties: -

(i) Should the Deadlock have arisen in terms of Article 94 above within the Initial Three Years:

(a) where the Deadlock is with respect to Article 93(i), such resolution shall not be passed provided that, where the proposed alteration arises from a mandatory requirement under Applicable Law, the same shall be deemed to have been passed;

(b) where the Deadlock is with respect to Article 93(iii), the Shareholder who opposes the resolution for issuance of fresh shares shall agree to be diluted. Provided that, it is the intention of the Parties that, to the extent commercially reasonable, neither Shareholder shall be diluted to below 26% of the share capital pursuant to the issue of fresh shares under this Article 96(i)(b);

(c) where the Deadlock is with respect to Article 93(ix), an independent third party auditor shall be jointly appointed by the Parties who shall audit the accounts of the Company and such accounts shall be binding on the Company. If the Parties fail to arrive at an agreement on the appointment of the independent third party auditor, the Conciliator shall appoint the independent third party auditor for the purposes of this Article 96(i)(c);

(d) where the Deadlock is with respect to Article 93(xiii), , such annual budget shall be prepared in accordance with the long-term business plan agreed between the Parties; and

(e) where the Deadlock is with respect to Article 93(xvii), such appointment shall be made on the recommendation of the Conciliator.

Save for the mechanism set out in this Article 96, in the event of the Deadlock relating to any other matter set out in Article 93 during the Initial Three Years, *status quo* shall be maintained in relation to the subject matter of the unresolved Deadlock.

(ii) Should the Deadlock have arisen in terms of Article 94 above, after the expiry of the Initial Three Years, either Shareholder may issue to the other Party a notice in writing (the "**Deadlock Notice**") invoking the Deadlock resolution procedure hereinbelow set out:

(a) Either BPLG or SIFL / IF may call for the FMV to be determined as of the date of the Deadlock Notice (the "Trigger Date") within a period of 30 (thirty) days from the Trigger Date. The sale and purchase of the shareholding in terms hereof shall be at the price determined and paid in accordance with Schedule I (the "Deadlock Price").

Where, within a period of 15 (fifteen) days of determination of the FMV in accordance with the mechanism agreed between the Parties, one Shareholder intimates to the other Shareholder its intention to sell all (but not part) of its Shares (the "Offer for Sale") at a price equal to the FMV by way of a written notice (the "Offer for Sale Notice") OR where, within a period of 15 (fifteen) days of determination of the FMV in terms hereof, one Shareholder intimates to the other Shareholder its intention to purchase all (but not part) of the Shares of the other Shareholder (the "Offer for Purchase") at a price equal to the FMV by way of a written notice (the "Offer for Purchase Notice"), the other Shareholder may, within 15 (fifteen) days of receipt of the Offer for Sale Notice or the Offer for Purchase Notice as the case may be, accept the Offer for Sale or the Offer for Purchase as the case may be by way of a written notice. In such event, the sale and purchase of the Deadlock Sale Shares shall be completed at the FMV which shall be the Deadlock Price. In such event, the Shareholder offering to Transfer its Shares shall be the Deadlock Selling Shareholder and the Shareholder offering to purchase the Deadlock Sale Shares shall be the Deadlock Purchasing Shareholder. In the event one Shareholder issues the Offer for Sale Notice or the Offer for Purchase Notice as the case may be, and the other Shareholder does not by way of a notice confirm acceptance or issue a counter Offer for Sale Notice or Offer for Purchase Notice as the case may be, within a period of 15 (fifteen) days from the date of receipt of such notice, such other Shareholder shall be deemed to be the Deadlock Purchasing Shareholder or the Deadlock Selling Shareholder as the case may be, and the price stated in such Offer for Sale Notice or Offer for Purchase Notice as the case may be, shall be the Deadlock Price. Where, within a period of 15 (fifteen) days of the determination of the FMV in terms hereof, both Shareholders issue Offer for Sale Notices to the other Shareholder, the Deadlock Purchasing Shareholder and the Deadlock Selling Shareholder and the Deadlock Price shall be determined in the manner agreed between the Parties. Where, within a period of 15 (fifteen) days of the determination of the FMV in terms hereof, both Shareholders issue Offer for Purchase Notices to the other Shareholder, the Deadlock Purchasing Shareholder and the Deadlock Selling Shareholder and the Deadlock Price shall be determined in the manner agreed between the Parties.

In the event of the completion of sale and purchase in terms of Articles 94 to 96 not being possible within such deadline due to regulatory restrictions, the provisions of Articles 104 and 105 shall be applicable.

CHANGE OF CONTROL

96A. SIFL and/or IF, or as the case may be, BPLG, shall, within 30 (thirty) calendar days of a Change of Control of SIFL or as the case may be, of BPLG, taking place, send a notice in writing to BPLG or SIFL as the case may be intimating the other Shareholder of such Change of Control ("**Change of Control Notice**").

97. In the event of a Change of Control of SIFL, BPLG shall, either directly or through its nominee, have the irrevocable right to require SIFL, by issuing a notice, to Transfer all (but not some) of the shares held by SIFL to BPLG. The price per Share shall be at the FMV as of the date of the Change of Control Notice. Provided that, subject to Applicable Law, in the event the Change of Control of SIFL is due to any Voluntary Action, deed or omission (whether intended or not) on the part of SIFL and/or the IF prior to the expiry of the Initial Three Years, BPLG shall, either directly or through its nominee, have the irrevocable right to require SIFL, by issuing a notice, to Transfer all (but not some) Shares held by SIFL to BPLG at a price per Share equal to 80% of the FMV as of the date of the Change of Control Notice. Provided that, in the event all (but not some) of the Shares held by SIFL have been acquired by Affiliate Transferees being a company/companies wholly owned by the IF and their Relatives, BPLG shall not have a right to require the sale of Shares held by such company/companies wholly owned by the IF and their Relatives for the purposes of this Article. BPLG shall pay the purchase price for the Shares held by SIFL determined in accordance with this Article to an account designated by SIFL and SIFL shall deliver all its Shares held by SIFL to BPLG, both on a spot delivery basis, no later than 21 (twenty one) days from the date of receipt of notice from BPLG under this Article. In the event of the completion of sale and purchase under this Article not being possible within such deadline due to regulatory restrictions, the provisions of Articles 104 and 105 shall be applicable.

98. In the event of Change of Control of BPLG, SIFL and the IF shall, either directly or through their nominee, have the irrevocable right to require BPLG, by issuing a notice to Transfer the shares held by BPLG (including shares held by its Affiliate Transferees) to SIFL or as the case may be, IF or their nominee. The price per Share shall be at the FMV as of the date of the Change of Control Notice. SIFL, the IF and/or its nominee as the case may be, shall pay the purchase price for the Shares held by BPLG determined in accordance with this Article to an account designated by BPLG and BPLG shall deliver all its Shares (including the Shares held by its Affiliate Transferees) to SIFL and/or the IF, both on a spot delivery basis, no later than 21 (twenty one) days (time taken to obtain applicable regulatory approvals being excluded) from the date of receipt of notice from SIFL and/or the IF under this Article.

PUT AND CALL OPTION

99 Notwithstanding anything contained herein, SIFL shall have the right (but no obligation), by issuing a notice to BPLG (the "**Put Notice**"), to sell all (but not part) of the shares held by SIFL (the "**Put Shares**") to BPLG, and BPLG shall, subject to Applicable Law, acquire the Put Shares (the "**Put Option**") at a price which is equal to the FMV in the following situations:

(i) where SIFL's Shareholding Percentage is below 40% of the Share Capital after the expiry of the Initial Three Years; or

(ii) on or after April 1, 2030; or

(iii) where neither of the IF is the Managing Director of the Company due to consequences of death or incapacity or regulatory restrictions which are not attributable to any Voluntary Action of the IF in any manner whatsoever.

100. Notwithstanding anything contained herein, BPLG shall, subject to Applicable Law, have the right (but no obligation), by issuing a notice to SIFL (the "**Call Notice**"), to purchase all (but not part) of the shares held by SIFL (the "**Call Shares**") from SIFL, and SIFL shall Transfer the Call Shares (the "**Call Option**") in the following situations:

(i) where SIFL's Shareholding Percentage is below 40% of the Share Capital after the expiry of the SIFL PA Right Exercise Period as applicable after the expiry of the Initial Three Years at a price which is equal to the FMV; or

(ii) on or after April 1, 2030 at a price which is equal to the FMV; or

(iii) where, prior to the expiry of the Initial Three Years, neither of the IF is the Managing Director of the Company due to a Voluntary Action of the IF, at a price per share which is equal to 80% of the FMV; or

(iv) where prior to the expiry of the Initial Three Years if neither of the IF is the Managing Director of the Company for reasons which are not attributable to any Voluntary Action of the IF, at a price which is equal to the FMV; or

(v) where, after the expiry of the Initial Three Years, neither of the IF is the Managing Director of the Company at any time and for any reason whatsoever, at a price which is equal to the FMV.

101. Upon receipt of the Put/Call Notice, the Company and the Shareholders shall complete the sale and purchase in the manner and on the terms and conditions agreed between the Parties.

DIRECTORS INSURANCE POLICY

102. The Company shall procure Directors' insurance policy cover for the Directors and their Alternate Directors.

INFORMATON AND AUDIT RIGHTS

103. The Company shall furnish, separately to BPLG, SIFL and IF, the following information:

(i) annual audited financials statements within 90 (ninety) days of the date of Financial Year-end;

(ii) monthly management accounts and a report on the Key Performance Indicators within 15 (fifteen) Business Days of the month end;

(iii) quarterly and annual financial statements prepared in accordance with IFRS principles within 30 (thirty) days of the end of each quarter; and

(iv) such other information as may be mutually agreed in accordance with agreed management principles.

Such reporting requirements shall be prepared on a best efforts basis with the necessary support provided by BPLG to help the Company put in place the required systems.

CONSEQUENCES OF DELAY DUE TO REGULATORY RESTRICTIONS IN TRANSFER OF SHARES TO BPLG

104. Save and except for a Transfer pursuant to a Default Call Option under Article 107(i), in all events where BPLG is the transferee of Shares and SIFL is the transferor of Shares in terms of any of the provisions of these Articles (whether pursuant to Articles 94 to 96 (Deadlock), Articles 24 to 30 (Right of First Offer), Articles 35 and 36 (Mandatory Squeeze-Out), Articles 96A to 98 (Change of Control), Articles 99 to 101 (Put and Call Option) or otherwise) (the "Transfer Provisions"), and BPLG is unable to complete the Transfer of the Shares of the Company, either directly or through a nominee, within the deadlines specified therefor in the relevant Transfer Provisions ("Specified Deadline") due to restrictions or non-receipt of regulatory approvals under Applicable Law (not attributable to any material regulatory default on the part of SIFL and/or the IF or any of their Affiliates as the case may be), notwithstanding anything contained herein, BPLG shall be entitled to a further period of 120 (one hundred twenty) days beyond the Specified Deadline ("Extended Deadline") to complete such Transfer, after which BPLG shall be obliged to pay, in addition to the consideration amount payable for the Transfer under the relevant Transfer Provision (the "Transfer Price"), a carrying cost to be computed at the rate of the State Bank of India's benchmark prime lending rate plus 200 basis points calculated as from the expiry of the Extended Deadline (the "Carry").

105. In the event of BPLG being unable to either purchase or cause any designated nominee to purchase the Shares from SIFL under the relevant Transfer Provision within a period of 1(one) year from the Specified Deadline (the "Transfer Completion Period"), BPLG shall, upon the expiry of 1 (one) year from the Specified Deadline, be obliged to pay in respect of all (and not some) of SIFL's Shares, the relevant Transfer Price plus the applicable Carry until the actual payment of the Transfer Price and thereupon SIFL shall deliver all the SIFL Shares to such Person as may be directed by BPLG.

EVENT OF DEFAULT AND ITS CONSEQUENCES

106. An event of default ("Event of Default") shall occur on the happening of any of the following events:

(i) if any Shareholder (or its agents, employees or representatives) (the "**Defaulting Shareholder**") commits fraud, malfeasance, gross negligence, wilful misconduct, theft or embezzlement having a material adverse effect on the Company or the other shareholders or acts in bad faith or is in material breach of or fails to observe or comply with any material term covenant or obligation contained in these Articles or any agreement between the Parties, which breach or failure, if capable of cure or remedy, has not been cured or remedied within 45 (forty five) days of the receipt of written notice of such breach or failure from the other Shareholder (the "**Non-Defaulting Shareholder**");

(ii) if an Insolvency Event has occurred with respect to any Shareholder (the "**Insolvent Shareholder**");

(iii) if BPLG or SIFL (the "**Defaulting Shareholder**") is in material breach of any of the representations or warranties made under any agreement between the Parties;

(iv) the occurrence of an event of default under any agreement entered into between SIFL, BPLG and the Company together relating to shares held by SIFL and BPLG and their Affiliates.

It is clarified for the avoidance of doubt that, an event of default having occurred with respect to the IF shall be deemed to be an Event of Default of SIFL under these Articles and SIFL shall then be deemed to be the Defaulting Shareholder for the purpose of this Article.

107. Within 21 (twenty one) days of the occurrence of an Event of Default as specified in Article 106 (the "Option Period"), if:

- the Non-Defaulting Shareholder is BPLG, BPLG shall have the option to require SIFL (and its successors and assigns) by way of notice to sell all (but not some) of the Shares held by SIFL to BPLG (directly or to a nominee) (the "**Default Call Option**") at 80% (eighty percent) of the FMV as of the date of the notice issued by BPLG hereunder; or
- the Non-Defaulting Shareholder is SIFL, SIFL shall have the option to require BPLG by way of notice to buy all (but not some) of the Shares held by SIFL (directly or through a nominee) (the "**Default Put Option**") at 120% (one hundred and twenty percent) of the FMV as of the

date of the notice issued by SIFL hereunder (in each case the "**Default Price**").

108. Upon exercise of such option by the Non-Defaulting Shareholder, the Defaulting Shareholder shall be obligated to sell or purchase all the Shares held by SIFL as the case may be, at the Default Price. Upon exercise of the Default Call Option or the Default Put Option as the case may be, BPLG shall pay the Default Price, to an account designated by SIFL and SIFL shall deliver all its Shares to BPLG, both on a spot delivery basis, no later than 45 (forty five) days from the date of receipt of the notice exercising the Default Call Option or as the case may be, the Default Put Option by the Non-Defaulting Shareholder. All costs in relation to the sale and purchase of the Shares in accordance with this, including the costs involved in the determination of the FMV shall be borne by the Defaulting Party and may be so adjusted in the Default Price. In the event of the completion of sale and purchase under this Article not being possible within such deadline due to regulatory restrictions, the provisions of Articles 112 and 113 as may be the case shall be applicable.

109. In the event that an Insolvency Event has occurred with respect to an Insolvent Shareholder, and such Insolvency Event is not stayed on appeal within a period of 120 (one hundred twenty) days from the occurrence of the Insolvency Event, the Insolvent Shareholder shall cease to be entitled to its right and privileges, if any, under these Articles and the Insolvent Shareholder shall be deemed to have served a notice to Transfer all of the Shares held by it in the Company to the other Shareholder (the "Solvent Shareholder") on the date immediately preceding the date of occurrence of the Insolvency Event and thereupon, the provisions of Article 107 shall, mutatis mutandis, apply in the same manner as if the Insolvent Shareholder had voluntarily agreed to Transfer all the Shares held by the Insolvent Shareholder. Provided that, subject to Applicable Law, the price at which the Insolvent Shareholder shall sell its Shares to the Solvent Shareholders, shall be 80% of FMV as of the date of the occurrence of the Insolvency Event. If the Solvent Shareholder is not willing to purchase all of the Shares of the Insolvent Shareholder, then the Solvent Shareholder may nominate the Shares of the Insolvent Shareholder to be sold to a third party(ies) on the same terms, provided that such third party(ies) agrees to execute the Deed of Adherence.

110. The rights specified in Article 107 above shall be in addition to and not in substitution for, any other remedies, that may be available to the Non-Defaulting Shareholder in respect of an Event of Default set out in Article 106. Provided however the value of the discount or the premium to the FMV at which the Shares are transferred shall stand adjusted against any indemnity claim made by the Non-Defaulting Shareholder on the Defaulting Shareholder with respect to a claim with respect to that specific Event of Default.

111. In such event, BPLG shall pay the purchase price for the Shares to an account designated by SIFL and the SIFL shall deliver all its Shares to BPLG, both on a spot delivery basis, no later than 45 (forty) days from the date of the notice of the Default Put Option or the Default Call Option as the case may be. In the event of the completion of sale and purchase under this Article not being possible within such deadline due to regulatory restrictions, the provisions of Articles 112 and 113 as may be the case shall be applicable.

112. In the event of BPLG being unable to complete the purchase of Shares held by SIFL pursuant to the exercise of the Default Call Option due to any regulatory restrictions (not attributable to any material regulatory default on the part of SIFL and/or the IF or any of their Affiliates as the case may be) on the purchase of the Shares held by SIFL by BPLG (either directly or through a nominee) at the Default Price within a period of 1 (one) year from the expiry of the period of 30 (thirty) days from the date of notice of the Default Call Option, the Parties shall once again determine the FMV as of the date of such expiry of 1 (one) year period and BPLG shall be entitled to a further period of 6 (six) months to complete the purchase of shares held by SIFL at 80% of the revised FMV so determined (the "Revised Default Price"). Upon the expiry of such further period of 6 (six) months, in the event BPLG does not complete the purchase of SIFL's Shares (either directly or through a nominee) at such Revised Default Price, BPLG shall be obliged to pay to SIFL the Revised Default Price, and thereupon SIFL shall deliver all the SIFL Shares to such Person as may be directed by BPLG. For the avoidance of doubt, it is clarified that SIFL shall not be entitled to any further amount over the Default Price or the Revised Default Price as may be the case as consideration and BPLG shall not be liable to pay any Carry.

113. In the event of BPLG being unable to complete the purchase of Shares held by SIFL pursuant to the exercise of the Default Put Option due to any regulatory restrictions on the purchase of the Shares by BPLG, the provisions of Articles 104 and 105 shall apply mutatis mutandis. BPLG shall be obliged to

pay SIFL in respect of all (and not some) of SIFL's Shares, the Default Price specified in Article 107 (ii) (including the Carry) enhanced by an amount equal to any higher tax incidence that may arise due to the difference in the manner of Transfer of Shares from SIFL . Upon such payment, SIFL shall deliver all the Shares held by SIFL to such Person as may be directed by BPLG.

IFs OBLIGATIONS

114. SIFL shall be jointly and severally liable along with the IF for all obligations of the IF (whether contracted exclusively by IF or along with SIFL) under or pursuant to these Articles. IF shall not be personally liable for any obligations of SIFL pursuant to these Articles or any agreement between the Parties.

COMMON SEAL

115. The Board shall provide for a common seal for the purposes of the Company and also for the safe custody of such common seal. The Board may from time to time destroy the same and substitute a new seal in lieu thereof. The seal of the Company shall not be affixed to any instrument except by the authority of the resolution of the Board or of a committee of the Board authorised by it in that behalf and except in the presence of 1 (one) Director or such other person as the Board may appoint for the purpose who shall sign every instrument to which the seal of the Company is so affixed in his presence. However, the share certificates shall be signed in accordance with the provision of the Companies (Issue of Share Certificates) Rules, 1960 as in force from time to time.

BORROWING POWERS

116. The Board may, from time to time, at its discretion and subject to the provisions of the Act or any other law for the time being in force, as may be applicable to the Company, raise or borrow any sum(s) of money or make any financial arrangement for the purposes of the Company, from the Directors or any other person and secure the payment of such sum(s) or the financial arrangement in such manner and upon such terms and conditions in all respects as it may think fit and proper.

SECRECY

117. No member or other person (not being a Director) shall be entitled to enter upon the premises of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board, or subject to the provisions of the Act, to require, receive or discover any information concerning the business, trading and customers of the Company or any matter which may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board is not in the interest of the Company to communicate.

118. Subject to the provision of the Act, every Director, manager, auditor, secretary, treasurer, trustee, members of a committee, accountant, agent, officer, servant or other person employed in the business of the Company shall, when required to sign a declaration pledging himself to observe secrecy is respect of all transactions of the Company with customers and the state of accounts with individuals and in matters relating thereto and in all technical matters concerning equipment and process, do the same and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or any person appointed as the auditor of the Company or by resolution of the Company in General Meeting or by a Court of Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these Articles contained. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the Government to enquire or to hold an investigation into the Company's affairs.

INDEMNITY

119. Every Director, manager, secretary or officer of the Company or any person (whether an officer of the Company or not) employed by the Company and any person appointed as auditor shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director, manager, secretary, officer, employee or auditor in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Companies Act, 2013 in which relief is granted to him by the court.

TERMINATION

120. The amendments to the Articles effected on 02.04.2008 shall cease to operate in the following manner and circumstances:

(i) With respect to BPLG and its Affiliates, upon BPLG ceasing to be a shareholder of the Company and with respect to SIFL and its Affiliates, upon SIFL ceasing to be a shareholder of the Company and with respect to the IF and its Affiliates, upon the IF ceasing to be shareholders of the Company;

- Upon the winding up, dissolution or liquidation of the Company;
- If the Company ceases to or is unable to (due to any regulatory or judicial action or otherwise) carry on the Specified Business;
- With respect to such of BPLG, SIFL or the IF as may be wound up, dissolved or liquidated;
- With respect to such of BPLG, SIFL or the IF as shall have (either by itself or by its agents, employees or representatives) committed an Event of Default ("**Defaulting Shareholder**"), at the option of a non-defaulting shareholder being either BPLG, SIFL or the IF ("**Non-Defaulting Shareholder**");
- Any other circumstances as are agreed between the Parties.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and documents which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these contracts and the other documents referred to hereunder, may be inspected at the Registered Office of our Company at 'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046 from 10.00 a.m. to 5.00 p.m. on any business days from the date of this Prospectus until the date of closure of the Issue.

A. Material Contracts

1. Engagement letter dated February 28, 2015 for appointing the Lead Managers to the Issue.
2. The Issue Agreement dated March 16, 2015 executed between our Company and the Lead Managers.
3. Memorandum of Understanding dated March 16, 2015 executed between our Company and the Registrar to the Issue.
4. Debenture Trusteeship Agreement dated March 13, 2015 entered into between our Company and Axis Trustee Services Limited, the Debenture Trustee.
5. Lead Broker MOU dated March 27, 2015 entered into amongst our Company, the Lead Brokers and Lead Managers.
6. Escrow Agreement dated March 27, 2015 executed between our Company, the Registrar, the Escrow Collection Bank(s) and Lead Managers in relation to the NCDs
7. Tripartite Agreement dated March 27, 2015 among our Company, the Registrar to the Issue and NSDL for offering depository option to the NCD Holders.
8. Tripartite Agreement dated March 27, 2015 among our Company, the Registrar to the Issue and CDSL for offering depository option to the NCD Holders.

B. Documents

1. Memorandum and Articles of Association of our Company.
2. Certificate of Incorporation of our Company dated June 13, 2006 issued by Registrar of Companies, West Bengal.
3. Certificate of Registration No. N.05.06694 dated September 3, 2008 issued by RBI, under Section 45-IA of the RBI Act.
4. Certificate of Registration No. N.05.06694 dated February 19, 2014 issued by RBI, classifying our Company under the category "Asset Finance Company – Non - Deposit Taking".
5. Shareholders Agreement dated May 31, 2007 and First Amendment to the Shareholders Agreement dated April 2, 2008 Second Amendment to the Shareholders Agreement dated October 2013 between BNP Paribas Lease Group, Srei Infrastructure Finance Limited, Mr Hemant Kanoria and Mr. Sunil Kanoria and our Company.
6. Joint Venture Agreement dated May 31, 2007 between BNP Paribas Lease Group, Srei Infrastructure Finance Limited, Mr Hemant Kanoria and Mr. Sunil Kanoria and our Company.
7. Brand and Corporate Name Authorisation Agreement dated April 1, 2008 between Srei Infrastructure Finance Limited, Mr Hemant Kanoria and Mr. Sunil Kanoria and our Company.
8. Brand Authorisation Agreement dated April 2, 2008 between BNP Paribas Lease Group and our Company.
9. Certified True Copy of Resolution passed by the Shareholders at the general meeting held on October 28, 2013 granting authority to the Board of Directors to borrow monies under Section 180(1) (c) of the Companies Act 2013, from time to time.
10. Certified True Copy of the Resolution passed by the Board of Directors at its Meeting held 6th November, 2014 and 10th February, 2015 authorising the Issue.
11. Certified True Copy of the Resolution passed by the Committee of Directors at its Meeting held on March 19, 2015 approving the Draft Prospectus
12. Certified True Copy of the Resolution passed by the Committee of Directors at its Meeting held on March 31, 2015 approving the Prospectus.

13. Certified True Copy of the Resolution passed by the Board of Directors at its Meeting held on 6th November, 2014 appointing Mr C. R. Sudharsanam as the Compliance Officer to the Issue.

14. Annual Reports of our Company for FY2010 to FY2014.

15. The Examination Report of the Statutory Auditors dated March 19, 2015 in relation to the Reformatted Financial Statements included herein.

16. In-principle listing approval obtained from BSE vide letter ref. no. DCS/RK//PK-Bond/25/14-15 dated March 30, 2015 .

17. In-principle listing approval obtained from NSE vide letter ref. no. NSE/List/20415 dated March 30, 2015

18. Certified True Copies of Board Resolution dated November 6, 2013 and May 21, 2014 and Shareholder's Resolution dated July 1, 2014, relating to the tenure and terms of appointment of the Vice Chairman & Managing Director of our Company.

19. Certified True Copies of Board Resolution dated November 6, 2013 and May 21, 2014 and Shareholder's Resolution dated July 1, 2014, relating to the tenure and terms of appointment of the Joint Managing Director of our Company

20. Credit rating letters dated March 11, 2015 and March 30, 2015 from CARE granting credit rating to the NCDs to be issued in pursuance of the Prospectus.

21. Credit rating letters dated June 20, 2014 and revalidation letter dated March 11, 2015 from BRICKWORK granting credit rating to the NCDs to be issued in pursuance of the Prospectus.

22. Consents of the (a) the Directors, (b) the Compliance Officer to the Issue, (c) the Compliance Officer of the Company, (d) the Statutory Auditors, (e) Lead Managers, (f) Registrar, (g) Legal Advisor to the Issue, (h) Credit Rating Agencies, (i) Bankers to the Issue, (j) Lead Brokers and (k) the Debenture Trustee to include their names in this Prospectus and to act in their respective capacities.

23. Consents of the lenders of our Company as required under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014.

24. Due Diligence Certificate dated March 31, 2015 filed by the Lead Managers.

DECLARATION

We, the undersigned Directors of the Company, hereby certify and declare that all relevant provisions of the Companies Act, 1956, all the applicable provisions of Companies Act, 2013 and the rules prescribed thereunder to the extent applicable as on date to this Prospectus and the guidelines issued by the Government of India and/or the regulations/ guidelines/ circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, have been complied with and no statement made in this Prospectus is contrary to the provisions of the above mentioned acts, rules, regulations, guidelines and circulars as applicable to this Prospectus We further certify that all the disclosures and statements made in this Prospectus are true and correct and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements.

Yours faithfully,

Hemant Kanoria
Vice Chairman & Managing Director

Sunil Kanoria
Joint Managing Director

Kora Ipe Puthenpurockal
Non-Executive & Independent Director

S. Chatterjee
Non-Executive & Independent Director

Place: Kolkata
Date: March 31, 2015

DECLARATION

We, the undersigned Directors of the Company, hereby certify and declare that all relevant provisions of the Companies Act, 1956, all the applicable provisions of Companies Act, 2013 and the rules prescribed thereunder to the extent applicable as on date to this Prospectus and the guidelines issued by the Government of India and/or the regulations/ guidelines/ circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, have been complied with and no statement made in this Prospectus is contrary to the provisions of the above mentioned acts, rules, regulations, guidelines and circulars as applicable to this Prospectus We further certify that all the disclosures and statements made in this Prospectus are true and correct and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements.

Yours faithfully,

Didier Jean Chappet
Chairman

Olivier De Ryck
Non-Executive Director

Date: March 31, 2015

ANNEXURE A: FINANCIAL INFORMATION

Deloitte
Haskins & Sells

Chartered Accountants
Bengal Intelligent Park
Building Alpha, 1st Floor
Block - EP & GP, Sector - V
Salt Lake Electronics Complex
Kolkata - 700 091
India

Tel. : +91 (33) 6612 1000
Fax : +91 (33) 6612 1001

LIMITED REVIEW

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE BOARD OF DIRECTORS OF
SREI EQUIPMENT FINANCE LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **SREI Equipment Finance Limited** ("the Company") for the quarter and nine months ended 31th December 2014 ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. The Company is a joint venture of SREI Infrastructure Finance Limited (SIFL) and BNP Paribas Lease Group and the results of the Company are being incorporated into the results of SIFL. The Statement is being prepared by the Company solely for inclusion in the offer documents in relation to the public issue of Secured Redeemable Non-convertible Debentures (NCD) here in after referred to as "Proposed Issue".

4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 [which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014] and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges to enable SIFL to prepare its consolidated financial information, or that it contains any material misstatement.

5. This report on the statement of financial information prepared in terms of Clause 41 of the Listing Agreement with the Stock Exchanges is provided solely for inclusion in the offer documents in relation to the proposed issue and not to be used for any other purpose.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.: 302009E)

Deloitte Haskins & Sells
Chartered Accountants

A. Bhattacharya
Partner
Membership No.054110

Place: Kolkata
Date: 10 February 2015

SREI EQUIPMENT FINANCE LIMITED

Regd Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata- 700 046, Website: www.srei.com

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2014

(₹ in lakhs)

Particulars	Quarter ended			Nine months ended		Accounting year ended
	31-Dec-14 (Unaudited)	30-Sep-14 (Audited)	31-Dec-13 (Unaudited)	31-Dec-14 (Unaudited)	31-Dec-13 (Unaudited)	31-Mar-14 (Audited)
1.Income						
(a) Income from Operations	66,525	64,167	63,478	193,567	188,856	256,143
(b) Other Operating Income	704	794	1,228	2,541	4,593	5,650
(c) **Total**	**67,229**	**64,961**	**64,706**	**196,108**	**193,449**	**261,793**
2. Expenditure						
(a) Employees Cost	3,410	3,524	2,886	9,888	6,832	9,603
(b) Depreciation/Impairment	8,127	6,664	5,889	21,206	17,351	24,234
(c)Bad Debts/Provision for Non Performing Assets	10,282	8,365	4,354	25,207	11,754	25,975
(d) Contingent Provisions against Standard Assets	(86)	55	(29)	165	223	(34)
(e) Operating and Other Expenses	3,708	4,210	3,205	10,871	9,603	13,111
(f) **Total**	**25,441**	**22,818**	**16,305**	**67,337**	**45,763**	**72,889**
3. Profit/(Loss) before Other Income and Financial Expenses (1-2)	**41,788**	**42,143**	**48,401**	**128,771**	**147,686**	**188,904**
4. Other Income	32	11	1	817	110	140
5. Profit before Financial Expenses (3+4)	**41,820**	**42,154**	**48,402**	**129,588**	**147,796**	**189,044**
6. Interest & Finance Charges	36,637	36,128	38,733	108,848	115,865	153,289
7. Profit from Ordinary Activities before Tax (5-6)	**5,183**	**6,026**	**9,669**	**20,740**	**31,931**	**35,755**
8. Tax expense	1,744	2,063	3,316	7,030	11,655	13,217
9. Net Profit for the period (7-8)	**3,439**	**3,963**	**6,353**	**13,710**	**20,276**	**22,538**
10.Paid-up Equity Share Capital (Face Value Rs.10/- each)	5,966	5,966	5,966	5,966	5,966	5,966
11.Reserves excluding Revaluation Reserves (as per Balance Sheet of previous accounting year)						203,690
12. Earning Per Share - Basic and Diluted (Rs.)	5.76*	6.64*	10.65*	22.98*	33.99*	37.78

* Not annualised

Part II

A.Particulars of Shareholding						
13. Public shareholding						
- Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of Shareholding	Nil	Nil	Nil	Nil	Nil	Nil
14. Promoters and promoter group Shareholding						
(a) Pledged/Encumbered						
- Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (to total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (to total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
(b) Non Encumbered						
- Number of Shares	5,96,60,000	5,96,60,000	5,96,60,000	5,96,60,000	5,96,60,000	5,96,60,000
- Percentage of shares (to total shareholding of promoter and promoter group)	100	100	100	100	100	100
- Percentage of shares (to total share capital of the company)	100	100	100	100	100	100

Notes:

1) The above unaudited financial results were reviewed by the Audit Committee at its meeting held on 10th February, 2015 and approved by the Board of Directors at their meeting held on the same date.

2) The Company has identified 'Asset Finance' as its single primary reportable segment and hence no further disclosure is considered necessary under Accounting Standard (AS 17) 'Segment Reporting'.

3) Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Company has, effective 1st April 2014, reviewed and revised the estimated useful lives of its fixed assets.The consequential impact (after considering the transition provision specified in Schedule II) on the depreciation charged and on the results for the nine months ended 31st December, 2014 is not significant.

4) The financial results for the period ended 31st December 2013 were not subjected to Audit or Limited Review.

5) Previous year/period figures have been rearranged/regrouped, wherever considered necessary, to conform to the classification adopted in the current period.

For and on behalf of the Board of Directors

Hemant Kanoria
Vice Chairman and Managing Director

Place : Kolkata
Date: 10th February, 2015

Deloitte Haskins & Sells
Chartered Accountants

Deloitte Haskins & Sells

Chartered Accountants
Bengal Intelligent Park
Building Alpha, 1st Floor
Block - EP & GP, Sector - V
Salt Lake Electronics Complex
Kolkata - 700 091
India

Tel. : +91 (33) 6612 1000
Fax : +91 (33) 6612 1001

REPORT OF THE INDEPENDENT AUDITOR ON THE REFORMATTED STANDALONE SUMMARY FINANCIAL STATEMENTS

To the Board of Directors of
Srei Equipment Finance Limited

Report on the Reformatted Stand-alone Summary Financial Statements

1. The accompanying Reformatted Stand-alone Summary Financial Statements of **SREI EQUIPMENT FINANCE LIMITED** (the "Company"), which comprise the Reformatted Stand-alone Summary Statements of Assets and Liabilities as at September 30, 2014, March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010, the Reformatted Stand-alone Summary Statements of Profit and Loss and the Reformatted Stand-alone Summary Cash Flow Statements for the period / years then ended, and a summary of the significant accounting policies and other explanatory information (together referred to as the "Reformatted Stand-alone Summary Financial Statements") are derived from the audited stand-alone financial statements (referred to as the "Audited Stand-alone Financial Statements) of the Company for the respective period/years audited by us / other auditors as detailed in paragraphs 2(a) and 2(b) below.

   The Reformatted Stand-alone Summary Financial Statements have been prepared by the management of the Company in accordance with the requirements of Section 26(1)(b) of the Companies Act, 2013 read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (included under Chapter III of Appendix III) (hereinafter referred to as the "Act") and items (i) and (j) of Paragraph 3A of Schedule I of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended to date (the "SEBI (ILDS) Regulations") issued by the Securities and Exchange Board of India (the "SEBI") in connection with the proposed public issue in one or more tranches of Secured, Redeemable Non-Convertible Debentures ("NCDs") of the Company (the "Issue") and have been approved by the Board of Directors and initialed by us for identification purposes.

2. We draw your attention to the following:

   (a) We expressed our audit opinion on the stand-alone financial statements of the Company for the six months ended September 30, 2014 and the year ended March 31, 2010 vide our reports dated November 6, 2014 and May 7, 2010, respectively.

   (b) The stand-alone financial statements of the Company for the financial years ended March 31, 2014 and March 31, 2013 were audited by another firm of Chartered Accountants, namely, S R Batliboi & Co. LLP, on which they have expressed an opinion vide their reports dated May 21, 2014 and May 15, 2013, respectively. The stand-alone financial statements of the Company for the financial years ended March 31, 2012 and March 31, 2011 were also audited by another firm of Chartered Accountants, namely, S R Batliboi & Co., on which they have expressed an opinion vide their reports dated May 11, 2012 and May 18, 2011, respectively.

In relation to the aforesaid stand-alone financial statements audited by the other firms of Chartered Accountants, we have not carried out any audit tests or review procedures, and, accordingly reliance has been placed on the stand-alone financial statements audited by the other firm of Chartered Accountants for the said years and the their audit reports thereon.

(c) The Auditor's Report on the stand-alone financial statements of the Company for the financial year ended March 31, 2010, includes an emphasis of matter paragraph in relation to recoverability of certain long term project loans which, in our opinion, requires no adjustments to the Reformatted Stand-alone Summary Financial Statements.

(d) The figures for the earlier periods have been regrouped, wherever necessary, to conform to the classification adopted for the stand-alone financial statements as at and for the six months ended September 30, 2014.

(e) The Reformatted Stand-alone Summary Financial Statements do not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") applied in the preparation of the audited stand-alone financial statements of the Company. Reading the Reformatted Stand-alone Summary Financial Statements, therefore, is not a substitute for reading the audited financial statements of the Company.

(f) The figures included in the Reformatted Stand-alone Summary Financial Statements, do not reflect the effect of events that occurred subsequent to the dates of the reports on the respective periods referred to in paragraphs 2(a) and 2(b) above.

Management's Responsibility for the Consolidated Summary Financial Statements

3. Management is responsible for the preparation of the Reformatted Stand-alone Summary Financial Statements, as mentioned in paragraph 1 above, in accordance with the requirements of [Section 26(1) (b) of the Act and items (i) and (j) of Paragraph 3A of Schedule I of the SEBI (ILDS) Regulations issued by the SEBI in connection with the Issue, which is to be included in the Offer Document]. Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Reformatted Stand-alone Summary Financial Statements that are free from material misstatement, whether due to fraud and error. The Management and the Board of Directors are also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the of laws and regulations that determine the reported amounts and disclosures in the Reformatted Stand-alone Summary Financial Statements.

Auditor's Responsibility

4. Our responsibility is to express an opinion on the Reformatted Stand-alone Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India. Our work was performed solely to assist you in meeting your

Deloitte Haskins & Sells
Chartered Accountants

responsibilities in relation to your compliance with the [Act and the SEBI (ILDS) Regulations] in connection with the Issue. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of, or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.

Opinion

5. In our opinion, the aforesaid Reformatted Stand-alone Summary Financial Statements derived from the Audited Stand-alone Financial Statements of the Company for the respective period/years and read with our comments in paragraph 2 above, has been prepared in accordance with [Section 26(1) (b) of the Act and the SEBI (ILDS) Regulations].

Other Matters

6. This report should not in any way be construed as a re-audit and consequently, re-issuance or re-dating of any of the previous audit reports issued by us and/or other firms of Chartered Accountants on the Stand-alone financial statements.

7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

8. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Prospectus proposed to be filed by the Company with the National Stock Exchange Limited and BSE Limited. (collectively, the "**Stock Exchanges**") and with the Securities and Exchange Board of India ("**SEBI**") (the "**Draft Prospectus**"), as well as the Prospectus proposed to be filed by the Company with the Stock Exchanges, SEBI and the Registrar of Companies, West Bengal (the "**Prospectus**") prepared in connection with the proposed public offering of the Company referred to in paragraph 1 above, to be filed by the Company with the SEBI. Our work and findings shall in no way constitute advice or recommendations (and we accept no liability in relation to any advice or recommendations) regarding any commercial decisions associated with the Issue. We accept no liability to anyone, other than to you, in connection with our report, unless otherwise agreed by us in writing.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.302009E)

Deloitte Haskins & Sells
Chartered Accountants

A Bhattacharya
Partner
Membership No.054110

Kolkata
Date: March 19, 2015

SREI EQUIPMENT FINANCE LIMITED

Statement of Assets and Liabilities, As Reformatted

(₹ in lakhs)

Particulars	Note No.	As at 30 September 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As 31 March 2010
EQUITY AND LIABILITIES							
Shareholders' funds							
Share capital	2.1	5,966	5,966	5,966	5,322	5,000	5,000
Reserves and Surplus	2.2	213,917	203,690	181,152	134,840	105,457	92,378
		219,883	209,656	187,118	140,162	110,457	97,378
Non-current liabilities							
Long-term borrowings	2.3	344,856	409,238	432,886	351,398	394,734	330,155
Deferred tax liabilities (Net)	2.4	14,914	15,694	15,287	11,133	6,089	7,845
Other long term liabilities	2.5	10,940	14,550	15,315	12,392	8,309	2,057
Long-term provisions	2.6	22,085	16,435	14,126	13,046	12,288	8,790
		392,795	455,917	477,614	387,969	421,420	348,847
Current liabilities							
Short-term borrowings	2.7	893,148	739,521	743,638	466,157	246,078	142,342
Trade payables	2.8	38,603	27,704	38,056	66,045	54,317	55,704
Other current liabilities							
- Current maturities of long term borrowings	2.9	138,817	160,834	178,113	213,679	136,356	95,179
- Other current liabilities	2.9	24,212	22,387	16,318	9,678	5,350	5,261
Short-term provisions	2.10	13,874	10,696	7,942	4,683	8,361	151
		1,108,654	961,142	984,067	760,242	450,462	298,637
TOTAL		1,721,332	1,626,715	1,648,799	1,288,373	982,339	744,862
ASSETS							
Non- current assets							
Fixed assets							
Tangible assets	2.11	155,723	125,358	124,283	124,014	52,608	38,462
Intangible assets	2.11	3,555	3,786	1,810	1,716	1,767	1,890
Non current investments	2.13	69	113	184	-	250	250
Long-term loans and advances							
- Financial assets	2.14	862,692	769,314	841,006	615,792	492,461	332,100
- Other long term advances	2.15	4,504	3,479	8,027	6,218	5,002	2,188
Other non current assets	2.16	28,558	25,978	19,084	30,937	29,181	5,445
		1,055,101	928,028	994,394	778,677	581,269	380,335
Current assets							
Current investments	2.13	126	2,971	2,953	-	-	-
Trade receivables	2.17	3,964	6,597	4,020	2,554	461	640
Cash and bank balances	2.18	34,802	61,736	102,894	96,289	28,224	35,987
Short-term loans and advances							
- Financial assets	2.14	199,341	170,482	103,429	81,088	93,130	64,533
- Other short term advances	2.19	2,359	2,079	2,358	2,173	2,599	7,006
Other current assets							
- Current maturities of long term financial assets	2.14	422,155	448,282	427,710	317,614	272,797	251,862
- Other current assets	2.20	3,484	6,540	11,041	9,978	3,859	4,499
		666,231	698,687	654,405	509,696	401,070	364,527
TOTAL		1,721,332	1,626,715	1,648,799	1,288,373	982,339	744,862

SREI EQUIPMENT FINANCE LIMITED

Statement of Profit and Loss, As Reformatted

(₹ in lakhs)

Particulars	Note No.	For six months ended 30 September 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
INCOME							
Revenue from operations	2.21	128,879	261,793	237,320	181,779	123,597	92,714
Other income	2.22	785	140	57	73	318	256
Total		**129,664**	**261,933**	**237,377**	**181,852**	**123,915**	**92,970**
EXPENDITURE							
Employee benefits expenses	2.23	6,478	9,603	11,521	10,098	6,537	4,277
Finance cost	2.24	72,211	153,289	136,660	104,392	65,529	53,597
Depreciation/Amortization/Impairment	2.11	13,079	24,234	22,394	15,666	8,052	6,211
Other expenses	2.25	7,135	13,027	11,855	10,754	7,791	5,270
Miscellaneous expenditure written off		28	84	84	85	436	145
Total		**98,931**	**200,237**	**182,514**	**140,995**	**88,345**	**69,500**
PROFIT BEFORE BAD DEBTS, PROVISIONS AND TAX		**30,733**	**61,696**	**54,863**	**40,857**	**35,570**	**23,470**
Bad debts written off (Net)	2.6.2	10,053	23,083	13,191	9,768	10,220	10,032
Provision for Non Performing Assets	2.6.1	4,872	2,892	457	262	1,943	-
Contingent provisions against standard assets	2.6.1	251	(34)	867	365	2,082	-
		15,176	**25,941**	**14,515**	**10,395**	**14,245**	**10,032**
PROFIT BEFORE TAX		**15,557**	**35,755**	**40,348**	**30,462**	**21,325**	**13,438**
Tax expense :							
- Current tax		6,044	12,810	9,202	5,387	7,884	2254
- Deferred tax		(758)	407	4,154	5,044	(1,756)	2479
Total Tax for current year		**5,286**	**13,217**	**13,356**	**10,431**	**6,128**	**4,733**
PROFIT AFTER TAX FOR CURRENT YEAR		**10,271**	**22,538**	**26,992**	**20,031**	**15,197**	**8,705**
Income tax for earlier years		-	-	-	495	2,118	-
- Less : MAT credit entitlement for earlier years		-	-	-	(187)	-	-
PROFIT AFTER TAX		**10,271**	**22,538**	**26,992**	**19,723**	**13,079**	**8,705**
Earnings per equity share (basic and diluted) (₹)	2.27	*17.22	37.78	47.60	37.60	26.16	17.41
[Nominal Value of Equity Shares of ₹ 10/- each]							
* Not Annualised							

SREI EQUIPMENT FINANCE LIMITED

Cash Flow Statement, As Reformatted

(₹ in lakhs)

Particulars	For 6 months ended 30 September 2014	Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2010
A. Cash Flows from Operating Activities						
Net Profit Before Tax	15,557	35,755	40,348	30,462	21,325	13,438
Non cash adjustment to reconcile profit before tax to net cash flows :						
Depreciation/amortization/impairment	13,079	24,234	22,394	15,666	8,052	6,211
Bad Debts written off (net)	10,053	23,083	13,191	9,768	10,220	10,032
Provision for Non Performing Assets	4,872	2,892	457	262	1,943	-
Contingent Provisions against Standard Assets	251	(34)	867	365	2,082	-
Loss on sale of Fixed Assets (net)	24	184	86	146	1,004	178
Miscellaneous Expenditure Written off	28	84	84	85	436	145
Interest & Finance Charges	72,211	153,289	136,660	104,392	65,529	53,597
Profit on sale from Current investments	(754)	-	-	-	-	-
Profit on sale from Non Current investments	-	-	-	(31)	-	-
Dividend Income from Current Investments (Non Trade)	(30)	(135)	(44)	(34)	(12)	
Operating profit before working capital changes	**115,291**	**239,352**	**214,043**	**161,081**	**110,579**	**83,601**
Movements in working capital :						
(Increase) / Decrease in Trade Receivables/ Others	2,749	3,139	(3,273)	(2,117)	(95)	(840)
(Increase) in Financial Assets	(106,163)	(39,016)	(370,841)	(165,874)	(221,117)	(41,212)
(Decrease) in Trade Payables/Others	13,021	(5,820)	(25,403)	17,115	6,063	3,578
Decrease in Fixed Deposit (Deposits with original maturity period of more than three months)	12,967	36,707	5,269	(49,064)	(7,880)	188
Cash generated from /(used in) operations	**37,865**	**234,362**	**(180,205)**	**(38,859)**	**(112,450)**	**45,315**
Interest paid (net of foreign exchange fluctuation)	(75,825)	(152,621)	(129,491)	(101,090)	(65,194)	(59,815)
Advance taxes paid (including Tax deducted at Source)	(2,678)	(10,470)	(6,532)	(9,030)	(2,925)	(905)
Net Cash (used in) / generated from operating activities	**(40,638)**	**71,271**	**(316,228)**	**(148,979)**	**(180,569)**	**(15,405)**
B. Cash flows from investing activities						
Purchase of Fixed Assets	(43,410)	(28,541)	(23,017)	(87,311)	(23,995)	(8,204)
Purchase of Investments		-	(3,137)	-	-	-
Proceeds from Redemption of Investments	3,643	53	-	-	-	-
Dividend Income from Current Investments (Non Trade)	30	135	44	-	-	-
Proceeds from Sale of Fixed Assets	108	1,072	174	51	1,009	168
Purchase of Mutual Funds	-	-	-	(55,000)	(20,000)	-
Sale of Investments	-	-	-	281	-	-
Proceeds from Sale of Mutual Funds	-	-	-	55,034	20,012	-
Net Cash (Used) / Generated in Investing Activities	**(39,629)**	**(27,281)**	**(25,936)**	**(86,945)**	**(22,974)**	(8,036)
C. Cash Flows from Financing Activities						
Increase in Equity Share Capital (including Securities Premium)	-	-	19,964	9,982	-	-
Proceeds from issuance of debentures	21,000	12,680	66,200	52,180	431,140	840,966
Repayment on redemption of debentures	(31,124)	(57,289)	(61,519)	(39,731)	(396,065)	(809,905)
Increase / (Decrease) in Working Capital facilities (net)	74,389	(19,805)	261,767	231,595	119,803	(22,541)
Increase in Other Loans (net)	1,718	16,249	60,194	(8,240)	50,997	20,493
Net Cash (Used) / Generated in Financing Activities	**65,983**	**(48,165)**	**346,606**	**245,786**	**205,875**	**29,013**
Net Increase / (Decrease) in Cash and Cash Equivalents	**(14,284)**	**(4,175)**	**4,442**	**9,862**	**2,332**	**5,572**
Cash & Cash Equivalents at the beginning of the year	**20,777**	**24,952**	**20,510**	**10,648**	**8,316**	**2,744**
Cash and Cash Equivalents at the end of the period (refer note 2.18)	**6,493**	**20,777**	**24,952**	**20,510**	**10,648**	**8,316**
Note :						
Components of Cash and Cash Equivalents:						
Cash on hand	498	678	448	222	140	80
In Current Account	5,995	20,099	23,493	18,314	8,448	2,830
Fixed Deposits with original maturity period being three months or less3	-	-	1,011	1,974	2,060	5,406
	6,493	**20,777**	**24,952**	**20,510**	**10,648**	**8,316**
#Receipts under lien with banks	-	-	1,011	874	2,060	5,406
Cash and Bank Balances are represented by :						
Cash and Cash Equivalents	6,493	20,777	24,952	20,510	10,648	8,316
Fixed Deposits with original maturity period exceeding three months*	30,260	43,227	79,934	85,203	36,139	28,259
	36,753	**64,004**	**104,886**	**105,713**	**46,787**	**36,575**
*Receipts under lien with banks as security	30,185	42,798	79,822	84,967	36,079	28,259

1.1 CORPORATE INFORMATION

Half Year ended September, 2014 and Financial Year 2013-14

Srei Equipment Finance Limited (Formerly, Srei Equipment Finance Private Limited) (the 'Company') is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act' 1956. The Company has received a Certificate of Registration from the Reserve Bank of India ('RBI') on 3rd September, 2008 to commence / carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits.

1 .2 BASIS OF PREPARATION

Half Year ended September, 2014

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). These Financial Statements have been prepared to comply in all material respects with the Accounting Standards ('AS') notified under section 211(3C) of the Companies Act 1956 (The 1956 Act) [which continue to be applicable in respect of Section 133 of the Companies Act 2013 (The 2013 Act) in terms of general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs], relevant provisions of the 1956 Act / 2013 Act as applicable and as per the guidelines issued by Reserve Bank of India ('RBI') as applicable to a Non-Banking Financial (Non-deposit accepting or holding) Companies ('NBFC Regulation'). The financial statements have been prepared under the historical cost convention on an accrual basis. The notified Accounting Standards (AS) are followed by the Company insofar as they are not inconsistent with the NBFC Regulation. The accounting policies applied by the Company are consistent with those used in the previous reporting year/period.

Financial Year 2013-14

The financial statements have been prepared to comply in all material respects with the notified Accounting Standard ('AS') by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act, 1956 (the 'Act') read with General Circular 8/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs ('MCA'), in respect of Section 133 of the Companies Act, 2013 and as per the guidelines issued by Reserve Bank of India ('RBI') as applicable to a Non-Banking Financial (Non-deposit accepting or holding) Companies ('NBFC Regulation'). The financial statements have been prepared under the historical cost convention on an accrual basis. The notified Accounting Standards (AS) are followed by the Company insofar as they are not inconsistent with the NBFC Regulation. The accounting policies applied by the Company are consistent with those used in the previous reporting year/period.

Financial Year 2012-13, 2011-12 and 2010-11

The financial statements have been prepared in conformity with generally accepted accounting principles in India to comply in all material respects with the notified Accounting Standards ('AS') under the Companies (Accounting Standard) Rules, 2006, as amended, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a "Non Deposit Accepting or Holding" Non Banking Financial Company ('NBFC'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Company are consistent with those used in the previous reporting year except those stated otherwise.

Financial Year 2009-10

The financial statements are prepared in accordance with the historical cost convention and the accrual basis of accounting.

These are presented in accordance with Generally Accepted Accounting Principles in India, provisions of the Companies Act, 1956, Accounting Standards notified by the Central Government under the Companies (Accounting Standards) Rules, 2006 and the guidelines issued by the Reserve Bank of India, wherever applicable.

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities including Contingent Liabilities as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

1.3 SIGNIFICANT ACCOUNTING POLICIES

i. Operating cycle

Half Year ended September, 2014 and Financial Year 2013-14 and 2012-13

'An operating cycle' is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The normal operating cycle for the company is considered to be of twelve months.

Financial Year 2011-12

'An operating cycle' is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The normal operating cycle for the company is assumed to have duration of 12 months.

ii. Presentation and disclosure in financial statements

Half Year ended September, 2014

The financial statements are presented and prepared according to Schedule III notified under the Companies Act, 2013.

Financial Year 2013-14 and 2012-13

The financial statements are presented and prepared according to revised Schedule VI notified under the Companies Act, 1956.

Financial Year 2011-12

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. Except accounting for dividend on investment in subsidiary, the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements of revised Schedule VI applicable in the current year.

iii. Use of estimates

Half Year ended September, 2014 and Financial Year 2013-14, 2012-13, 2011-12 and 2010-11

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years.

iv. Fixed Assets and Depreciation/Amortisation

a) Fixed Assets

Half Year ended September, 2014 and Financial Year 2013-14

Tangible fixed assets are stated at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises purchase price and directly attributable expenditure on making the asset ready for its intended use.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Financial Year 2012-13 and 2011-12

Fixed assets are stated at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Intangible Assets expected to provide future enduring economic benefits are stated at cost less amortization. Cost comprises purchase price and directly attributable expenditure on making the asset ready for its intended use.

Financial Year 2010-11

Fixed assets are stated at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible Assets expected to provide future enduring economic benefits are stated at cost less amortization. Cost comprises purchase price and directly attributable expenditure on making the asset ready for its intended use.

Financial Year 2009-10

Fixed assets include assets given under Operating Lease. Fixed assets are stated at cost less accumulated depreciation. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of the assets.

Intangible Assets expected to provide future enduring economic benefits are stated at cost less amortization. Cost comprises purchase price and directly attributable expenditure on making the asset ready for its intended use.

b) Depreciation/Amortisation

Half Year ended September, 2014

Depreciation/Amortisation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful lives of the respective fixed assets

Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the companies has, effective 1st April 2014, reviewed and revised the useful lives of its Fixed Assets.

During the half year ended 30th September, 2014, the Company has reassessed the useful lives of its fixed assets and the residual lives of the fixed assets to comply with the requirements of Part C of Schedule II to the Companies Act, 2013. The revised useful lives, as assessed by Management, match with those specified in Part C of Schedule II to the Companies Act, 2013, for all classes of assets other than the following classes of assets (based on technical advice):

Operating lease Assets

Class of Assets	Useful Life as per the Companies Act 2013	Useful Life as followed by the management based on technical advice
Computer Equipment	3 years	5 years
Earth Moving Equipment	9 years	7 years
Motor Vehicles	8 years	7 years

Plant and Machinery Windmill	15 years 22 years	8 years 20 years

Own Use Assets

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

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

Lease hold assets including improvements are amortised over the period of the lease.

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

Amortisation is provided on Straight Line Method ('SLM'), which reflect the management's estimate of the useful life of the intangible asset.

Particulars	New Useful life considered by the Company
Softwares	5 years

Financial Year 2013-14

Depreciation/Amortisation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful lives of the respective fixed assets and the rates derived from such useful lives are greater than or equal to the corresponding rates prescribed in Schedule XIV to the Act.

The rate of depreciation considered by the Company where the rate is higher than the Schedule XIV is as follows:

Particulars	Useful life considered by the Company (in months)
Plant and Machinery	60 to 144
Heavy Earth Moving Equipment	72
Motor Vehicles	66
Furniture and Fixture	84

Fixed Assets costing up to ₹ 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

Lease hold assets including improvements are amortised over the period of the lease.

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

Amortisation is provided on Straight Line Method ('SLM'), which reflect the management's estimate of the useful life of the intangible asset.

Particulars	Useful life considered by the Company (in months)
Softwares	60 to 72

Financial Year 2012-13

Depreciation/Amortisation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful lives of the respective fixed assets and the rates derived from such useful lives are greater than or equal to the corresponding rates prescribed in Schedule XIV to the Act.

The rate of depreciation considered by the Company where the rate is higher than the Schedule XIV is as follows:

Particulars	Useful life considered by the Company (in months)
Plant and Machinery	60 to 144
Heavy Earth Moving Equipment	72
Motor Vehicles	66
Furniture and Fixture	84

Fixed Assets costing up to ₹ 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

Lease hold assets including improvements are amortised over the period of the lease.

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

Financial Year 2011-12 and 2010-11

Depreciation/Amortisation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful lives of the respective fixed assets and the rates derived from such useful lives are greater than or equal to the corresponding rates prescribed in Schedule XIV to the Act.

Fixed Assets costing up to ₹ 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

Lease hold assets including improvements are amortised over the period of the lease.

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

Financial Year 2009-10

Depreciation is provided on straight line method applying the rates prescribed in Schedule XIV to the Companies Act, 1956 or based on estimated useful life, whichever is higher. The details of estimated useful life for each category of assets are as under:

	Asset category	Estimated Useful Life
I	Assets for Own Use	
i)	Buildings	61 years
ii)	Furniture and Fixture	16 years
iii)	Motor Vehicles	11 years
iv)	Computers	6 years
v)	General Plant and Machinery	21 years
vi)	Intangible Assets	6 years
II	Assets for Operating Lease	
vii)	Aero planes/ Aircrafts	18 years
viii)	Ships	10 years
ix)	Earthmoving Equipments	3 – 9 years
x)	Motor Vehicles	3 – 6 years
xi)	Plant and Machinery	21 years
xii)	Wind mills	19 years
xiii)	Computers	3 – 6 years
xiv)	Furniture and Fixture	3 – 5 years
xv)	Solar Equipments	5 years
xvi)	Intangible Assets	3 – 6 years

Lease hold assets are amortised over the period of the lease.

Fixed Assets costing up to ₹ 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

c) Impairment of assets

Half Year ended September, 2014 and Financial Year 2013-14and 2012-13

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 recognized to the extent, the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the net selling price and its value in use.

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

A previously recognized 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, had usual depreciation been charged and no impairment provision recognized.

Financial Year 2011-12

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 recognized to the extent, 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 recognized 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, had usual depreciation been charged and no impairment provision recognised.

Financial Year 2010-11

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 recognized whenever 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 recognized 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, had usual depreciation been charged and no impairment provision recognised.

Financial Year 2009-10

Wherever events or changes in circumstances indicate that the carrying amount of fixed assets may be impaired, the Company subjects such assets to a test of recoverability based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the Company recognizes an impairment loss as the excess of the carrying amount over the recoverable amount.

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

v. Borrowing Costs

Half Year ended September, 2014 and Financial Year 2013-14

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 interest cost. Ancillary costs of borrowings are amortised over the life of the underlying borrowings.

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalized 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. All other borrowing costs are charged to revenue.

Financial Year 2012-13

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalized 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. All other borrowing costs are charged to revenue.

Ancillary costs of borrowings are amortised over the life of the underlying borrowings.

Financial Year 2011-12 and 2010-11

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalized 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. All other borrowing costs including exchange differences to the extent they are regarded as an adjustment to interest cost, are charged to revenue.

Ancillary costs of borrowings are amortised over the life of the underlying borrowings.

Financial Year 2009-10

Borrowing costs to the extent attributed to the acquisition/construction of qualifying assets are capitalized up to the date when such assets are ready for its intended use and all other borrowing costs are recognized as an expense in the period in which they are incurred

vi. Operating Leases

Half Year ended September, 2014 and Financial Year 2013-14

Where the Company is the lessor

Leases under which substantially all risks and benefits of ownership of the asset are not transferred to the lessee are classified as operating leases. Assets given on operating leases are included in fixed assets. Lease income is recognized in Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the Statement of Profit and Loss. Initial direct costs incurred for execution of operating lease arrangements are recognized immediately in Statement of Profit and Loss.

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Financial Year 2012-13

Leases under which substantially all risks and benefits of ownership of the asset are not transferred to the lessee are classified as operating leases. Assets given on operating leases are included in fixed assets. Lease income is recognised in Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs incurred for execution of operating lease arrangements are recognised immediately in Statement of Profit and Loss.

Financial Year 2011-12

Assets given on operating leases are included in fixed assets. Lease income is recognised in Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs incurred for execution of operating lease arrangements are recognised immediately in Statement of Profit and Loss.

Financial Year 2010-11

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. 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 after the asset is ready to be put to use, are recognised immediately in the Profit and Loss Account.

vii. Finance Leases

Half Year ended September, 2014 and Financial Year 2013-14 and 2012-13

Leases under which substantially all risks and benefits of ownership of the asset are transferred to the lessee are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

viii. Investments

Half Year ended September, 2014 and Financial Year 2013-14

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and market value. Long-term investments are carried at cost. However, provision for diminution in the value is recognized in case of a decline, other than temporary, in the value of a long term investment. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Financial Year 2012-13 and 2011-12

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and market value/ buy back price determined category wise. Long-term investments are carried at cost. However, provision for diminution in the value is recognized in case of a decline, other than temporary, in the value of a long term investment.

Financial Year 2010-11

Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and market value /realizable value determined category wise. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.

Financial Year 2009-10

Investments are classified into “Current” and “Long Term” investment.

All long term investments including investment in Subsidiary Company are carried at cost.

Provision for diminution in value, other than temporary, is considered wherever necessary on an individual basis.

Current Investments are carried at lower of cost and fair value determined category-wise.

Cost is arrived at on weighted average method for the purpose of valuation of investment.

ix. Financial Assets

Half Year ended September, 2014 and Financial Year 2013-14

a) Financial Assets include assets under loan / hypothecation facility. These are shown net of assets securitized / assigned.

b) Financial Assets are carried at net investment amount including installments fallen due, interest accrued and assets acquired in satisfaction of debt.

Financial Year 2012-13, 2011-12 and 2010-11

(i) Financial Assets include assets under loan / hypothecation facility. These are shown net of assets securitized / assigned.

(ii) Financial Assets are carried at net investment amount including installments fallen due and are net of unmatured / unearned finance charges etc. and include interest accrued and assets acquired in satisfaction of debt.

Financial Year 2009-10

(iii) Financial Assets include assets under loan / hypothecation facility. These are shown net of assets securitized.

(iv) Financial Assets are carried at net investment amount including installments fallen due and are net of unmatured / unearned finance charges etc., amounts received, asset not paid for and includes asset acquired in satisfaction of debt.

x. Provisioning / Write-off of assets

Half Year ended September, 2014 and Financial Year 2013-14

The Company recognizes provision, for standard assets, non-performing Assets (NPAs) and other receivables, in accordance with applicable guidelines issued by RBI. The Company also makes additional provision for NPA and other receivables based on the management's best estimate.

The Company considers a restructured account as one where the Company, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that the Company would not otherwise consider. Restructuring would normally involve modification of terms of the advance / securities, which would generally include, among others, alteration of repayment period / repayable amount / the amount of installments / rate of interest. Restructured accounts are classified as standard or sub standard in accordance with guidelines on restructuring applicable to NBFCs. Necessary provision for diminution in the fair value of a restructured account is made in addition to the provision as required by RBI guidelines.

Provision on standard assets is made as per the notification DNBS.PD.CC.No.207/ 03.02.002 /2010-11 issued by Reserve Bank of India.

Financial assets overdue for more than four years, as well as those, which, as per the management are not likely to be recovered, are considered as bad debts and written off in the accounts.

Financial Year 2012-13

The Company recognizes provision, for standard assets, non-performing Assets (NPAs) and other receivables, in accordance with applicable guidelines issued by RBI. The Company also makes additional provision for NPA and other receivables based on the management's best estimate.
Financial assets overdue for more than four years, as well as those, which, as per the management are not likely to be recovered, are considered as bad debts and written off in the accounts.

Financial Year 2011-12

The Company recognizes provision for standard and non-performing Assets (NPAs) as per the Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time. The Company also makes additional provision against financial assets, based on the management's best estimate.

Financial assets overdue for more than four years, as well as those, which, as per the management are not likely to be recovered, are considered as bad debts and written off in the accounts.

Financial Year 2010-11

The Company makes provision for Standard and Non-Performing Assets (NPAs) as per the per Non- Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, as amended from time to time. The Company also makes additional provision towards financial assets, based on the management's best estimate.

Financial assets overdue for more than four years, as well as those, which, as per the management are not likely to be recovered, are considered as bad debts and written off in the accounts.

Financial Year 2009-10

Provisions for non performing assets are considered in the financial statements according to Prudential Norms prescribed by the Reserve Bank of India. Additional provision as per the requirement of Foreign Financial Institutions has also been made as follows:

Financial Assets:

Asset Classification	Arrear Period	Provision as per Reserve Bank of India	Provision as per Foreign Financial Institution	Provision adopted by the Company
		% of Portfolio	% of Portfolio	% of Portfolio
Standard	Up to 90 days	Nil	Nil	Nil
	91 to 180 days	Nil	20	20
Sub-Standard	181 to 360 days	10	50	50
	361 to 365 days	10	100	100
	More than 12 months to 24 months	10	100	100
Doubtful (Unsecured)	More than 24 months	100	100	100
Doubtful (Secured)	More than 24 months to 36 months	20	100	100
	More than 36 months to 60 months	30	100	100
	Above 60 months	50	100	100
Loss	As per Management discretion	100	100	100

Operating Lease Receivables:

Asset Classification	Arrear Period	Provision as per Reserve Bank of India	Provision as per Foreign Financial Institution	Provision adopted by the Company
		% of Outstanding	% of Outstanding	% of Outstanding
Standard	Up to 90 days	Nil	Nil	Nil
	91 to 180 days	Nil	20	20
	181 to 360 days	Nil	50	50
	361 to 365 days	Nil	100	100

Asset Classification	Arrear Period	Provision as per Reserve Bank of India	Provision as per Foreign Financial Institution	Provision adopted by the Company
		% of Outstanding	% of Outstanding	% of Outstanding
Sub-Standard	More than 12 months to 24 months	10	100	100
	More than 24 months to 30 months	40	100	100
Doubtful	More than 30 months to 36 months	40	100	100
	More than 36 months to 48 months	70	100	100
	More than 48 months	100	100	100
Loss	As per Management discretion	100	100	100

Financial Assets overdue for more than four years or as per the management discretion are considered as bad debts written off.

xi. Foreign currency transactions and balances

a) Initial recognition

Half Year ended September, 2014 and Financial Year 2013-14, 2012-13, 2011-12 and 2010-11

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 at the date of the transaction.

Financial Year 2009-10

Foreign currency transactions are recorded at the exchange rates prevailing at the time of transaction.

b) Conversion

Half Year ended September, 2014 and Financial Year 2013-14, 2012-13, 2011-12 and 2010-11

Year-end foreign currency monetary items are reported using the year-end foreign exchange 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; and 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.

Financial Year 2009-10

Monetary assets and liabilities expressed in foreign currencies are translated into Reporting Currency at the exchange rate prevailing at the Balance Sheet date except with respect to liabilities where exchange fluctuation losses are to be borne by customers. Any loss or gain arising on loans payable has been included in Finance Charges as per the provisions of Accounting Standard 16 and 11 notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

c) Exchange differences

Half Year ended September, 2014 and Financial Year 2013-14, 2012-13 and 2010-11

Exchange differences arising on the settlement or reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements and / or on conversion of monetary items, are recognized as income or expenses in the period in which they arise.

Financial Year 2011-12

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 recognized as income or expenses in the year in which they arise unless such differences are considered as an adjustment to interest cost and recognized in accordance with para (v) above.

d) Forward Exchange Contracts (not intended for trading or speculation purpose)

Half Year ended September, 2014 and Financial Year 2013-14, 2012-13 and 2011-12

The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract and any charge payable in respect of such foreign exchange contracts are recognized when such charges become due under the terms of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the period/year.

Financial Year 2010-11

The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the year.

Financial Year 2009-10

In respect of forward exchange contracts entered into by the Company, the difference between the forward rate and the exchange rate on the date of the transaction are recognized as income or expense over the life of the contract.
Gain/loss on settlement of transactions arising on renewal/cancellation are recognized as income or expense in the period in which these are renewed or cancelled.

e) Derivatives and Hedges

Half Year ended September, 2014 and Financial Year 2013-14 and 2012-13

The Company, in order to hedge itself against the adverse impact of fluctuations in foreign currency rates / variable interest benchmark (LIBOR) on underlying liability, enters into the derivative contracts. The Company does not enter into derivative contracts for speculation or trading purposes. 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.

Financial Year 2011-12

In terms of the announcement made by the Institute of Chartered Accountants of India, the accounting for derivative contracts entered into to cover the risk of foreign exchange fluctuation (other than those covered under AS-11) is done based on the “marked to market” principle on a case -to- case basis, and net loss after considering the offsetting effect on the underlying hedged item is charged to the Statement of Profit and Loss. Net gains are ignored in accordance with aforesaid announcement.

Financial Year 2010-11

In terms of the announcement made by the Institute of Chartered Accountants of India, the accounting for derivative contracts (other than those covered under AS-11) is done based on the "marked to market" principle on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedged item is charged to the Profit and Loss Account. Net gains are ignored as a matter of prudence.

Financial Year 2009-10

In respect of Derivative contracts, premium paid, gains/losses on settlement and provisions for losses determined on category wise basis, are recognized in the Profit and Loss account.

xii. Revenue recognition

Half Year ended September, 2014 and Financial Year 2013-14

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Income from Operations is recognized in the Statement of Profit and Loss on accrual basis as stated herein below except that revenue from non-performing assets is recognized, on receipt basis as per the Prudential Norms / Directions of RBI, applicable to Non-Banking Financial Companies.

(a) Income from financial assets is recognized 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.
(b) Income from operating lease is recognized as rentals (net of value added tax), on straight line basis over the period of the lease.
(c) Fees for processing of loans are recognized when a binding obligation for granting loan has been entered into.
(d) Interest for delayed payment and changes to Company's benchmark interest rate revision are accrued, due to uncertainty of realization, recognized only to the extent of probable recovery. These charges are usually realized on full and final settlement
(e) Gains and interest differential arising on securitized/assigned assets are recognized over the tenure of agreements as per guideline on securitization of standard assets issued by RBI, and included under income from financial assets, while loss, if any is recognised upfront.
(f) 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.
(g) Referral income is recognized when it becomes due under the term of relevant mutually agreed arrangement.
(h) Income from dividend is recognized when the Company's right to receive such dividend is established by the Balance Sheet date.

Financial Year 2012-13 and 2011-12

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Income from Operations is recognized in the Statement of Profit and Loss on accrual basis as stated herein below except that revenue from non-performing assets is recognized, on realization as per the Prudential Norms / Directions of RBI, applicable to Non-Banking Financial Companies.

(a) Income from financial assets is recognized 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.
(b) Income from operating lease is recognized as rentals (net of value added tax), on straight line basis over the period of the lease.
(c) Fees for processing of loans are recognized when a binding obligation for granting loan has been entered into.
(d) Interest for delayed payment and changes into interest payment to Company's benchmark interest rate revision are accrued, due to uncertainty of realization, only to the extent of probable recovery, as per the best estimate of the management.
(e) Gains arising on securitization/assignment of assets are recognized over the tenure of agreements as per guideline on securitization of standard assets issued by RBI, and included under income from financial assets, while loss, if any is recognised upfront.
(f) Interest income on fixed deposits/margin money is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
(g) Referral income is recognized when it becomes due under the term of relevant mutually agreed arrangement.
(h) Income from dividend is recognized when the company's right to receive such dividend is established by the Balance Sheet date.

Financial Year 2010-11

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Income from Operations is recognized in the Profit and Loss Account on accrual basis as stated herein below except in the case of non-performing assets where it is recognized, upon realization, as per the Prudential Norms / Directions of the Reserve Bank of India, applicable to Non-Banking Financial Companies.

(a) Income from financial assets is recognized 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.
(b) Income from operating lease is recognized as rentals (net of value added tax), on straight line basis over the period of the lease.
(c) Fees on processing of loans are recognized when a binding obligation for granting loan has been entered into.
(d) Delayed payment interest / change in interest pursuant to benchmark interest rate revision are accrued, due to uncertainty of realization, only to the extent of probable recovery, as per the best estimate of the management.

(e) Gains arising on securitization/assignment of assets are recognized over the tenure of agreements as per guideline on securitization of standard assets issued by RBI, while loss, if any is recognised upfront. These are considered as income from financial assets under the head income from operations...

(f) Interest income on fixed deposits/margin money is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(g) Dividends - Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. However, Dividend from subsidiaries is recognised even if the same are declared after the balance sheet date but pertains to period on or before the date of balance sheet, as per the requirement of schedule VI to the Companies Act, 1956.

Financial Year 2009-10

Income from Operations is recognized in the Profit and Loss Account on accrual basis as stated herein except in the case of non-performing assets where it is recognized, upon realization, as per the Prudential Norms Directions of the Reserve Bank of India, applicable to Non-Banking Financial Companies.

(a) Income from Financial Assets: It is recognized 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.

(b) Income from Operating Lease: It is recognized as rentals, as accrued over the period of lease, net of value added tax.

(c) Securitizations, Assignments and Co-Branded Arrangements: Income arising from securitization and assignment of Financial Assets is amortized over the life of the contract. In case of co-branded arrangements income is accounted on accrual basis over the life of the contract as provided under respective arrangements. These are included in income from financial assets under Income from Operations.

(d) Other Income: Dividend is accounted when the right to receive the payment is established. All other income is accounted for on accrual basis.

xiii. Retirement and other employee benefits

Half Year ended September, 2014 and Financial Year 2013-14

(a) Employee benefits in the form of Provident Fund and Employees' State Insurance are defined contribution plans and related contributions are charged to the Statement of Profit and Loss, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Financial Year 2012-13, 2011-12 and 2010-11

(a) Employee benefits in the form of Provident Fund and Employees' State Insurance are defined contribution plans and related contributions are charged to the Statement of Profit and Loss, when they become due for payment to respective authorities.

Half Year ended September, 2014 and Financial Year 2013-14, 2012-13, 2011-12 and 2010-11

(b) Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation under projected unit credit method at the Balance Sheet date.

(c) Short term compensated absences are provided for based on estimates. 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 immediately taken to the Statement of Profit and Loss and are not deferred.

Financial Year 2009-10

(a) Short term employee benefits: Short term employee benefits based on expected obligation on undiscounted basis are recognized as expense in the Profit and Loss account of the period in which the related service is rendered.

(b) Defined contribution plan: Company's contribution towards Regional Provident Fund Authority and Employee State Insurance Corporation are charged to the Profit and Loss Account.

(c) Defined benefit plan: Company's liability towards gratuity is a defined benefit plan. Such liabilities are ascertained by independent actuarial valuation as per the requirements of Accounting Standard – 15 (revised 2005) "Employee Benefits". All actuarial gains and losses are recognized in Profit and Loss Account in the year in which they occur.

xiv. Income tax

Half Year ended September, 2014 and Financial Year 2013-14, 2012-13, 2011-12 and 2010-11

Tax expense comprises of current {net of Minimum Alternate Tax (MAT) credit entitlement} and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the 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 and 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 realized. 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 these can be realized against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized 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 realized.

MAT credit is recognized 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 recognized 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 recognized by crediting to 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 Company will pay normal income tax during the specified period.

Financial Year 2009-10

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 is recognized on timing differences, being the differences between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets subject to the consideration of prudence are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

xv. Segment reporting

Financial Year 2013-14, 2012-13, 2011-12 and 2010-11

The Company's operating businesses are organized and managed separately according to the nature of facilities provided, with each segment representing a strategic business unit that offers different facilities and serves different markets. The analysis of geographical segments is based on the areas in which customers of the Company are located.

xvi. Earnings per share

Half Year ended September, 2014 and Financial Year 2013-14, 2012-13, 2011-12, 2010-11

Basic earnings per share are 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 period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Financial Year 2009-10

The Company reports basic and diluted earnings per equity share in accordance with "Accounting Standard 20: Earnings Per Share" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006. Basic earnings per equity share have been computed by dividing net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the net profit after tax for the year by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

xvii. Provisions , Contingent Liabilities and Contingent Assets

Half Year ended September, 2014 and Financial Year 2013-14

a) Provisions

A provision is recognized 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 the best estimates 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.

b) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

Financial Year 2012-13 and 2011-12

A provision is recognized 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 the best estimates 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. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements.

Financial Year 2010-11

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 recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Financial Year 2009-10

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

xviii. Cash and cash equivalents

Half Year ended September, 2014 and Financial Year 2013-14, 2012-13, 2011-12 and 2010-11

Cash and cash equivalents in the Cash Flow Statement comprise of cash on hand and balances with banks,cheques on hand, remittances in transit and short-term investments with an original maturity of three months or less.

xix. Debt Redemption Reserve ("DRR")

Half Year ended September, 2014

As per Rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014 framed under the Companies Act, 2013, no debt redemption reserve is required in the case of privately placed debentures. But as a matter of prudence, the Company, as per the management's discretion, creates debt redemption reserve for redemption of subordinated debentures / loans qualifying for Tier I / Tier II Capital on straight line basis over the tenure of the respective debenture / loans qualifying for Tier I / Tier II Capital.

Financial Year 2013-14

The Company is not required to create DRR as per Circular No. 04/2013 dated 11th February, 2013 issued by MCA since debentures have been issued on private placement basis. But as a matter of prudence, the Company, as per the management's discretion, creates debt redemption reserve for redemption of subordinated debentures / loans qualifying for Tier I / Tier II Capital on straight line basis over the tenure of the respective debenture / loans qualifying for Tier I / Tier II Capital.

Financial Year 2012-13

As a matter of prudence, the Company, as per the management's discretion, creates debt redemption reserve for redemption of privately placed subordinated debentures / loans qualifying for Tier I / Tier II Capital on straight line basis over the tenure of the respective debenture / loans qualifying for Tier I / Tier II Capital.

Financial Year 2011-12

As a matter of prudence, the Company, as per the management's discretion, creates debt redemption reserve for redemption of subordinated debentures / loans qualifying for Tier I / Tier II Capital.

Financial Year 2010-11

The Company issues Tier II Capital in the form of subordinated debentures / loans etc. and creates debt redemption reserve for redemption thereof, as a matter of prudence.

xx. Assets under Management

Half Year ended September, 2014 and Financial Year 2013-14 and 2012-13

Contracts securitized or assigned are derecognized from the books of account in accordance with the applicable guidelines issued by the RBI. Contingent liabilities, if any, in respect of such contracts are disclosed separately.

Financial Year 2011-12 and 2010-11

Contracts securitized or assigned or co-branded arrangements are derecognized from the books of account. Contingent liabilities, if any, in respect of such contracts are disclosed separately.

Financial Year 2009-10

Contracts securitized or assigned are derecognized from the books of accounts. Co-branded loan transactions are originated by the Company on behalf of partner bank/financial institution.

Contingent liabilities, if any, for such contracts are disclosed separately.

xxi. Miscellaneous Expenditure (to the extent not written off / adjusted)

Financial Year 2013-14, 2012-13, 2011-12, 2010-11 and 2009-10

Miscellaneous expenses incurred on issue of Equity shares and 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 incurred on issue of Bonds and Debentures are amortised over the tenure of the respective Bonds and Debentures.

xxii) Prior Period and Extra Ordinary Items

Financial Year 2009-10

Prior Period and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed**.**

2.1 SHARE CAPITAL

Particulars	As at 30th September, 2014		As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012		As at 31st March, 2011		As at 31st March, 2010	
	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)
Authorised												
Equity Shares of ₹ 10/- par value	75,000,000	7,500	75,000,000	7,500	75,000,000	7,500	53,220,000	5,322	50,000,000	5,000	50,000,000	5,000
Issued, Subscribed and fully paid up												
Equity Shares of ₹ 10/- par value	59,660,000	5,966	59,660,000	5,966	59,660,000	5,966	53,220,000	5,322	50,000,000	5,000	50,000,000	5,000
Total		5,966		5,966		5,966		5,322		5,000		5,000

2.1.1 Reconciliation 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 30th September, 2014		As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012		As at 31st March, 2011		As at 31st March, 2010	
	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)
At the beginning of the year	59,660,000	5,966	59,660,000	5,966	53,220,000	5,322	50,000,000	5,000	50,000,000	5,000	50,000,000	5,000
Add: Issued as fully paid up during the year	-	-	-	-	6,440,000	644	3,220,000	322	-	-	-	-
At the end of the year	59,660,000	5,966	59,660,000	5,966	59,660,000	5,966	53,220,000	5,322	50,000,000	5,000	50,000,000	5,000

2.1.2 Terms/rights attached to equity shares

Half Year ended September, 2014 and Financial Year 2013-14, 2012-13, 2011-12, 2010-11 and 2009-10

The Company's authorised capital consists of only one class of shares referred to as equity shares having par value of ₹. 10/- each. Each holder of equity shares is entitled to one vote per share.
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 prefrential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.1.3 Shareholders holding more than 5% of equity shares each are set our below:

Name of the shareholders	As at 30th September, 2014		As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012		As at 31st March, 2011		As at 31st March, 2010	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares, ₹10/- par value												
Srei Infrastructure Finance Limited	29,830,000	50	29,830,000	50	29,830,000	50	26,610,000	50	25,000,000	50	25,000,000	50
BNP Paribas Lease Group	29,830,000	50	29,830,000	50	29,830,000	50	26,610,000	50	25,000,000	50	25,000,000	50

2.2 RESERVES AND SURPLUS

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Capital Reserve						
Opening balance	31	31	31	31	31	31
Add/Less: Transferred to / from Surplus	-	-	-	-	-	-
Closing Balance	31	31	31	31	31	31
Securities Premium Reserve						
Opening balance	103,980	103,980	84,660	75,000	75,000	75,000
Add: Received on issue of equity shares during the period/year	-	-	19,320	9,660	-	-
Closing Balance	103,980	103,980	103,980	84,660	75,000	75,000
Debt. Redemption Reserve						
Opening balance	40,956	26,776	15,707	8,105	4,106	2,672
Add: Transferred from Surplus for the period/year	7,365	14,180	11,408	8,234	4,606	2,106
Less: Transferred to Surplus on redemption	-	-	339	632	607	672
Closing Balance	48,321	40,956	26,776	15,707	8,105	4,106
Special Reserve (created pursuant to Section 45IC of the Reserve Bank of India Act, 1934)						
Opening balance	19,939	15,431	10,032	6,087	3,471	1,730
Add: Transferred from Surplus	2,055	4,508	5,399	3,945	2,616	1,741
Closing Balance	21,994	19,939	15,431	10,032	6,087	3,471
Surplus in the Statement of Profit and Loss						
Opening balance	38,784	34,934	24,410	16,234	9,770	4,240
Add: Net profit after tax transferred from Statement of Profit and Loss	10,271	22,538	26,992	19,723	13,079	8,705
Amount available for appropriation	49,055	57,472	51,402	35,957	22,849	12,945
<u>Appropriations:</u>						
Amount transferred to Special Reserves	(2,055)	(4,508)	(5,399)	(3,945)	(2,616)	(1,741)
Amount transferred to Debt Redemption Reserves	(7,365)	(14,180)	(11,408)	(8,234)	(4,606)	(2,106)
Amount transferred from Debt Redemption Reserves	-	-	339	632	607	672
Transitional effect of Depreciation as per the Companies Act' 2013 [Net of deferred tax of ₹ 22 lakhs]	(44)					
Closing balance	39,591	38,784	34,934	24,410	16,234	9,770
Total Reserves and Surplus	213,917	203,690	181,152	134,840	105,457	92,378

SREI EQUIPMENT FINANCE LIMITED
Notes to Financial Statements
Schedules to the Statement of Assets & Liabilities, As Reformatted

2.3 LONG TERM BORROWINGS

Non Current Portion:

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
A. Secured						
Debentures						
Non-convertible debentures (refer note 2.3.1)	4,000	10,100	53,024	56,593	80,102	58,492
Term loans (refer note 2.3.2)						
From banks						
- Rupee loans	115,276	157,229	157,320	92,113	135,707	131,996
- Foreign currency loans	89,535	99,069	105,425	95,366	100,871	80,138
From financial institutions						
- Rupee loans	31,270	37,300	22,205	4,520	5,732	8,318
- Foreign currency loans	1,445	2,210	3,274	17,240	16,505	17,693
Other loans from banks						
Buyer's credit in foreign currency (refer note 2.3.3)	-	-	988	4,405	6,863	-
Foreign Guaranteed Local Currency Bonds	-	-	-	-	-	375
(A)	241,526	305,908	342,236	270,237	345,780	297,012
B. Unsecured						
Debentures						
Subordinated perpetual debentures (Tier I Capital) [refer note 2.3.4]	3,750	3,750	3,750	3,750	-	-
Subordinated redeemable debentures (Tier II Capital) [refer note 2.3.5]	74,580	74,580	61,900	51,800	42,500	30,000
Term loans (refer note 2.3.6)						
Subordinated loans (Tier II Capital)						
- From banks (Rupee loans)	25,000	25,000	25,000	25,000	5,000	-
- From financial institutions (Foreign currency loans)	-	-	-	-	316	910
Other loans (refer note 2.3.7)						
Foreign currency loans						
- From banks	-	-	-	-	-	525
- From financial institutions	-	-	-	611	1,138	1,708
(B)	103,330	103,330	90,650	81,161	48,954	33,143
Total (A+B)	344,856	409,238	432,886	351,398	394,734	330,155

SREI EQUIPMENT FINANCE LIMITED
Notes to Financial Statements
Schedules to the Statement of Assets & Liabilities, As Reformatted

2.3 LONG TERM BORROWINGS
Current Maturities:

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
A. Secured						
Debentures						
Non-convertible debentures (refer note 2.3.1)	21,900	42,924	31,039	59,139	24,330	3,635
Term loans (refer note 2.3.2)						
From banks						
- Rupee loans	81,863	85,027	96,568	110,215	83,229	67,117
- Foreign currency loans	20,806	16,324	24,373	36,610	22,811	18,040
From financial institutions						
- Rupee loans	12,060	11,810	6,240	1,212	2,586	2,860
- Foreign currency loans	1,438	1,560	15,016	1,379	1,250	1,226
Other loans from banks						
Buyer's credit in foreign currency (refer note 2.3.3)	750	3,189	4,251	4,173	96	3
Foreign Guaranteed Local Currency Bonds	-	-	-	-	375	375
Other Secured Loans	-	-	-	-	-	2
(A)	138,817	160,834	177,487	212,728	134,677	93,258
B. Unsecured						
Term loans (refer note 2.3.6)						
Subordinated loans (Tier II Capital)						
- From banks (Rupee loans)	-	-	-	-	2	-
- From financial institutions (Foreign currency loans)	-	-	-	340	632	606
Other loans (refer note 2.3.7)						
Foreign currency loans						
- From banks	-	-	-	-	540	830
- From financial institutions	-	-	626	611	505	485
(B)	-	-	626	951	1,679	1,921
Total (A+B)	138,817	160,834	178,113	213,679	136,356	95,179

2.3.1 Secured Non-convertible debentures

Half Year Ended September, 2014

Date of Allotment	Face Value per Debenture (₹) ##	Amount outstanding (₹ in lakhs) *	Interest rate (%)	Earliest redemption date
		As at 30th September, 2014		
June 13, 2014	1,000,000	1,000	10.92%	June 13, 2024
June 20, 2014	1,000,000	1,000	10.90%	June 2, 2024
June 26, 2014	1,000,000	2,000	11.15%	June 20, 2017 #
July 19, 2012	1,000,000	10,100	11.50%	July 19, 2015
December 19, 2011	1,000,000	2,500	11.35%	December 18, 2014 #
December 1, 2011	1,000,000	2,500	11.35%	December 15, 2014
December 5, 2011	1,000,000	2,500	11.35%	December 11, 2014 #
December 1, 2011	1,000,000	3,000	11.35%	November 25, 2014 #
November 1, 2011	1,000,000	1,000	11.00%	October 23, 2014
November 2, 2011	1,000,000	300	11.00%	October 23, 2014
Total		25,900		

* Includes current maturities.

In cases, where face value has been partially redeemed, those have been shown at outstanding face value.

All the above debentures are redeemable at par except those marked # which are redeemable at premium.

Security: The above non-convertible debentures are secured by way of pari passu charge on the Company's immovable properties located at Pune/ West Bengal and an exclusive first charge on the respective receivables from financial assets of the Company.

2.3.1 Secured Non-convertible debentures
Financial Year: 2013-14

Date of Allotment	Face Value per Debenture (₹) ##	Amount outstanding (₹ in lakhs) *	Interest rate (%)	Earliest redemption date
		As at 31st March, 2014		
July 19, 2012	1,000,000	10,100	11.50%	July 19, 2015
December 19, 2011	1,000,000	2,500	11.35%	December 18, 2014 #
December 1, 2011	1,000,000	2,500	11.35%	December 15, 2014
December 5, 2011	1,000,000	2,500	11.35%	December 11, 2014 #
December 1, 2011	1,000,000	3,000	11.35%	November 25, 2014 #
November 1, 2011	1,000,000	1,000	11.00%	October 23, 2014
November 2, 2011	1,000,000	300	11.00%	October 23, 2014
August 27, 2009	40,000	279	10.75%	August 26, 2014
August 27, 2009	100,000	2,475	11.00%	August 26, 2014
August 27, 2009	100,000	3,620	10.50%	August 26, 2014**
August 3, 2012	1,000,000	19,750	10.75%	August 3, 2014
December 1, 2011	1,000,000	5,000	11.35%	April 30, 2014
Total		53,024		

* Includes current maturities.
** Put/Call Option has been exercised on 26 August 2012 while the original maturity date is 26 August 2014.
In cases, where face value has been partially redeemed, those have been shown at outstanding face value.
All the above debentures are redeemable at par except those marked # which are redeemable at premium.

Security: The above non-convertible debentures are secured by way of pari passu charge on the Company's immovable properties located at Pune/ West Bengal and an exclusive first charge on the respective receivables from financial assets of the Company.

2.3.1 Secured Non-convertible debentures
Financial Year: 2012-13

Date of Allotment	Face Value per Debenture (₹) ##	Amount outstanding (₹ in lakhs) *	Interest rate (%)	Earliest redemption date
		As at 31st March, 2013		
July 19, 2012	1,000,000	10,100	11.50%	July 19, 2015
December 19, 2011	1,000,000	2,500	11.35%	December 18, 2014 #
December 1, 2011	1,000,000	2,500	11.35%	December 15, 2014
December 5, 2011	1,000,000	2,500	11.35%	December 11, 2014 #
December 1, 2011	1,000,000	3,000	11.35%	November 25, 2014 #
November 1, 2011	1,000,000	1,000	11.00%	October 23, 2014
November 2, 2011	1,000,000	300	11.00%	October 23, 2014
August 27, 2009	70,000	279	10.75%	August 26, 2014
August 27, 2009	100,000	2,475	11.00%	August 26, 2014
August 27, 2009	100,000	3,620	10.50%	August 26, 2014**
August 3, 2012	1,000,000	19,750	10.75%	August 3, 2014
December 1, 2011	1,000,000	5,000	11.35%	April 30, 2014
February 17, 2012	1,000,000	690	10.40%	February 17, 2014
September 7, 2011	1,000,000	250	10.55%	February 14, 2014
March 8, 2011	1,000,000	500	11.25%	January 16, 2014
October 24, 2011	1,000,000	2,000	11.35%	December 20, 2013
October 24, 2011	1,000,000	2,000	11.35%	November 20, 2013
September 7, 2011	1,000,000	250	10.55%	September 13, 2013
August 26, 2011	1,000,000	1,500	10.60%	September 6, 2013
August 27, 2009	70,000	209	10.75%	August 26, 2013
August 13, 2010	1,000,000	18,500	9.15%	August 13, 2013
December 8, 2011	1,000,000	500	10.75%	June 12, 2013
June 15, 2011	1,000,000	2,700	10.90%	June 12, 2013
December 19, 2011	1,000,000	440	10.52%	June 6, 2013 #
May 25, 2011	1,000,000	1,500	10.95%	May 13, 2013
Total		84,063		

* Includes current maturities.
** Put/Call Option has been exercised on 26 August 2012 while the original maturity date is 26 August 2014.
In cases, where face value has been partially redeemed, those have been shown at outstanding face value.
All the above debentures are redeemable at par except those marked # which are redeemable at premium.

Security: The above non-convertible debentures are secured by way of pari passu charge on the Company's immovable properties located at Pune/ West Bengal and an exclusive first charge on the respective receivables from financial assets of the Company.

2.3.1 Secured Non-convertible debentures
Financial Year: 2011-12

Date of allotment	Face Value per debenture (₹)	Amount outstanding (₹ in lakhs) * As at 31st March, 2012	Interest rate (%)	Earliest redemption date
December 19, 2011	1,000,000	2,500	11.35%	December 18, 2014 #
December 1, 2011	1,000,000	2,500	11.35%	December 15, 2014
December 5, 2011	1,000,000	2,500	11.35%	December 11, 2014 #
December 1, 2011	1,000,000	3,000	11.35%	November 25, 2014 #
November 1, 2011	1,000,000	1,000	11.00%	October 23, 2014
November 2, 2011	1,000,000	300	11.00%	October 23, 2014
August 27, 2009	100,000	279	10.75%	August 26, 2014
August 27, 2009	100,000	2,475	11.00%	August 26, 2014
December 1, 2011	1,000,000	5,000	11.35%	April 30, 2014
February 17, 2012	1,000,000	690	10.40%	February 17, 2014
September 7, 2011	1,000,000	250	10.55%	February 14, 2014
March 8, 2011	1,000,000	500	11.25%	January 16, 2014
October 24, 2011	1,000,000	2,000	11.35%	December 20, 2013
October 24, 2011	1,000,000	2,000	11.35%	November 20, 2013
September 7, 2011	1,000,000	250	10.55%	September 13, 2013
August 26, 2011	1,000,000	1,500	10.60%	September 6, 2013
August 27, 2009	100,000	209	10.75%	August 26, 2013
August 13, 2010	1,000,000	18,500	9.15%	August 13, 2013
December 8, 2011	1,000,000	500	10.75%	June 12, 2013
June 15, 2011	1,000,000	2,700	10.90%	June 12, 2013
December 19, 2011	1,000,000	440	10.52%	June 6, 2013 #
May 25, 2011	1,000,000	1,500	10.95%	May 13, 2013
October 24, 2011	1,000,000	6,000	11.35%	March 8, 2013 ***
March 30, 2010	1,000,000	3,500	9.00%	March 29, 2013
March 10, 2010	1,000,000	3,340	7.24%	March 10, 2013
March 9, 2011	1,000,000	180	10.70%	March 6, 2013
March 10, 2011	1,000,000	1,000	11.00%	February 9, 2013
March 8, 2011	1,000,000	500	11.25%	January 30, 2013
January 17, 2011	1,000,000	200	9.75%	January 10, 2013
January 6, 2010	1,000,000	500	9.00%	November 2, 2012
June 15, 2011	1,000,000	1,000	10.90%	October 5, 2012
August 27, 2009	100,000	25,150	10.50%	August 26, 2012**
August 27, 2009	100,000	209	10.75%	August 26, 2012
March 29, 2011	1,000,000	2,500	10.85%	July 2, 2012
March 14, 2011	1,000,000	3,000	11.00%	July 2, 2012
March 10, 2011	1,000,000	3,000	10.90%	June 14, 2012
March 14, 2011	1,000,000	2,600	11.00%	June 6, 2012
April 19, 2010	1,000,000	3,000	8.50%	May 28, 2012
March 14, 2011	1,000,000	6,200	11.00%	May 18, 2012
November 4, 2010	100,000	1,500	9.75%	May 2, 2012
February 24, 2011	1,000,000	1,760	10.70%	April 24, 2012
Total		**115,732**		

* It includes current maturities.
** Put/Call Option is exercisable on 26 August 2012 while the original maturity date is 26 August 2014.
*** Original Maturity date is 15 April, 2013
All the above debentures are redeemable at par except those marked # which are redeemable at premium.
Security: The above non-convertible debentures are secured by way of pari passu charge on the Company’s immovable property located at Pune and exclusive first charge on receivables from financial assets of the Company.

2.3.1 Secured Non-convertible debentures
Financial Year: 2010-11

Date of Allotment	Face Value (₹)	Amount outstanding (₹ in lakhs) * As at 31st March, 2011	Earliest Redemption Date
May 6, 2010	10,00,000	#4,000	May 4, 2011
June 21, 2010	1,00,000	*1,000	June 21, 2011
November 29, 2010	10,00,000	#5,000	November 28, 2011
September 16, 2008	10,00,000	#5,000	September 16, 2011
October 10, 2008	10,00,000	#3,000	October 10, 2011
October 10, 2008	10,00,000	#2,000	October 10, 2011
August 27, 2009 **	1,00,000	#25150	August 26, 2012***
August 27, 2009 **	1,00,000	#697	August 26, 2012
August 27, 2009 **	1,00,000	#2475	August 26, 2014
January 4, 2010	10,00,000	#1500	July 25, 2011
January 6, 2010	10,00,000	#500	November 2, 2012
January 15, 2010	10,00,000	#3,500	December 26, 2011
March 10, 2010	10,00,000	#3,340	March 10, 2013
March 10, 2010	10,00,000	#3,330	March 10, 2012
March 25, 2010	10,00,000	#3,000	September 15, 2011
March 25, 2010	10,00,000	#1,500	September 6, 2011
March 30, 2010	10,00,000	#3,500	March 29, 2013
April 19, 2010	10,00,000	#3,000	May 28, 2012
May 12, 2010	10,00,000	#500	March 28, 2012
August 13, 2010	10,00,000	#18,500	August 13, 2013
October 1, 2010	10,00,000	#1,000	March 22, 2012
November 4, 2010	1,00,000	#1,500	May 2, 2012
January 17, 2011	10,00,000	#200	January 10, 2013
February 24, 2011	10,00,000	#1,760	April 24, 2012
March 8, 2011	10,00,000	#500	January 30, 2013
March 8, 2011	10,00,000	#500	January 16, 2014
March 9, 2011	10,00,000	#180	March 6, 2013
March 10, 2011	10,00,000	#3,000	June 14, 2012
March 10, 2011	10,00,000	#1,000	February 9, 2013
March 14, 2011	10,00,000	#6,200	May 18, 2012
March 14, 2011	10,00,000	#3,000	July 2, 2012
March 14, 2011	10,00,000	#2,600	June 6, 2012
March 29, 2011	10,00,000	#2,500	July 2, 2012
Total		1,14,432	

Secured by way of pari passu charge on the Company's immovable property located at Pune and exclusive first charge on receivables from financial assets of the Company.

* These debentures are secured by carve out from the security provided for tied up working capital facility.
** Also rated 'CARE AA' by CARE
*** Put/Call Option on 26 August, 2012 and original maturity date on 26 August, 2014

2.3.1 Secured Non-convertible debentures

Financial Year: 2010-11

Foreign Guaranteed Local Currency Bonds {AAA(SO) rated by CRISIL} of Rs.375 lakhs (Rs.750 lakhs) represents the balance amount of bonds allotted on 18 October, 2001 is being redeemed in equal semi-annual installments that have commenced from 18 April, 2004 with final maturity on 18 October, 2011. The guarantee provided by Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V (FMO), Netherlands for the said bonds is secured by assets covered by lease/hypothecation loan agreements with the customers

Financial Year: 2009-10

Foreign Guaranteed Local Currency Bonds {AAA(SO) rated by CRISIL} having coupon rate of 9.95% p.a. allotted on 18 October, 2001 are to be redeemed in 16 equal semi-annual installments commencing from 30th month i.e. 18 April, 2004 until the end of 120th month i.e. 18 October, 2011. The guarantee provided by Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V (FMO), Netherlands on the said bonds is secured by certain Financial assets/hypothecated assets.

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2.3.1 Secured and Unsecured Non-convertible debentures

Financial Year: 2009-2010

The Company has issued on private placement basis Non-Convertible debentures aggregating ₹794,622 lakh during the year.
The outstanding position as on 31 March 2010 is ₹93,757 lakh. All the debentures outstanding as on 31 March, 2010 are redeemable at par. Details of such privately placed Non-convertible debentures are given below:

(A) CARE PR1 + Rating Category 1:

(₹ in lakhs)

Date of Allotment	As at 31 March, 2010	Earliest Redemption Date
September 17, 2009	5,000	September 16, 2010
September 29, 2009	5,000	September 28, 2010
September 29, 2009	@1,500	September 27, 2010
October 1, 2009	5,000	September 28, 2010
October 5, 2009	@5,000	September 27, 2010
October 28, 2009	5,000	October 27, 2010
February 24, 2010	@1,500	May 24, 2010
March 10, 2010 [2]	3,330	March 10, 2011
March 12, 2010	@300	May 28, 2010
August 14, 2007	*835	July 30, 2010
September 16, 2008	*5000	September 16, 2011
September 11, 2008	*2800	September 10, 2010
October 10, 2008	*3000	October 10, 2011
October 10, 2008	*2000	October 10, 2011
Sub Total (B)	**45,265**	

1. These debentures are secured by carving out of the tied up working capital facility
2. These debentures are secured by way of pari passu charge on company's immovable property located at Pune and exclusive first charge on specified future receivables of the Company.
@ unsecured

(B) CARE AA Rated Paper*:
*These debentures are secured by hypothecation of certain Financial assets and pari passu charge over an immovable property.

@ Unsecured

FITCH AA, AA(ind) Rated Paper 1

(₹ in lakhs)

Date of Allotment	As at 31 March, 2010	Earliest Redemption Date
August 27, 2009 [1, 2]	28,322	August 26, 2014
January 4, 2010	1,500	July 25, 2011
January 6, 2010	500	November 2, 2012
January 15, 2010	3,500	December 26, 2011
March 10, 2010 [1]	3,340	March 10, 2013
March 10, 2010 [1]	3,330	March 10, 2012
March 24, 2010	3,000	September 15, 2011
March 25, 2010	1,500	September 6, 2011
March 30, 2010	3,500	March 29, 2013
Sub Total (B)	**48,492**	
Total (A+B)	**93,757**	

1. These debentures are secured by way of pari passu charge on company's immovable property located at Pune and exclusive first charge on specified future receivables of the Company.
2. Also rated 'CARE AA' by CARE

2.3.2 Term Loan from banks and financial Institutions

Half Year Ended September, 2014

Particulars	Outstanding * (₹ in lakhs)	Repayment terms (₹ in lakhs)				Tenure (years)	Rate of Interest per annum	Nature of security
	As at 30th September, 2014	Monthly	Quarterly	Half yearly	Single installment			
Rupee term loans								
From banks #	197,139	59,932	125,207	-	12,000	3-6	11%-13%	Hypothecation of specific assets covered by hypothecation loan agreements and operating lease agreements with customers and receivables arising there from.
From financial institutions	43,330	43,330	-	-	-	5-6	11%-12%	
Total (A)	240,469**	103,262	125,207	-	12,000			
Foreign currency term loans								
From banks	110,341		-	110,341	-	5-7	<10%	Hypothecation of specific assets covered by respective hypothecation loan agreements and operating lease agreements with customers and / or receivables arising there from.
From financial institutions	2,883	-	-	2,883	-	7-10	<10%	
Total (B)	113,224	-	-	113,224	-			

* Includes current maturities.

** Includes ₹ Nil guaranteed by two of the directors of the Company.

The above figures includes ₹ 26,407 lacs lying in the bucket range of 12%-13% p.a.

2.3.2 Term Loan from banks and financial Institutions

Financial Year: 2013-14

Particulars	Outstanding *	Repayment terms				Tenure (years)	Rate of Interest per annum	Nature of security
	(₹ in lakhs)	(₹ in lakhs)						
	As at 31st March, 2014	Monthly	Quarterly	Half yearly	Single installment			
Rupee term loans								
From banks #	242,256	74,940	155,316	-	12,000	3-6	10%-12%	Hypothecation of specific assets covered by respective hypothecation loan agreements and operating lease agreements with customers and receivables arising there from.
From financial	49,110	49,110	-	-	-	5-7	10%-12%	
Total (A)	**291,366****	**124,050**	**155,316**	-	**12,000**			
Foreign currency term loans								
From banks	115,393	-	11,982	103,411	-	5-7	<10%	Hypothecation of specific assets covered by respective hypothecation loan agreements and operating lease agreements with customers and / or receivables arising there from.
From financial institutions	3,770	-	-	3,770	-	7-10	<10%	
Total (B)	**119,163**	**-**	**11,982**	**107,181**	-			

* Includes current maturities.
** Includes ₹ 840 lakhs guaranteed by two directors of the Company.
# The above figures includes ₹ 9,203 lacs lying in the bucket range of 12%-14% p.a

Financial Year: 2012-13

Particulars	Outstanding *	Repayment terms				Tenure (years)	Rate of Interest per annum	Nature of security
	(₹ in lakhs)	(₹ in lakhs)						
	As at 31st March, 2013	Monthly	Quarterly	Half yearly	Single installment			
Rupee term loans								
From banks #	253,888	105,036	148,852	-	-	3-5	10%-12%	Hypothecation of specific assets covered by respective hypothecation loan agreements and operating lease agreements with customers and receivables arising there from.
From financial institutions	28,445	24,570	3,875	-	-	5-10	10%-12%	
Total (A)	**282,333 ****	**129,606**	**152,727**	-	**-**			
Foreign currency term loans								
From banks	129,798		10,860	118,938	-	5-7	<10%	Hypothecation of specific assets covered by respective hypothecation loan agreements and operating lease agreements with customers and / or receivables arising there from.
From financial institutions	18,290	-	-	18,290	-	7-10	<10%	
Total (B)	**148,088**	**-**	10,860.00	**137,228**	-			

* Includes current maturities.
** Includes ₹ 8,303 lakhs guaranteed by two directors of the Company.
# The above figures includes ₹ 16,746 lacs lying in the bucket range of 12%-14% p.a. and ₹ Nil lying in the bucket range of <10% p.a.

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2.3.2 Term Loan from banks and financial Institutions

Financial Year: 2011-12

Particulars	Outstanding * (₹ in lakhs) As at 31st March, 2012	Repayment terms (₹ in lakhs) Monthly	Quarterly	Half yearly	Single installment	Tenure (years)	Nature of security
Rupee term loans							
From banks	202,328	161,699	30,629	-	10,000	3-5	Hypothecation of specific assets covered by hypothecation loan agreements and operating lease agreements with customers and receivables arising there from.
From financial institutions	5,732	-	5,732	-	-	7-10	
Total (A)	208,060**	161,699	36,361	-	10,000	-	
Foreign currency term loans							
From banks	131,976	2,703	-	129,273	-	3-7	Hypothecation of specific assets covered by hypothecation loan agreements and operating lease agreements with customers and / or receivables arising there from.
From financial institutions	18,619	-	-	18,619	-	7-10	
Total (B)	150,595	2,703		147,892			

*It includes current maturities.
**Includes ₹ 15,844 lakhs guaranteed by two of the directors of the Company.

2.3.3 Buyer's credit in foreign currency from banks

Half Year Ended September, 2014
These are repayable in single installment and have tenure ranging from 0-1 years and bear interest rate of less than 10% per annum. These loans are secured by import documents covering title to capital goods and extension of pari passu charge on assets covered under working capital facilities.

Financial Year: 2013-14
These are repayable in single installment and have tenure ranging from 0-3 years and bear interest rate of less than 10% per annum. These loans are secured by import documents covering title to capital goods and extension of pari passu charge on assets covered under working capital facilities.

Financial Year: 2012-13, 2011-12, 2010-11

These foreign currency loans from banks are repayable by single installment and have tenures ranging from 1-3 years and bear interest rate of less than 10% per annum. These loans are secured by import documents covering title to capital goods and extension of pari passu charge on assets covered under working capital facilities.

2.3.4 Unsecured subordinated perpetual debentures (Tier I Capital)

Half Year Ended September, 2014
As at 30th September, 2014, the amount outstanding in respect of unsecured subordinated perpetual debentures is ₹ 3,750 lakhs which is 1.77% of total Tier I Capital as on Balance Sheet date. The coupon rate of these perpetual debentures is 12.50% . These perpetual debentures have call option which is exercisable on 30th December 2021 with prior approval of RBI.

Financial Year: 2013-14
As at 31st March, 2014, the amount outstanding in respect of unsecured subordinated perpetual debentures is ₹ 3,750 lakhs which is 1.87% of total Tier I Capital as on Balance Sheet date. The coupon rate of these perpetual debentures is 12.50% . These perpetual debentures have call option which is exercisable on 30th December 2021 with prior approval of RBI.

Financial Year: 2012-13
During the year ended 31st March, 2013, the Company has raised subordinated perpetual debentures qualifying for Tier I capital amounting to ₹ Nil. As at 31st March, 2013, the amount outstanding in respect of such subordinated perpetual debentures is ₹ 3,750 lakhs which is 2.04% of total Tier I Capital as on Balance Sheet date. The coupon rate of these perpetual debentures remains the same i.e.12.50%. These perpetual debentures have call option which is exercisable on 30th Decemeber 2021 with prior approval of RBI.

Financial Year: 2011-12
During the year ended 31st March, 2012, the Company has raised subordinated perpetual debenture qualifying for Tier I capital amounting to ₹ 3,750 lakhs. As at 31st March, 2012, the amount outstanding in respect of subordinated perpetual debenture is ₹ 3,750 lakhs which is 2.65% of total Tier I Capital as on Balance Sheet date. The coupon rate of these perpetual debentures is 12.50%. These perpetual debentures have call option which is exercisable after 10 years from the date of its issue (i.e. 30th December, 2011), with prior approval of RBI

2.3.5 Unsecured Subordinated Redeemable Non-Convertible Debentures (Tier II Capital)

Half Year Ended September, 2014

During the half year ended 30th September,2014, the Company raised subordinated redeemable non-convertible debentures qualifying for Tier II Capital amounting NIL. The following table sets forth, the detail of the bonds outstanding as at the Balance Sheet date:

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in lakhs)	Coupon rate (%)	Earliest redemption date
		As at 30th September, 2014		
May 7, 2013	10,00,000	2,080	11.25%	May 7, 2023
January 24, 2013	10,00,000	900	11.25%	January 24, 2023
December 17, 2012	10,00,000	1,700	11.50%	December 17, 2022
December 20, 2013	10,00,000	1,000	11.10%	December 20, 2020
September 27, 2013	10,00,000	1,600	11.00%	September 27, 2020
June 29, 2013	10,00,000	1,000	10.85%	June 29, 2020
March 31, 2010	10,00,000	7,450	10.00%	March 31, 2020
March 19, 2010	10,00,000	2,550	10.00%	March 19, 2020
December 24, 2009	10,00,000	10,000	10.00%	December 24, 2019
November 29, 2013	10,00,000	1,000	11.00%	May 29, 2019
November 29, 2013	10,00,000	500	11.00%	May 29, 2019
July 24, 2013	10,00,000	1,500	10.75%	May 24, 2019
March 28, 2013	10,00,000	2,500	11.50%	September 28, 2018
September 27, 2011	10,00,000	6,800	12.00%	September 27, 2018
February 8, 2013	10,00,000	5,000	11.60%	August 8, 2018
May 7, 2013	10,00,000	1,500	11.10%	August 7, 2018
June 29, 2013	10,00,000	2,500	10.75%	April 29, 2018
March 31, 2011	10,00,000	5,000	11.50%	March 31, 2018
August 3, 2007	10,00,000	10,000	12.00%	August 3, 2017
December 30, 2011	10,00,000	2,500	12.60%	July 30, 2017
March 31, 2011	10,00,000	2,500	11.00%	September 30, 2016
October 26, 2010	10,00,000	5,000	9.15%	April 26, 2016
Total		**74,580**		

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

Financial Year: 2013-14

During the year ended 31st March, 2014, the Company raised subordinated redeemable non-convertible debentures qualifying for Tier II Capital amounting ₹ 12,680 lakhs.The following table sets forth, the detail of the bonds outstanding as at the Balance Sheet date:

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in lakhs) As at 31st March, 2014	Coupon rate (%)	Earliest redemption date
May 7, 2013	10,00,000	2,080	11.25%	May 7, 2023
January 24, 2013	10,00,000	900	11.25%	January 24, 2023
December 17, 2012	10,00,000	1,700	11.50%	December 17, 2022
December 20, 2013	10,00,000	1,000	11.10%	December 20, 2020
September 27, 2013	10,00,000	1,600	11.00%	September 27, 2020
June 29, 2013	10,00,000	1,000	10.85%	June 29, 2020
March 31, 2010	10,00,000	7,450	10.00%	March 31, 2020
March 19, 2010	10,00,000	2,550	10.00%	March 19, 2020
December 24, 2009	10,00,000	10,000	10.00%	December 24, 2019
November 29, 2013	10,00,000	1,000	11.00%	May 29, 2019
November 29, 2013	10,00,000	500	11.00%	May 29, 2019
July 24, 2013	10,00,000	1,500	10.75%	May 24, 2019
March 28, 2013	10,00,000	2,500	11.50%	September 28, 2018
September 27, 2011	10,00,000	6,800	12.00%	September 27, 2018
February 8, 2013	10,00,000	5,000	11.60%	August 8, 2018
May 7, 2013	10,00,000	1,500	11.10%	August 7, 2018
June 29, 2013	10,00,000	2,500	10.75%	April 29, 2018
March 31, 2011	10,00,000	5,000	11.50%	March 31, 2018
August 3, 2007	10,00,000	10,000	12.00%	August 3, 2017
December 30, 2011	10,00,000	2,500	12.60%	July 30, 2017
March 31, 2011	10,00,000	2,500	11.00%	September 30, 2016
October 26, 2010	10,00,000	5,000	9.15%	April 26, 2016
Total		**74,580**		

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

Financial Year: 2012-13

During the year ended 31st March, 2013, the Company raised subordinated redeemable non-convertible debentures qualifying for Tier II Capital amounting ₹ 10,100 lakhs.The following table sets forth, the detail of the bonds outstanding as at the Balance Sheet date:

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in lakhs) As at 31st March, 2013	Coupon rate (%)	Earliest redemption date
January 24, 2013	10,00,000	900	11.25%	January 24, 2023
December 17, 2012	10,00,000	1,700	11.50%	December 17, 2022
March 31, 2010	10,00,000	7,450	10.00%	March 31, 2020
March 19, 2010	10,00,000	2,550	10.00%	March 19, 2020
December 24, 2009	10,00,000	10,000	10.00%	December 24, 2019
March 28, 2013	10,00,000	2,500	11.50%	September 28, 2018
September 27, 2011	10,00,000	6,800	12.00%	September 27, 2018
February 8, 2013	10,00,000	5,000	11.60%	August 8, 2018
March 31, 2011	10,00,000	5,000	11.50%	March 31, 2018
August 3, 2007	10,00,000	10,000	12.00%	August 3, 2017
December 30, 2011	10,00,000	2,500	12.60%	July 30, 2017
March 31, 2011	10,00,000	2,500	11.00%	September 30, 2016
October 26, 2010	10,00,000	5,000	9.15%	April 26, 2016
Total		**61,900**		

All the above are redeemable at par by single installment.

Financial Year: 2011-12

During the year ended 31st March, 2012, the Company raised subordinated redeemable non-convertible debenture qualifying for Tier II capital amounting to ₹ 9,300 lakhs. The following table sets forth, the detail of the bonds outstanding as at the Balance Sheet date:

Date of allotment	Face value per debenture (₹)	Amount outstanding (₹ in lakhs) As at 31st March, 2012	Coupon rate (%)	Earliest redemption date
March 31, 2010	10,00,000	7,450	10%	March 31, 2020
March 19, 2010	10,00,000	2,550	10%	March 19, 2020
December 24, 2009	10,00,000	10,000	10%	December 24, 2019
September 27, 2011	10,00,000	6,800	12%	September 27, 2018
March 31, 2011	10,00,000	5,000	11.50%	March 31, 2018
August 3, 2007	10,00,000	10,000	12%	August 3, 2017
December 30, 2011	10,00,000	2,500	12.60%	July 30, 2017
March 31, 2011	10,00,000	2,500	11%	September 30, 2016
October 26, 2010	10,00,000	5,000	9.15%	April 26, 2016
Total		**51,800**		

All the above are redeemable at par by single installment.

Financial Year: 2010-11

During the year, the Company has issued unsecured subordinated redeemable non-convertible debenture on private placement basis for cash at par forming part of Tier II capital aggregating ₹ 12,500 lakhs.

The aggregate amount of subordinated debentures which are redeemable at par/face value is ₹ 42,500 lakhs as at balance sheet date.

Details of privately placed unsecured subordinated redeemable non convertible debentures are given below.

Date of allotment	Face value per debenture (₹)	Amount outstanding (₹ in lakhs) As at 31st March, 2011	Coupon rate (%)	Earliest redemption date
March 31, 2010	10,00,000	7,450	10%	March 31, 2020
March 19, 2010	10,00,000	2,550	10%	March 19, 2020
December 24, 2009	10,00,000	10,000	10%	December 24, 2019
March 31, 2011	10,00,000	5,000	11.50%	March 31, 2018
August 3, 2007	10,00,000	10,000	12%	August 3, 2017
March 31, 2011	10,00,000	2,500	11%	September 30, 2016
October 26, 2010	10,00,000	5,000	9.15%	April 26, 2016
Total		**42,500**		

All the above are redeemable at par by single installment.

Financial Year: 2009-10

a) 1,000 Unsecured Subordinated Redeemable Non Convertible Debentures of ₹10 lakh each allotted on Private Placement basis forming part of Tier II Capital aggregating to ₹10,000 lakh for cash at par on 3 August, 2007. Each debenture is having an overall tenure of 10 years, reckoned from the date of allotment. The face value of such debentures shall be redeemed at the end of 10 years from the date of allotment i.e. on 3 August, 2017, Interest is payable annually @ 12% p.a.

b) During the year ended 31 March, 2010, the Company has raised Tier II capital of ₹ 20,000 lakh at par by private placement of 2,000 unsecured subordinated redeemable non-convertible debentures of ₹ 10 lakh each, the details of which are given below:

Date of Issue/allotment	Coupon Rate (%)	Tenure	Date of Redemption	Amount outstanding (₹ in lakhs)
December 24, 2009	10% p.a	10 years	December 24, 2019	10,000
March 19, 2010	10% p.a	10 years	March 19, 2020	2,550
March 31, 2010	10% p.a	10 years	March 31, 2020	7,450

Note: The above debt instruments are redeemable at par/face value and Interest thereon is payable half yearly.

2.3.6 Unsecured Subordinated Term Loans (Tier II Capital)

Half Year Ended September, 2014

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Tenure (years)	Rate of Interest per annum
	As at 30th September, 2014	Quarterly	Half yearly	Single installment		
Subordinated term loans (Tier II Capital)						
Rupee loan from banks	25,000	10,000**	5,000#	10,000	5-7	12%-13%
Total	25,000	10,000	5,000	10,000		

** Payable after moratorium of 30 months.
# Payable after moratorium of 33 months.

Financial Year: 2013-14

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Tenure (years)	Rate of Interest per annum
	As at 31st March 2014	Quarterly	Half yearly	Single installment		
Subordinated term loans (Tier II Capital)						
Rupee loan from banks	25,000	10,000**	5,000#	10,000	5-7	12%-14%
Total	25,000	10,000	5,000	10,000		

** Payable after remaining moratorium of 36 months.
# Payable after remaining moratorium of 39 months.

Financial Year: 2012-13

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Tenure (years)	Rate of Interest per annum
	As at 31st March 2013	Quarterly	Half yearly	Single installment		
Subordinated term loans (Tier II Capital)						
Rupee loan from banks ##	25,000	10,000**	5000#	10,000	5-7	12%-14%
Foreign currency loan from	-	-	-	-	-	-
Total	25,000	10,000	5,000	10,000		

** Payable after remaining moratorium of 48 months.
# Payable after remaining moratorium of 51 months.
The above figures includes Nil lying in the bucket range of 10%-12% p.a.

Financial Year: 2011-12

Particulars	Outstanding * (₹ in lakhs) As at 31.03.2012	Repayment terms (₹ in lakhs) Quarterly	Half yearly	Single installment	Tenure (years)
Subordinated term loans (Tier II Capital)					
Rupee loan from banks	25,000	10,000 **	5,000 #	10,000	(5-7)
Foreign currency loan from financial institutions	340	-	340	-	10
Total	25,340	10,000	5,340	10,000	

* It includes current maturities. ** Payable after moratorium of 63 months. # Payable after moratorium of 69 months.

Financial Year: 2010-11

a) During the year, the Company has issued Tier II Capital in the form of Unsecured Subordinated Loan of ₹5,000 lakhs on 31st March 2011 repayable on 30th September, 2016.

b) Tier II Capital also includes ₹948 lakhs (₹1,516 lakhs) being their balance against loan of 5 Million Euros received during 2002-03 in the form of unsecured subordinated loan repayable in ten semi annual equal installments with moratorium of first five years.

c) Unsecured Subordinated foreign currency loans from Financial Institution repayable within one year amount to ₹ 645 lakhs.

Financial Year: 2009-10

Tier II Capital includes 5 Million Euros received during 2002-03 in the form of unsecured subordinated loan repayable in ten years period with moratorium of first five years. Amount repayable within one year amounted to ₹ 606 lakh.

Such outstanding unsecured subordinated loan is translated into Indian Rupees at the exchange rate prevailing at the Balance Sheet date and any loss or gain arising there from is taken to Statement of Profit and Loss.

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2.3.7 Other Unsecured Long- term Loans

Financial Year: 2012-13

Particulars	Outstanding * (₹ in lakhs)	Repayment terms (₹ in lakhs)			Tenure (years)	Rate of Interest per annum
	As at 31st March 2013	Quarterly	Half yearly	Single installment		
Other foreign currency loans						
From financial institutions	626	-	626	-	8	<10%
Total	626	-	626	-		

* Includes current maturities.

Financial Year: 2011-12

Particulars	Outstanding * (₹ in lakhs)	Repayment terms (₹ in lakhs)			Tenure (years)
	As at 31.03.2012	Quarterly	Half yearly	Single installment	
Other foreign currency loans					
From banks	-	-	-	-	-
From financial institutions	1,222	-	1,222	-	8
Total	1,222	-	1,222	-	

* It includes current maturities.

Financial Year: 2010-11

Particulars	Outstanding * (₹ in lakhs)	Repayment terms (₹ in lakhs)			Tenure
	As at 31.03.2011	Quarterly	Half yearly	Single installment	
Other foreign currency loans					
From banks	540	-	540	-	(6-7)
From financial institutions	1,643	-	1,643	-	(8-9)
Total	2,183	-	2,183	-	

* It includes current maturities.

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2.4 DEFERRED TAX LIABILITIES (NET)

Half Year Ended September, 2014

In terms of Accounting Standards (AS) 22 'Accounting for Taxes on Income', net deferred tax assets (DTA) of ₹ 758 lakhs has been recognised in the Statement of Profit and Loss for the half year ended 30th September 2014 and consequently, the net DTL as at 30th September, 2014 stands at ₹ 14,914 lakhs.

Financial Year: 2013-14

In terms of AS 22 'Accounting for Taxes on Income', net deferred tax liability (DTL) of ₹ 407 lakhs has been recognised in the Statement of Profit and Loss for the year ended 31st March 2014 and consequently, the net DTL as at 31st March, 2014 stands at ₹ 15,694 lakhs.

Financial Year: 2012-13

In terms of AS 22 'Accounting for Taxes on Income', net deferred tax liability (DTL) of ₹ 4,154 lakhs has been recognised in the Statement of Profit and Loss for the year ended 31st March 2013 and consequently, the net DTL as at 31st March, 2013 stands at ₹ 15,287 lakhs.

Financial Year: 2011-12

In terms of AS 22 'Accounting for Taxes on Income' during the year ended 31st March, 2012, net deferred tax liability (DTL) of ₹ 5,044 lakhs has been recognized in Statement of Profit and Loss and consequently, the net DTL as at 31st March, 2012 stands at ₹ 11,133 lakhs.

Financial Year: 2010-11

In terms of Accounting Standard 22, net deferred tax asset (DTA) of ₹ 1,756 lakhs has been recognized during the year and consequently the net DTL as at March 31, 2011 stands at ₹ 6,089 lakhs.

Financial Year: 2009-10

The Deferred tax liability of ₹7,845 lakh arising out of timing difference as on 31 March, 2010

The break-up of major components of such net DTL is as follows:

(₹ in lakhs)

Particulars	As at 30th September 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Deferred tax liability on :						
Depreciation on Fixed Assets	19,334	18,010	16,577	11,979	6,730	6,118
Deferred Revenue Expenditure	1,914	2,209	2,153	2,140	2,446	1,785
Gross deferred tax liability (A)	21,248	20,219	18,730	14,119	9,176	7,903
Deferred tax asset on :						
Provisions for Standard assets and NPAs	6,184	4,441	3,313	2,883	2,990	-
Depreciation on fixed assets (Transitional effect)	22	-	-	-	-	-
Others	128	84	130	103	97	58
Gross deferred tax asset (B)	6,334	4,525	3,443	2,986	3,087	58
Net Deferred Tax Liability (A-B)	**14,914**	**15,694**	**15,287**	**11,133**	**6,089**	**7,845**

2.5 OTHER LONG TERM LIABILITIES

(₹ in lakhs)

Particulars	As at 30th September 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Interest accrued but not due on borrowings	3,257	2,711	5,268	2,451	1,368	1,338
Trade Payables						
Acceptances	1,308	817	457	972	3,096	-
Others						
Sundry liabilities (Interest Capitalisation) Account *	186	943	-	-	-	-
Trade Deposits	6,189	10,079	9,590	8,657	3,235	686
Forward contract payable	-	-	-	312	610	33
Total	**10,940**	**14,550**	**15,315**	**12,392**	**8,309**	**2,057**

* As per Reserve Bank of India Guidelines

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2.6 LONG-TERM PROVISIONS

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Provision for employee benefits (refer note 2.30)						
Provision for Gratuity	378	248	400	320	291	176
Provision for compensated absence	892	729	680	568	412	194
(A)	1,270	977	1,080	888	703	370
Less: Current portion of provision for employee benefits (refer note 2.10)						
Provision for Gratuity	200	200	150	100	100	-
Provision for compensated absence	145	108	92	76	57	77
(B)	345	308	242	176	157	77
C=(A-B)	925	669	838	712	546	293
Other provisions (refer note 2.6.1)						
- Provision for NPAs	19,057	14,139	11,279	10,848	10,532	8,497
- Contingent provision against standard assets	2,103	1,627	2,009	1,486	1,210	-
(D)	21,160	15,766	13,288	12,334	11,742	8,497
Total (C+D)	**22,085**	**16,435**	**14,126**	**13,046**	**12,288**	**8,790**

2.6.1 Movement of other provisions

Provision for Non-Performing Assets (NPAs) has been recognized in the financial statements according to the Prudential Norms prescribed by RBI. Further, financial assets overdue for more than four years, as well as those, which, as per the management are not likely to be recoverable, are written off as bad debts in the accounts. The Company has recognized additional provision towards financial assets, based on the management's best estimates as stated below:

(₹ in lakhs)

Particulars	Provision for NPA as per RBI Prudential norms *				
	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Opening Balance	12,350	6,503	1,249	1,286	1,662
Net movement after considering Bad debts written off	5,628	5,847	5,254	(37)	(376)
Closing Balance	**17,979**	**12,350**	**6,503**	**1,249**	**1,286**
* Includes provision for diminution in fair value of restructured advances	2,663	2,248	-	-	-

(₹ in lakhs)

Particulars	Additional provision as per management estimate				
	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Opening Balance	1,851	4,807	9,603	9,304	6,985
Net movement after considering Bad debts written off	(756)	(2,955)	(4,797)	299	2,319
Closing Balance	**1,095**	**1,851**	**4,807**	**9,603**	**9,304**

(₹ in lakhs)

Particulars	Contingent provision against standard assets as per RBI Prudential norms				
	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Opening Balance	3,280	3,314	2,447	2,082	-
Net movement after considering Bad debts written off	251	(34)	867	365	2,082
Closing Balance	**3,531**	**3,280**	**3,314**	**2,447**	**2,082**

2.6.2 Bad debts written off (Net)

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Bad debts written off during the period/ year amounting to	10,053	23,083	13,191	9,768	10,220
is net of recovery of	6,655	5,856	2,935	2,300	918

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2.7 SHORT TERM BORROWINGS

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
A. Secured						
From Banks :						
Working capital facilities from banks (Rupee loan) [Note (a) below]	737,211	657,715	671,142	412,053	198,535	18,549
Loan Repayable on demand	-	-	-	-	-	66,710
Short- term foreign currency loan from banks [Note (b) below]	-	-	8,145	20,200	-	5,220
Buyer’s credit foreign currency loans from banks [Note (c) below]	18,458	22,737	27,692	22,307	4,721	-
Short- term rupee loan from banks [Note (d) below]	12,500	7,500	-	-	4,001	10,085
From Others :						
Debentures [refer note 2.3.1 and 2.7.1]	17,000	-	26,250	-	10,000	23,330
(A)	785,169	687,952	733,229	454,560	217,257	123,894
B. Unsecured						
Deposits						
Inter-corporate deposits	-	-	-	-	300	
From Banks :						
Short- term rupee loan [Refer note (e) below]	20,000	-	-	-	25,000	-
From Others :						
Debentures [refer note 2.3.1]	-	-	-	-	1,900	8,300
Commercial papers						
From banks	-	-	-	-	963	2,820
From others [Note (f) below]	87,979	51,569	10,409	11,597	658	7,328
(B)	107,979	51,569	10,409	11,597	28,821	18,448
Total (A+B)	**893,148**	**739,521**	**743,638**	**466,157**	**246,078**	**142,342**

(a) Working capital facilities from banks (Rupee loan)

Half Year Ended September, 2014

Working capital facilities including working capital demand loans (earmarked against cash credit limits) from banks are secured by hypothecation of underlying assets (both short-term and long-term financial assets) covered by respective hypothecation loan agreements 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. As at 30th September, 2014 working capital facilities from banks include working capital demand loans aggregating ₹ 438,800 lakhs. Rate of interest for working capital demand loans ranges from 10% to 12% per annum and for working capital facilities, ranges from 11% to 15% per annum.

Financial Year: 2013-14

Working capital facilities including working capital demand loans (earmarked against cash credit limits) from banks are secured by hypothecation of underlying assets (both short-term and long-term financial assets) covered by respective hypothecation loan agreements 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. As at 31st March, 2014 working capital facilities from banks include working capital demand loans aggregating ₹ 479,800 lakhs. Rate of interest for working capital demand loans ranges from 10% to 12% per annum and for working capital facilities, ranges from 10% to 16% per annum.

Financial Year: 2012-13

Working capital facilities including working capital demand loans (earmarked against cash credit limits) from banks are secured by hypothecation of underlying assets (both short-term and long-term financial assets) covered by respective hypothecation loan agreements 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. As at 31st March, 2013 working capital facilities from banks include working capital demand loans aggregating ₹ 465,000 lakhs. Rate of interest for working capital demand loans ranges from 10% to 12% per annum and for working capital facilities, ranges from 11% to 16% per annum.

Financial Year: 2011-12

Working capital facilities including working capital demand loans (earmarked against cash credit limits) from banks are secured by hypothecation of underlying assets (both short-term and long-term financial assets) covered by hypothecation loan agreements 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. As at 31st March, 2012 working capital facilities from banks include working capital demand loans amounting to ₹ 261,710 lakhs.

Financial Year: 2010-11, Financial Year 2009-10

Working Capital facilities from banks are secured by hypothecation of assets covered by hypothecation loan agreements with the customers and receivables arising there from ranking pari passu (excluding assets which are specifically charged to others) and counter guarantee by two of the Directors in certain cases.

(b) Short- term foreign currency loan from banks

Financial Year: 2013-14

Short- term foreign currency loans from banks were bearing interest at the rate ranging from 10% to 12% per annum and were secured by hypothecation of specific assets covered by respective hypothecation loan agreements with customers and receivables arising therefrom.

Financial Year: 2012-13

Short- term loans from banks bearing interest rate from 10% to 12% per annum are secured by hypothecation of specific assets covered by respective hypothecation loan agreements with customers and receivables arising therefrom.

Financial Year: 2011-12

Short- term loans from banks are secured by hypothecation of specific assets covered by hypothecation loan agreements with customers and receivables arising therefrom.

(c) Buyer's credit foreign currency loans from banks

Half Year Ended September, 2014, Financial Year: 2013-14

Buyer's credit in the form of foreign currency loans from banks were secured by import documents covering title to capital goods and extension of pari passu charge for working capital facilities bearing interest rate of less than 10% per annum (31st March, 2014 : Less than 10% per annum, 31st March, 2013: Less than 10% per annum)

Financial Year: 2012-13

Buyer's credit in the form of foreign currency loans from banks were secured by import documents covering title to capital goods and extension of pari passu charge for working capital facilities.

Financial Year: 2011-12

Buyer's credit in the form of foreign currency loans from banks are secured by import documents covering title to capital goods and extension of pari passu charge as for working capital facilities.

(d) Short- term rupee loan from banks

Half Year Ended September, 2014

Short- term loans from banks bearing interest rate from 10% to 11% per annum are secured by Hypothecation of specific assets covered by hypothecation loan agreements and operating lease agreements with customers and receivables arising there from.

Financial Year: 2013-14

Short term rupee loan from banks bearing interest rate from 10% to 12% per annum is secured by hypothecation of specific assets covered by respective hypothecation loan agreements and operating lease agreements with customers and receivables arising there from.

(e) Short- term rupee loan

Half Year Ended September, 2014

Rate of Interest ranges from 10% to 11% per annum.

(f) Commercial papers - Others

Half Year Ended September, 2014

Rate of Interest ranges from 9 to 10% per annum.

Financial Year: 2013-14

Rate of Interest ranges from 10% to 11% per annum.

Financial Year: 2012-13

Rate of Interest ranges from 8% to 11% per annum.

2.7.1 Secured Non-Convertible Debentures
Half Year Ended September, 2014

Date of allotment	Face Value per debenture (₹)	Amount outstanding (₹ in lakhs) *	Interest Rate (%)	Earliest redemption date
July 4, 2014	1,000,000	12,000	10.65%	July 4, 2016
May 15, 2014	1,000,000	5,000	10.65%	May 15, 2016
Total		17,000		

Financial Year: 2012-13

Date of allotment	Face Value per debenture (₹)	Amount outstanding (₹ in lakhs) *	Interest Rate (%)	Earliest redemption date
August 6, 2012	1,000,000	6,000	10.75%	August 6, 2013
August 3, 2012	1,000,000	20,250	10.75%	August 3, 2013
Total		26,250		

* All the above debentures are redeemable at par.
Security: The above non-convertible debentures were secured by way of pari passu charge on the Company's immovable properties located at West Bengal and exclusive first charge on specific receivables from financial assets of the Company.

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2.8 TRADE PAYABLES

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Due to Micro and Small enterprises (refer note 2.34)	-	-	-	-	-	108
Due to others						
Acceptances	3,169	6,470	3,254	19,011	10,959	1,567
Trade payables other than acceptances	34,477	20,501	32,524	45,682	42,970	53,851
Employees payables	854	507	2,008	1,155	258	178
Commission payable to Directors	103	226	270	197	130	-
Total	**38,603**	**27,704**	**38,056**	**66,045**	**54,317**	**55,704**

2.9 OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Current maturities of long-term borrowings (refer note 2.3)	138,817	160,834	178,113	213,679	136,356	95,179
(A)	138,817	160,834	178,113	213,679	136,356	95,179
Interest accrued but not due on borrowings	9,725	13,885	10,660	6,308	4,089	3,784
Sundry liablities (Interest Capitalisation) Account *	3,940	3,117	-	-	-	-
Other payables						
Trade deposits	7,203	2,604	1,294	521	10	-
Forward contracts payable	561	877	1,619	966	190	109
Advances from customers for operating leases	765	124	833	148	67	10
Other liabilities	2,018	1,780	1,912	1,735	994	1,358
(B)	24,212	22,387	16,318	9,678	5,350	5,261
Total (A + B)	**163,029**	**183,221**	**194,431**	**223,357**	**141,706**	**100,440**

* As per Reserve Bank of India Guidelines

2.10 SHORT TERM PROVISIONS

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Other provisions (refer note 2.6.1)						
- Contingent provision against standard assets	1,428	1,653	1,305	961	872	-
(A)	1,428	1,653	1,305	961	872	-
Current portion of provision for employee benefits (refer note 2.6)						
Provision for Gratuity	200	200	150	100	100	-
Provision for compensated absence	145	108	92	76	57	77
(B)	345	308	242	176	157	77
Provision for FBT						14
Provision for Income taxes *	12,101	8,735	6,395	3,546	7,332	60
Total (A+B+C)	**13,874**	**10,696**	**7,942**	**4,683**	**8,361**	**151**

*Net of Advance tax / Tax deducted at source	16,175	13,497	3,027	1,841	2,295	2,774

2.11 FIXED ASSETS

(₹ in lakhs)

Particulars		Gross block					Depreciation/amortization/Impairment						Net book value					
	As at 30th September 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010	As at 30th September 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010	As at 30th September 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
I. Tangible assets:																		
Assets for Own use																		
Land- Freehold	4	4	4	4	4	4	-	-	-	-	-	-	4	4	4	4	4	4
Buildings	92	92	92	72	72	527	11	10	8	6	5	24	81	82	84	66	67	503
Furniture and fixtures	2,186	2,129	2,036	1,944	1,525	1,947	1,217	1,097	839	561	388	351	969	1,032	1,197	1,383	1,137	1,596
Motor vehicles	238	204	186	153	155	153	76	52	59	66	49	33	162	152	127	87	106	120
Computers and office equipments	1,325	1,353	1,245	1,161	870	962	815	782	618	521	382	306	510	571	627	640	488	656
(A)	**3,845**	**3,782**	**3,563**	**3,334**	**2,626**	**3,593**	**2,119**	**1,941**	**1,524**	**1,154**	**824**	**714**	**1,726**	**1,841**	**2,039**	**2,180**	**1,802**	**2,879**
Assets given on operating lease																		
Aircrafts	806	806	806	806	806	2,141	327	307	258	209	160	304	479	499	548	597	646	1,837
Earthmoving Equipments	44,481	31,709	27,624	24,800	8,651	6,657	14,701	12,739	10,316	6,155	2,925	1,979	29,780	18,970	17,308	18,645	5,726	4,678
Motor vehicles	84,228	61,868	54,977	46,870	20,723	16,519	32,892	30,430	23,509	15,618	9,782	6,414	51,337	31,438	31,468	31,252	10,941	10,105
Plant & Machinery	29,654	27,900	23,612	20,134	11,642	2,743	9,836	7,976	5,472	3,235	1,088	281	19,818	19,924	18,140	16,899	10,554	2,462
Wind Mills	40,277	40,277	40,277	40,277	15,474	15,474	9,021	8,011	5,846	3,683	2,814	1,948	31,256	32,266	34,431	36,594	12,660	13,526
Computers	30,267	26,710	23,937	18,834	9,693	1,862	13,714	10,387	6,911	3,427	1,184	227	16,553	16,323	17,026	15,407	8,509	1,635
Furniture and fixtures	7,182	6,127	4,629	2,971	2,067	1,500	2,409	2,030	1,306	531	297	204	4,773	4,097	3,323	2,440	1,770	1,296
Solar equipments	-	-	-	-	-	45	-	-	-	-	-	1	-	-	-	-	-	44
(B)	**236,895**	**195,397**	**175,862**	**154,692**	**69,056**	**46,941**	**82,899**	**71,880**	**53,618**	**32,858**	**18,250**	**11,358**	**153,997**	**123,517**	**122,244**	**121,834**	**50,806**	**35,583**
Total for Tangible assets (C)= (A+B)	**240,740**	**199,179**	**179,425**	**158,026**	**71,682**	**50,534**	**85,018**	**73,821**	**55,142**	**34,012**	**19,074**	**12,072**	**155,723**	**125,358**	**124,283**	**124,014**	**52,608**	**38,462**
II. Intangible assets:																		
Assets for Own use																		
Softwares	3,355	3,204	742	675	554	363	1,354	1,072	551	400	269	183	2,001	2,132	191	275	285	180
Tenancy right	8	8	8	8	8	8	8	8	8	8	6	4	-	-	-	-	2	4
(D)	**3,363**	**3,212**	**750**	**683**	**562**	**371**	**1,362**	**1,080**	**559**	**408**	**275**	**187**	**2,001**	**2,132**	**191**	**275**	**287**	**184**
Assets given on operating lease																		
Softwares	4,132	3,836	3,087	2,341	1,932	1,786	2,578	2,182	1,468	900	452	80	1,554	1,654	1,619	1,441	1,480	1,706
(E)	**4,132**	**3,836**	**3,087**	**2,341**	**1,932**	**1,786**	**2,578**	**2,182**	**1,468**	**900**	**452**	**80**	**1,554**	**1,654**	**1,619**	**1,441**	**1,480**	**1,706**
Total for Intangible assets (F)= (D+E)	**7,495**	**7,048**	**3,837**	**3,024**	**2,494**	**2,157**	**3,940**	**3,262**	**2,027**	**1,308**	**727**	**267**	**3,555**	**3,786**	**1,810**	**1,716**	**1,767**	**1,890**
Total for Fixed Assets (C+ F)	**248,235**	**206,227**	**183,262**	**161,050**	**74,176**	**52,691**	**88,958**	**77,083**	**57,169**	**35,320**	**19,801**	**12,339**	**159,278**	**129,144**	**126,093**	**125,730**	**54,375**	**40,352**

2.12 LEASES

a) In the capacity of Lessee

(i) The Company has taken certain office premises under cancellable operating lease arrangements which generally, range between 11 months to 9 years, and are usually renewable by mutual agreement. For the half year ended 30th September, 2014, lease payments charged to the Statement of Profit and Loss with respect to such leasing arrangements aggregate to ₹ 1180 lakhs (31st March, 2014:₹ 2,256 lakhs, 31st March, 2013: ₹ 2,036 lakhs, 31st March, 2012: ₹ 1,885 lakhs, 31st March, 2011: ₹ 1,431 lakhs).

(ii) In addition to the above, the Company has also taken certain other office premises under non-cancellable operating lease arrangements which, generally range between 2 to 9 years, and are usually renewable by mutual agreement. For the half year ended 30th September, 2014 total lease payments aggregating to ₹ 58 lakhs (31st March, 2014: ₹ 107 lakhs, 31st March, 2013: ₹ 178 lakhs, 31st March, 2012: ₹ 216 lakhs, 31st March, 2011: ₹ 42 lakhs) in respect of such arrangements have been recognized in the Statement of Profit and Loss. The future minimum lease payments in respect of above non-cancellable operating leases are as follows:

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Not later than one year	110	116	137	161	149	693
Later than 1 year but not later than 5 years	124	151	110	229	335	359
Later than five years	1	8	-	-	-	-
Total	**235**	**275**	**247**	**390**	**484**	**1,052**

None of the operating lease agreements entered into by the Company provides for any contingent rent payment.

Financial Year: 2010-11 and 2009-10

(iii) Sub lease payments received or receivable recognized in the Profit and Loss Account for the year ended 31 March, 2011 aggregates to ₹ 283 lakhs and for the year ended 31 March, 2010 aggregates to ₹ 255 lakhs

b) In the capacity of Lessor (Operating lease)

The Company has given assets on operating lease arrangements (refer note 2.11) for periods ranging between 1 to 12 years. Such arrangements do not have clauses for contingent rent.

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

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Not later than one year	38,292	34,249	37,946	32,156	14,860	9,747
Later than 1 year but not later than 5 years	88,638	59,837	65,707	75,181	34,958	19,831
Later than five years	19,566	18,611	18,017	22,984	8,492	9,664
Total	**146,496**	**112,697**	**121,670**	**130,321**	**58,310**	**39,242**

2.12 LEASES
c) In the capacity of lessor (Finance Lease)

The Company has given asset under finance lease arrangement for a period of 5 years. Such arrangement does not have clause for contingent rent and hence, the Company has not recognized any contingent rent as income during the year.

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

Gross Investments (₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
i. not later than one year;	345	74	70	-	-	-
ii. later than one year and not later than five years;	1,118	151	225	-	-	-
iii. later than five years;	-	-	-	-	-	-
Total	1,463	225	295	-	-	-

Unearned finance Income (₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
i. not later than one year;	151	23	30	-	-	-
ii. later than one year and not later than five years;	262	22	45	-	-	-
iii. later than five years;	-	-	-	-	-	-
Total	413	45	75	-	-	-

Minimum lease payments (₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
i. not later than one year;	194	51	40	-	-	-
ii. later than one year and not later than five years;	857	129	180	-	-	-
iii. later than five years;	-	-	-	-	-	-
Total	1,051	180	220	-	-	-

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2.13- INVESTMENTS

Non Current Investments (₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
**Long term trade investments (unquoted) ** **						
Pass Through Certificates -Series A2 in Indian Infrastructure Equipment Receivable Trust, December 2012 37 units of Face Value of ₹ 2,77,678 each as at 30th September, 2014, of ₹ 4,72,156 each as at 31st March, 2014 and of ₹ 9,09,897.50/- each as at 31st March, 2013	22	48	184	-	-	-
Pass Through Certificates -Series A2 in Indian Infrastructure Equipment Receivable Trust, December 2013 12 units of Face Value of ₹ 7,27,082 each as at 30th September, 2014 and of ₹ 9,12,259 each as at 31st March, 2014.	42	65	-	-	-	-
Investment in Srei Asset Reconstruction Private Limited 49,000 equity shares of Face Value of ₹ 10 each	5					
Subtotal (A)	**69**	**113**	**184**	**-**	**-**	**-**
Long term- Non trade investments (unquoted) *						
In Subsidiary Company						
Srei Insurance Broking Private Ltd. 2,500,000 shares of ₹ 10/- each					250	250
Subtotal (B)	**-**	**-**	**-**	**-**	**250**	**250**
Total (A + B)	**69**	**113**	**184**	**-**	**250**	**250**

* At cost or market value, whichever is lower
** At cost

Current Investments (₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
**Long term trade investments (unquoted) ** **						
Pass Through Certificates -Series A2 in Indian Infrastructure Equipment Receivable Trust, December 2012 37 units of Face Value of ₹ 2,77,678 each as at 30th September, 2014, of ₹ 4,72,156 each as at 31st March, 2014 and of ₹ 9,09,897.50/- each as at 31st March, 2013	81	127	153	-	-	-
Pass Through Certificates -Series A2 in Indian Infrastructure Equipment Receivable Trust, December 2013 12 units of Face Value of ₹ 7,27,082 each as at 30th September, 2014 and of ₹ 9,12,259 each as at 31st March, 2014.	45	44	-	-	-	-
Subtotal (A)	**126**	**171**	**153**	**-**	**-**	**-**
Non trade investments (unquoted) *						
Investment in India Global Competitive Fund (IGCF) 2,800,000 units of Face Value of ₹ 100/- each	-	2,800	2,800	-	-	-
Subtotal (B)	**-**	**2,800**	**2,800**	**-**	**-**	**-**
Total (A + B)	**126**	**2,971**	**2,953**	**-**	**-**	**-**

* At cost or market value, whichever is lower
** At cost

2.14 FINANCIAL ASSETS (GROSS)

Non current maturities (₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(Secured, considered good, unless otherwise stated)						
Financial assets ** ## @@	862,692	769,314	841,006	615,792	492,461	332,100
Total	**862,692**	**769,314**	**841,006**	**615,792**	**492,461**	**332,100**

Current maturities

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(Secured, considered good, unless otherwise stated)						
Financial assets ** ## @@	422,155	448,282	427,710	317,614	272,797	251,862
Total	**422,155**	**448,282**	**427,710**	**317,614**	**272,797**	**251,862**

Short term

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(Secured, considered good, unless otherwise stated)						
Financial assets ** ## @@	199,341	170,482	103,429	81,088	93,130	64,533
Total	**199,341**	**170,482**	**103,429**	**81,088**	**93,130**	**64,533**

** Includes non-performing assets of	79,234	77,140	46,551	36,076	27,934	14,598
@@ Includes restructured standard assets under CDR mechanism of	80,671	41,203	3,864	-	-	-

Half Year Ended September, 2014

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 the borrowers, against financial assets are based on the valuation of the underlying assets, where applicable, carried out by an external valuer.

Financial Year: 2013-14, 2012-13, 2011-12, 2010-11 and 2009-10

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 the borrowers, against financial assets are based on the valuation of the underlying assets, where applicable, carried out by an external valuer which has been relied upon by the auditors.

Financial assets include assets pending to be given on finance (repossessed assets)	42,313	44,632	8,317	3,964	4,740	10,914
Financial assets include tangible assets acquired in satisfaction of debt	22,422	9,880	3,918	2,773	4,387	4,230

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2.14 FINANCIAL ASSETS (GROSS)- (CONTD...)
Disclosure of Restructured Accounts

Half Year Ended September, 2014

(₹ in lakhs)

Sl No	Type of Restructuring		Under CDR Mechanism				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total
	Details						
1	Restructured Accounts on April 1, 2014	No. of Borrowers	7	1	-	-	8
		Amount Outstanding	41,203	7,431	-	-	48,634
		Provision there on *	3,891	743	-	-	4,634
2	Fresh restucturing during the period	No. of Borrowers	2	-	-	-	2
		Amount Outstanding#	34,316	-	-	-	34,316
		Provision there on *#	2,181	-	-	-	2,181
3	Upgradation to restructured Standard category during the period	No. of Borrowers	1	(1)	-	-	-
		Amount Outstanding	8,284	(7,431)	-	-	853
		Provision there on *	465	(743)	-	-	(278)
4	Restructured Standard advances which cease to attract higher provisioning and/ or additional risk weight and hence need not be shown as restructured standard advances at the beginning of the next year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision there on *	-	-	-	-	-
5	Downgradations of restructured accounts during the period	No. of Borrowers	(1)	1	-	-	-
		Amount Outstanding	(3,132)	2,967	-	-	(165)
		Provision there on *	(227)	366	-	-	139
6	Write-Offs of restructured accounts during the period	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision there on *	-	-	-	-	-
7	Restructured Accounts on September 30, 2014	No. of Borrowers	9	1	-	-	10
		Amount Outstanding	80,671	2,967	-	-	83,638
		Provision there on *	6,310	366	-	-	6,676

Fresh restucturing during the Period of fresh / additional sanction to existing restructured accounts
* Provision as stated above includes provision for dimunition in fair value of restructured advances.
** Being the opening balance as increased by interest accruals up to the balance sheet date
There are no other restructured accounts under SME debt restructuring mechanism and other category.

Financial Year: 2013-14

(₹ in lakhs)

Sl No	Type of Restructuring		Under CDR Mechanism				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total
	Details						
1	Restructured Accounts on April 1, 2013	No. of Borrowers	1	2	-	-	3
		Amount Outstanding	3,864	6,010	-	-	9,874
		Provision there on *	-	601	-	-	601
2	Fresh restucturing during the year	No. of Borrowers	4	1	-	-	5
		Amount Outstanding	29,291	7,431	-	-	36,722
		Provision there on *	2,807	743	-	-	3,550
3	Upgradation to restructured Standard category during the year	No. of Borrowers	2	(2)	-	-	2
		Amount Outstanding	8048 **	(6,010)	-	-	8,048
		Provision there on *	1,084	(601)	-	-	1,084
4	Restructured Standard advances which cease to attract higher provisioning and/ or additional risk weight and hence need not be shown as restructured standard advances at the beginning of the next year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision there on *	-	-	-	-	-
5	Downgradations of restructured accounts during the year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision there on *	-	-	-	-	-
6	Write-Offs of restructured accounts during the year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision there on *	-	-	-	-	-
7	Restructured Accounts on March 31, 2014	No. of Borrowers	7	1	-	-	8
		Amount Outstanding	41,203	7,431	-	-	48,634
		Provision there on *	3,891	743	-	-	4,634

* Provision as stated above includes provision for dimunition in fair value of restructured advances.
** Being the opening balance as increased by interest accruals up to the balance sheet date
There are no other restructured accounts under SME debt restructuring mechanism and other category.

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2.15 OTHER LONG-TERM ADVANCES

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(Unsecured, considered good)						
Capital advances	1,964	892	5,295	3,762	2,808	201
Security deposits						
- To Related Parties (refer note 2.29)	804	812	1,103	1,103	1,099	752
- To Others	391	370	41	373	295	245
MAT Entitlement	-	-	-	-	-	579
Balances with Service Tax / VAT Authorities etc.	819	890	1,069	639	405	379
Other loans and advances						
- Advances to employees	38	27	31	32	44	32
- Advance income tax (net of Income tax provision of ₹ 162 lakhs as at 30th September, 2014; ₹ 162 lakhs as at 31st March, 2014; ₹ 162 lakhs as at 31st March, 2013; ₹ 295 lakhs as at 31st March, 2012 and ₹ 162 lakhs as at 31st March, 2011)]	488	488	488	309	351	-
Total	4,504	3,479	8,027	6,218	5,002	2,188

2.16 OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(Unsecured, considered good)						
Miscellaneous expenditure to the extent not written off or adjusted	-	-	28	111	195	340
Non-current portion of other bank balances						
- Fixed deposit with banks (refer note 2.18)	1,951	2,268	1,992	9,424	18,563	587
Interest acrrued others						
Interest accrued on Fixed deposits	-	-	-	-	8	22
Prepaid expenses	3,480	3,369	3,764	4,075	4,611	3,851
Receivable on forward exchange contracts	23,101	20,315	13,250	17,246	5,460	591
Other advances*	26	26	50	81	344	54
Total	28,558	25,978	19,084	30,937	29,181	5,445
* Includes Deferred Premium on Forward Contracts of	-	-	-	30	259	4

2.17 TRADE RECEIVABLES (OPERATING LEASES)

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(Unsecured, considered good unless otherwise stated)						
Debts outstanding for a period exceeding six months from the date they became due						
Considered good	1,169	301	8	105	56	177
Considered doubtful (Non Performing Assets)	158	600	151	37	68	-
	1,327	901	159	142	124	177
Other debts						
Considered good	2,654	5,741	3,737	2,416	395	613
Considered doubtful (Non Performing Assets)	-	17	155	-	-	-
	2,654	5,758	3,892	2,416	395	613
	3,981	6,659	4,051	2,558	519	790
Less: Provision for bad and doubtful debts (refer note 2.6.1)	17	62	31	4	58	150
Total	3,964	6,597	4,020	2,554	461	640

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2.18 CASH AND BANK BALANCES

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
A. Cash and cash equivalents						
Cash on hand	498	678	448	222	140	80
Balances with banks- In current accounts	5,995	20,099	23,493	18,314	8,448	2,830
Fixed deposits with banks (having original maturity of 3 months or less) *	-	-	1,011	1,974	2,060	5,406
(A)	6,493	20,777	24,952	20,510	10,648	8,316
B. Other bank balances						
Fixed deposit with banks (having original maturity of more than 3 months but less than 12 months) **	18,688	31,655	53,085	85,203	36,139	19,693
Fixed deposit with banks (having original maturity of more than 12 months) **	11,572	11,572	26,849	-	-	8,565
Less: Non-current portion of other bank balances (refer note 2.16)	1,951	2,268	1,992	9,424	18,563	587
(B)	28,309	40,959	77,942	75,779	17,576	27,671
Total (A+B)	34,802	61,736	102,894	96,289	28,224	35,987

* Includes deposits under lien with banks as security	-	-	1,011	874	2,060	-
** Includes deposits under lien with banks as security	30,186	42,798	79,822	84,967	36,079	33,665

2.19 OTHER SHORT TERM ADVANCES

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
(Unsecured, considered good)						
Advances to employees	453	250	219	164	105	40
Security deposits						
- To Related Parties (refer note 2.29)	706	647	322	322	324	-
- To Others	110	121	431	96	53	5,608
Balances with Service Tax / VAT Authorities etc.	634	638	1,066	1,481	1,593	1,109
Advances to vendors	456	423	320	110	115	249
Advance income tax [net of income tax provision	-	-	-	-	409	-
Total	2,359	2,079	2,358	2,173	2,599	7,006

2.20 OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Interest accrued on fixed deposits	125	258	311	434	171	123
Miscellaneous expenses to the extent not written off or adjusted	-	28	84	84	86	436
Prepaid expenses	1,226	2,316	2,613	2,268	3,169	2,541
Receivable on forward exchange contracts	1,746	3,287	7,232	6,476	-	1,252
Other advances*	387	651	801	716	433	147
Total	3,484	6,540	11,041	9,978	3,859	4,499
* Includes Deferred Premium on Forward Contracts of	344	571	756	635	352	77

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2.21 REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Half Year ended 30th September, 2014	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
Income from Financial Assets**	108,639	215,847	192,024	154,553	109,928	81,616
Income from Operating Lease	18,403	40,296	36,409	22,321	11,939	8,361
Interest on Fixed Deposits	1,828	5,609	7,934	4,905	1,730	2,562
Interest Income from Investments	9	41	116	-	-	-
Gain on Sale of Pass Through Certificates	-	-	-	-	-	175
Liabilities no longer required written back	-	-	837	-	-	-
Total	**128,879**	**261,793**	**237,320**	**181,779**	**123,597**	**92,714**

** Includes interest income, fee income and other income attributable to financial assets amounting to ₹ 1,02,405 lakhs for half-year ended 30th September, 2014; ₹ 205,745 lakhs for year ended 31st March, 2014 and ₹ 177,660 lakhs for year ended 31st March, 2013.

2.22 OTHER INCOME

(₹ in lakhs)

Particulars	Half Year ended 30th September, 2014	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
Profit on sale from current investments	754	-	-	31	-	-
Dividend income from current investments	30	135	44	34	12	-
Rental income	-	-	-	-	283	255
Miscellaneous income	1	5	13	8	23	1
Total	**785**	**140**	**57**	**73**	**318**	**256**

2.23 EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	Half Year ended 30th September, 2014	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
Salaries and bonus	5,486	*8050	9,889	8,572	5,453	3,500
Contribution to provident and other funds	242	438	396	353	270	182
Gratuity (refer note no. 2.30)	131	50	182	113	177	94
Staff welfare	187	334	304	369	193	100
Managerial remuneration	432	731	750	691	444	401
Total	**6,478**	**9,603**	**11,521**	**10,098**	**6,537**	**4,277**

* Includes provision no longer required written back in respect of performance incentive for the year ended 31st March, 2014 amounting to ₹855 lakhs.

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2.24 FINANCE COST

(₹ in lakhs)

Particulars	Half Year ended 30th September, 2014	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
Interest expense	57,162	132,781	114,931	87,567	58,119	51,633
Other borrowing costs	15,299	20,456	20,851	15,067	7,396	4,375
Net (Gain)/Loss on foreign currency transaction and translations	(250)	52	878	1,758	14	(2,411)
Total	**72,211**	**153,289**	**136,660**	**104,392**	**65,529**	**53,597**

2.25 OTHER EXPENSES

(₹ in lakhs)

Particulars	Half Year ended 30th September, 2014	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
Communication expenses	164	369	320	276	224	235
Legal and professional fees	1,593	2,914	2,041	1,537	1,307	1,048
Electricity charges	203	339	326	230	195	145
Rent	1,238	2,363	2,214	2,101	1,473	996
Rates and taxes	15	27	33	14	21	20
Brokerage and service charges	673	1,060	1,655	1,632	975	273
Auditor's remuneration (refer note 2.25.1)	39	116	121	114	71	48
Repairs to machineries	-	-	450	446	312	313
Repairs others	1,187	1,731	1,034	866	269	207
Travelling and conveyance	1,259	2,415	2,184	1,979	1,262	1,073
Director's sitting fees	5	2	1	1	1	2
Insurance	39	28	32	27	28	8
Printing and stationery	98	187	161	125	97	78
Advertisement and subscription	132	126	177	218	104	243
Conference and seminar	31	172	108	296	160	115
Charity and donations	83	383	348	387	69	43
Loss on sale of Fixed assets (net)	24	184	86	146	1,004	178
Miscellaneous expenses	352	611	564	359	219	245
Total	**7,135**	**13,027**	**11,855**	**10,754**	**7,791**	**5,270**

2.25.1 Auditors Remuneration

(₹ in lakhs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010
Audit Fees	46	36	35	35	30
Other services (certification etc.)	63	82	74	33	16
Reimbursement of expenses	7	3	5	3	2
Total	116	121	114	71	48

2.26 SEGMENT REPORTING

Half Year ended September, 2014 and Financial Year 2013-14, 2012-13, 2011-12 & 2010-11

The Company is engaged in providing asset finance to customers in India. Consequently, it has one reportable business segment i.e. asset financing and one reportable geographical segment, i.e. India.

Financial Year 2009-10

The Company is primarily engaged in a single business segment of "Asset Finance". As such there are no separate reportable segments as per Accounting Standard -17 "Segment Reporting" notified by the Central Government under Companies (Accounting Standards) Rules, 2006.

2.27 EARNING PER SHARE

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Net Profit attributable to Equity Shareholders (₹ in lakhs)	10,271	22,538	26,992	19,723	13,079	8,705
Weighted average number of Equity Shares Basic (Nos.)	59,660,000	59,660,000	56,704,658	52,454,590	50,000,000	50,000,000
Weighted average number of Potential Equity Shares (Nos.)	-	-	-	-	-	-
Weighted average number of Equity Shares Diluted (Nos.)	59,660,000	59,660,000	56,704,658	52,454,590	50,000,000	50,000,000
Nominal Value of Equity per share (₹)	10	10	10	10	10	10
Basic and Diluted Earnings per share (₹)	**17.22**	**37.78**	**47.60**	**37.60**	**26.16**	**17.41**

2.28 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in lakhs)

Particulars	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Contingent liabilities						
Claims against the company not acknowledged as debt						
Disputed demands						
- Sales tax	215	62	7	7	557	536
- Service tax	55	555	555	9,110	8,578	5,392
- Value added tax (VAT)	680	527	237	29	-	-
- Income tax	1,232	1,232	1,186	586	559	281
(A)	2,182	2,376	1,985	9,732	9,694	6,209
Guarantees						
Bank guarantees*	480	480	786	786	786	879
Guarantees against receivables assigned	-	-	-	-	9	170
Guarantees against co-branded arrangements	-	-	-	-	22	80
Bank Guarantees against receivables securitized / assigned	-	-	-	8,648	13,669	8,119
(B)	480	480	786	9,434	14,486	9,248
Total (A+B)	2,662	2,856	2,771	19,166	24,180	15,457
Commitments						
Estimated amount of capital contracts remaining to be executed #(Net of advances)	6,914	3,792	6,470	4,182	7,059	
# Advances	1,964	892	5,295	3,762	382	
Other commitments (refer note 2.28.1)						

* excludes ₹ 697 lakhs (31st March, 2014: ₹ 697 lakhs, 31st March, 2013: ₹ 697 lakhs, 31st March, 2012: ₹ 892 lakhs, 31st March, 2011: ₹ 1,017 lakhs, 31st March, 2010: ₹ 1,326 lakhs) issued on behalf of the Joint Venturer to give effect to the Scheme of Arrangement, against which the Company holds counter guarantee.

SREI EQUIPMENT FINANCE LIMITED

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2.28.1 The Company has entered into Options/Swaps/Forward contracts for the purpose of hedging currency and interest rate related risks in relation to borrowings. Option, Swap and Forward contracts outstanding as at the Balance Sheet date are as follows:

(₹ in lakhs)

Category	Currency	As at 30th September, 2014		As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012		As at 31st March, 2011		As at 31st March, 2010	
		No. of contracts	Amount in foreign currency	No. of contracts	Amount in foreign currency	No. of contracts	Amount in foreign currency	No. of contracts	Amount in foreign currency	No. of contracts	Amount in foreign currency	No. of contracts	Amount in foreign currency
Options / Swaps	USD/INR	13	USD 1789	13	USD 1,922	22	USD 2,761	24	USD 2,556	23	USD 2,650	11	USD 2,055
Options / Swaps	YEN/USD	1	JPY 7071	1	YEN 13,598	1	YEN 26,217	1	YEN 38,401	1	YEN 50,259	1	YEN 54,393
Options / Swaps	EUR/INR	1	EUR 22	1	EUR 28	2	EUR 48	3	EUR 73	4	EURO 108	4	EURO 145
Options / Swaps	SGD/USD	1	SGD 244	1	SGD 279	1	SGD 349	1	SGD 349	1	SGD 349	-	-
Forwards	USD/INR	16	USD 72	25	USD 110	22	USD 250	44	USD 299	41	USD 224	15	USD 89
Forwards	EUR/INR	23	EUR 109	21	EUR 120	26	EUR 160	41	EUR 223	22	EURO 84	3	EURO 14
Forwards	YEN/INR	-	-	1	YEN 515	-	-	-	-	-	-	2	YEN 3,431
Forwards	SGD/INR	-	-	-	-	-	-	1	SGD 6	-	-	1	SGD 7
Forwards	CHF/INR	-	-	-	-	1	CHF 4	1	CHF 4	-	-	-	-
Forwards	GBP/INR	-	-	-	-	-	-	-	-	-	-	3	GBP 5
Forwards	AUD/INR	1	AUD 10	-	-	-	-	-	-	-	-	-	-
Interest Rate Swaps	USD	6	USD 1174	6	USD 1,247	7	USD 1,528	7	USD 1,573	2	USD 410	1	USD 160
Interest Rate Swaps	EUR	1	EURO 22	1	EUR 28	1	EUR 39	1	EUR 50	-	-	-	-

Foreign currency exposures aggregating 31st March, 2012: ₹ 10,835 lakhs, 31st March, 2011: ₹ 12,574 lakhs, 31st March, 2010: ₹ 15,953 lakh, are not hedged by derivative instruments.

2.29 Disclosure pursuant to Accounting Standard (AS) 18 - Related Party Disclosures
Related Parties:

Subsidiary	Country of origin	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Srei Insurance Broking Private Limited	India	-	-	-	√	√	√

(ceased to be subsidiary w.e.f. 31st March, 2012)

Joint Venture	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Srei Infrastructure Finance Limited	√	√	√	√	√	√
BNP Paribas Lease Group	√	√	√	√	√	√

Key management personnel (KMP)	Designation	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Mr. Hemant Kanoria	Vice Chairman and Managing Director	√	√	√	√	√	√
Mr. Sunil Kanoria	Joint Managing Director	√	√	√	√	√	√
Mr. D K Vyas	Chief Executive Officer	√	√	√	√	√	√
Mr. CR Sudharsanam	Chief Financial Officer	√	√	√	√	√	√
Mr. Sanjay Chaurasia (till 30th June, 2014)	Company Secretary	√	-	-	-	-	-
Mr. Naresh Mathur (with effect from 1st July, 2014)	Company Secretary	√	-	-	-	-	-
Relative of Key management personnel (KMP)	**Relation**	**As at 30th September, 2014**	**As at 31st March, 2014**	**As at 31st March, 2013**	**As at 31st March, 2012**	**As at 31st March, 2011**	**As at 31st March, 2010**
Ms. Sangeeta Vyas	Spouse of Chief executive officer	√	√	√	√	-	-

Enterprise over which KMP is having significant influence	As at 30th September, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Viom Networks Limited	√	√	√	√	-	-

(with effect from 18th November, 2011)

√ Related party as on year end date.

Summary Of Transactions:

(₹ in lakhs)

Name of the Related Party & Nature of relationship	Nature of transactions	As at 30th September, 2014		As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012		As at 31st March, 2011		As at 31st March, 2010	
		Amount	Outstanding as at period end	Amount	Outstanding as at year end	Amount	Outstanding as at year end	Amount	Outstanding as at year end	Amount	Outstanding as at year end	Amount	Outstanding as at year end
(A) Subsidiary:													
Srei Insurance Broking Private Limited (ceased to be subsidiary with effect from 31st March, 2012)	Rental income	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	-	-	29	8	28	-
	Inter Corporate Deposit Received	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	-	-	18	-	-	-
	Security Deposit paid for Leased Premises	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	-	-	-	-	-	
	Repayment of Inter Corporate Deposit	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	-	-	18	-	-	-
	Interest paid on Inter Corporate deposit	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	-	-	-	-	-	-
(B) Joint Venture:													
Srei Infrastructure Finance Limited	Issue of Equity Shares including securities premium	-	-	-	-	9,982	-	4,991	-	-	-	-	-
	Sale of shares of subsidiary company	-	-	-	-	-	-	143	-	-	-	-	-
	Sale of Investment in units of India Global Competitive Fund	3,554	-										
	Unsecured loans received	-	-	-	-	-	-	-	-	-	-	43,544	-
	Refund of unsecured loans	-	-	-	-	-	-	-	-	-	-	43,544	-
	Interest paid on unsecured loans	-	-	-	-	-	-	-	-	-	-	1,600	-
	Advance received	-	-	-	-	-	-	-	-	270	-	-	-
	Refund of Advance received	-	-	-	-	-	-	-	-	270	-	-	-
	Rent payment	813	-	1568	-	1,456	-	1,388	-	999	-	642	-
	Security Deposit paid for Leased Premises	51	1,510	-	1,425	-	1,425	54	1,425	669	1,421	35	752
	Refund of Security Deposit paid for Leased Premises	-	-	-	-	-	-	50	-	-	-	-	-
	Rental income on sub-letting of Leased premises.	-	-	-	-	-	-	-	-	211	-	104	-
	Security Deposit on sub-letting of Leased premises.	-	-	-	-	-	-	-	-	7	7	24	96
	Refund of Security Deposit on sub-letting of Leased premises.	-	-	-	-	-	-	7	-	96	-	-	-
BNP Paribas Lease Group	Issue of equity shares including securities premium	-	-	-	-	9,982	-	4,991	-	-	-	-	-
(C) Key management personnel (KMP):													
Mr. Hemant Kanoria#	Managerial Remuneration	216	82	361	129	375	167	346	99	221	65	201	-
Mr. Sunil Kanoria#	Managerial Remuneration	216	72	370	128	375	159	345	99	223	65	200	-
Mr. D K Vyas	Salary and Allowances	99	19	261	24	245	16	175	-	117	-	76	-
	Loan Given / (Repayment)	-	-	(13)	-	(22)	13	(21)	35	67	56	-	-
	Interest Income on loan given	-	-	-	**	2	-	5	-	2	-	-	-
	Rent paid for leased premise	4	-	5	-	-	-	-	-	-	-	-	-
Mr. CR Sudharsanam	Salary and Allowances	39	3	85	-	94	-	82	-	67	-	66	-
	Advance given	-	5	-	5	-	-	-	-	-	-	-	-
Mr. Naresh Mathur	Salary and Allowances	6	1	-	-	-	-	-	-	-	-	-	-
Mr. Sanjay Chaurasia	Loan Given / (Repayment)	(****)	6	-	-	-	-	-	-	-	-	-	-
	Interest income	*****	-	-	-	-	-	-	-	-	-	-	-
	Salary & Allowances	3	***	-	***	-	-	-	-	-	-	-	-
(D) Transeaction with Relative of Key management personnel (KMP):													
Ms. Sangeeta Vyas	Rent paid for leased premise	-	-	-	-	8	-	8	-	-	-	-	-
	Refund of Security deposit for leased premise	-	-	(4)	-	-	-		-	-	-	-	-
	Security deposit paid for leased premise	-	-	-	-	-	4	4	4	-	-	-	-
(E) Enterprise over which KMP is having significant influence:													
Viom Networks Limited (with effect from 18th November, 2011)	Interest income	-	-	1,524	-	1,633	-	732	39	N.A.	N.A.	N.A.	N.A.
	Loan given	-	-	-	-	-	12,093	-	12,501	N.A.	N.A.	N.A.	N.A.

** ₹ 41,759 as on 31st March, 2014

*** ₹ 46,831 as on 30th Sept, 2014(₹ 39,258 as on 31st March, 2014)

**** ₹ 25,104 during the half year ended 30th September, 2014

***** ₹ 6,023 during the half year ended 30th September, 2014

Apart from the transactions referred above, Mr. Hemant Kanoria, Vice Chairman & Managing Director and Mr. Sunil Kanoria, Joint Managing Director of the Company have extended their personal guarantees in favour of financial institution / banks, the outstanding amount of which as at 30th September, 2014 is ₹ Nil lakhs, 31st March, 2014: ₹ 840 lakhs, 31st March, 2013: ₹ 8,303 lakhs, 31st March, 2012: ₹ 15,844 lakhs & 31st March, 2011: ₹ 34,872 lakhs and as at 30th September, 2014, ₹ Nil lakhs, 31st March, 2014: ₹ 840 lakhs, 31st March, 2013: ₹ 4,428 lakhs, 31st March, 2012: ₹ 10,112 lakhs & 31st March, 2011: ₹ 29,928 lakhs, respectively for the loans taken by the Company from such institutions / banks.

2.30 Disclosure pursuant to Accounting Standard (AS) 15 (Revised) - Employee Benefits

Financial Year 2013-14, 2012-13, 2011-12 & 2010-11

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 recognized in the Statement of Profit and Loss are as follows:

(₹ in lakhs)

Particulars	Gratuity			
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Current service cost	177	145	123	87
Interest cost	62	50	39	23
Expected return on plan assets	(42)	(28)	(20)	(13)
Past Service Cost	-	-	-	15
Net actuarial losses/(gains)	(147)	15	(29)	65
Net benefit expense	**50**	**182**	**113**	**177**
Expected return on plan assets	9.25%	9.25%	9.25%	9.25%
Actual return			9.25%	9.25%

(₹ in lakhs)

Particulars	Leave			
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Current service cost	205	192	204	228
Interest cost	28	24	18	11
Expected return on plan assets	-	-	-	-
Past Service Cost	-	-	-	-
Net actuarial losses/(gains)	33	72	78	94
Net benefit expense	**266**	**288**	**300**	**333**
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.
Actual Return	N.A.	N.A.	N.A.	N.A.

(b) Net Liability recognised in Balance Sheet are as follow:

(₹ in lakhs)

Particulars	Gratuity			
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Defined benefit obligation	815	767	586	468
Fair value of plan assets	-567	-367	-266	-177
Net liability	**248**	**400**	**320**	**291**

(₹ in lakhs)

Particulars	Leave			
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Defined benefit obligation	729	680	568	412
Fair value of plan assets	-	-	-	-
Net liability	**729**	**680**	**568**	**412**

(c) Changes in the present value of the defined benefit obligations are as follows:

(₹ in lakhs)

Particulars	Gratuity			
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Opening defined benefit obligation	767	586	468	283
Interest cost	62	50	39	23
Current service cost	177	145	123	87
Benefit paid	(33)	(25)	(15)	(5)
Actuarial losses/(gains)	(158)	11	(29)	65
Plan Amendments	-	-	-	15
Closing defined benefit obligation	**815**	**767**	**586**	**468**

(₹ in lakhs)

Particulars	Leave			
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Opening defined benefit obligation	680	568	412	194
Interest cost	28	24	18	11
Current service cost	205	192	204	228
Benefit paid	(217)	(176)	(144)	(115)
Actuarial losses/(gains)	33	72	78	94
Plan Amendments	-	-	-	-
Closing defined benefit obligation	**729**	**680**	**568**	**412**

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

(₹ in lakhs)

Particulars	Gratuity			
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Opening fair value of plan assets	367	266	177	107
Expected return on plan assets *	42	28	20	13
Contribution by the Company	202	102	84	62
Benefits paid	(33)	(25)	(15)	(5)
Actuarial (losses) / gains	(11)	(4)	-	-
Closing fair value of plan assets	**567**	**367**	**266**	**177**

* Determined based on government bond rate

(e) The principal assumptions used in determining the gratuity and leave liability are as shown below:

(₹ in lakhs)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Discount rate (%)	9.25%	8.20%	8.70%	8.40%
Expected Return on Plan Assets (Gratuity Scheme)	9.25%	9.25%	9.25%	9.25%
Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) Ult	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate

** The rate of return declared by LIC has been taken as expected rate of return on plan assets.

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

(₹ in lakhs)

Particulars	Gratuity			
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Defined benefit obligation	815	767	586	468
Fair value of plan assets	567	367	266	177
Deficit	248	400	320	291
Experience adjustments on plan liabilities – gains/ (losses)	28	42	3	(72)
Experience adjustments on plan assets – gains/(losses)	(10)	(4)	-	-

(₹ in lakhs)

Particulars	Leave			
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Defined benefit obligation	729	680	568	412
Fair value of plan assets	-	-	-	-
Deficit	729	680	568	412
Experience adjustments on plan liabilities – gains/ (losses)	(89)	(46)	(92)	(95)
Experience adjustments on plan assets – gains/(losses)	-	-	-	-

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 Company expects to contribute Financial year 2014-15:₹ 200 lakhs to gratuity fund (Financial year 2013-14: ₹ 150 lakhs;Financial year 2012-13: ₹ 150 lakhs; Financial year 2011-12: ₹ 100 lakhs; Financial year 2010-11: ₹ Nil lakhs).

(₹ in lakhs)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Provident fund	474	432	386	289
Employee state insurance	7	7	10	10
Total *	**481**	**439**	**396**	**299**

* Includes in respect to managerial personal.

SREI EQUIPMENT FINANCE LIMITED
Schedules to the Statement of Assets & Liabilities, As Reformatted

2.30 Disclosure pursuant to Accounting Standard (AS) 15 (Revised) - Employee Benefits

Financial Year 2009-10

Contribution to Provident Fund Authority charged to Profit and Loss Account aggregates to ₹ 211 lakh (Previous Year ₹ 188 lakh).

Gratuity benefits to employees have been funded under separate arrangement with the Life Insurance Corporation of India (LIC).

The following table sets out the details of amount recognized in the financial statements in respect of employee benefit scheme:

(₹ in lakhs)

Sl. No.	Particulars	Gratuity	
	Defined benefit plan	**31 March, 2010**	**31 March, 2009**
	As per the actuarial valuation report as at		
I	**Components of employer expenses**		
1	Current Service Cost	58	43
2	Interest cost	19	10
3	Expected return on plan assets	-7	-5
4	Curtailment cost / (credit)	-	-
5	Settlement cost / (credit)	-	-
6	Past Service Cost	49	-
7	Actuarial Losses / (Gains)	-25	19
8	Other Adjustments	-	-
9	**Total expenses recognized in the Statement of Profit and Loss Account for the year ended (Total 1 to 8)**	**94**	**67**
II	**Actual Contribution and Benefits Payments for the year ended**		
1	Actual benefit payments	-2	-4
2	Actual Contributions	46	9
III	**Net assets / (liability) recognized in balance sheet as on**		
1	Present value of Defined Benefit Obligation	283	185
2	Fair value of plan assets	107	57
3	Funded status [Surplus/(Deficit)]	-176	-128
4	Unrecognized past service cost	-	-
5	**Net asset/ (liability) recognized in balance sheet as on**	**-176**	**-128**
IV	**Change in Defined Benefit Obligations during the year ended**		
1	Present Value of DBO at beginning of year	185	117
2	Current Service cost	58	43
3	Interest cost	19	10
4	Curtailment cost / (credit)	-	-
5	Settlement cost / (credit)	-	-
6	Plan amendments	49	-
7	Acquisitions	-	-
8	Actuarial (Gains) / Losses	-26	19
9	Benefits paid	-2	-4
10	Employee Contribution	-	-
11	Other Adjustments	-	-
12	Present Value of DBO at the end of year	283	185
V	**Change in Fair value of Assets during the year ended**		
1	Plan assets at beginning of period	57	47
2	Acquisition/Settlement Adjustment	-	-
3	Expected return on plan assets	7	5
4	Actual Company contribution	46	9
5	Employees contribution	-	-
6	Benefits paid	-2	-4
7	Actuarial Gains / (Losses)	-1	(*)
8	Other Adjustments	-	-
9	Plan assets at the end of the year	107	57
VI	**Actuarial Calculation**		
1	Experience (Gain)/Loss Adjustment on plan liabilities	-21	5
2	Actuarial (Gain)/Loss due to change in assumptions	-4	14
3	Actuarial (Gain)/Loss on Defined Benefit Obligations	-26	19
4	Experience (Gain)/Loss Adjustment on plan assets	1	(*)
VII	**Actuarial Assumptions**		
1	Discount Rate	8.30%	8.20%
2	Expected return on plan assets	9.15%	9.15%**
3	Salary Increases	10.00%	10.00%
4	Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
5	Retirement/ Superannuation Age	60 yrs.	60 yrs.
6	Withdrawal Rate for Gratuity:		
	Ages from 20-24	5.00%	5.00%
	Ages from 25-29	3.00%	3.00%
	Ages from 30-34	2.00%	2.00%
	Ages from 35-49	1.00%	1.00%
	Ages from 50-54	2.00%	2.00%
	Ages from 55+	3.00%	3.00%

*₹ 42,540/-

** The rate of return declared by LIC has been taken as expected rate of return on plan assets.

2.31 C.I.F Value of Imports

(₹ in lakhs)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Capital goods (for operating lease)	1,282	1,745	13,163	5,975	1,567
Total	1,282	1,745	13,163	5,975	1,567

2.32 Expenditure in Foreign Currency

(₹ in lakhs)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Finance charges	6,943	6,822	6,559	5,397	5,166
Others	192	132	119	72	45
Total	7,135	6,954	6,678	5,469	5,211

2.33 Earning in Foreign Currency

(₹ in lakhs)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Income from financial assets	-	-	-	34	49

2.34 MICRO, SMALL AND MEDIUM ENTERPRISES

Half Year ended September, 2014 and Financial Year 2013-14, 2012-13, 2011-12 & 2010-11

No interest was payable by the Company during the half year ended 30th September, 2014 and during the year ended 31st March, 2014, 31st March, 2013, 31st March, 2012 and 31st March, 2011 to the Suppliers who are covered under the Micro, Small and Medium Enterprise Development Act, 2006 based on the information available with the Company.

Financial Year 2009-10

The Company has not received any memorandum (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, 2010 as micro, small or medium enterprises. Consequently the amount paid / payable to these parties during the year is nil (Previous year ₹ nil).

2.35 INTERIM FINANCIAL REPORTING

Half Year ended September, 2014

In terms of AS 25 'Interim Financial Reporting' notified under The Companies (Accounting Standard) Rules, 2006, as amended, the comparative figures in the Balance Sheet are given as at 31st March 2014, being the date upto which the financial statements have been last audited, while for the Statement of Profit and Loss and Cash Flow Statement, the comparative figures are given for the half year ended 30th September, 2013.

2.36 IMPAIRMENT OF ASSETS

Half Year ended September, 2014

The Company has tested for impairment purposes, the carrying value of certain motor vehicles, computers, softwares and earth moving equipments with due consideration to expected recovery of such carrying value based on past trends and from redeployment to customers during the half year ended 30th September, 2014 or thereafter under highly competitive market conditions. Based on the above, impairment losses aggregating ₹ 263 lakhs (30th September, 2013: ₹ Nil) have been recognized in the Statement of Profit and Loss for the half year ended 30th September, 2014.

Financial Year 2013-14

The Company has tested for impairment purposes, the carrying value of certain motor vehicles, computers, softwares and earth moving equipments with due consideration to expected recovery of such carrying value based on past trends and from redeployment to customers during the year ended 31st March, 2014 or thereafter under highly competitive market conditions. Based on the above, impairment losses aggregating ₹ 823 lakhs (31st March, 2013: ₹ 536 lakhs) have been recognized in the Statement of Profit and Loss for the year 31st March, 2014.

Financial Year 2012-13

The Company has tested for impairment purposes, the carrying value of certain plant & machineries, motor vehicles, furnitures, computers and earth moving equipments with due consideration to expected recovery of such carrying value based on past trends and from redeployment to customers during the year ended 31st March, 2013 or thereafter under. Based on the above, impairment losses aggregating ₹ 536 lakhs (31st March, 2012: ₹ 2,959 lakhs) have been recognized in the Statement of Profit and Loss for the year 31st March, 2013.

Financial Year 2011-12

The Company has tested for impairment purposes the carrying value of certain plant & machineries, motor vehicles, furnitures, computers and earth moving equipments redeployed to customers during the Year ended 31st March, 2012 or thereafter under highly competitive market conditions. Based on the above, impairment losses aggregating to ₹ 2,959 lakhs (31st March, 2011: ₹ Nil) have been recognized in the Statement of Profit and Loss for the year ended 31st March, 2012.

2.37 Half Year ended September, 2014

The Reserve Bank of India (RBI) vide its Notification No. DNBS (PD).No. 272/CGM(NSV)-2014 dated 23rd January, 2014 has issued directions to NBFCs (Non Deposit Accepting or Holding) to make a provision for diminution in the fair value of restructured advances in addition to the provision on restructured advances as indicated in Para 4.4.1 of the said notification. Accordingly, the Company has made provision/loss of ₹ 415 lacs against diminution in the fair value of restructured advances for the half year ended 30th September, 2014 (30th September, 2013 : ₹ Nil)

Financial Year 2013-14

The Reserve Bank of India (RBI) vide its Notification No. DNBS (PD).No. 272/CGM(NSV)-2014 dated 23rd January, 2014 has issued directions to NBFCs (Non Deposit Accepting or Holding) to make a provision for diminution in the fair value of restructured advances in addition to the provision on restructured advances as indicated in Para 4.4.1 of the said notification. Accordingly, the Company has made provision/loss of ₹2,248 lacs against diminution in the fair value of restructured advances as on 31st March 2014 as disclosed in note no : 2.6.1 of the financial statements.

2.38 Half Year ended September, 2014

The Company's ultimate income tax liability will be decided based on the taxable profit for the year ending 31st March, 2015.

2.39 Financial Year 2013-14

The Company has converted to a Public Limited Company w.e.f. 1st November, 2013 and the new name of the Company stands changed to 'Srei Equipment Finance Limited' vide fresh Certificate of Incorporation dated 1st November, 2013 received from the Registrar of Companies, West Bengal

2.40 COMPARATIVE FIGURES

Half Year ended September, 2014 and Financial Year 2013-14, 2012-13, 2011-12, 2010-11 and 2009-10

Previous year/periods figures including those given in brackets have been regrouped / rearranged wherever considered necessary to correspond with the current year classification/disclosure.

2.41 Asset under management

2.41.1 Securitisation of receivables

In terms of Reserve Bank of India Guidelines on securitization of assets issued on 1st February, 2006, details of financial assets securitized by the Company are as under:

(₹ in lakhs, except in respect of total number of contracts)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Total number of contracts securitized	4,570	3,484	367	369	927
Book Value of contracts securitized	87,314	67,409	19,555	27,367	58,445
Sales consideration *	87,314	67,409	19,555	27,367	58,445
Gain/(Loss) (net) on securitization	-			-	**
Subordinated assets as on Balance Sheet date	-			-	-

* excludes unmatured finance charges thereon.

** Gains from Securitization are amortized over the life of the contracts & loss is charged off upfront in Profit and Loss Account

The aggregate amount of collateral security provided by the Company against the securitized pools stands as follows on the Balance Sheet date:

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Bank/Other deposits provided as collateral as on Balance Sheet date	16,622	8,011	2,837	5,127	7,738
Credit enhancements provided by third parties;					
-First loss facility			1,580	2,925	1,345
-Second loss facility			1,703	5,379	6,774

2.41.2 Assignment of receivables

Financial Year 2013-14

In terms of Reserve Bank of India guidelines on securitisation of assets issued on 21st August,2012, during the year ended 31st March, 2014, the Company has assigned financial assets to the extent of ₹ 50,000 lakhs (31st March, 2013: Nil) for purchase consideration of ₹ 50,000 lakhs (31st March, 2013 : Nil). The total amount of exposures retained by the Company on such assignment to comply with the Minimum Retention Requirement (MRR) is ₹ 5,000 lakhs (31st March, 2013: Nil). Assets assigned are derecognized from the books of account. At 31st March, 2014 the Company has lodged bank deposits of ₹ 25,700 lakhs (31st March, 2013: ₹ 72,164 lakhs) as collateral against total assigned contracts outstanding at the year end.

Financial Year 2012-13

During the year ended 31st March,2013, the Company has assigned financial assets to the extent of ₹ Nil (31st March, 2012: ₹ 413,798 lakhs) for purchase consideration of ₹ Nil (31st March, 2012: ₹ 413,798 lakhs). Assets assigned are derecognized from the books of account. At 31st March, 2013 the Company has lodged bank deposits of ₹ 72,164 lakhs (31st March, 2012: ₹ 78,474 lakhs) as collateral against these contracts outstanding at the year end.

Financial Year 2011-12

During the year ended 31st March, 2012, the Company has assigned financial assets to the extent of ₹ 413,798 lakhs (March31st, 2011: ₹ 144,318 lakhs) for purchase consideration of ₹ 413,798 lakhs (₹ 144,318 lakhs). Assets assigned are derecognized from the books of account. At 31st March, 2012 the Company has provided corporate guarantee of ₹ Nil (31st March, 2011: ₹ 9 lakhs) as separately stated in Note no. 2.28 and bank deposits of ₹ 78,474 lakhs (31st March, 2011: ₹ 31,063 lakhs) as collateral against these contracts outstanding at the year end.

Financial Year 2010-11

During the year, the Company has assigned financial assets to the extent of ₹ 144,318 lakhs (₹ 84,443 lakhs) for purchase consideration of ₹ 144,318 lakhs (₹ 84,443 lakhs). Assets assigned are derecognized from the books of account. The Company has provided corporate guarantee as separately stated in Note no. 13 and bank deposits of ₹ 31,063 lakhs (₹22,691 lakhs) as collateral against these contracts outstanding at the year end.

Financial Year 2009-10

During the year, the Company has assigned financial assets to the extent of ₹ 84,443 lakh (Previous Year ₹ 74,547 lakh) for purchase consideration of ₹ 84,443 lakh (Previous Year ₹ 74,547 lakh). Assets assigned are derecognized from the books of account. The Company has provided corporate guarantee as separately stated under Para 16 and bank deposits of ₹ 22,691 lakh (Previous Year - ₹ 14,650 lakh) as collateral against these contracts outstanding at the year end.

2.41.3 Co-branded arragements:

Financial Year 2011-12, 2010-11 and 2009-10

During the year ended 31st March, 2012, 31st March, 2011 and 31st March, 2010 there were no new agreements with Bank/ Financial Institutions to make disbursement on their behalf. Hence, no such disbursement was made by the Company during the year ended 31st March, 2012, 31st March, 2011 and 31st March, 2010.

2.41.4 The Aggregate amount of assets derecognized/loans originated in terms of paragraphs 2.38.1 to 2.38.3 above that are Assets Under Management of the Company are as under :

Particulars	Amount outstanding				
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Securitization	113,189	65,462	15,603	27,258	45,758
Assignment of Receivables	90,730	217,348	443,635	187,734	117,059
Co Branded Arrangements	-	-	-	434	1,936
Total	**203,919**	**282,810**	**459,238**	**215,426**	**164,753**

2.41.5 Disclosure as per revised guidelines on Securitisation Transactions:

In terms of Reserve Bank of India Guidelines on securitization of assets issued on 21st August, 2012, details of securitized contracts by the Company outstanding at the year end are as under:

No. / (₹ in lakhs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
No of SPVs sponsored by the NBFC for securitisation transactions	9	6
Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	113,189	65,462
Total amount of exposures retained by the NBFC to comply with Minimum retention ratio (MRR) as on the date of Balance Sheet		
a) Off-balance sheet exposures		
* First loss	-	-
* Others	-	-
b) On-balance sheet exposures		
* First loss	15,043	6,432
* Others	284	337
Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
* First loss	-	-
* Loss	-	-
ii) Exposure to third party securitisations		
* First loss	-	-
* Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
* First loss	-	-
* Others	1,579	1,579
ii) Exposure to third party securitisations		
* First loss	-	-
* Others	-	-

2.42 Performance wise classification of assets and total provision made thereon:

Financial Year 2009-10

Financial Assets: (₹ in lakhs)

Asset Classification	Arrear Period	Book Value as on 31st March, 2010	Provisions as on 31 March, 2010		Total Provision as on 31st March, 2010
			As per Reserve Bank of India	Additional provision as per Foreign Financial Institution	
Standard	Up to 90 days	578,698	-	-	-
	91 to 180 days	2,563	-	513	513
	Sub Total	**581,261**	**-**	**513**	**513**
Sub-Standard	181 to 360 days	4,783	478	1,913	2,391
	361 to 365 days	395	39	356	395
	More than 12 months to 24 months	3,496	350	3,146	3,496
	Restructured Cases*	4,691	469	-	469
	Sub Total	**13,365**	**1,336**	**5,415**	**6,751**
Doubtful (Unsecured)	More than 24 months	-	-	-	-
Doubtful (Secured)	More than 24 months to 36 months	884	177	707	884
	More than 36 months to 60 months	349	105	244	349
	Above 60 Months	-	-	-	-
	Sub Total	**1,233**	**282**	**951**	**1,233**
Loss	As per Management discretion	-	-	-	-
	Sub Total	-	-	-	-
Grand Total		**595,859**	**1,618**	**6,879**	**8,497**

Operating Lease Receivables: (₹ in lakhs)

Asset Classification	Arrear Period	Outstanding as on 31st March, 2010	Provisions as on 31 March, 2010		Total Provision as on 31st March, 2010
			As per Reserve Bank of India	Additional provision as per Foreign Financial Institution	
Standard	Up to 90 days	579	-	-	-
	91 to 180 days	11	-	2	2
	181 to 360 days	61	-	30	30
	361 to 365 days	-	-	-	-
	Sub Total	**651**	**-**	**32**	**32**
Sub-Standard	More than 12 months to 24 months	47	5	42	47
	More than 24 months to 30 months	24	10	14	24
	Restructured Cases*	23	2	-	2
	Sub Total	**94**	**17**	**56**	**73**
Doubtful	More than 30 months to 36 months	11	4	7	11
	More than 36 months to 48 months	34	24	10	34
	More than 48 months	-	-	-	-
	Sub Total	**45**	**28**	**17**	**45**
Loss	As per Management discretion	-	-	-	-
	Sub Total	**-**	**-**	**-**	**-**
Grand Total		**790**	**45**	**105**	**150**

* The company has made provisions on Financial Assets and Operating Lease Receivables as per the norms of Foreign Financial Institutions (FFI) amouting to ₹ 8,647 Lakh. This provision is made by the company on a conservative basis and adequately covers the Provisioning requirment as per Para 9 of the Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

The Company has decided to write off financial assets as bad debt as per the discretion of management in addition to existing policy of writing off of debts overdue for more than 4 year As a result of this, an amount of ₹ 3,162 lakh has been written off as bad debt and charged to the Profit & Loss Account. Had this not been done, the financial assets would have been higher by ₹ 2,878 lakh and there is no impact of the above change in the profit before tax of the Company.

2.43 Other Disclosures

Financial Year 2010-11

(a) Interest income in respect of financial assets (including assets under management) has been recognized up to the Balance Sheet date, as against the erstwhile practice of interest accrual till the last installments falling due before the Balance Sheet date. As a result of this, interest income of ₹ 7,103 lakhs for the period from installment date till the Balance Sheet date has been recognized in the accounts, while such income accounted for during the year, for the period up to 31st March, 2010 is ₹ 4,988 lakhs.

(b) In respect of certain assets given on operating lease, the company based on the management's experience has revisited the useful life of these \assets, whereby the depreciation now has been provided as per Schedule XIV of the Companies Act, 1956. As a result of this change in estimate, the depreciation for the current year is lower by ₹ 765 lakhs (net of depreciation for earlier years ₹ 622 lakhs).

(c) The Company's obligation in respect of long term compensated absences for employees, which hitherto, was being recognized on actual basis, has been accounted for on the basis of actuarial valuation, resulting in a decrease in profit for the year by ₹155 lakhs.

(d) Financial Assets at the commencement of the year included certain long term project loans aggregating to ₹ 10,749 lakhs given in earlier years. Against the above, during the year, the Company has recovered an amount of ₹ 10,000 lakhs and the balance amount of ₹ 749 lakhs considered as doubtful of recovery has been provided for in the accounts.

Financial Year 2009-10

(a) Income from Operating Lease includes loss on sale of operating lease assets ₹ 169 lakh.

(b) During the year ended 31 March, 2010, the Company purchased and sold 16 nos. and 83 nos. of Pass Through Certificates (PTCs) –VII and PTCs-VIII of Indian Infrastructure Equipment Receivable (IIER) Trust respectively. The cost of such PTCs –VII and PTCs-VIII of IIER Trust were ₹ 1,612 lakh and ₹ 8,443 lakh respectively.

(c) Financial Assets includes certain long term project loans amounting to ₹ 10,749 lakh. There has been considerable delay in executing these projects. The company is in the process of assessing the status of these projects. However in view of the company, the principal amounts in these loans are recoverable as per the respective loan agreements.

SREI EQUIPMENT FINANCE LIMITED (Formerly, Srei Equipment Finance Private Limited)

2.44 Informations as required by the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is furnished by Annexure-I attached herewith.

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS
I. Disclosure of details as required in terms of paragraphs 10 of Non Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

1. Capital to Risk Asset Ratio (CRAR)

Sl no.	Items	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
i	CRAR (%)	17.13	16.19	16.92	15.82	17.9
ii	CRAR – Tier I Capital (%)	12.63	11.47	11.08	10.97	13.99
iii	CRAR – Tier II Capital (%)	4.50	4.72	5.84	4.85	3.91

2. Exposure to Real Estate

Category	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
a) Direct Exposure					
(i) Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lakhs may be shown separately)	-	-	-	-	-
(ii) Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits;	-	-	-	-	-
(iii) Investments in Mortgage Securities (MBS) and other securitised exposures					
a. Residential,	-	-	-	-	-
b. Commercial Real Estate	-	-	-	-	-
b) Indirect exposure					
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-	-	-	-

3. Asset Liability Management

F.Y. 2013-14 Maturity pattern of certain items of assets and liabilities as at 31st March, 2014 are as follows;

(₹ in lakhs)

	1 day to 30/31 days (one month)	Over one 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
Liabilities									
Borrowings from Banks	66,470	61,074	45,625	82,770	157,659	499,065	122,406	13,721	1,048,790
Market Borrowings	5,282	26,005	28,505	29,507	18,564	36,430	13,180	-	157,473
Assets									
Advances	131,369	93,379	64,281	128,714	235,271	649,995	154,300	43,466	1,500,775
Investments	16	15	15	44	80	113	1	-	284

Notes :
1. The borrowings indicated above do not include unsecured subordinated perpetual debentures and unsecured subordinated debentures/loan amounting to ₹ 103,330 lakhs since the same forms part of Tier I / Tier II Capital.
2. The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in proportion to the maturity pattern of the financial assets.

F.Y. 2012-13 Maturity pattern of certain items of assets and liabilities as at 31st March, 2013 are as follows;

	1 day to 30/31 days (one month)	Over one 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
Liabilities									
Borrowings	52,707	39,117	45,141	82,746	181,914	515,402	152,968	25,910	1,095,905
Market	841	1,955	10,755	62,178	13,850	68,134	10,369	-	168,082
Assets									
Advances	75,516	58,917	60,342	120,584	253,726	709,144	170,708	44,878	1,493,815
Investment	13	13	13	38	2,876	182	2	-	3,137

Notes :

1. The borrowings indicated above do not include unsecured subordinated perpetual debentures and unsecured subordinated debentures/loan amounting to ₹ 90,650 lakhs since the same forms part of Tier I / Tier II Capital.

2. The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in proportion to the maturity pattern of the financial assets.

F.Y. 2011-12 Maturity pattern of certain items of assets and liabilities as at 31st March, 2012 are as follows;

	1 day to 30/31 days (one month)	Over one 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
Liabilities									
Borrowings from Banks	67,706	36,328	22,414	65,800	149,089	320,087	125,866	10,152	797,442
Market Borrowings	3,132	11,493	6,796	15,547	11,821	99,956	3,401	756	152,902
Assets									
Advances	73,904	48,193	31,259	84,217	193,285	528,686	149,902	35,369	1,144,815

Notes:
1. The borrowings indicated above do not include unsecured subordinated perpetual debentures and unsecured subordinated debentures/loan amounting to ₹ 80,890 lakhs since the same forms part of Tier I / Tier II Capital.

2. The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in proportion to the maturity pattern of the financial assets.

F.Y. 2010-1 Maturity pattern of certain items of assets and liabilities:

	1 day to 30/31 days (one month)	Over one 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
Liabilities									
Borrowings from Banks	16,085	20,758	15,437	77,219	95,779	283,915	53,669	19,522	582,384
Market Borrowings	652	4,114	1,669	13,618	24,383	93,058	6,820	2098	146,412
Assets									
Advances*	33,593	31,640	31,062	90,971	173,179	412,400	77,064	10,774	860,683
Investments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**250**	**250**

* represents Financial Assets

Notes:

1. The borrowings indicated above do not include unsecured subordinated debentures/loan amounting to ₹ 48,449 lakhs since the same forms part of the Tier II Capital.

2. The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in proportion to the maturity pattern of the financial assets.

F.Y. 2009-1 Maturity pattern of certain items of assets and liabilities:

									(₹ in crore)
	1 day to 30/31 days (one month)	Over one 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
Liabilities									
Borrowings from Banks	124.03	180.8	154.87	333.87	667.5	2217.15	414.67	19.89	4112.78
Market Borrowings	7.09	21.16	7.31	260.57	107.26	631.89	193.18	39.52	1267.99
Assets									
Advances	278.42	248.45	263.97	720.68	1377.43	2911.31	436.31	114.07	6350.64
Invest-ments	-	-	-	-	-	-	-	2.5	2.5

Notes:

1. The borrowings indicated above do not include unsecured subordinated debentures/loan amounting to ₹ 315.16 crores since the same form a part of the Tier II Capital.

2. The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in proportion to the maturity pattern of the financial assets.

3. Advances include the maturity pattern of financial assets and rentals on operating lease assets.

SREI EQUIPMENT FINANCE LIMITED (Formerly, Srei Equipment Finance Private Limited)
ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS

II. Disclosure of details as required in terms of paragraphs 10 of Non Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012		As at 31st March, 2011		As at 31st March, 2010	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities side:										
1)	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**										
	a) Debentures										
	- Secured	61,247	-	118,984	-	119,299	-	117,124	-	88,253	-
	- Unsecured										
	(Other than falling within the meaning of public deposits)	83,828	-	70,255	-	58,218	-	45,786	-	39,636	-
	b) Deferred Credits	-	-	-	-	-	-	-	-	2	-
	c) Term loans	420,564	-	441,375	-	382,280	-	401,518	-	339,077	-
	d) Inter- corporate loans and borrowings	-	-	-	-	-	-	309	-	-	-
	e) Commercial paper	51,569	-	10,409	-	11,597	-	1,622	-	10,656	-
	f) Other Loans	709,044	-	729,543	-	468,599	-	216,267	-	97,250	-

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
		Amount outstanding	Amount outstanding	Amount outstanding	Amount outstanding	Amount outstanding
	Assets side:					
2)	**Break-up of Loans and Advances including bills receivables** [other than those included in (4) below]:					
	(a) Secured	-	-	-	-	-
	(b) Unsecured	35,034	37,607	38,944	18,562	17,788
	Total (a) + (b)	**35,034**	**37,607**	**38,944**	**18,562**	**17,788**
3)	**Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities**					
	(a) Financial assets	1,343,446	1,363,828	1,010,530	855,943	584,945
	(b) Assets on operating Lease	131,830	127,914	125,833	52,805	38,079
	(c) Repossessed Assets	44,632	8,317	3,964	4,740	10,914
	Total (a) + (b) + (c)	**1,519,908**	**1,500,059**	**1,140,327**	**913,488**	**633,938**
4)	**Break up of Investments**					
	Long term Investments					
	1) Unquoted					
	i) Shares : (a) Equity	-	-	-	250	250
	Total	-	-	-	**250**	**250**

SREI EQUIPMENT FINANCE LIMITED (Formerly, Srei Equipment Finance Private Limited)
ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2014

5) Borrower Group-wise Classification of assets financed as in (3) above

(₹ in lakhs)

Sl. No.	Related Parties	Amount net of provisions														
		As at 31st March, 2014			As at 31st March, 2013			As at 31st March, 2012			As at 31st March, 2011			As at 31st March, 2010		
		Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related parties															
	a) Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	b) Companies in the same group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	c) Other related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Other than related parties	1,505,707	-	**1,505,707**	1,488,749	-	**1,488,749**	1,129,475	-	1,129,475	900,603	-	900,603	625,291	-	625,291

6) Investor Groupwise Classification of all Investments in Shares and Securities

(₹ in lakhs)

Sl. No.	Related Parties	As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012		As at 31st March, 2011		As at 31st March, 2010	
		Market Value/Break up or Fair value or NAV	Book value (net of provision)	Market Value/Break up or Fair value or NAV	Book value (net of provision)	Market Value/Break up or Fair value or NAV	Book value (net of provision)	Market Value/Break up or Fair value or NAV	Book value (net of provision)	Market Value/Break up or Fair value or	Book value (net of provision)
1	Related parties										
	a) Subsidiaries	-	-	-	-	-	-	281*	250	269*	250
	b) Companies in the same group	-	-	-	-	-	-	-	-	-	-
	c) Other related parties	-	-	-	-	-	-	-	-	-	-
2	Other than related parties	102.10*	2,800	102.06*	2,800	-	-	-	-	-	-

* Break up Value

7) Other Information:

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
i.	Gross Non-Performing Assets					
	(a) Related Parties	-	-	-	-	-
	(b) Other than related Parties	77,758	46,857	36,113	28,002	17,372
ii.	Net Non-Performing Assets					
	(a) Related Parties	-	-	-	-	-
	(b) Other than related Parties	63,557	35,547	25,261	17,412	8,725
iii.	Assets acquired in satisfaction of debt	9,880	3,918	2,773	4,387	4,230

ANNEXURE B

STATEMENT OF CAPITALISATION

Annexure I

Capitalisation Statement

(Rs in Million)

Particulars	Pre Issue As at 30.09.2014 (Audited)	Post Issue
Debt		
Long Term**	48,367.30	53,367.30
Short Term	89,314.80	89,314.80
Total Debt	137,682.10	142,682.10
Shareholders Fund		
Share Capital	596.60	596.60
Reserve & Surplus		
Special Reserve under section 45-IC of Reserve	2,199.40	2,199.40
Capital Reserve	3.10	3.10
Securities Premium Account	10,398.00	10,398.00
Debenture Redemption Reserve	4,832.10	4,832.10
Surplus in Profit and Loss Account	3,959.10	3,959.10
	21,391.70	21,391.70
Total Shareholders Fund	21,988.30	21,988.30
Long Debt-Equity Ratio (Number of times)***	2.20	2.43*

** The debt-equity ratio post the Issue is indicative on account of the assumed inflow of ₹ 5,000 million from the proposed Issue in the secured debt category as on September 30, 2014. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

*** Long Term includes the Current Maturities of Long Term Borrowing.*

**** Long Debt-Equity Ratio (Number of times)* = $\dfrac{\textit{Long Term Debt}}{\textit{Total Shareholders Fund}}$

For and on behalf of **Srei Equipment Finance Limited**

Authorised Signatory

Srei Equipment Finance Limited Kolkata

ANNEXURE C

STATEMENT OF RATIOS

Annexure I

Statement of Accounting Ratios

Sl. No.	Particulars	Six months period ended 30.09.2014	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
	Number of shares at the beginning of the year/period	59,660,000	59,660,000	53,220,000	50,000,000	50,000,000	50,000,000
	Number of shares at the end of the year/period	59,660,000	59,660,000	59,660,000	53,220,000	50,000,000	50,000,000
	Weighted average number of equity share of Rs 10/- each	59,660,000	59,660,000	56,704,658	52,454,590	50,000,000	50,000,000
	Dilutive effect on weighted average number of shares	-	-	-	-	-	-
	Weighted average number of equity shares of Rs 10/- (Diluted)	59,660,000	59,660,000	56,704,658	52,454,590	50,000,000	50,000,000
	Net profit after tax available for Equity Share (Rs in million)	1,027	2,254	2,699	1,972	1,308	871
	Net worth at the end of the year/ period (Rs. in million) #	21,988	20,963	18,701	13,997	11,018	9,660
	Average Networth During the year/period[(Opening+Closing)/2] (Rs. in million)	21,476	19,832	16,349	12,507	10,339	9,242
A.	**Basic Earning Per Share (EPS) Rs.**	*17.22	37.78	47.60	37.60	26.16	17.41
B.	**Dilutive Earning Per Share (EPS) Rs.**	*17.22	37.78	47.60	37.60	26.16	17.41
	Return on Net Worth (%):						
C.	**Considering Networth at the end of the year/period**	4.67%	10.75%	14.43%	14.09%	11.87%	9.01%
D.	**Considering Average Networth during the yearyear/period**	4.78%	11.36%	16.51%	15.77%	12.65%	9.42%
E.	**Net Asset Value Per Share (Rs.)**	368.56	351.37	313.45	263.00	220.35	193.21
	Borrowing (Rs. in million)	137,682	130,959	135,464	103,123	77,717	56,768
F.	Debt Equity	6.26	6.25	7.24	7.37	7.05	5.88

* Not Annualised

Notes:

A. Earning Per Share (Basic) = Net Profit attributable to equity shareholders / Wieghted Average Number of equity Share Outstanding during the year

B. Earning Per Share (Diluted) = Net Profit attributable to equity shareholders / Wieghted Average Number of Dilutedequity Share Outstanding during the year

C. Return on Net Worth (%) (Based on Net Worth at the end of the year/period) = Net Profit After Tax / Net Worth at end of the year

D. Return on Net Worth (%) (Based on Average Net Worth during the year/period) = Net Profit After Tax / Average Net Worth during the year

E. Net Asset Value Per Share = Net Worth at end of the year / Number of Equity Shares outstanding at the end of the year

F. Debt Equity Borrowing / Net Worth

Net Worth = Share capital + Reserves - Defered Expenditure - Miscellaneous Expenditure to the extent not written off.

For and on behalf of **Srei Equipment Finance Limited**

Authorised Signatory

ANNEXURE D

STATEMENT OF TAX SHELTER

Annexure I

Statement of Tax Shelter

(Rs. in Millions)

Particulars	Six months period ended 30.09.2014	Year ended 31.3.2014	Year ended 31.3.2013	Year ended 31.3.2012	Year ended 31.3.2011	Year ended 31.3.2010
Profit before Tax	1,556	3,576	4,035	3,046	2,133	1,344
Income Tax Rate (A)	33.99%	33.99%	32.45%	32.45%	33.22%	33.99%
Tax at above rate (B)	529	1,215	1,309	988	708	457
			10			
Adjustements:						
Permanent Differences:						
Exempt Income (Dividend Income & LTCG)	-3	-14	-4	-3	-1	-
Capital receipts Income	-	-	-	-	1	-
Other Adjustments	7	49	38	47	143	30
Sub Total (C)	**4**	**36**	**34**	**43**	**143**	**30**
Timing Difference						
Difference between tax depreciation and book depreciation	-398	-208	-1,426	-1,681	-322	-198
Disallowance for Provisions	525	291	151	74	421	5
Deferred Revenue Expenditure	92	24	1	125	-103	-104
Sub Total (D)	**219**	**107**	**-1,274**	**-1,482**	**-5**	**-297**
Net Adjustments (E)=(C)+(D)	222	142	-1,240	-1,439	138	-267
Tax on Adjustments (F)=(E*A)	76	48	-402	-467	46	-91
Net Tax after Adjustments (G)=(B)+(F)	604	1,264	907	522	754	366
Adjustment for tax related to Earlier Years/Capital Gains/House Property Income (H)	-	-	-	-	-	-
Tax Adjustment on account of Brought Forward Business Loss and Unabsorbed Depreciation (I)	-	-	-	-	-	-1,407
Normal Tax Provision (J)=(G)+(H)+(I)	604	1,264	907	522	754	-1,041
Tax Liability Under MAT (K)	128	354	476	390	293	174
Tax Provision L= (Higher of J or K)	604	1,264	907	522	754	174
MAT Credit entitlement/adjustment (M)	-	-	-	-187	-	-
Tax Liability after MAT credit adjustment (N)=(L)+(M)	604	1,264	907	335	754	174
Income Tax in respect of earlier years	-	-	-	495	2,118	-
Provision for Tax	604	1,281	920	847	2,906	174
Deferred Tax Adjustment	-76	41	415	504	-176	248
Interest u/s 234C	-	17	14	17	34	-

For and on behalf of Srei Equipment Finance Limited

Authorised Signatory

ANNEXURE E

STATEMENT OF DIVIDENDS

Annexure I

Statement of Dividends

Particulars	Six months period ended 30.09.2014	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Equity Share Capital (Rs in million)	597	597	597	532	500	500
No. of shares (Nos.)	59,660,000	59,660,000	59,660,000	53,220,000	50,000,000	50,000,000
Dividend %	-	-	-	-	-	-
Dividend Per share (Rs)	-	-	-	-	-	-

For and on behalf of **Srei Equipment Finance Limited**

Authorised Signatory

Srei Equipment Finance Limited * Kolkata

ANNEXURE F

CREDIT RATINGS AND RATIONALE

March 30, 2015

Shri S. B. Tiwari,
Authorized Signatory
Srei Equipment Finance Ltd.
"Viswakarma Building"
86/C, Topsia Road (South),
Kolkata - 700 046

Confidential

Dear Sir,

Credit Rating for proposed Secured Redeemable Bonds (Series VII)

On a review of recent developments including operational and financial performance of your company for 9MFY15, our Rating Committee has reviewed the following rating:

Instrument	Amount (Rs. crore)	Rating[1]	Remarks
Proposed Secured Redeemable Bonds (Series VII – Tranche VIII)	13.28	CARE AA [Double A]	Reaffirmed with change in terms

2. The proposed bonds would have a minimum tenure of one year & maximum tenure of ten years with repayment as per the terms of the issue.
3. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
4. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of maturity, etc.] as soon as it has been placed.
5. Kindly arrange to submit to us a copy of each of the documents pertaining to the Bond issue, including the offer document and the trust deed.
6. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information,

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.*

CREDIT ANALYSIS & RESEARCH LTD.
CORPORATE OFFICE: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai 400 022.
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CIN-L67190MH1993PLC071691

material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without reference to you.

8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
9. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Jai Agarwalla

(J.Agarwalla)
Dy. Manager
jai.agarwalla@careratings.com

Ayush Poddar

(A.Poddar)
Manager
ayush.poddar@careratings.com

Encl: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.
In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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CIN-L67190MH1993PLC071691

CARE Ratings
Professional Risk Opinion

20 PLUS YEARS Analytical Excellence

March 30, 2015

Shri S. B. Tiwari,
Authorized Signatory
Srei Equipment Finance Ltd.
"Viswakarma Building"
86/C, Topsia Road (South),
Kolkata - 700 046

Confidential

Dear Sir,

Credit Rating for proposed Secured Bonds (Series XII) issue

On a review of recent developments including operational and financial performance of your company for 9MFY15, our Rating Committee has reviewed the following rating:

Instrument	Amount (Rs. crore)	Rating[1]	Remarks
Proposed Secured Bonds (Series XII)	160.0	**CARE AA (Double A)**	**Reaffirmed with change in terms**

2. The proposed bonds would have a minimum tenure of one year & maximum tenure of ten years with repayment as per the terms of the issue.
3. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
4. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of payment of interest, date and amount of repayment etc.] as soon as the Bonds have been placed.
5. Kindly arrange to submit to us a copy of each of the documents pertaining to the Bond issue, including the offer document and the trust deed.
6. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information,

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material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without reference to you.

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If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Jai Agarwalla

(J.Agarwalla)
Dy. Manager
jai.agarwalla@careratings.com

Ayush Poddar

(A.Poddar)
Manager
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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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CARE/KRO/RL/2014-15/1593

March 11, 2015

Shri S. B. Tiwari,
Authorized Signatory
Srei Equipment Finance Ltd.
"Viswakarma Building"
86/C, Topsia Road (South),
Kolkata - 700 046

Confidential

Dear Sir,

Credit Rating for proposed Secured Redeemable Bonds (Series VII)

On a review of recent developments including operational and financial performance of your company for 9MFY15, our Rating Committee has reviewed the following rating:

Instrument	Amount (Rs. crore)	Rating[1]	Remarks
Proposed Secured Redeemable Bonds (Series VII – Tranche VIII)	13.28	CARE AA [Double A]	Reaffirmed

2. These bonds are proposed to be repaid by way of bullet repayment at the end of five years from the date of allotment.
3. The rationale for this rating will be communicated to you separately.
4. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
5. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of maturity, etc.] as soon as it has been placed.
6. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
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material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without reference to you.

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If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Jai Agarwalla

(J.Agarwalla)
Dy. Manager
jai.agarwalla@careratings.com

Ayush Poddar

(A.Poddar)
Manager
ayush.poddar@careratings.com

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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CARE/KRO/RL/2014-15/1593

March 11, 2015

Shri S. B. Tiwari,
Authorized Signatory
Srei Equipment Finance Ltd.
"Viswakarma Building"
86/C, Topsia Road (South),
Kolkata - 700 046

Confidential

Dear Sir,

Credit Rating for proposed Secured Redeemable Bonds (Series XI)

On a review of recent developments including operational and financial performance of your company for 9MFY15, our Rating Committee has reviewed the following rating:

Instrument	Amount (Rs. crore)	Rating[1]	Remarks
Proposed Non-Convertible Debenture issue (Series XI-Tranche I)	250.0	CARE AA (Double A)	Reaffirmed
Proposed Non-Convertible Debenture issue (Series XI-Tranche II)	80.0		

2. The proposed NCDs would have a minimum tenure of one year & maximum tenure of ten years with repayment as per the terms of the issue.
3. The rationale for this rating will be communicated to you separately.
4. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
5. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of maturity, etc.] as soon as it has been placed.
6. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

[1] *Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.*

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CIN-L67190MH1993PLC071691

7. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without reference to you.
8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
9. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Jai Agarwalla

(J.Agarwalla)
Dy. Manager
jai.agarwalla@careratings.com

Ayush Poddar

(A.Poddar)
Manager
ayush.poddar@careratings.com

Encl: As above

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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March 12, 2015

Shri S. B. Tiwari,
Authorized Signatory
Srei Equipment Finance Ltd.
"Viswakarma Building"
86/C, Topsia Road (South),
Kolkata - 700 046

Confidential

Dear Sir,

Credit Rating for proposed Secured Bonds (Series XII) issue

Please refer to your request for rating of Secured Bonds issue aggregating Rs.160 crore of your company. The proposed Bonds would have a minimum tenure of three years & maximum tenure of five years with bullet repayment on maturity.

2. The following ratings have been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating[1]	Remarks
Proposed Secured Bonds (Series XII)	160.0	CARE AA (Double A)	Assigned

3. The rationale for this rating will be communicated to you separately.

4. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is March 11, 2015).

5. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

6. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of payment of interest, date and amount of repayment etc.] as soon as the Bonds have been placed.

7. Kindly arrange to submit to us a copy of each of the documents pertaining to the Bond issue, including the offer document and the trust deed.

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.*

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CIN-L67190MH1993PLC071691

8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without reference to you.
10. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
11. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Jai Agarwalla

(J.Agarwalla)
Dy. Manager
jai.agarwalla@careratings.com

Ayush Poddar

(A.Poddar)
Manager
ayush.poddar@careratings.com

Encl: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.
In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CARE Ratings
Professional Risk Opinion

20 PLUS YEARS Analytical Excellence

October 17, 2014

Shri S. B. Tiwari,
Authorized Signatory
Srei Equipment Finance Ltd.
"Viswakarma Building"
86/C, Topsia Road (South),
Kolkata - 700 046

Confidential

Dear Sir,

Credit Rating

Please refer to our letter dated October 15, 2014 on the captioned subject.

2. The rationale for the ratings is attached as ***Annexure-I.*** Kindly note that the rationale would be published in the forthcoming issue of our monthly journal -'CAREVIEW'.
3. A write-up (brief rationale) on the above ratings is proposed to be issued to the press shortly. A draft of the same is enclosed for your perusal as ***Annexure - II.***
4. We request you to peruse the annexed documents and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by October 20, 2014 we will proceed on the basis that you have no comments to offer.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Jai Agarwalla

(Jai Agarwalla)
Dy. Manager

Ayush Poddar

(Ayush Poddar)
Manager

Encl . As above

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Annexure I

Rating Rationale

Srei Equipment Finance Ltd (SEFL)

Ratings

Facilities	Amount (Rs. crore)	Rating[1]	Remarks
Long term Bank Facilities	13,552.90 (enhanced from Rs.12,819.60 crore)	**CARE AA (Double A)**	**Reaffirmed**
Short term Bank Facilities	1,250.00	**CARE A1+**	**Reaffirmed**

Rating Rationale

The above ratings continue to draw strength from the established position and satisfactory track record of both the joint venture partners (the Srei group and BNP Paribas Lease group), well-established business network with large customer base, diversified credit portfolio, comfortable asset-liability maturity profile and satisfactory financial performance. The ratings also factor in SEFL's satisfactory gearing and capitalization. The long-term rating is, however, constrained by the risk associated with the volatility in interest rates, moderation in asset quality and increasing competition in the infrastructure equipment financing business. The ability of the company to maintain its business growth with simultaneous protection of spreads as also improve its asset quality by containing the incremental NPAs would remain the key rating sensitivities.

Background

SEFL was incorporated on Jun.13, 2006 under the name of 'Srei Infrastructure Development Ltd.' as a subsidiary of Srei Infrastructure Finance Ltd. (SIFL; rated CARE AA-/CARE A1+) for financing and development of infrastructure projects. In April 2008, SIFL ceased to be the holding company of SEFL and SEFL was converted into a 50:50 JV company with BNP Paribas Lease Group (BPLG - a 100% subsidiary of BNP Paribas Bank; rated A+/A1 by S&P). In May 2008, the name of the company was changed to Srei Equipment Finance Pvt Ltd. and finally to Srei Equipment Finance Ltd. (SEFL) on Nov. 1, 2013. In September 2008, RBI classified SEFL as a "Systemically Important Non-deposit Taking Asset Finance Company". SIFL, over 24 years old Kolkata based NBFC, was engaged in leasing and hire-purchase/hypothecation financing of

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heavy construction equipment and financing of infrastructure related projects. Pursuant to forming a 50:50 JV with BPLG, SIFL divested its equipment financing and leasing business alongwith all the assets & liabilities in SEFL as on Jan.1, 2008.

Currently, SEFL is engaged in leasing and hire-purchase financing/hypothecation of construction equipment of value upto Rs.15 crore.

Credit Risk Assessment

Strong parentage with superior market knowledge of equipment financing segment

SEFL is a 50:50 joint venture between SIFL and BPLG. Both the promoters are having long standing experience in the equipment financing business. SIFL is predominantly engaged in leasing and hire-purchase/hypothecation financing of heavy construction equipment and financing of infrastructure related projects for over the past 25 years. At the same time, with the presence of BNP, the joint venture (JV) benefits from BNP's experience in international markets through the introduction of new product offerings. It is specialised in financing equipment for businesses and professionals and offers financing services for various asset classes like industrial vehicles, construction & material handling equipment, farm machinery, office equipment, medical equipment, industrial plants, etc. BPLG has presence in more than 20 countries across the world and is the "asset finance" arm of BNP Paribas.

Stable level of advances

SEFL's loan portfolio (including operating lease assets) continued to grow and was Rs.15,133 crore as on March 31, 2014 vis-a-vis Rs.14,944 crore as on March 31, 2013, despite its disbursements declining marginally in FY14 to Rs.9,037 crore as against Rs.10,003 crore in FY13, considering slowdown in domestic economic growth, particularly the infrastructure sector.

Relatively low Portfolio concentration risk

SEFL's clients mainly belong to segments like construction, mining, aviation, logistic and infrastructure. The top twenty outstanding under hypothecation & operating lease aggregating Rs.2,515.5 crore as on Mar.31, 2014 accounted for 16.6% of the total outstanding under hypothecation & operating lease, indicating a reasonably well diversified loan basket of the company. Further, the share of a single client as a proportion of total portfolio was well below the specified exposure norms by RBI, given the relatively smaller ticket size nature of financing.

Comfortable asset-liability maturity profile

Liquidity position of SEFL has been comfortable as assets maturing in the next three years exceed the corresponding liabilities as on March 31, 2014. Further, access to unutilized bank lines and securitisation market are likely to further support the liquidity profile of the company.

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Satisfactory gearing and capitalization

Overall gearing improved to 5.81x as on Mar.31, 2014 from 6.75x as on Mar.31, 2013. The same improved as tangible networth increased to Rs.2,253.5 crore as on March 31, 2014 as compared to Rs.2,006.7 crore as on March 31, 2013 on account of addition of the profit earned during FY14. Furthermore, total debt also declined in FY14 as compared to FY13 on account of corresponding decrease in Total assets coupled with increase in tangible networth. This apart, both Tier I and overall CAR of SEFL also improved to 12.63% and 17.14% as on March 31, 2014 from 11.47% and 16.19% as on March 31, 2013 respectively, mainly on account of increase in capital due to addition of profit to reserves without such corresponding increase in their loan book. Furthermore, both Tier I and overall CAR of SIFL continued to remain satisfactory at 12.32% and 16.27% as on June 30, 2014 also.

Moderate asset quality

SEFL's asset quality marked by Gross NPA and Net NPA ratios (as per RBI) deteriorated to 3.22% and 2.20% as on March 31, 2014 vis-à-vis 3.00% and 2.18% as on March 31, 2013 respectively. Furthermore, Gross and Net NPAs as per management (the management recognizes additional NPAs over and above those already recognized as per RBI) also deteriorated to 5.56% and 4.54% as on March 31, 2014 from 3.39% and 2.57% as on March 31, 2013 respectively. Such deterioration was primarily on account of the delays by infrastructure companies, especially construction companies, as they were facing problems in realizing the money from the government. However, the same improved as on June 30, 2014 with Gross NPA and Net NPA ratios (as per RBI) improving to 2.54% and 1.40% respectively and Gross and Net NPAs as per management (the management recognizes additional NPAs over and above those already recognized as per RBI) improving to 4.29% and 3.15% respectively. Furthermore, restructured assets also remained low at Rs.31.82 crore as on June30, 2014.

Satisfactory financial performance

SEFL's total income grew by 10.3% in FY14 over FY13 to reach Rs.2,619.3 crore. Its interest income grew by 12.1% in FY14 over FY13 and the same was similar to the growth in interest expense, which also grew by 12.1% in FY14 over FY13. Accordingly, Net Interest Margin continued to remain satisfactory at 6.84% in FY14 as compared to 6.98% in FY13. However, ROTA deteriorated to 1.46% in FY14 from 1.97% in FY13 on account of increase in provisions for NPA.

Furthermore, in Q1FY15, SEFL reported a PAT of Rs.63.1 crore on a total income of Rs.646.9 crore.

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Entry into new areas of financing
SEFL has recently added new products like medical equipment financing, information technology equipment financing and agricultural equipment financing, though their proportion in the overall book currently remains negligible. Though the company has limited experience in the new products, however, BNP's international experience in these segments is likely to help the company in growing the business volumes while generating adequate risk adjusted returns.

Prospects
Prospects of the company remain dependent on performance of the domestic economy mainly infrastructure related sectors where SEFL has significant exposure. The company's prospects depends upon its ability to maintain business growth with simultaneous protection of spreads along with containment of incremental NPAs.

Financial results

(Rs. Cr)

As on / Year ended March 31	*2012 (12m, A)*	*2013 (12m, A)*	*2014 (12m, A)*
Working Results			
Interest Income	1768.7	2284.3	2561.4
Other operating income	49.8	89.4	57.9
Total Income	1818.5	2373.8	2,619.3
Operating Expenses	208.5	233.8	226.3
Total Provision / Write offs	104.0	145.2	259.4
Depreciation	156.7	223.9	242.3
Interest	1043.9	1366.6	1532.9
PBT	304.6	403.5	357.5
PAT (after defd tax)	202.2	269.9	225.4
Reported PAT (after defd tax)	197.2	269.9	225.4
Financial Position			
Tangible Net worth	1496.6	2,006.7	2,253.5
Total Borrowings	10,312.3	13,546.4	13,095.9
Total Loan Portfolio	11,363.3	14,943.9	15132.5
Total Assets	12,867.4	16,470.7	16,267.2
Asset under Management (AUM)	15,955.0	17,772.0	17,171.7
Key Ratios (%)			
Solvency			
Overall Gearing (times)	6.89	6.75	5.81
Capital Adequacy Ratio (CAR) (%)	16.92	16.19	17.14
Tier I CAR (%)	11.08	11.47	12.63
Overall CAR taking off-book assets as on-book (%)	13.39	14.82	16.50
Interest Coverage (times)	1.29	1.30	1.23
Interest coverage (before provision & w/off)	1.39	1.40	1.40

Profitability			
Net Interest Margin	7.08	6.98	6.84
Return on Total Assets (ROTA)	1.95	1.97	1.46
Op. Exp. (before prov. & w/off) / Avg. CE (%)	2.01	1.71	1.46
Asset Quality			
As per RBI			
Gross NPA Ratio	1.23	3.00	3.22
Net NPA Ratio	0.81	2.18	2.20
Net NPA to Net worth (%)	5.50	14.92	13.54
As per management			
Gross NPA Ratio	3.55	3.39	5.56
Net NPA Ratio	2.48	2.57	4.54
Net NPA to Net worth (%)	16.81	17.58	27.96

Note: Ratios have been computed based on average of annual opening and closing balances.

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Annexure II

Brief Rationale

CARE reaffirms the ratings assigned to the bank facilities of Srei Equipment Finance Ltd

Ratings

Facilities	Amount (Rs. crore)	Rating[1]	Remarks
Long term Bank Facilities	13,552.90 (enhanced from Rs.12,819.60 crore)	**CARE AA (Double A)**	**Reaffirmed**
Short term Bank Facilities	1,250.00	**CARE A1+**	**Reaffirmed**

Rating Rationale

The above ratings continue to draw strength from the established position and satisfactory track record of both the joint venture partners (the Srei group and BNP Paribas Lease group), well-established business network with large customer base, diversified credit portfolio, comfortable asset-liability maturity profile and satisfactory financial performance. The ratings also factor in SEFL's satisfactory gearing and capitalization. The long-term rating is, however, constrained by the risk associated with the volatility in interest rates, moderation in asset quality and increasing competition in the infrastructure equipment financing business. The ability of the company to maintain its business growth with simultaneous protection of spreads as also improve its asset quality by containing the incremental NPAs would remain the key rating sensitivities.

Background

SEFL was incorporated on Jun.13, 2006 under the name of 'Srei Infrastructure Development Ltd.' as a subsidiary of Srei Infrastructure Finance Ltd. (SIFL; rated CARE AA-/CARE A1+) for financing and development of infrastructure projects. In April 2008, SIFL ceased to be the holding company of SEFL and SEFL was converted into a 50:50 JV company with BNP Paribas Lease Group (BPLG - a 100% subsidiary of BNP Paribas Bank; rated A+/A1 by S&P). In May 2008, the name of the company was changed to Srei Equipment Finance Pvt Ltd. and finally to Srei Equipment Finance Ltd. (SEFL) on Nov. 1, 2013. In September 2008, RBI classified SEFL as a "Systemically Important Non-deposit Taking Asset Finance Company". SIFL, over 24 years old Kolkata based NBFC, was engaged in leasing and hire-purchase/hypothecation financing of

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heavy construction equipment and financing of infrastructure related projects. Pursuant to forming a 50:50 JV with BPLG, SIFL divested its equipment financing and leasing business alongwith all the assets & liabilities in SEFL as on Jan.1, 2008.

Currently, SEFL is engaged in leasing and hire-purchase financing/hypothecation of construction equipment of value upto Rs.15 crore.

SEFL earned a PAT (after deferred tax) of Rs.225.4 crore (PY: Rs.269.9 crore) on a total income of Rs.2,619.3 crore (PY: Rs.2,373.8 crore) in FY14 (refers to the period April 01 to March 31). Its CAR as on March 31, 2014 was 17.14%.

Furthermore, in Q1FY15, SEFL reported a PAT of Rs.63.1 crore on a total income of Rs.646.9 crore.

Analyst Contact
Name: Ayush Poddar
Tel: 033-4018 1637
Email: ayush.poddar@careratings.com

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Brickwork RATINGS

BWR/BNG/RL/2014-15/0408
March 11, 2015

CIN: U67190KA2007PTC043591

Mr. A.D. Rozario
Sr. Vice President – Treasury (Operations)
SREI Equipment Finance Ltd.
Kolkata – 700 091

Dear Sir,

Sub: Validation of Rating– Secured NCD issue of ₹ 1000 Crores rated by Brickwork Ratings on June 20, 2014

Ref: Your email dated March 11, 2014

We wish to advise that your Company's aforementioned issue for ₹ 1000 Crores carries **BWR AA (Pronounced BWR Double A) (Outlook: Stable)** rating as advised vide our letter BWR/BNG/RL/2014-15/0078 dated June 20, 2014. The rating is valid up to July 19, 2015. We note that the company has not utilized the said amount.

Instruments with BWR AA rating are considered to have a **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk.**

Please note that all terms and conditions of our earlier letter BWR/BNG/RL/2014-15/0078 dated June 20, 2014 remain unchanged.

Please note to furnish complete details of borrowings under the above issue, as and when is completed.

Best Regards,

Brickwork Ratings India Pvt. Ltd.

Manjunatha MSR
Director - Ratings

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

CIN: U67190KA2007PTC043591

Brickwork RATINGS

BWR/BNG/RL/2014-15/0078

June 20, 2014

Mr. A. D. Rozario
Sr. Vice President – Treasury (Operations)
Srei Equipment Finance Ltd
Kolkata – 700 046

Dear Sir,

Sub: Rating of proposed Secured NCDs (Public Issue) of ₹1000 Crores (Enhanced from ₹500 Crores rated on June 12, 2014) of Srei Equipment Finance Ltd

Ref: Your mandate letters dated May 22, 2014 & June 11, 2014 for the rating of Secured NCDs (Public Issue) of ₹500 Crores each

Thank you for your above said mandates. Based on your first mandate dated May 22, 2014, a rating letter **BWR/BNG/RL/2014-15/0072** dated June 12, 2014 has been issued. Based on your second mandate dated June 11, 2014, this rating letter is being issued which supersedes our earlier letter mentioned above.

Accordingly, based on the information and clarification provided by your Company, as well as information available in public sources, Brickwork Ratings is pleased to inform you that ***Srei Equipment Finance Ltd.***'s proposed Secured NCDs (Public Issue) of ₹1000 Crores have been assigned **BWR AA (Outlook: Stable)** rating. Instruments with this rating are considered to have a **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

The Rating is valid for one year from the date of assignment subject to terms and conditions that were agreed in your mandate dated June 11, 2014 and other correspondence, if any and Brickwork Ratings standard disclaimer appended below. Please ensure strict compliance with the stipulations of SEBI/any other regulatory agency in respect of a public issue. Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any significant information/development that may affect your Company's finances/performance without any delay.

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Please let us have your acceptance for the above rating on or before June 24, 2014. Please note that unless acceptance is received by us by the said date, the rating will not be valid and should not be used for any purpose whatsoever.

Please furnish complete details of borrowing under the above issue.

Best Regards,

MSR Manjunath
Director - Ratings

Brickwork Ratings India Pvt. Ltd.

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Reissued Rating Rationale

Brickwork Ratings assigns 'BWR AA' for SREI Equipment Finance Ltd.'s proposed Secured NCDs (Private Placement) of ₹500 Cr, proposed Secured NCDs (Public Issue) of ₹500 Cr & proposed conversion of ₹50 Cr Unsecured sub debt – Tier II issue (out of ₹80 Cr) into Secured NCD Issue

Brickwork Ratings (BWR) has assigned the **Rating**[1] BWR AA (Pronounced BWR Double A) with **Stable Outlook** for the proposed Secured NCDs (Private Placement) of ₹500 Cr, proposed Secured NCDs (Public Issue) of ₹500 Cr & proposed conversion of ₹50 Cr Unsecured sub debt – Tier II issue *(out of ₹80 Cr rated in May 2013)* into Secured NCD issue - for SREI Equipment Finance Ltd (*erstwhile SREI Equipment Finance Pvt Ltd*).

BWR has also ***reaffirmed*** the following outstanding ratings of SEFL:

<table>
<tr><th rowspan="2">Instruments</th><th rowspan="2">Amount (₹ Cr)</th><th rowspan="2">Rating</th><th rowspan="2">Assigned/ Reaffirmed</th><th colspan="2">Rating History</th></tr>
<tr><th colspan="2">Rating As on</th></tr>
<tr><td>Unsecured Subordinated Debenture (Tier II)</td><td>100</td><td rowspan="4">BWR AA
(Pronounced BWR Double A

Outlook - Stable</td><td rowspan="4">Reaffirmed</td><td>BWR AA (Stable) May 2013</td><td>--</td></tr>
<tr><td>Unsecured Subordinated Debenture (Tier II)</td><td>350</td><td>BWR AA (Stable) May 2013</td><td>BWR AA (Stable) September 2012</td></tr>
<tr><td>Unsecured Subordinated Debenture (Tier II)</td><td>100</td><td>BWR AA (Stable) May 2013</td><td>BWR AA (Stable) September 2012</td></tr>
<tr><td>NCD</td><td>306.2</td><td>BWR AA (Stable) May 2013</td><td>BWR AA (Stable) September 2012</td></tr>
</table>

The rating, inter alia, factors experience of the Promoter group in equipment financing business, its dominant market share, adequate financial performance in FY14 in a difficult environment, and conservative asset classification & provisioning norms followed. The rating is, however, constrained by concerns on asset quality as reflected by increasing NPAs and provisioning cost, decline in PAT, pressure on capital adequacy for future growth, and funding profile of the Company with high dependence on working capital lines from banks.

BWR has essentially relied upon the Company's financial results up to FY14, projected financials, publicly available information and information and clarification provided by the Company.

[1] ***Please refer to www.brickworkratings.com for definition of the Ratings***

Background - SEFL

SEFL is a 50-50% JV between SREI Infrastructure Finance Ltd and BNP Paribas Leasing Solutions India. In 2008, SREI spun off its equipment finance division into 100% subsidiary, in which BNP Paribas leasing group took 50% stake, by infusing ₹775 Crores. Hence, this subsidiary became a JV and was renamed as SREI Equipment Finance Pvt Ltd. Subsequently, the Company has been reconstituted as SREI Equipment Finance Ltd in November 2013. The Company is a Non-deposit taking Systemically Important NBFC, registered with RBI. The Company is classified as an Asset Financing Company ("AFC").

SEFL mainly generates revenue from equipment financing to various construction companies including small contractors. The Company has a dominant position in the equipment finance industry with an estimated market share of approximately 30% and company expects to maintain same going forward. SEFL generally looks at funding loans where equipment cost is less than ₹15 Cr. Equipment above this cost will be funded by SREI, the parent company. Average ticket size of loans is around ₹0.75 Cr and average tenure is 3 years.

Background - SIFL

SREI Infrastructure Finance Ltd (SIFL) is a Kolkata based NBFC, incorporated in 1985, and is classified as 'Infrastructure Financing Company' (IFC) by RBI since March 2011. The Company has been rated BWR AA (Stable) for its various debt instruments.

Board and Management- SEFL

Mr. Hemant Kanoria is the Chairman & Managing Director of the Company. He has over 33 years of experience in industry, trade and financial services. He is presently the Chairman of the National Committee on Infrastructure of Federation of Indian Chambers of Commerce & Industry (FICCI), and Member of FICCI National Executive Committee. Mr. Sunil Kanoria is the Vice Chairman of the Company. He is a Chartered Accountant with more than 25 years of experience in the financial services industry. He is presently the Vice President of ASSOCHAM. BNP Paribas is represented by 3 directors on the Board, including the Chairman Mr. Didier Chappet. The Company has adequate qualified and experienced personnel to manage its lending business and resource raising.

Financial Performance - SEFL

The Company reported 10.3% y-o-y growth on income from operations to ₹2,618 Cr in FY14. Approximately 85% of income from operations is generated from financial assets and round 12% -15% is operating leases. Net Interest Income (NII) and Net Interest Margin (NIM) stood at ₹1086 Cr and 4.60% in FY14, as compared to ₹1,007 Cr and 4.50% respectively in FY13. However, due to higher provision cost of ₹259 Cr in FY14 as compared to ₹145 Cr previously, SEFL reported a low net profit of ₹225 Cr in FY14 as against ₹270 Crores in FY13, representing decline of 16.5%.

SEFL's net worth increased by 12.1% y-o-y to ₹2097 Cr in FY14, supported by retained earnings in the year. While the overall asset size remained at the same level, Total Borrowings declined from ₹13,546 Cr in FY13 to ₹13,096 Cr in FY14. SEFL has a large consortium of 37 banks and financial institutions providing funding by way of Term Loans & Working Capital Facilities.

SEFL's leverage (Assets/ Equity) improved from 8.81 times in FY13 to 7.76 times in FY14. The capital adequacy ratio improved marginally to 17.13% as of FY14, and is above RBI's prescribed min of 15% for NBFCs. Tier 1 Capital ratio and Tier 2 Capital ratio were at 12.63% and 4.50%, respectively. The Company's Gross NPA weakened to 4.80% in FY14 from 2.80% in FY13. Subsequently, Net NPA also increased from 2.20% in FY13 to 3.90% in FY14.

SEFL's total loan book size was ₹15,132 Cr in FY14 as compared to ₹14,960 Cr in FY13. Total disbursements decreased by 9.66% y-o-y to ₹9,037 Cr in FY14 as the Company focused more on building quality assets portfolio and mitigating the risk on its existing portfolio through additional collateral. The major portion of the disbursement is towards heavy earthmoving and construction equipment.

Rating Outlook

Company's performance in FY14 in terms of lower profitability and increasing delinquency in assets, has shown a decline. However, going forward, it is expected that the new government at the Centre will give a push to the Infrastructure segment, which will have a beneficial impact. Hence, BWR expects the outlook for the coming year to be Stable. SEFL's ability to focus on improving asset quality, focus on recoveries, remain adequately capitalized, and shift funding profile towards more long term borrowings are the key rating sensitivities.

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ANNEXURE G

DEBENTURE TRUSTEE'S CONSENT LETTER

AXIS TRUSTEE

ATSL/CO/2014-15/91

March 11, 2015

Srei Equipment Finance Limited
Vishwakarma,
86C Topsia Road (South)
Kolkata 700 046

Dear Sir/ Madam,

Sub: PUBLIC ISSUE BY SREI EQUIPMENT FINANCE LIMITED (THE "COMPANY" OR THE "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF 1000/- EACH (THE "DEBENTURES" OR THE "NCDS"), FOR AN AMOUNT UPTO 2500 MILLION ("BASE ISSUE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UPTO ADDITIONAL 25,00,000 NCDS OF 1000/- EACH FOR AN AMOUNT UPTO 2500 MILLION, AGGREGATING TO 5000 MILLION ("OVERALL ISSUE SIZE") (HEREINAFTER REFERRED TO AS THE "ISSUE").

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the Draft Prospectus/Draft Shelf Prospectus to be filed with the stock exchanges where the NCDs are proposed to be listed (the "**Stock Exchanges**") for the purpose of receiving public comments and to be forwarded to Securities and Exchange Board of India ("**SEBI**") and the Final Prospectus/Shelf Prospectus/Tranche Prospectus to be filed with the Registrar of Companies, West Bengal, Stock Exchanges and to be forwarded to SEBI in respect of the Issue and in all related advertisements and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue. The following details with respect to us may be disclosed:

Particulars	**Details**
Name	Axis Trustee Services Limited
Address	2nd Floor, E-Wing, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai 400 025
Telephone Number	022-2425 5206
Fax Number	022-2425 4200
Email	debenturetrustee@axistrustee.com
Website	www.axistrustee.com
Contact Person	Mr. Jayendra Prasad Shetty-Chief Operating Officer
Compliance Officer	Mr. D.J. Bora-General Manager
SEBI Registration No	IND000000494

Axis Trustee Services Limited (ATSL) consenting to act as Debenture Trustees is purely its business decision and not an indication on the Issuer Company's standing or on the Debenture Issue. By consenting to act as Debenture Trustees, ATSL does not make nor deems to have made any representation on the Issuer Company, its Operations, the details and projections about the Issuer Company or the Debentures under Offer made in the Prospectus / Information Memorandum / Offer Document. Applicants / Investors are advised to read carefully the Prospectus / Information Memorandum / Offer Document and make their own enquiry, carry out due diligence and analysis about the Issuer Company, its performance and profitability and details in the Prospectus / Information Memorandum / Offer Document before taking their investment decision. ATSL shall not be responsible for the investment decision and its consequence. ATSL, ipso facto do not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by the applicant for the Debentures.

We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We enclose a copy of our registration certificate and declaration regarding our registration with SEBI in the required format [*As enclosed in Annexure A*]. We also certify that we have not been prohibited from SEBI to act as an intermediary in capital market issues.We also authorize you to deliver a copy of this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory authority as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the company in the form of a press release, (i) the nature and scope of this transaction; and (ii) Our knowledge of the proposed transaction of the Company.

We undertake that we shall immediately intimate the Company and the Lead Managers to the Public Issue of any changes in the aforestated details until the listing and trading of the NCDs on the Stock Exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and trading of NCD on the Stock Exchanges.

Sincerely,

For Axis Trustee Services Limited

AXIS TRUSTEE SERVICES LTD MUMBAI

Authorised Signatory