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 109 of this Prospectus.*

Registered Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata 700 046; **Tel**: +91 336160 7734; **Fax**: +91 33 22857542;
Corporate Office: Room no 12 & 13, 2nd Floor, 6A, Kiran Shankar Roy Road, Kolkata - 700 001;
Head Office: Plot No Y-10, Block EP, Sector-V, Salt Lake City, Kolkata-700091; **Tel**: +91 336639 4700;
Website: https://www.srei.com/companies/srei-ventures/sefl; **Corporate Identification No**: U70101WB2006PLC109898
Compliance Officer to the Issue: Mr. Naresh Mathur, Company Secretary and Compliance Officer, **Phone:** +91 33 6160 7734; **Toll Free No.:**18004197734;
Fax: +91 33 22857542, **Email-id:** ncdsefl@srei.com, connect@sreibonds.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 SEBI **Debt Regulations**"), the Companies Act, 2013 and Rules made thereunder as amended to the extent notified.

PROMOTER: SREI INFRASTRUCTURE FINANCE LIMITED

For details of our Promoter, please see "***Our Promoter***" on page 122 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. 15 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. 160 of this Prospectus. For details relating to eligible investors please see "***The Issue***" on page 49 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 "BWR AA+" (BWR Double A Plus) (Outlook: Stable) by Brickwork Ratings India Private Limited ("BRICKWORK") pursuant to letter dated November 9, 2016 and reaffirmed vide letter dated November 10, 2016 and revalidated by letter dated December 5, 2016 and 'SMERA AA/Stable' (SMERA Double A/Stable) by SMERA Ratings Limited ("SMERA") pursuant to letter dated November 9, 2016 and revalidated by letter dated December 6, 2016. Instruments with a rating of 'BWR AA+" (BWR Double A Plus) (Outlook: Stable) by BRICKWORK and "SMERA AA/Stable" (SMERA Double A) are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. The rating provided by BRICKWORK and SMERA 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 - F** of this Prospectus for the rationale of the above ratings.

PUBLIC COMMENTS

The Draft Prospectus dated November 25, 2016 has been filed with BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited ("**NSE**") (together "**Stock Exchanges**") pursuant to Regulation 6(2) of the SEBI Debt Regulations and was open for public comments for a period of seven Working Days (i.e. until 5:00 p.m.) from the date of filing of the Draft Prospectus with the Stock Exchanges.

LISTING

The NCDs offered through this Prospectus are proposed to be listed on BSE and NSE. Our Company has received 'in-principle' approval for the Issue from BSE and NSE vide their letters no. DCS/BM/PI-Bond/5/16-17 and NSE/LIST/ 96014 respectively both dated December 5, 2016 . For the purposes of this Issue, BSE shall be the Designated Stock Exchange.

LEAD MANAGERS TO THS 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: sefl.ncd@edelweissfin.com Investor Grievance Email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Mr. Lokesh Singhi/ Mr. Mandeep Singh Compliance Officer: Mr. B. Renganathan SEBI Registration No.: INM0000010650	**A. K. Capital Services Limited** 30-39 Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400021 Tel: +91 22 6754 6500/ 6634 9300; Fax: +91 22 6610 0594 Email: sefl@akgroup.co.in Investor Grievance Email: investor.grievance@akgroup.co.in Website: www.akcapindia.com Contact Person: Mr. Krish Sanghvi / Mr. Malay Shah Compliance Officer: Mr. Tejas Davda SEBI Registration No.: INM000010411	**Karvy Investor Services Limited** 702, Hallmark Business Plaza 7th Floor, Sant Dyaneshwar Marg, Off Bandra Kurla Complex, Bandra (East), Mumbai- 400 051 Tel: +91 22 6149 1500 Fax: +91 22 6149 1515 Email: sreiequipncd@karvy.com Investor Grievance Email: igmbd@karvy.com, cmg@karvy.com Website: www.karvyinvestmentbanking.com Contact Person: Mr. Bhavin Vakil/Rohan Menon Compliance Officer: Mr. T. R. Prashanth Kumar SEBI Registration No.: INM000008365	**Srei Capital Markets Limited*** 'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046 Tel: +91 33 6602 3845 Fax: +91 33 2285 7542 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	**Trust Investment Advisors Private Limited** 109/110, Balarama, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051, Maharashtra, India Tel: +91 22 4084 5000 Fax: +91 22 4084 5007 Email: mbd.trust@trustgroup.in Investor Grievance Email: customercare@trustgroup.in Website: www.trustgroup.in Contact Person: Ms. Hetal Sonpal Compliance Officer: Mr. Balkrishna Shah SEBI Registration No.: INM000011120

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

DEBENTURE TRUSTEE TO THE ISSUE	REGISTRAR TO THE ISSUE
Axis Trustee Services Limited* Axis House, Bombay Dyeing Mills Compound Pandurang Budhkar Marg, Worli Mumbai 400 025 Tel: +91 22 6226 0075/74 Fax: +91 22 4325 3000 Email: debenturetrustee@axistrustee.com Investor Grievance Email: debenturetrustee@axistrustee.com Website: www.axistrustee.com Contact Person: Mr Jayendra Prasad Shetty Compliance Officer: Mr Devraj Rao SEBI Registration No.: IND000000494	**Karvy Computershare Private Limited** Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Toll Free No.1-800-3454001 Tel: +91 40 6716 2222 Facsimile: +91 40 2343 1551 Email: einward.ris@karvy.com Investor Grievance Email: sreiequip.ncdipo2@karvy.com Website: www.karisma.karvy.com Contact Person: Mr M. Murali Krishna Compliance Officer: Mr Rakesh Santalia SEBI Registration No.: INR000000221

ISSUE OPENS ON:	JANUARY 3, 2017	ISSUE CLOSES ON:	JANUARY 20, 2017#

*# The Issue shall remain open for subscription on Working Days 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 with wide circulation on or before such earlier date of Issue Closure or initial date of Issue closure, as the case may be. On the Issue Closing date, the Application Forms will be accepted only between 10 a.m. to 3 p.m. (Indian Standard Time) and uploaded till 5 p.m. or such extended time as may be permitted by the Stock Exchanges. For further details please refer to "**General Information**" on page 41 of this Prospectus*

Axis Trustee Services Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated November 16, 2016 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.240 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	The Companies Act, 1956, as amended or replaced
Companies Act 2013/ Act 2013/Act	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
IFC	Infrastructure Finance Company
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

Term	Description
NECS	National Electronic Clearing System
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
SEBI LODR/SEBI LODR 2015/SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SIFL/ SREI Infra	Srei Infrastructure Finance Limited
Srei Group	Means Srei Infrastructure Finance Limited and all its subsidiaries, sub-subsidiaries, associates, and group companies
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
AUM	Assets under Management
Board / Board of Directors	The Board of Directors of the Issuer
BPLG	Means BNP Paribas Lease Group
CC	Credit 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) and investment exposure.
Equity Shares	Equity shares of face value of ₹10 each of our Company
FIMMDA	Fixed Income, Money Markets and Derivatives Association
Reformatted Summary Financial Statements	Includes (i) Re-formatted Standalone Summary Balance Sheet , Reformatted Standalone Summary Statements of Profit and Loss and Re-formatted Standalone Summary Cash Flow Statements as at or for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 and six months ended September 30, 2016 including notes thereto derived from the audited

Term	Description
	financial statements of the respective years/period
IDF-NBFC	Infrastructure Debt Fund- Non- Banking Financial Company
LC	Loan Company
IFC	'Infrastructure Finance Company', as defined under applicable RBI 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
Registered Office	'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046
RC	Risk Committee of the Board
Srei Infra	Means Srei Infrastructure Finance Limited, the promoter 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
A. K. Capital	A. K. Capital Services Limited
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

Term	Description
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
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 being HDFC Bank Limited, ICICI Bank Limited, Axis Bank Limited and IndusInd Bank Limited
Base Issue	Public Issue of NCDs by our Company aggregating upto ₹ 2,500 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. 161 of this Prospectus.
BRICKWORK/BWR	Brickwork Ratings India Private Limited
CARE/CARE Ratings	Credit Analysis and 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	BRICKWORK and SMERA
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 ₹5,000 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 November 16, 2016 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/Uniform Listing Agreement	The listing agreement between our Company and the Stock Exchange(s) in connection with the listing of debt securities of our Company pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Term	Description
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
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 November 25, 2016 filed by our Company with the Stock Exchanges for receiving public comments, in accordance with the provisions of the Act, Act 2013 and the SEBI Debt Regulations.
Edelweiss	Edelweiss Financial Services Limited
Escrow Agreement	Agreement dated December 07, 2016 entered 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.
ICRA	ICRA Limited
Individual Category	Category III Persons which includes: • Resident Indian individuals; and • Hindu undivided families through the karta

Term	Description
Interest/Coupon Payment Date	For NCDs subscribed, in respect to Series II and Series V NCDs, where the interest is to be paid on a monthly basis, relevant interest will be calculated from the seventh day till the sixth day of every subsequent month during the tenor of such NCDs, and paid on the seventh 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 sixth day of the subsequent month will be clubbed and paid on the seventh day of the month next to that subsequent month. For NCDs subscribed, in respect to Series III and Series VI NCDs, 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, 2017 for the period commencing from the Deemed Date of Allotment till March 31, 2017. The last interest payment will be made at the time of maturity of the NCD on a pro rata basis If any Coupon/Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately next Working Day.
Institutional Investor(s)	Category I Persons which includes: a. Public financial institutions, statutory corporations, scheduled commercial banks, co-operative banks, Indian multilateral and bilateral development financial institution and regional rural banks, which are authorized to invest in the NCDs; b. Provident funds & pension funds with a minimum corpus of Rs 2500.00 lacs, superannuation funds and gratuity fund, which are authorized to invest in the NCDs; c. Venture capital funds and / or Alternative investment funds registered with SEBI; d. Insurance companies registered with the IRDA; e. Insurance funds set up and managed by the army, navy, or air force of the Union of India; f. Insurance funds set up and managed by the Department of Posts, the Union of India; g. National investment fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; h. State industrial development corporations; and i. 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 November 18, 2016 entered 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.
Karvy	Karvy Investor Services Limited
Lead Managers	Edelweiss Financial Services Limited, A. K. Capital Services Limited, Karvy Investor Services Limited, Srei Capital Markets Limited and Trust Investment Advisors Private Limited

Term	Description
Lead Brokers	A. K. Stockmart Private Limited, AUM Capital Market Private Limited, Axis Capital Limited, Edelweiss Broking Limited, HDFC Securities Limited, IDBI Capital Markets & Securities Limited, India Infoline Limited, Integrated Enterprises (India) Limited, JM Financial Services Limited, Karvy Stock Broking Limited, Kotak Securities Limited, RR Equity Brokers Private Limited, SMC Global Securities Limited, SPA Securities Limited, Tipsons Stock Brokers Private Limited, Trust Financial Consultancy Services Private Limited and Yes Securities (India) Limited
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 400 days from Deemed Date of Allotment for Series I NCDs, 3 years from Deemed Date of Allotment for Series II, Series III and Series IV NCDs and 5 years from Deemed Date of Allotment for Series V, Series VI and Series VII 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.
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: a. Companies within the meaning of section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorized to invest in the NCDs; b. Trusts including Public/private charitable/religious trusts which are authorized to invest in the NCDs; c. Scientific and/or industrial research organizations, which are authorized to invest in the NCDs; d. Partnership firms in the name of the partners; e. Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); f. Association of Persons; and g. 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
Prospectus	This Prospectus dated December 21, 2016 shall be filed with the ROC, SEBI and the Stock Exchanges in accordance with the provisions of SEBI Debt Regulations and Companies Act 2013
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.

Term	Description
Record Date	In connection with Series III and Series VI 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 II and Series V NCDs, 10 (Ten) 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 I, Series IV and Series VII NCDs, 15 (Fifteen) Days prior to the Maturity Date 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 next 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	Agreement dated November 16, 2016 entered 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
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 is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries or at such other website as may be prescribed by SEBI from time to time
Senior Citizens	All the Applicants who are aged more than 60 years as on the Deemed date of allotment of NCDs
Series	Collectively the Series the Series I, Series II, Series III, Series IV, Series V, Series VI and/or, Series VII NCDs being offered to the Applicants as stated in the section titled '***Issue Related Information***' beginning on page 151 of this Prospectus.
SMERA	SMERA Ratings Limited
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(s) 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 Exchanges 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 Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchanges.
"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.

Term	Description
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.
Trust Investment	Trust Investment Advisors Private Limited
Trustees / Debenture Trustee	Trustees for the holders of the NCDs, in this case being Axis Trustee Services Limited.
Working Day(s)	Working Day shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai or Kolkata, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closure to listing of the securities, Working Days shall mean all days excluding 2nd and 4th Saturdays of a month or Sundays or a holiday of commercial banks in Mumbai or a public holiday in India

Notwithstanding the foregoing, terms in "***Summary of Key Provisions of Articles of Association***", "***Statement of Tax Benefits***", "***Regulations and Policies***", "***Our Business***" on pages 234, 77, 222 and 95 respectively, and "***Financial Information***" on page 243, 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;
- Our Company’s ability to successfully recover the outstanding advances or proper management of NPA;
- 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;
- Our Company’s ability to raise long term and short term borrowing at effective cost; 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. 15 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 15, 85 and 95 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 March 31, 2013 and March 31, 2012 prepared in accordance with Indian GAAP and the Companies Act 1956 and audited financial statements as at September 30, 2016, March 31, 2016, March 31, 2015 and March 31, 2014 prepared in accordance with Section 129 read with Schedule III of the Companies Act, 2013 read with General Circular 8/2014 dated April 4, 2014 and reformatted in accordance with Section 26(1)(b) of the Companies Act 2013 and the SEBI 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, 2016	March 31, 2016	March 31, 2015	March 28, 2014*	March 28, 2013*	March 30, 2012*
1 US$	66.65	66.33	62.59	60.09	54.39	51.15
1 €	74.75	75.10	67.51	82.00	69.54	68.34

**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 all the information in this Prospectus, including the risks and uncertainties described below, and under the section titled "**Our Business**" on page 95 and under "**Financial Information**" on page 243, before making an investment in the NCDs. 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. Most of these factors are contingencies which may or may not occur and our Company is not in a position to express a view on the likelihood of any such contingency occurring. 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, Promoter and Directors. Any adverse outcome in such legal proceedings may affect our business, results of operations and financial condition.

There are several outstanding legal proceedings involving our Company, Promoter and Directors, details of which are disclosed under section titled "***Outstanding Litigation and Statutory Defaults***" on page no. 199 of this Prospectus. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, appellate tribunals and arbitrators. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. 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.

2. As an NBFC, the risk of default and non-payment by borrowers and other counterparties may materially and adversely affect our profitability and asset quality. Any such defaults and non-payments would result in write-offs and/ or provisions in our financial statements which may materially and adversely affect our profitability and asset quality.

Our lending activities like other lending activities are exposed to credit risk arising from the risk of default and non-payment by borrowers and other counterparties of the monies lent by us and/ or the interest thereon in a timely manner or at all. Our total earning assets was ₹154,286.17 million as at March 31, 2016 and ₹158,486.26 million as at September 30, 2016. The size of our loan Portfolio is expected to grow as a result of our expansion strategy in existing as well as new products. Sustained growth may expose us to an increasing risk of defaults. Our gross NPAs as a percentage of total earning assets was 2.95 % as of March 31, 2016 and 2.72 % as of September 30, 2016, while the net NPAs as a percentage of total earning assets was 1.99 % as of March 31, 2016 and 1.87 %, as of September 30, 2016.

The borrowers and/ or their guarantors and/ or third parties may default in their repayment obligations due to various reasons including insolvency, lack of liquidity, operational failure and other reasons. Further, any delay in enforcing the collateral due to delays in enforcement proceedings before the Indian courts or otherwise may expose our Company to potential losses.

We cannot be certain, and cannot assure you, that we will be able to improve our collections and recoveries in relation to the NPAs or otherwise adequately control our level of NPAs in the 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. Furthermore, our current provisions may not be comparable to those of other financial institutions. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may materially and adversely affect our profitability and asset quality.

We have made provisions of ₹1,468.36 million and ₹1,353.80 million and in respect of gross NPAs as on March 31, 2016 and September 30, 2016 respectively. In addition, we maintain a provision against standard assets, as per RBI Guidelines. As of March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012, we have made provisions of ₹400.00 million, ₹331.50 million, ₹328.00 million, ₹331.40 million and ₹244.70 million respectively in respect of standard assets. As of September 30, 2016, we have made a provision of ₹475.50 million against the standard assets. There can be no assurance that there will be a decrease in our NPA provisions as a percentage of assets, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. If there is any deterioration in our portfolio, it could have a material and adverse impact on our business, future financial performance and results of operations.

3. Our top 20 borrowers have an exposure of 22.21% of our total exposure as on March 31, 2016. 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 concentration of advances with our top 20 borrowers is 20.07% of our Total Advances as on March 31, 2016 and our concentration of exposure with our top 20 borrowers is 22.21% of our total exposure as on March 31, 2016. Our business and results of operations would be adversely affected if we are unable to maintain or further develop relationships with our significant customers. Our business and results of operations would majorly depend upon the timely repayment of the interest and principal from these large borrowers. We cannot assure you that we will not experience any delay in servicing of the loan or that we will be able to recover the interest and the principal amount of the loan. Any such delay or default will adversely affect our income from operation and thereby our profitability. In case we are unable to recover the complete the loan disbursed or any part of thereof, and the collateral is also not sufficient to recover our loan, our financial conditions may be adversely affected. 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.

4. Any increase in or realization of our contingent liabilities could adversely affect our financial condition.

As on September 30, 2016, our financial statements disclosed and reflected the following contingent liabilities:

(₹ In million)

Particulars	**As at September 30, 2016**
Contingent Liabilities	
Claims against the Company not acknowledged as debts	
Disputed demands*	
Sales tax	20.40
Service tax	189.30
Value added tax (VAT)	127.20
Income tax	530.00
(A)	**866.90**
Guarantees	
Bank Guarantees**	14.80
(B)	**14.80**
Total (A+ B)	**881.70**

Particulars	As at September 30, 2016
Commitments	
Estimated amount of capital contracts remaining to be executed [Net of advances of ₹253.90 million (March 31, 2016: ₹50.10 million)]	**1,161.30**
Other commitments (refer note)	

* The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and result of operations.

**Excludes ₹5.60 million (March 31, 2016: ₹5.60 million) issued on behalf of the holding company against which the Company holds counter guarantee.

If at any time we are compelled to pay all or a material proportion of these contingent liabilities, it would have a material and adverse effect on our business, future financial performance and results of operations.

5. We may not be able to appropriately assess the credit worthiness of our customers before extending credit facilities to them. Unavailability of adequate information or inaccurate and/or incomplete information provided by our customers may adversely affect our operations and profitability.

We may not in certain instances receive information regarding any change in the financial condition of our customers, or in certain cases, our customers may provide inaccurate or incomplete information to us on account of intentional or inadvertent fraud and/ or misrepresentation on their part. The lack of availability of information in connection with our customers makes it difficult for us to take an informed decision with regard to providing financial facilities to such persons and the attendant risk exposure in connection therewith. Defaults by our customers in repayment of the loans procured from us may lead to an increase in the level of NPAs, which would adversely affect our operations and profitability.

6. Our Company is no more a joint venture between SIFL and BPLG but has become a wholly-owned subsidiary of SIFL pursuant to the exit of BPLG

SIFL had entered into a strategic alliance on May 31, 2007 with BPLG, a European market leader specializing in asset financing for equipment, to further develop the equipment financing business in India and pursuant to the same the Company became a joint venture company between SIFL and BPLG where both owned and controlled 50% each of the total paid-up share capital of the Company. BPLG expressed an intention to acquire 2,51,54,317 equity shares of SIFL representing 5% of the paid-up equity share capital of SIFL and in lieu thereof, sell its entire shareholding of 2,98,30,000 equity shares of our Company representing 50% of the total paid-up equity share capital to SIFL, in accordance with applicable laws. Pursuant to Circular No. DNBR (PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015 in respect of Non-Banking Financial Companies (Approval of Acquisition or Transfer of Control) Directions, 2015, our Company made an application to the Reserve Bank of India (RBI) along with the relevant information and documents for favourable consideration and approval of the contemplated transaction. Thereafter, RBI vide its letter no. DNBS. RO. Kol. No. 8555 /00.13.232/2015-16 dated May 20, 2016 granted its approval for the proposed transfer of shares by BPLG to SIFL. Subsequently, in terms of the aforesaid approval granted by the RBI, the Board of Directors of our Company at its Board meeting held on June 17, 2016 gave effect to the transaction by passing requisite resolutions and transaction stands consummated on June 17, 2016. Pursuant to this transaction, our Company has become the wholly-owned subsidiary of SIFL w.e.f June 17, 2016. For further details, see section titled "***History and Main Objects***" on page 109 of this Prospectus.

7. 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.

The Company is regulated principally by the RBI and is subject to the RBI's guidelines on the regulation of the NBFC-ND-AFC, which includes, among other things, matters related to capital adequacy, exposure and other prudential norms. It also has reporting obligations to the RBI. The RBI also regulates the credit flow by banks to NBFC-ND-AFC and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to the NBFC-ND-AFCs. The RBI's regulation of NBFC-ND-AFCs may change in the future which may require the Company to restructure its activities, incur additional costs or could otherwise adversely affect its business and financial performance. 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 not 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. 221 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. Compliance with many of the regulations applicable to our Company in India including any restrictions on investments and other activities currently being carried out by our Company involves a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of our Company could be adversely affected.

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.

8. 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 revenue, and constituted 84.70% and 84.99% of our total revenue from operations for the financial years ending of March 31, 2016 and March 31, 2015, respectively. As on September 30, 2016 income from financial assets was 81.98% of our total revenue from operations. 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, 2016, approximately 61.68% of our borrowings were at fixed rates and 38.32% were at floating interest rates. 50.40 % of our loan financing as of September 30, 2016 related to our loan assets are 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 that borrow at fixed interest rates. 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. Further, we may lend money on a long-term, fixed interest rate basis, typically without an escalation clause in our loan agreements. Any increase in interest rates over the duration of such loans may result in our losing potential interest income.

If there is a sudden or sharp rise in interest rates, we could be adversely affected by the decline in the market value of our portfolio. Our failure to pass on increased interest rates on our borrowings may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, future financial performance and results of operations.

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. There can be no assurance that we will be able to adequately manage our interest rate risk in the future, which could have an adverse effect on our net interest margin.

Accordingly, the Company's operations are susceptible to fluctuations in interest rates. Interest rates are highly sensitive and volatility in interest rates could be a result of many factors, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic and international economic and political conditions and inflation. An increase in inflation and consequent changes in bank rates, repo rates and reverse repo rates by the RBI have led to an increase in interest rates on loans provided by banks and financial institutions and consequently, interest rates in India have been volatile in recent financial periods. There can be no assurance that the Company will be able to adequately manage its interest rate risk in the future, which could have an adverse effect on income and margins, which could in turn have a material adverse effect on the Company's business, financial condition and results of operations.

9. We are subject to periodic inspections by the RBI. Non-compliance with the RBI's observations made during any such inspections could adversely affect our reputation, business, financial condition, results of operations and cash flows.

The RBI conducts periodic inspections of our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI or for obtaining any information which we may have failed to furnish on being called upon to do so. Inspection by the RBI is a regular exercise and is carried out periodically by RBI for non-banking financial company under provisions of the RBI Act. Our Company has received letter dated December 2, 2015 from the RBI in relation to the inspection for the Financial Years ending on March 31, 2014 and March 31, 2015. We replied to the above letter on February 11, 2016 and further received an email from RBI on March 31, 2016, to which we replied on May 24, 2016. On July 14, 2016, we received another letter from RBI and we have replied to the same on September 05, 2016. Thereafter no correspondence with the RBI has been exchanged. Even though we have provided the RBI with necessary clarifications, any adverse notices or orders by the RBI during any future inspections could adversely affect our reputation, business, financial condition, results of operations and cash flows.

10. 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 Company's funding requirements have been historically met through a combination of borrowings such as rupee term loans and foreign currency term loans from banks, our working capital facilities (including working capital demand loans), securitisation of assets and issue of redeemable NCDs. Thus, the Company's business growth, liquidity and profitability depends and will continue to depend on its ability to access diversified, relatively stable and low-cost funding sources as well as the Company's financial performance, capital adequacy levels, credit ratings, relationships with lenders and the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy.

Out of the Company's total long term outstanding debt of ₹39,819.10 million as at September 30, 2016, an amount of ₹12,101.90 million will mature during the current financial year. In order to make these payments, the Company will either need to refinance this debt, which may prove to be difficult in the event of volatility in the credit markets, or alternatively, raise equity capital or generate sufficient revenue to retire the debt. There can be no assurance that the Company's business will generate sufficient cash to enable it to service its existing debt or to fund its other liquidity needs.

The Company's ability to borrow funds and refinance existing debt may also be affected by a variety of factors, including liquidity in the credit markets, the strength of the lenders from whom the Company borrows the amount of eligible collateral and accounting changes that may impact calculations of covenants in the Company's financing agreements. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions that constricts the availability of credit may increase the Company's cost of funds and make it difficult for the Company to access financing in a cost-effective manner. A disruption in sources of funds or increase in cost of funds as a result of any of these factors may have a material adverse effect on the Company's liquidity and financial condition.

11. The financing industry is becoming increasingly competitive and the Company's growth will depend on its ability to compete effectively

The sector in which the Company operates in is highly competitive and the Company faces significant competition from banks and other NBFCs. Many of its competitors are large institutions, which may have larger customer bases, funding sources, branch networks and capital compared to the Company. Certain of the Company's competitors may be more flexible and better-positioned to take advantage of market opportunities. In particular, private banks in India and many of the Company's competitors outside of India may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalising branches as well as the related operational costs. As a result of this increased competition, loans are becoming increasingly standardised and terms such as variable (or floating) rate interest options, lower processing fees and monthly reset periods are becoming increasingly common in the Indian finance industry. Furthermore, the spread between the lowest and the highest rate of interest offered by various lenders continues to reduce. This competition is likely to intensify further as a result of regulatory changes and liberalisation. These competitive pressures affect the industry in which the Company operates in as a whole, and the Company's future success will depend, to a large extent, on its ability to respond in an effective and timely manner to these competitive pressures. There can be no assurance that the Company will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive finance industry.

12. 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 and 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. Failure to recover the expected value of collateral could expose the Company to losses and, in turn, result in a material adverse effect on our business, results of operations and financial condition. 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.

13. 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 ₹158,795.21 million as of September 30, 2016. Our customer portfolio also includes retail borrowers and small and medium enterprises ("SME") borrowers which constituted 34.41%, of our total loan portfolio as of September 30, 2016. 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.

14. 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. In general, most loans are provided on a limited recourse basis given the limitations of the law. With respect to disbursements made on a non-recourse basis, only the related assets in relation to equipment finance are available to repay the loan in the event the borrowers are unable to meet their obligations under the loan agreements due to lower than expected cash flows. Any default in repayment of the outstanding credit obligations by our customers may expose us to losses, as it cannot be guaranteed that the Company will be able to realise the full value of its collateral, due to, among other things, defects in the perfection of collateral, delays on our part in taking immediate action in bankruptcy foreclosure proceedings, stock market downturns, claims of other lenders, legal or judicial restraint and fraudulent transfers by borrowers. Moreover, foreclosure of such collateral may require court or tribunal intervention that may involve protracted proceedings and the process of enforcing security interests against collateral can be difficult.

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.

15. If we are unable to manage the level of NPAs or provisioning requirement as per regulation, our financial position and results of operations may suffer.

We are primarily governed by the "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016. This Direction includes the classification of assets and provisioning requirement as per the assets classification. The provisioning requirements may moreover require subjective judgments of our management. Our Company's gross NPA were 2.95% of our total earning assets as on March 31, 2016 and 4.98% of our total earning assets as on March 31, 2015. Our Company's net NPA were 1.99% and 3.83% of our total earning assets as on March 31, 2016 and March 31, 2015 respectively. Further our Company's net NPA has decreased to 1.87% of our total earning assets as on September 30, 2016. Accordingly our Company's provision have been decreased from ₹ 1,468.36 million on March 31, 2016 to ₹ 1,353.80 million on September 30, 2016. 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 principle and/ or interest repayments. Thus, if we are not able to control or reduce our level of NPAs further, 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.

Though we follow stringent provisioning norms as prescribed by the RBI, our provisioning requirements may be inadequate to cover increases in our non-performing loans. The provisioning for standard assets is required to be 0.35% as on March 31, 2017; and 0.40% as on March 31, 2018 and thereafter. In addition, the Prudential Norms presently specify that loans be classified as non-performing after being six months overdue. Further, pursuant to the Prudential Norms the period of six months or more shall be reduced to four months or more for the Fiscal 2017 and three months or more for the Fiscal 2018 and thereafter.

If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or if future regulation requires us to increase our provisions, our ability to raise additional capital and debt funds as well as our results of operations and financial condition could be adversely affected.

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 222 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 no. 104 of this Prospectus.

16. Security provided for the Issue may not be enforceable if the security provided for the Issue is classified as 'Assets' under the IT Act and will be void as against any claim in respect of any tax or any other sum payable by our Company.

We have certain proceedings pending under the IT Act before the Income Tax Authorities. Under section 281 of the IT Act and circular bearing number 04/2011 dated July 19, 2011 Our Company is required to obtain prior consent of the assessing officer to create the security provided for the Issue to the extent classified as assets under section 281 of the IT Act, during the pendency of such proceedings. We have made an application to the relevant assessing officer seeking such prior consent In the event that such consent is not granted, the security provided for the Issue to the extent classified as 'Assets' under section 281 of the IT Act will be void as against any claim in respect of any tax or any other sum payable by our Company, including as a result of the completion of these proceedings.

17. The Company's ability to borrow from banks in India or to raise foreign capital may be restricted which could have an adverse impact on the Company's growth, margins and business operations.

RBI from time to time issues notifications governing banks' exposure (both lending and investment, including off balance sheet exposures) to NBFCs such as our Company. These notifications limits a bank's exposure to NBFCs which consequently restricts the Company's ability to borrow from banks and could affect the Company's business and may adversely affect the Company's growth, margins and business operations.

Further, companies operating in India are subject to exchange controls that regulate borrowing and investing in foreign currencies. Such regulatory restrictions could limit the Company's financing sources for acquisitions and could constrain its ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, the Company may not receive any approval required to raise foreign capital without onerous conditions, or at all. Limitations on foreign debt and investments may have a material adverse effect on the Company's business growth, financial condition, cash flows and results of operations.

18. 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, Corporation Bank, DENA Bank, Karnataka Bank, Standard Chartered Bank, Tamilnad Mercantile Bank Limited and SIDBI. For details of the outstanding borrowings of the Company as on September 30, 2016, see "***Disclosure on Existing Financial Indebtedness***" on page no 130 of this Prospectus.

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

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

The Company has entered into related party transactions, within the meaning of AS 18 as per Sec 188 of the Companies Act, 2013 and Rule 13 of the Companies (Accounting Standards) Rules, 2006. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between the Company and such related parties. While the Company believes that all related party transactions entered into are legitimate business transactions conducted on an arms' length basis, there can be no assurance that it could not have achieved more favourable terms if such transactions had not been entered into with related parties. Additionally, there can be no assurance that any dispute that may arise between the Company and related parties will be resolved in the Company's favour. For further details, please refer to statement of related party transactions in "***Financial Information***" beginning on page no. 243 of this Prospectus.

20. 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.

21. 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 40.00% (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.

22. 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.

23. Certain portion of our collections from customers is in cash, exposing us to certain operational risks.

Certain portion of our collections from our customers is in cash. This cash collection exposes us to the risk of theft, fraud, misappropriation or unauthorized transactions by employees responsible for dealing with such cash collections. We cater to customers in rural and semi-urban markets as well, which carry additional risks due to limitations on infrastructure and technology. While we have implemented technology that tracks our cash collections, taken insurance policies, including fidelity coverage and coverage for cash in safes and in transit, and undertaken measures to detect and prevent unauthorized transactions, fraud or misappropriation, 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 transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. We may also be party to criminal proceedings and civil litigation related to our cash collections. Our business is also susceptible to fraud by agents with whom we deal on account of forgery of documents, customer identification and unauthorized collection of instalments on behalf of our Company. Certain instances of fraud and misconduct by our representatives or employees may go unnoticed for some time before they are discovered and others successfully rectified. Even when we discover instances of fraud and other misconduct and pursue legal recourse or file claims with our insurers, there can be no assurance that we will recover any amounts lost through such fraud or other misconduct. Our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of such systems will result in losses that are difficult to detect or rectify.

24. 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, 2016, we had outstanding secured debt of ₹10,0380.50 million and unsecured debt of ₹17,298.50 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.

We cannot assure you that our business will generate sufficient cash to enable us to service our debt or to fund our other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all.

25. 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 our 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 in 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, 2016:

(₹ 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
Deposit	-	-	-	-	-	-	-	-	-
Advances	8,983.20	9,691.00	7,201.20	11,704.00	24,843.50	65,076.80	19,887.50	1,778.70	149,165.90
Investments	5.40	5.40	5.40	15.70	25.30	21.80	-	-	79.00
Borrowing	6,437.00	5,470.70	5,476.30	9,438.80	19,830.90	45,136.50	11,477.30	930.70	104,198.20
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	49.10	-	-	1,110.10	2,045.20	234.00	-	-	3,438.40

Notes:

1. The borrowing indicated above do not include unsecured subordinated perpetual debentures and unsecured subordinated debentures/loan amounting to ₹14,339.00 million since the same forms part of Tier1/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.

26. Equipment deployed in infrastructure and development projects carries project-specific and other risks

Our Company's product offerings include debt, and lease offerings primarily for equipment financing related to infrastructure and other development projects in India. As on September 30, 2016, our Company's assets under management were ₹ 199,345.33 million.

Infrastructure and development projects are characterised by project-specific risks as well as general risks. These risks are generally beyond our Company's control, and include:

- political, regulatory and legal actions that may adversely affect project viability;
- interruptions or disruption in domestic or international financial markets, whether for equity or debt funds;
- changes in government and regulatory policies;
- delays in the construction and operation of infrastructure projects;
- adverse changes in market demand or prices for the products or services that the project, when completed, is expected to provide;
- the unwillingness or inability of consumers to pay for infrastructure services;
- shortages of, or adverse price developments in respect of raw materials and key project inputs such as oil and natural gas;
- potential defaults under financing arrangements with lenders and investors;
- failure of third parties to perform on their contractual obligations;
- adverse developments in the overall economic environment in India;
- interest rate or currency exchange rate fluctuations or changes in tax regulations; and
- economic, political and social instability or occurrences such as natural disasters, armed conflict and terrorist attacks, particularly where projects are located or in the markets they are intended to serve.

To the extent these or other risks relating to the financing of equipments materialise, the quality of the our Company's asset portfolio and its profitability may decline, which would have a material and adverse effect on our Company's business, future financial performance and results of operations.

27. Material changes in the regulations that govern our Company and our borrowers could cause our Company's business to suffer

Our Company is regulated by the Companies Act and some of its activities are subject to supervision and regulation by statutory authorities including the Ministry of Corporate Affairs, the RBI and the Securities and Exchange Board of India ("**SEBI**"). Further, our Company is subject to changes in Indian law, as well as to changes in regulation and government policies and accounting principles.

Our Company has filed tax returns with tax department which are pending for assessment. There is a possibility that the tax department may impose additional tax liability on our Company upon completion of these assessments. Our Company cannot assure the reader that the tax department will not initiate further scrutiny, investigation or regulatory action or reopen assessments for previous years. Any adverse finding by the tax department would have a material adverse effect on our Company's reputation, business, operations and financial conditions.

The laws and regulations governing our Company could change in the future and any such changes could adversely affect its business and future financial performance by requiring a restructuring of its activities, which may impact its results of operations.

28. 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.

29. 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 no. 98 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. In addition, to our Company may not be able to identify suitable partners in the future with whom it can successfully partner through such arrangements, or in joint marketing and customer support activities or may face disputes with such partners in the future. Any of the foregoing developments may adversely affect our Company's business prospects and financial conditions.

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.

30. 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 CARE AA-, from CARE, BWR AA+ from BRICKWORK and SMERA AA from SMERA Ratings. In relation to our short-term debt instruments, we currently have the ratings of ICRA A1+ from ICRA Limited, BWR A1+ and CARE A1+ from CARE.

31. Any 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 to 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.

32. 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, 2016, 2015, 2014, 2013, and 2012, the total book value of contracts securitized was ₹3,237.80 million, ₹4,309.60 million, ₹8,731.40 million, ₹6,740.90 million and ₹1,955.50 million, respectively. As on September 30, 2016 the total book value of contracts securitised was ₹4,997.34 million. Further, for financial years ended March 31, 2016, 2015, 2014, 2013 and 2012, we assigned receivables amounting to ₹20,416.70 million, ₹10,199.80 million, ₹4,500.00 million, ₹Nil million and ₹41,379.80 million respectively. As on September 30, 2016 we assigned receivables amounting to ₹14,398.85 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 Government of India, 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, 2016 was ₹1,599.62 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.

33. 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.

34. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse effect on our business, results of operations and financial condition.

35. We are dependent on Srei Infrastructure Finance Limited, our Promoters, for the goodwill that we enjoy in the industry and our brand name and any factor affecting the business and reputation of Srei Infrastructure Finance Limited may have a concurrent adverse effect on our business and results of operations. Moreover any change in control of our Promoters or our Company may correspondingly adversely affect our goodwill, operations and profitability.

As on September 30, 2016, Srei Infrastructure Finance Limited holds 100% of our paid-up capital. We leverage on the goodwill of the Srei group. We believe that this goodwill ensures a steady inflow of business. In the event Srei group is unable to maintain the quality of its services or its goodwill deteriorates for any reason whatsoever, our business and results of operations may be adversely affected. We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. Moreover, if our Promoter ceases to exercise majority control over our Company as a result of any transfer of shares or otherwise, our ability to derive any benefit from the brand name and our goodwill as a part of the Srei Group may be adversely affected, which in turn could adversely affect our business and results of operations. Any disassociation of our

Company from the Srei Group and/or our inability to have access to the infrastructure provided by other companies in the Srei Group could adversely affect our ability to attract customers and to expand our business, which in turn could adversely affect our goodwill, operations and profitability.

36. We are permitted to use the Srei Logo i.e. as our logo by Srei Infrastructure Finance Limited, our promoter. Any withdrawal of this permission by Srei Infrastructure Finance Limited may result in us being unable to use the Srei Logo as our logo which could have a material adverse effect on our reputation, goodwill, business, results of operations and financial condition

We have been permitted to use the Srei Logo i.e. as our logo by Srei Infrastructure Finance Limited, our promoter as we are a wholly owned subsidiary of Srei Infra. Any withdrawal of this permission by Srei Infrastructure Finance Limited may result in us being unable to use the aforementioned design as part of our logo which could have a material adverse effect on our reputation, goodwill, business, results of operations and financial condition.

37. 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, 2016, we had foreign currency borrowings outstanding of U.S.$ 126.80 million, SGD 8.40 million and Euro 38.40 million. As of September 30, 2016, ₹9,978.44 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 honour 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 honour our contractual obligations to third parties which may subject us to, among others, legal claims and penalties.

38. We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation.

We are required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations. We in the course of our operations, run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls to prevent the occurrence of these risks as is customary in our jurisdiction. We in certain of our activities and in our pursuit of business, run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness despite having a Board-approved Know Your Customer and Anti-Money Laundering measures and associated processes in place. Such incidents may adversely affect our business and our reputation.

39. 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 are 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. There may be future changes in the regulatory system or in the enforcement of existing laws and regulations, including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, that may have an adverse effect on our Company. In addition, our Company is required to make various filings with the RBI and other relevant authorities pursuant to the provisions of RBI regulations, the Companies Act and other regulations.

For further details, see section titled "***Regulations and Policies***" on page 221 of this Prospectus.

40. 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 26 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 no. 72 of this Prospectus.

41. Any future 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 18.70 % as at for the six months ended September 30, 2016, with Tier I capital comprising 14.47 % as at September 30, 2016. 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.

42. We do not own our Registered Office or majority of the premises where our branch 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 majority of our branch offices and regional offices are situated. All such non-owned properties are leased/rented to us. 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. We may be unable to locate suitable alternate facilities on favourable terms, or at all, and this may have a material adverse effect on our business, results of operations and financial condition.

43. 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.

44. 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 potential 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. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not recover. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

45. 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 variety of risks, including liquidity risk, interest rate risk, credit risk, currency risk, operational risk and legal risk 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. The effectiveness of our Company's risk management is limited by the quality and timeliness of available data. Consequently, these policies and procedures may not predict future risk exposures that could vary from or be greater than that indicated by historical measures or risk management techniques may not be fully effective in mitigating its risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. In addition, information available to us may not be accurate, complete, up-to-date or properly evaluated. Some of our risk management systems are not automated and are subject to human error. 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 Government of India policies and regulations, and may prove inadequate or ineffective in addressing risks that arise as a consequence of any development in Government of India policies and regulations that adversely affect our business and operations. Our Company's hedging strategies and other risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Further, some of our risk management strategies may not be effective in a difficult or less liquid market environment, where other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants.

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.

46. 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.

Though we have upgraded our enterprise resource planning ("ERP") systems to improve operational efficiency and to keep abreast with the growth of our business, any technical problems faced or disruptions in functioning may adversely impact our business, financial condition and results of operations. We are dependent on various external vendors for the implementation of the program and certain other elements of our operations, including implementing information technology infrastructure and hardware, networking, managing our data-centre and back-up support for disaster recovery. We are, therefore, exposed to the risk that external vendors or service providers may be unable to fulfil their contractual obligations to us (or will be subject to the risk of fraud or operational errors by their respective employees) and the risk that their (or their vendors') business continuity and data security systems prove to be inadequate or fail to perform. Failure to perform any of these functions by our external vendors or service providers could materially and adversely affect our business, results of operations and cash flows.

In addition, the future success of our business will depend in part on our ability to respond to technological advances and to emerging banking industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entail significant technical and business risks. There can be no assurance that we will successfully implement new technologies effectively or adapt our technology and systems to meet customer requirements or emerging industry standards. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our financial condition could be adversely affected. Any technical failures associated with our information technology systems or network infrastructure, including those caused by power failures and breaches in security caused by computer viruses and other unauthorized tampering, may cause interruptions or delays in our ability to provide services to our customers on a timely basis or at all, and may also result in added costs to address such system failures and/ or security breaches, and for information retrieval and verification.

47. 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. Our Company competes for such personnel with several other banking and other financial institutions and no assurance can be given that our Company will be successful in hiring or retaining such qualified personnel. 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.

48. 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.

49. Our results of operations could be adversely affected by any disputes with our employees or our customers.

As on September 30, 2016, our total employee strength was approximately 1,650 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.

Whilst we believe that we maintain good relationships with our customers, there can be no assurance that it will not experience future disruptions to its operations and results due to legal disputes or other problems with its customers which may adversely affect its business and results of operations.

50. We are exposed to various operational risks, including the risk of misappropriation or fraud and other misconduct by our employees.

We are exposed to many types of operational risks, including the risk of fraud or other misconduct by employees or outsiders, unauthorized transactions by employees, inadequate training and operational errors, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment. While we have taken measures to detect and prevent any unauthorized transaction, fraud or misappropriation by our representatives and officers, it may not always be possible to 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, business, future financial performance or results of operations.

51. Our insurance coverage may not adequately protect us against losses and successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position.

We maintain such insurance coverage of the type and in amounts 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. In addition, there are various types of risks and losses for which we do not maintain insurance because they are either uninsurable or because insurance is not available to us on acceptable terms.

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.

52. The new bankruptcy code in India may affect the Company's right to pay back its creditors

The Indian Government introduced the Insolvency and Bankruptcy Code, 2016 (the "**Bankruptcy Code**"). The Bankruptcy Code has been passed by both the houses of Indian Parliament and has received Presidential assent and several sections of the Bankruptcy Code have been notified by the Indian Government (though substantial part of the Bankruptcy Code is yet to be notified) and the Insolvency and Bankruptcy Board of India has also been set up on and from October 1, 2016. At present, there are multiple overlapping laws and adjudicating forums dealing with financial failure and insolvency of companies and individuals in India. The Bankruptcy Code offers a uniform, comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. Currently, the winding up of companies is governed by the provisions of the Companies Act, 1956, as the corresponding provisions of the Companies Act, 2013 have not yet come into force. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms that will facilitate a formal and time-bound insolvency resolution and liquidation process. If the Bankruptcy Code provisions are invoked against the Company, it may affect its ability to pay back its creditors and enforcement of creditor rights will be subject to the Bankruptcy Code.

53. The new bankruptcy code in India may affect the Company's rights to recover loans from its borrowers

At present, there are multiple overlapping laws and adjudicating forums dealing with financial failure and insolvency of companies and individuals in India. The Bankruptcy Code offers a uniform, comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. Currently, the winding up of companies is governed by the provisions of the Companies Act, 1956, as the corresponding provisions of the Companies Act, 2013 have not yet come into force. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms that will facilitate a formal and time-bound insolvency resolution and liquidation process. If the Bankruptcy Code provisions are invoked against any of the borrowers of the Company, it may affect the Company's ability to recover its loans from the borrowers and enforcement of the Company's rights will be subject to the Bankruptcy Code.

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 and carrying out of necessary procedures with the Stock Exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchanges. If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Prospectus. Any failure or delay in obtaining the approval would restrict an investor's ability to trade in the NCDs.

There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.

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. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD holders on the assets adequate to ensure minimum 100.00% asset cover for the NCDs, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

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% of the outstanding value of the NCDs issued through the issue 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 outstanding value of the NCDs issued through the 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 outstanding value 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 April 30 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 March 31, , 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 March 3l 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 'BWR AA+' from BRICKWORK and "SMERA AA" from SMERA. We cannot guarantee that these ratings will not be downgraded. The ratings provided by BRICKWORK and SMERA 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 as it would increase the borrowing costs including working capital and term loan costs and constraint our Company's access to capital and debt markets and, as a result, would negatively affect our Company's net interest margin and business.

In addition, downgrades of our Company's credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. Any such adverse development could adversely affect our Company's business, financial condition and results of operations.

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. ***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, or (d) rejection of Application on technical grounds, 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.

8. ***The NCDs are subject to the risk of change in law.***

The terms and conditions of the NCDs are based on Indian law in effect as of the date of issue of the relevant NCDs. No assurance can be given as to the impact of any possible judicial decision or change to Indian law or administrative practice after the date of issue of the relevant NCDs and any such change could materially and adversely impact the value of any NCDs affected by it.

9. ***Our Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders.***

Our Company may, subject to receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, raise further borrowings and charge its assets. Our Company is free to decide the nature of security that may be provided for future borrowings. In such a scenario, the NCD holders will rank *pari passu* with other charge holder and to that extent, may reduce the amounts recoverable by the NCD holders upon our Company's bankruptcy, winding-up or liquidation

10. ***Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.***

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. 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 as per Section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

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 20.00% to 24.00% per annum and are subject change to from time to time. Currently, the RBI requires that the board of all NBFC's 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.

We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us differs in certain material respects from that in effect in other countries and may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in the sector we operate.

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. The current Government, which came to power in May 2014, has announced policies and taken initiatives that support the economic liberalisation program pursued by previous governments, the policies of subsequent Governments may change the rate of economic liberalisation.

However, there can be no assurance that such policies will be continued. A significant change in the central government's policies in respect of the banking and finance industry and the infrastructure sector 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.***

As an NBFC, 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, because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, is sometimes referred to as “systemic risk”. 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 from time to time experienced social and civil unrest and hostilities within itself and with neighbouring countries. India has also experienced terrorist attacks in some parts of the country. These hostilities and tensions and/or the occurrence of similar terrorist attacks have the potential to cause political or economic instability in India and adversely affect our business and future financial performance. Further, 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 of the industry in which we operate and our performance is dependent on the health of the overall Indian economy. Any slowdown in economic growth in India could adversely affect it, including our ability to grow our asset portfolio, the quality of assets, and our ability to implement our strategies.

The on-going challenges for the economy are fluctuating oil prices other commodity prices and inflationary trends, which will have the potential to moderate growth.

Any slowdown in the growth or negative growth of sectors where we have a relatively higher exposure could adversely impact our performance. Any such slowdown could adversely affect our business, prospects, results of operations and financial condition and trading prices of the NCDs.

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.

10. ***Failure to successfully adopt IND (AS) may adversely affect our Company***

Public companies in India, including us, may be required to prepare financial statements under Ind-AS. The transition to Ind-AS in India is still unclear and we may be adversely affected by this transition. The MCA modified the "Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015 ("**IAS Rules**"). The IAS Rules provide that the financial statements of the companies to which they apply (as more specifically described below) shall be prepared and audited in accordance with Ind-AS. Under the IAS Rules, any company may voluntarily implement Ind-AS for the accounting period beginning from April 1, 2015. Further, the IAS Rules prescribe that any company having a net worth of more than ₹5,000 million, and any holding company, subsidiary, joint venture or an associate company of such company, would have to mandatorily adopt Ind-AS for the accounting period beginning from April 1, 2016 with comparatives for the period ending March 31, 2016. These IAS Rules were initially not applicable to banking companies, insurance companies and NBFCs. However, MCA published its press release dated January 18, 2016 and laid down the road map for implementation of Ind-AS for scheduled commercial banks, insurance companies and NBFCs (with net worth of ₹5,000 million or more) from April 1, 2018 onwards.

There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under Ind-AS than under Indian GAAP. In our transition to Ind-AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of Ind-AS experienced accounting personnel available as more Indian companies begin to prepare Ind-AS financial statements. Further, there is no significant body of established practice on which to draw in forming judgments regarding the new system's implementation and application. There can be no assurance that our adoption of Ind-AS will not adversely affect its reported results of operations or financial condition and any failure to successfully adopt Ind-AS could adversely affect our business, results of operations and financial condition and trading price of the NCDs.

11. ***Natural Disasters and outbreak of epidemic diseases could adversely affect the financial markets and the trading price of our NCDs could decrease.***

Our operations may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Moreover, pandemic disease, caused by a virus such as H5N1 (the "avian flu" virus), or H1N1 (the "swine flu" virus), or the like, could have a severe adverse effect on our business. An outbreak of a communicable disease in India or in the particular region in which our Company conducts business operations or any damage or destruction caused by national calamities could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our branch network. Any of the above factors may adversely affect our business, results of operations and financial condition and trading price of the NCDs.

12. ***Increase in competition from our peer group may adversely affect our business, results of operations and financial condition and trading price of the NCDs.***

Some of our competitors are very aggressive in underwriting credit risk and pricing their products and may have access to funds at a lower cost, wider networks and greater resources than us. Our financial condition and results of operations are dependent on our ability to obtain and maintain low cost funds and to provide prompt and quality services to our customers. If are unable is unable to access funds at a cost comparable to or lower than our competitors, we may not be able to offer loans at competitive interest rates to our customers. While we believe that we have been historically been able to offer competitive interest rates on the loans extended to our customers, there can be no assurance that our Company will be able to continue to do so in the future. An increase in competition from our peer group may result in a decline in our market share, which may in turn result in reduced incomes from our operations and may adversely affect our profitability.

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 113 and 60 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 243 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, Company Secretary & Compliance Officer, 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 161 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 243 of this Prospectus.
10. For further information relating to certain significant legal proceedings that we are involved in, see ***Outstanding Litigation***” beginning on page 199 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 6160 7734
Fax: +91 33 22857542
CIN: U70101WB2006PLC109898
Email-id: connect@sreibonds.com, ncdsefl@srei.com

Corporate Office of the Issuer

Room no 12 & 13, 2nd Floor, 6A, Kiran Shankar Roy Road,
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 6639 4700

Company Secretary and Compliance Officer

Name	:	Mr. Naresh Mathur
Address	:	Plot No. Y-10, Block-EP, Sector-V, Salt Lake City Kolkata- 700091, West Bengal, India
Telephone	:	+91 33 6639 4700
Fax	:	+91 33 2285 7542
E-Mail	:	naresh.mathur@srei.com, connect@sreibonds.com

Chief Financial Officer of the Issuer

Name	:	Mr. Manoj Kumar Beriwala
Address	:	Plot No. Y-10, Block-EP, Sector-V, Salt Lake City Kolkata- 700091, West Bengal, India
Telephone	:	+91 33 6639 4700
E-Mail	:	manoj_beriwal@srei.com

Debenture Trustee

Axis Trustee Services Limited
Axis House,
Bombay Dyeing Mills Compound
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Tel: +91 22 6226 0075/74
Fax: +91 22 4325 3000
Email: debenturetrustee@axistrustee.com
Investor Grievance Email: debenturetrustee@axistrustee.com
Website: www.axistrustee.com
Contact Person: Mr Jayendra Prasad Shetty
Compliance Officer: Mr Devraj Rao
SEBI Registration No.: IND000000494

Axis Trustee Services Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated November 16, 2016 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. 151 of this Prospectus.

Registrar of the Issue

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli
Financial District, Nanakramguda, Hyderabad – 500 032
Toll Free No.1-800-3454001
Tel: +91 40 6716 2222
Facsimile: +91 40 2343 1551
Email: einward.ris@karvy.com
Investor Grievance Email: sreiequip.ncdipo2@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M. Murali Krishna
Compliance Officer: Mr. Rakesh Santalia
SEBI Registration No.: INR000000221

Applicants or prospective investors may contact the Registrar to the Issue or the Company Secretary & Compliance Officer in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, demat credit or Refund Orders, non-receipt of Debenture Certificates, transfers, or interest on application money etc.

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 the Online Stock Exchanges Mechanism or through Trading Members of the Stock Exchanges may be addressed directly to the relevant Stock Exchange.

Credit Rating Agencies

Brickwork Ratings India Private Limited
Raj Alkaa Park, 3rd Floor
29/3 & 32/2 Kalina Agrahara,
Bannerghatta Road, Bengaluru 560 076
Tel: +91 80 4040 9940
Fax: +91 80 4040 9941
E-mail: clientinfo@brickworkratings.com, radhakrishnan.s@brickworkratings.com
SEBI Registration No.: IN/CRA/005/2008

SMERA Ratings Limited
102, Sumer Plaza, Marol Maroshi Road
Marol, Andheri (East), Mumbai – 400 059
Tel: +91- 22 6714 1111; 6714 1105
Fax: +91-22 6714 1142
E-mail: mohit.jain@smera.in
SEBI Registration No.: IN/CRA/006/2011

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

Date of Appointment as Statutory Auditor: July 1, 2014

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

– Fresh Certification of Incorporation consequent upon change of name on conversion to Public Limited Company dated November 01, 2013 issued by the Registrar of Companies, West Bengal

– 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 Facsimile: +91 22 4086 3610 Email: sefl.ncd@edelweissfin.com Investor Grievance Email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Lokesh Singhi/ Mr. Mandeep Singh Compliance Officer: Mr. B. Renganathan SEBI Registration No.: INM0000010650	**A. K. Capital Services Limited** 30-39 Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400 021 Tel: +91 22 6754 6500/ 6634 9300; Fax: +91 22 6610 0594 Email: sefl@akgroup.co.in Investor Grievance Email: investor.grievance@akgroup.co.in Website: www.akcapindia.com Contact Person: : Mr. Krish Sanghvi / Mr. Malay Shah Compliance Officer: Mr. Tejas Davda SEBI Registration No.: INM000010411
Karvy Investor Services Limited 702, Hallmark Business Plaza 7th Floor, Sant Dyaneshwar Marg, Off Bandra Kurla Complex, Bandra (East), Mumbai- 400 051 Tel: +91 22 6149 1500	**Srei Capital Markets Limited*** 'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046 Tel: +91 33 6602 3845 Fax: +91 33 2285 7542

Fax : +91 22 6149 1515 Email: sreiequipncd @karvy.com Investor Grievance Email: igmbd@karvy.com, cmg@karvy.com Website: www.karvyinvestmentbanking.com Contact Person: Mr. Bhavin Vakil/Rohan Menon Compliance Officer: Mr. T. R. Prashanth Kumar SEBI Registration No.: INM000008365	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
Trust Investment Advisors Private Limited 109/110, Balarama, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051, Maharashtra, India Tel: +91 22 4084 5000 Fax: +91 22 4084 5007 Email: mbd.trust@trustgroup.in Investor Grievance Email: customercare@trustgroup.in Website: www.trustgroup.in Contact Person: Ms. Hetal Sonpal Compliance Officer: Mr. Balkrishna Shah SEBI Registration No.: INM000011120	

**Srei Capital Markets Limited is a wholly owned subsidiary of Srei Infrastructure Finance Limited, which is the Promoter 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 33 2282 9836 Contact Person: Mr Subimal Saha E-mail : Calcutta.branchhead@axisbank.com Website: www.axisbank.com SEBI Reg. No. : INBI00000017	**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 Vincent D'Souza E-mail : vincent.d'souza@hdfcbank.com 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 9907/23/24 Fax: +91 22 2261 1138 Contact Person: Mr Rishav Bagrecha E-mail : rishav.bagrecha@icicibank.com Website: www.icicibank.com SEBI Reg. No. : INBI00000004	**IndusInd Bank Limited** IndusInd Bank, PNA House 4th Floor, Plot no. 57 & 57/1 Road No. 17, Near SRL MIDC, Andheri East, Mumbai – 400 093 Tel: +91 22 6106 9248 Fax: +91 22 6623 8021 Contact Person: Mr. Suresh Esaki E-mail : suresh.esaki@indusid.com 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 9907/23/24
Fax: +91 22 2261 1138
Contact Person: Mr Rishav Bagrecha
E-mail : rishav.bagrecha@icicibank.com
Website: www.icicibank.com
SEBI Reg. No. : INBI00000004

Bankers to our Company

Bank of India 5, B.T.M Sarani, Kolkata-700 001 Tel: +91 33 2231 1296 Email id- LCB.kolkata@bankofindia.com	**State Bank of Bikaner & Jaipur** 20B, Part Street, Kolkata – 700 016 Tel: +91 33 4001 1446 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
State Bank of India Industrial Finance Branch 11, Dr U N Brahmachari Street, Kolkata- 700 017 Tel: +91 33 2287 3260 Email Id: sbi.01936@sbi.co.in	**Syndicate Bank, Large Corporate Bank** ILLACO House, 1 Brabourne Road, Kolkata-700 001 Tel: +91 33 2231 3676 Email Id: br.9531@syndicatebank.co.in	**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 South Indian Bank Corporate Branch, Oswal Chambers, 2 Church Lane, Kolkata-700 001 Tel: +91 33 2262 4816 Email: br0728@sib.co.in	**UCO Bank** 2, India Exchange Place, Kolkata-700 001 Tel: +91 33 6450 4481 Email Id: calind@ucobank.co.in	**Vijaya Bank** 125/1, AG Tower, Park Street, Kolkata-700 017 Tel: +91 33 2229 2154 Email Id: vb7208@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 6500 Fax No. + 91 22 6754 4666 E-mail: ankit@akgroup.co.in/sanjay.shah@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: aumcapital@aumcap.comContact Person: Mr Aditya Vikram Choudhary	**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 3110 Fax No. +91 22 4325 3000 Email: ajay.sheth@axiscap.in /Vinayak.ketkar@axiscap.in Contact Person: Ajay Sheth/Vinayak Ketkar
Edelweiss Broking Limited Unit No. 801-804, 8th Floor, Abhishree Avenue, Nehru Nagar, Ambawadi, Ahmedabad – 380 015 Tel: +9122 6747 1341/6747 1342 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	**IDBI Capital Markets & Securities Limited** 3rd Floor, Mafatlal Centre, Nariman Point, Mumbai – 400 021 Tel: + 91 22 4322 1143 Fax: + 91 22 2285 0785 E-mail: dattaram.kamerkar@idbicapital.com Contact Person: Mr Dattaram Kamerkar
India Infoline Limited IIFL Centre, Kamala City,	**Integrated Enterprises (India) Limited**	**JM Financial Services Limited** 2,3 & 4, Kamanwala Chambers, Gr

Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013 Tel : + 91 22 4249 9000 Fax : + 91 22 2495 4313 E-mail: cs@indiainfoline.com Contact Person: Mr Prasad Umarale	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	Floor, Sir. P M Road, Fort, Mumbai-400 001 Tel: +91 22 6136 6400 Fax: +91 22 2266 5902 E-mail: surajit.misra@jmfl.com /deepak.vaidya@jmfl.com Contact Person: Mr Surajit Misra/ Mr. Deepak Vaidya
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** 4th Floor, ING House, C-12,G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Tel : + 91 22 6748 5470 Fax : + 91 22 6661 7041 E-mail: umesh.Gupta@kotak.com Contact Person: Mr Umesh Gupta	**RR Equity Brokers Private Limited** 412-422, 4th Floor, Indraprakash Building, Barakhamba Road, New Delhi – 110 001 Tel : +91 11 2335 4802 Fax : +91 11 2332 0671 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	**SPA Securities Limited** 101-A, 10th Floor, Mittal Court, Nariman Point, Mumbai – 400 021 Tel : +91 22 4289 5600/2280 1240-49 Fax : +91 22 2287 1192/2284 6318 E-mail : cms@spacapital.com Contact Person: Ms Swati Maheshwari	**Tipsons Stock Brokers Private Limited,** Sheraton House, 5th Floor, Opp: Ketav Petrol Pump, Ambawadi, Ahmedabad-380 015 Tel: +91 79 6682 8000/8043/8019 Fax: +91 79 3061 1137 Email ID: avinash.kotahri@tipsons.com Contact Person: Mr Avinash Kothari
Trust Financial Consultancy Services Private Limited 1101, Naman Centre, G Block C-31, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Tel: +91 22 4084 5000 Fax: +91 22 4084 5007 E-mail : pranav.inamdar@trustgroup.in Contact Person: Mr. Pranav Inamdar	**Yes Securities (India) Limited** IFC, Tower 1& 2, Unit No. 602 A, 6th Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013 Tel: +91 22 7100 9830 Fax: +91 22 2421 4508 E-mail: sanjeeb.dass@yessecuritiesltd.inContact Person: Mr. Sanjeeb Kumar Das	

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 at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries 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 http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries 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

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum Subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75% of Base Issue i.e. ₹1,875 million, prior to the Issue Closing Date the entire subscription amount shall be refunded to the Applicants within 12 days from the Issue Closing Date. The refunded subscription amount shall be credited only to the bank account from which the relevant subscription was remitted. 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 Companies 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.

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 November 25, 2016, 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 November 25, 2016 and statement of tax benefits dated November 25, 2016 included in the Draft Prospectus and Prospectus and such consent has not been withdrawn as on the date of this Prospectus. Vide letters dated November 16, 2016 and November 15, 2016, our Company has received consents from BRICKWORK and SMERA respectively 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 November 9, 2016 SMERA has assigned a rating of 'SMERA AA/Stable' (SMERA Double A/Stable)'to the ₹5,000 million proposed issue of NCDs by the Issuer. The Outlook is 'Stable'. The said rating pursuant to revalidation by letter dated December 6, 2016, is valid till November 9, 2017.

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. For the rationale of this rating please refer to Annexure F to this Prospectus.

Set out below is the disclaimer provided by SMERA

"*A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that it is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issue and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for* *any errors or omissions and especially states that it has not financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.*"

By its letter dated November 9, 2016 revalidated by letter dated December 5, 2016, BRICKWORK has assigned a rating of "BWR AA+" (BWR Double A Plus) (Outlook: Stable).

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.

Pursuant to letter no BWR/NCD/HO/ERC/VS/0427/2016-17 dated November 10, 2016 followed by letter dated December 5, 2016, BRICKWORK has reaffirmed a rating of "BWR AA+" (BWR Double A Plus) (Outlook: Stable). For the rationale of this rating please refer to Annexure F to this Prospectus.

Set out below is the disclaimer provided by BRICKWORK

"*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 by users from any use of this report or its consents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.*"

Utilisation of Issue proceeds

For details on Utilization of Issue Proceeds please refer to Chapter titled "***Objects of the Issue***" on page no. 72 of the Prospectus.

Issue Programme

ISSUE OPENING DATE	**JANUARY 3, 2017**
ISSUE CLOSING DATE	**JANUARY 20, 2017**

The Issue shall remain open for subscription on Working Days 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 with wide circulation on or before such earlier date of Issue Closure or initial date of Issue closure, as the case may be. On the Issue Closing Date 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. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges.

*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(s). It is clarified that the Applications not uploaded in the Stock Exchange(s) 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 Working Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Trading Members or designated branches of SCSBs are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of investors, the Basis of allotment under the issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

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. 151 of this Prospectus.

Common Terms of NCDs

Issuer	Srei Equipment Finance Limited
Lead Managers	Edelweiss Financial Services Limited, A. K. Capital Services Limited, Karvy Investor Services Limited, Srei Capital Markets Limited and Trust Investment Advisors Private 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 ₹2,500 million with an option to retain over-subscription upto ₹2,500 million aggregating to a total of upto ₹5,000 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: Category I (Institutional Category) 1. Public financial institutions, statutory corporations, scheduled commercial banks, co-operative banks Indian multilateral and bilateral development financial institution and regional rural banks, which are authorized to invest in the NCDs; 2. Provident funds & pension funds with a minimum corpus of Rs 2500.00 lacs, 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. Insurance funds set up and managed by the army, navy, or air force of the Union of India; 6. Insurance funds set up and managed by the Department of Posts, the Union of India; 7. National investment fund set up by resolution no. F. No. 2/3/2005- DDII dated November 23, 2005 of the Government of India published in the Gazette of India; 8. State industrial development corporations; and 9. Mutual funds. Category II (Non-Institutional Category) 1. Companies within the meaning of section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorized to invest in the NCDs; 2. Trusts including 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. Association of Persons; 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. 179 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. 214 of this Prospectus.
Rating of the Instrument	The NCDs have been rated 'BWR AA+ (BWR Double A Plus) (Outlook: Stable)' by BRICKWORK pursuant to letter dated November 9, 2016 and reaffirmed vide letter dated November 10, 2016 and further reaffirmed by letter dated December 5, 2016 and 'SMERA AA/Stable' by SMERA pursuant to letter dated November 9, 2016 and reaffirmed by letter dated December 6, 2016. Instruments with a rating of 'BWR AA+ (BWR Double A Plus) (Outlook: Stable)'by BRICKWORK and 'SMERA AA/Stable' by SMERA are considered to have high degree of safety regarding timely servicing of financial obligations. The rating provided by SMERA 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	₹2,500 million
Option to retain Oversubscription Amount	₹2,500 million
Total Issue Size	₹5,000 million.
Objects of the Issue	Please see "***Objects of the Issue***" on page no. 72 of this Prospectus.
Details of the utilization of the Proceeds	Please see "***Objects of the Issue***" on page no. 72 of this Prospectus.
Coupon Rate	Please see the section titled "***Terms of the Issue - Interest and Payment of Interest***" on page no. 164 of this Prospectus
Step Up/Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Please see the section titled "***Terms of the Issue - Interest and Payment of Interest***" on page no. 164 of this Prospectus
Coupon payment dates	Please see the section titled "***Terms of the Issue - Interest and Payment of Interest***" on page no. 164 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. 167 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 and Payment of Interest***" on page no. 164 of this Prospectus
Redemption/Maturity Date	Shall mean 400 days from Deemed Date of Allotment for Series I NCDs, 3 years from Deemed Date of Allotment for Series II, Series III and Series IV NCDs and 5 years from Deemed Date of Allotment for Series VI and Series VII 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 /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/Redemption Premium/Discount	In case of Series I, Series IV and Series VII NCDs, amount will be redeemed at the end of 400 days, 3 years and 5 years respectively commencing from the Deemed Date of Allotment at the Face Value of ₹1000/- each per NCD with premium. Please refer to the paragraph below in this section titled "***Specific Terms of each instrument***"
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 Option/Put Option	N.A.
Minimum Application and in multiples of 1(one) NCD thereafter	₹10,000/- (10 NCDs) across all Series.
Issue Opening Date	January 03, 2017
Issue Closing Date	January 20, 2017 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 Exchanges. 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 II and Series V 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 Exchanges shall be in dematerialized form only.
Settlement mode of the Instrument	Through various modes. Please see the section titled "***Allotment Advice / Refund orders" at*** page no. 163 of this Prospectus
Depositories	NSDL and CDSL
Working Day Convention	If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. 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 immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.
Record Date	In connection with Series III and Series VI 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 II and Series V NCDs, 10 (Ten) 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 I, Series IV and Series VII 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 next 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 exclusive first charge in favour of the Debenture Trustee on specific present and/or future receivables/assets and/or first pari passu charge on an identified immovable property 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). For further details please refer to the section titled "***Terms of the Issue – Security***" on page no. 160 of this Prospectus.
Transaction Documents	Issue Agreement dated November 18, 2016 between our Company and the Lead Managers; Registrar Agreement dated November 16, 2016 with the Registrar to the Issue; Debenture Trusteeship Agreement dated November 16, 2016 executed between our Company and the Debenture Trustee, the Escrow Agreement dated December 07, 2016 executed between our Company, the Registrar, the Escrow Collection Banks and the Lead Managers, the Memorandum of Understanding dated December 07, 2016 executed between our 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. 48 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. 48 of this Prospectus.
Events of Default	See "***Terms of the Issue – Events of Default***" on page no. 173 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. 174 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 Exchanges 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 II & Series V 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 Exchanges 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. 151 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**
Frequency of Interest Payment	NA	Monthly	Annual	NA	Monthly	Annual	NA
Minimum Application	₹10,000/- (10 NCDs) across all Series						
Face Value/Issue Price of NCDs (₹ / NCD)	₹1,000/-						
In Multiples of (₹)	1000 (1NCD)	1000 (1NCD)	1000 (1NCD)	1000 (1NCD)	1000 (1NCD)	1000 (1NCD)	1000 (1NCD)
Tenor from Deemed Date of Allotment	400 days	3 years			5 years		
Coupon (% per annum) for NCD Holders in Category I & Category II	N.A.	8.90%	9.25%	N.A.	9.11%	9.50%	N.A.
Coupon (% per annum) for NCD Holders in Category III	N.A.	9.12%	9.50%	N.A.	9.35%	9.75%	N.A.
Effective Yield (per annum) for NCD Holders in Category I and Category II	8.63%	9.27%	9.29%	9.27%	9.50%	9.52%	9.50%
Effective Yield (per annum) for NCD Holders in Category III	8.81%	9.51%	9.54%	9.55%	9.75%	9.77%	9.75%
Mode of Interest Payment	Through various mode available.						
Amount (₹ / NCD) on Maturity for NCD Holders in Category I & Category II **	₹1,095/-	₹1,000/-	₹1,000/-	₹1,305/-	₹1,000/-	₹1,000/-	₹1,575/-

Series	**I****	**II#**	**III*****	**IV****	**V#**	**VI**	**VII****
Amount (₹ / NCD) on Maturity for NCD Holders in Category III **	₹1,097	₹1,000/-	₹1,000/-	₹1,315/-	₹1,000/-	₹1,000/-	₹1,593/-
Maturity Date (from Deemed Date of Allotment)	400 days	3 years	3 years	3 years	5 years	5 years	5 years
Put and Call Option	NA	NA	NA	NA	NA	NA	NA

Institutional, Non Institutional Category Investor(s) and Individual Category Investor(s) can subscribe to all Series of NCDs.
*** Subject to applicable tax deducted at source, if any.*
**** Our Company shall allocate and allot Series III NCDs wherein the Applicants have not indicated their choice of the relevant NCD Series.*
#Series II & Series V NCDs would be allotted compulsorily in dematerialized form to all categories of Investors.

For details of the interest payment please refer to "***Interest on NCDs***" at page no. 164 of this Prospectus.

SUMMARY FINANCIAL INFORMATION

Srei Equipment Finance Limited
Statement of Assets and Liabilities, As Reformatted

₹ in Million

Particulars	As at 30.09.2016	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
EQUITY AND LIABILITIES						
Shareholders' funds						
Share capital	596.60	596.60	596.60	596.60	596.60	532.20
Reserves and Surplus	23,769.20	23,043.20	21,890.60	20,369.00	18,115.20	13,484.00
	24,365.80	**23,639.80**	**22,487.20**	**20,965.60**	**18,711.80**	**14,016.20**
Non-current liabilities						
Long-term borrowings	27,717.20	27,788.40	32,149.50	40,923.80	43,288.60	35,139.80
Deferred tax liabilities (Net)	1,772.00	1,716.60	1,815.50	1,569.40	1,528.70	1,113.30
Other long term liabilities	1,526.00	1,625.60	1,374.30	1,455.00	1,531.50	1,239.20
Long-term provisions	471.80	397.10	407.20	229.60	284.70	219.80
	31,487.00	**31,527.70**	**35,746.50**	**44,177.80**	**46,633.50**	**37,712.10**
Current liabilities						
Short-term borrowings	77,859.90	76,314.90	81,856.60	73,952.10	74,363.80	46,615.70
Trade payables						
(i) Due to Micro and Small Enterprises	-	-	-	-	-	-
(ii) Due to Others	13,086.90	7,681.20	3,836.40	2,770.40	3,805.60	6,604.50
Other current liabilities						
(i) Current maturities of long term borrowings	12,101.90	14,433.80	16,639.20	16,083.40	17,811.30	21,367.90
(ii) Other current liabilities	2,296.80	2,729.60	2,059.70	2,238.70	1,631.80	967.80
Short-term provisions	267.10	294.30	324.80	1,069.60	794.20	468.30
	105,612.60	**101,453.80**	**104,716.70**	**96,114.20**	**98,406.70**	**76,024.20**
TOTAL	**161,465.40**	**156,621.30**	**162,950.40**	**161,257.60**	**163,752.00**	**127,752.50**
ASSETS						
Non- current assets						
Property Plant and Equipment						
(i) Tangible assets	16,326.20	13,832.30	16,194.60	12,535.80	12,428.30	12,401.40
(ii) Intangible assets	301.80	347.60	389.10	378.60	181.00	171.60
Non current investments	6.10	21.80	80.50	11.30	18.40	-
Long-term loans and advances						
(i) Financial assets	79,628.89	78,258.00	73,760.10	75,517.50	82,972.70	60,494.40
(ii) Other long term advances	372.10	232.00	341.60	347.90	802.70	621.80
Other non current assets	635.90	1,344.10	1,710.30	2,597.80	1,908.40	3,093.70
	97,270.99	**94,035.80**	**92,476.20**	**91,388.90**	**98,311.50**	**76,782.90**
Current assets						
Current investments	39.80	57.20	72.50	297.10	295.30	-
Trade receivables	441.10	698.30	659.00	659.70	402.00	255.40
Cash and bank balances	3,591.40	2,078.30	3,532.90	6,173.60	10,289.40	9,628.90
Short-term loans and advances						
(i) Financial assets	22,638.50	21,784.30	23,095.40	17,048.20	10,342.90	8,108.80
(ii) Other short term advances	394.70	304.20	328.00	207.90	235.80	217.30
Other current assets						
(i) Current maturities of long term financial assets	36,197.11	36,313.40	41,759.50	44,828.20	42,771.00	31,761.40
(ii) Other current assets	891.80	1,349.80	1,026.90	654.00	1,104.10	997.80
	64,194.41	**62,585.50**	**70,474.20**	**69,868.70**	**65,440.50**	**50,969.60**
TOTAL	**161,465.40**	**156,621.30**	**162,950.40**	**161,257.60**	**163,752.00**	**127,752.50**

Srei Equipment Finance Limited
Statement of Profit and Loss, As Reformatted

₹ in million

Particulars	Half Year ended 30.09.2016	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012
INCOME						
Revenue from operations	12,295.30	26,138.80	26,014.40	26,179.30	23,732.00	18,177.90
Other income	3.40	12.10	83.40	14.00	5.70	7.30
Total Income	**12,298.70**	**26,150.90**	**26,097.80**	**26,193.30**	**23,737.70**	**18,185.20**
EXPENDITURE						
Employee benefits expense	725.80	1,459.70	1,425.60	960.30	1,152.10	1,009.80
Finance costs	6,627.00	14,177.10	14,422.80	15,337.30	13,674.40	10,447.70
Depreciation/Amortization/Impairment expenses	1,685.20	3,226.10	2,925.70	2,423.40	2,239.40	1,566.60
Other expenses	847.10	1,721.90	1,684.40	1,302.70	1,185.50	1,075.40
Total	**9,885.10**	**20,584.80**	**20,458.50**	**20,023.70**	**18,251.40**	**14,099.50**
PROFIT BEFORE BAD DEBTS, PROVISIONS AND TAX	2,413.60	5,566.10	5,639.30	6,169.60	5,486.30	4,085.70
Bad debts written off (Net)/Provision for Non Performing Assets and Standard Assets	1,446.90	3,961.80	3,365.70	2,594.10	1,451.50	1,039.50
PROFIT BEFORE TAX	**966.70**	**1,604.30**	**2,273.60**	**3,575.50**	**4,034.80**	**3,046.20**
Tax expense :						
(a) Current tax	208.00	550.60	492.90	1,281.00	920.20	538.70
(b) Deferred tax	70.40	(98.90)	250.50	40.70	415.40	504.40
Total Tax for current year / period	**278.40**	**451.70**	**743.40**	**1,321.70**	**1,335.60**	**1,043.10**
PROFIT AFTER TAX FOR CURRENT YEAR / PERIOD	688.30	1,152.60	1,530.20	2,253.80	2,699.20	2,003.10
Income tax for earlier years	-	-	-	-	-	49.50
- Less : MAT credit entitlement for earlier years	-	-	-	-	-	(18.70)
PROFIT AFTER TAX	**688.30**	**1,152.60**	**1,530.20**	**2,253.80**	**2,699.20**	**1,972.30**
Earnings per share (basic and diluted) (₹)	11.54*	19.32	25.65	37.78	47.60	37.60
[Nominal Value of Equity Shares of ₹ 10/- each (31st March 2016,2015,2014,2013,2012: ₹ 10/- each)]						
* Not Annualized						

Srei Equipment Finance Limited
Cash Flow Statement, As Reformatted

(₹ in Million)

Particulars	Half Year ended 30.09.2016	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012
A. Cash Flows from Operating Activities						
Profit Before Tax	966.70	1,604.30	2,273.60	3,575.50	4,034.80	3,046.20
Adjustment for :						
Depreciation/amortization/impairment expenses	1,685.20	3,226.10	2,925.70	2,423.40	2,239.40	1,566.60
Bad Debts written off (net)/Provision for Non Performing Assets and Standard Assets	1,446.90	3,961.80	3,365.70	2,594.10	1,451.50	1,039.50
(Profit) / Loss on sale of Fixed Assets (net)	(1.98)	7.06	23.80	18.40	8.60	14.60
Finance costs	6,627.00	14,177.10	14,422.80	15,337.30	13,674.40	10,447.70
Profit on sale from Current investments	-	-	(75.40)	-	-	-
Profit on sale from Non Current investments	-	-	-	-	-	(3.10)
Unrealised exchange Loss / (Gain)	(20.50)	220.10	-	-	-	-
Dividend Income from Current Investments (Non Trade)	(0.80)	(11.20)	(7.20)	(13.50)	(4.40)	(3.40)
Operating profit before working capital changes	**10,702.52**	**23,185.26**	**22,929.00**	**23,935.20**	**21,404.30**	**16,108.10**
Changes in working capital :						
(Increase) / Decrease in Trade Receivables/ Others	168.23	30.63	79.40	(344.60)	143.80	(1,776.20)
(Increase) / Decrease in Financial Assets	(5,775.70)	(12.30)	(8,142.00)	(3,901.60)	(37,084.10)	(16,587.40)
Increase / (Decrease) in Trade Payables/Others	5,465.80	4,127.30	1,196.70	(507.80)	(2,574.40)	1,663.70
(Increase) / Decrease in Fixed Deposit (Deposits with original maturity period of more than three months)	(537.80)	642.10	2,245.70	3,670.70	526.90	(4,906.40)
Cash generated from /(used in) operations	**10,023.05**	**27,972.99**	**18,308.80**	**22,851.90**	**(17,583.50)**	**(5,498.20)**
Interest paid (net of foreign exchange fluctuation)	(7,153.63)	(13,546.33)	(14,578.50)	(15,430.10)	(12,908.80)	(10,227.50)
Advance taxes paid (including Tax deducted at Source)	(273.30)	(676.70)	(1,122.70)	(1,047.00)	(653.20)	(903.00)
Net Cash (used in) / generated from operating activities	**2,596.12**	**13,749.96**	**2,607.60**	**6,374.80**	**(31,145.50)**	**(16,628.70)**
B. Cash flows from investing activities						
Purchase of Fixed Assets	(2,094.20)	(2,447.79)	(3,128.70)	(2,413.80)	(2,455.00)	(8,826.50)
Purchase of Investments	-	-	-	-	(313.70)	-
Proceeds from Redemption of Investments	33.10	74.00	230.80	5.30	-	-
Dividend Income from Current Investments (Non Trade)	0.80	11.20	7.20	13.50	4.40	-
Proceeds from Sale of Fixed Assets	54.78	51.94	33.20	107.20	17.39	5.10
Purchase of Mutual Funds	-	-	-	-	-	(5,500.00)
Sale of Investments	-	-	-	-	-	28.10
Proceeds from Sale of Mutual Funds	-	-	-	-	-	5,503.40
Net Cash (Used in) / Generated from Investing Activities	**(2,005.52)**	**(2,310.65)**	**(2,857.50)**	**(2,287.80)**	**(2,746.91)**	**(8,789.90)**
C. Cash Flows from Financing Activities						
Increase in Equity Share Capital (including Securities Premium)	-	-	-	-	1,996.40	998.20
Proceeds from issuance of debentures	2,545.00	7,193.00	8,660.00	1,268.00	6,620.00	5,218.00
Repayment on redemption of debentures	(1,400.00)	(6,860.00)	(4,292.40)	(5,728.90)	(6,151.90)	(3,973.10)
Increase / (Decrease) in Working Capital facilities (net)	(517.26)	2,064.80	3,879.80	(1,605.80)	25,915.90	24,872.90
Increase / (Decrease) in Other Loans (net)	(497.24)	(14,377.90)	(8,615.60)	1,562.20	5,956.20	(711.20)
Net Cash (Used in) / Generated from Financing Activities	**130.50**	**(11,980.10)**	**(368.20)**	**(4,504.50)**	**34,336.60**	**26,404.80**
Net Increase / (Decrease) in Cash and Cash Equivalents	**721.10**	**(540.79)**	**(618.10)**	**(417.50)**	**444.19**	**986.20**

Particulars	Half Year ended 30.09.2016	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012
Cash and Cash Equivalents at the beginning of the year	**918.81**	**1,459.60**	**2,077.70**	**2,495.20**	**2,051.00**	**1,064.80**
Cash and Cash Equivalents at the end of the period	**1,639.91**	**918.81**	**1,459.60**	**2,077.70**	**2,495.19**	**2,051.00**
Note :						
Components of Cash and Cash Equivalents:						
Cash on hand	87.20	94.50	67.10	67.80	44.80	22.20
In Current Account	1,552.70	247.70	1,392.50	2,009.90	2,349.30	1,831.40
Fixed Deposits with original maturity period less than three months	-	576.60	-	-	101.10	197.40
	1,639.90	**918.80**	**1,459.60**	**2,077.70**	**2,495.20**	**2,051.00**
Receipts under lien with banks	-	-	-	-	101.10	87.40
Cash and Bank Balances are represented by :						
Cash and Cash Equivalents	1,639.91	918.80	1,459.60	2,077.70	2,495.20	2,051.00
Fixed Deposits with original maturity period exceeding three months and remaining maturity less than 12 months*	1,951.50	1,159.50	2,073.30	4,095.90	7,794.20	7,577.90
	3,591.41	**2,078.30**	**3,532.90**	**6,173.60**	**10,289.40**	**9,628.90**
*Receipts under lien with banks as security	1,943.30	1,716.10	2,049.80	4,053.40	7,783.00	7,554.40

FINANCIAL HIGHLIGHTS OF OUR COMPANY

The financial highlights presented below should be read in conjunction with our "***Financial Information***" and "***Risk Factors***" beginning on page nos. 243 and 15 of this Prospectus respectively.

(₹ In Million)

Particulars	As on for the period ended 30.09.2016 (Audited)	As on for the year ended March 31, 2016 (Audited)	As on for the year ended March 31, 2015 (Audited)	As on for the year ended March 31, 2014 (Audited)
Net worth	23,956.70	23,218.70	22,088.00	20,391.20
Total Debt	117,679.00	118,537.10	130,645.30	130,959.30
of which - Non current maturities of Long Term Borrowings	27,717.20	27,788.40	32,149.50	40,923.80
- Short Term Borrowings	77,859.90	76,314.90	81,856.60	73,952.10
- Current Maturities of Long Term Borrowings	12,101.90	14,433.80	16,639.20	16,083.40
Net Fixed Assets	16,628.00	14,179.90	16,583.70	12,914.40
Non-Current Assets -other than Net Fixed Assets (including non-current investment)	80,643.00	79,855.90	75,892.50	78,474.50
Cash & Bank Balance	3,591.40	2,078.30	3,532.90	6,173.60
Current Investments	39.80	57.20	72.50	297.10
Current Assets (Excluding Current Investment and Cash & Bank Balances)	60,563.27	60,450.00	66,868.80	63,398.00
Current Liabilities (Excluding Short Term Borrowing and Current Maturities of Long Term Borrowing)	15,650.80	10,705.10	6,220.90	6,078.70
Assets Under Management	199,345.33	185,977.90	183,484.30	181,649.50
Off Balance Sheet Assets (Securitized Portfolio)	37,879.93	29,356.60	20,533.90	20,391.90
Revenue from Operations	12295.30	26,138.80	26,014.40	2,61,79.30
Finance Cost	6627.00	14,177.10	14,422.80	1,53,37.30
Provisioning & Write-offs	1446.90	3,961.80	3,365.70	2,594.10
PAT	688.30	1152.6	1,530.20	2,253.80
Gross NPA (%)	2.72	2.95	4.98	4.97
Net NPA (%)	1.87	1.99	3.83	4.07
Tier I Capital Adequacy Ratio (%)	14.47	14.65	13.35	12.63
Tier II Capital Adequacy Ratio (%)	4.23	4.97	3.70	4.5

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 face value ₹10/- each	750.00
Total	**750.00**
Issued Subscribed and Paid up Equity Capital	
5,96,60,000 Equity Shares of face value ₹10/- each	596.60
Paid-up Capital after the issue	
5,96,60,000 Equity Shares of face value ₹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

Our Company has not undergone any acquisition or amalgamation in the last one year prior to filing of Prospectus

Details of any Reorganization or Reconstruction in the last 1 year

SIFL had entered into a strategic alliance on May 31, 2007 with BPLG, a European market leader specializing in asset financing for equipment, to further develop the equipment financing business in India and pursuant to the same our Company became a joint venture company between SIFL and BPLG where both owned and controlled 50% each of the total paid-up share capital of our Company. BPLG expressed an intention to acquire 2,51,54,317 equity shares of SIFL representing 5% of the paid-up equity share capital of SIFL and in lieu thereof, sell its entire shareholding of 2,98,30,000 equity shares of our Company representing 50% of the total paid-up equity share capital to SIFL, in accordance with applicable laws. Pursuant to Circular No. DNBR (PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015 in respect of Non-Banking Financial Companies (Approval of Acquisition or Transfer of Control) Directions, 2015, our Company made an application to the Reserve Bank of India (RBI) along with the relevant information and documents for favourable consideration and approval of the contemplated transaction. Thereafter, RBI vide its letter no. DNBS. RO. Kol. No. 8555 /00.13.232/2015-16 dated May 20, 2016 granted its approval for the proposed transfer of shares by BPLG to SIFL. Subsequently, in terms of the aforesaid approval granted by the RBI, the Board of Directors of our Company at its Board meeting held on June 17, 2016 gave effect to the transaction by passing requisite resolutions and transaction stands consummated on June 17, 2016. Pursuant to this transaction, our Company has become the wholly-owned subsidiary of SIFL w.e.f June 17, 2016. For further details, see section titled "***History and Main Objects***" on page 109 of this Prospectus.

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

Save and except as disclosed below, 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:

A. Promoter – Srei Infrastructure Finance Limited

Name of the Company	No. of Securities		Nature of Security	Date of Transaction	No. of Shares held pre-transaction	No. of Shares held post transactions	Consideration (₹)
	Purchased	Sold					
SEFL	2,98,30,000	-	Equity	17.06.2016	2,98,29,997	5,96,59,994*	Nil**

**Mr Shashi Bhushan Tiwari, Mr Ganesh Prasad Bagree and Mr Sandeep Lakhotia were transferred 1 share each on June 17, 2016 and hold (1) one share each as nominee of Srei Infra.*

**Our Company, BNP Paribas Lease Group (BPLG), Srei Infrastructure Finance Limited (SIFL), Srei Growth Trust, Mr. Hemant Kanoria and Mr. Sunil Kanoria had entered into a share purchase agreement ("SPA") dated December 29, 2015 whereby BPLG had agreed to sell its entire shareholding of 2,98,30,000 equity shares of our Company representing 50% of the total paid-up equity share capital of our Company to SIFL and in lieu thereof acquire 2,51,54,317 equity shares of SIFL representing 5% of the total paid-up equity share capital of SIFL from Srei Growth Trust, in accordance with applicable laws. The transaction has received all the requisite approvals and BPLG has sold its entire shareholding of 2,98,30,000 equity shares of our Company representing 50% of the total paid-up equity share capital of our Company to SIFL. Pursuant to this transaction, Srei Equipment Finance Limited has become the wholly-owned subsidiary of SIFL w.e.f June 17, 2016.

Further, BPLG sold its entire shareholding in our Company to SIFL for a consideration equal to the total consideration which BPLG paid for acquiring 2,51,54,317 equity shares of SIFL representing 5% of the total paid-up equity share capital for SIFL at a price being the higher of:

- the average of the weekly high and low of the volume weighted average price of the equity shares of SIFL during the 26 (twenty six) weeks preceding the closing date of the acquisition as contemplated under the SPA; *and*
- the average of the weekly high and low of the volume weighted average price of the equity shares of SIFL during the 2 (two) weeks preceding the closing date of the acquisition as contemplated under the SPA, in each case computed in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

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
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
Pursuant to the share purchase agreement dated December 29, 2015 executed between Srei	June 17, 2016	2,98,30,000	29,83,00,000	10	-	-	5,96,59,997	Pursuant to Share Purchase Agreement

Transaction	Date of Allotment/Sale	Shares						Source of Funds
		No. of Shares	Share Capital (₹)	Face Value (₹)	Issue Price (₹)	Total Sale Consideration (₹)	Cumulative Shareholding	
Infrastructure Finance Limited (SREI), BNP Paribas Lease Group (BPLG), Srei Equipment Finance Limited (SEFL), Srei Growth Trust, Mr. Hemant Kanoria, Mr. Sunil Kanoria.								
Transfer	June 17, 2016	(1)	(10)	10	-	10	5,96,59,996	Not Applicable
Transfer	June 17, 2016	(1)	(10)	10	-	10	5,96,59,995	Not Applicable
Transfer	June 17, 2016	(1)	(10)	10	-	10	5,96,59,994	Not Applicable
	Net Equity Shares	**5,96,59,994**	**59,65,99,940,**				**5,96,59,994**	

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

Not Applicable

Shareholding of Directors in our Company

Except as set forth below, none of our Directors hold any Equity Shares as on September 30, 2016:-

Sl. No.	Name of the Director	Total No. of Equity Shares	% of total number of Equity Shares
1	Mr. Hemant Kanoria (As Nominee of SIFL)	01	0.000001676
2	Mr. Sunil Kanoria (As Nominee of SIFL)	01	0.000001676

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

As on September 30, 2016, none of our Directors hold any debentures in our Company.

Shareholding of Directors in subsidiaries, joint ventures and associates

Not Applicable

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

Table I - Summary Statement holding of specified securities

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VI) = (III)+(IV)+(V)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957) (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (XI)=(VII)+(X) (As a % of (A+B+C2))	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class X	Class Y	Total								
(I)	(II)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)				(IX)	(X)	(XI)		(XII)		(XIII)
(A)	Promoter & Promoter Group	7	59660000	0	0	59660000	100.00	59660000	0	59660000	100.00	0	0.00	0	0.00	0	0.00	59659994
(B)	Public	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(C)	Non-Promoter-Non-Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(C2)	Shares held by Employees Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Total:	**0**	**59660000**	**0**	**0**	**59660000**	**100.00**	**59660000**	**0**	**59660000**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**59659994**

Table II - Statement showing shareholding pattern of the Promoter & Promoter Group

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VI) = (III)+(IV)+(V)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class X	Class Y	Total								
	(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**				**(IX)**	**(X)**	**(XI)**		**(XII)**		**(XIII)**
(1)	Indian																	
(a)	Srei Infrastructure Finance Limited	7	59659994	0	0	59659994	100.00	59659994	0	59659994	100.00	0	0	0	0.00	0	0.00	59659994
	Hemant Kanoria		1	0	0	1	0	1	0	1		0	0	0	0.00	0	0.00	
	Sunil Kanoria		1	0	0	1	0	1	0	1		0	0	0	0.00	0	0.00	
	Sanjeev Sancheti		1	0	0	1	0	1	0	1		0	0	0	0.00	0	0.00	
	Shashi Bhushan Tiwari		1	0	0	1	0	1	0	1		0	0	0	0.00	0	0.00	
	Ganesh Prasad Bagree		1	0	0	1	0	1	0	1		0	0	0	0.00	0	0.00	
	Sandeep Lakhotia		1	0	0	1	0	1	0	1		0	0	0	0.00	0	0.00	
(b)	Central	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0

	Government/State Government(s)																	
(c)	Financial Institutions/Banks	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Any Other	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(1)	**7**	**59660000**	**0**	**0**	**59660000**	**100.00**	**59660000**	**0**	**59660000**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**59659994**
(2)	Foreign																	
(a)	Individuals (Non-Resident Individuals/Foreign Individuals	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Government	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any Other	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**7**	**59660000**	**0**	**0**	**59660000**	**100.00**	**59660000**	**0**	**59660000**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**59659994**

Table III - Statement showing shareholding pattern of Public Shareholder																		
Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VI) = (III)+(IV)+(V)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total Shares held (Not applicable) (b)	
								Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)				(IX)	(X)	(XI)		(XII)		(XIII)
(1)	Institutions																	
(a)	Mutual Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(b)	Venture Capital Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(c)	Alternate Investment Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Foreign Portfolio Investors	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(f)	Financial Institutions/Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(g)	Insurance Companies	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(h)	Provident Funds/Pension Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(i)	Any Other																	
	FOREIGN COMPANIES	0	0	0	0	0	0.00	0	0		0.00	0	0.00	0	0.00	NA	NA	0
	FOREIGN CORPORATE BODIES	0	0	0	0		0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Sub Total (B)(1)	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**NA**	**NA**	**0**
(2)	Central Government/State Government(s)/President of India	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Sub Total (B)(2)	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**NA**	**NA**	**0**
(3)	Non-Institutions																	
(a)	i.Individual shareholders holding nominal share capital up to Rs.2 lakhs	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	ii.Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(b)	NBFCs Registered with RBI	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(c)	Employee Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Overseas Depositories (Holding DRs)(Balancing figure)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Any Other																	
	TRUSTS	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0

	NON-RESIDENT INDIANS	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	CLEARING MEMBERS	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	BODIES CORPORATES	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	MILAN COMMERCIAL PRIVATE LIMITED	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Sub Total (B)(3)	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0.00**	**0.00**	**0**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0.00**	**0.00**	**0**

Table IV - Statement showing shareholding pattern of Non-Promoter- Non-Public Shareholder

	Category & Name of the Shareholder	**No of Shareholders**	**No of fully paid up equity shares held**	**No of Partly paid-up equity shares held**	**No of Shares Underlying Depository Receipts**	**Total No of Shares Held (VI) = (III)+(IV)+(V)**	**Shareholding % calculated as per SCRR, 1957. As a % of total no of shares (A+B+C2)**	**Number of Voting Rights held in each class of securities**				**No of Shares Underlying Outstanding convertible securities (Including Warrants)**	**Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)**	**Number of Locked in Shares**		**Number of Shares pledged or otherwise encumbered**		**Number of equity shares held in dematerialized form**
								No of Voting Rights			**Total as a % of Total Voting Rights**			**No.**	**As a % of total Shares held**	**No. (Not applicable)**	**As a % of total Shares held (Not applicable)**	
								Class X	**Class Y**	**Total**								
	(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**				**(IX)**	**(X)**	**(XI)**		**(XII)**		**(XIII)**
(1)	Custodian/DR Holder	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations 2014)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0.00**	**0.00**	**0**

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	Total Shareholding as a percentage of total number of equity shares
1	Srei Infrastructure Finance Limited (SIFL)	5,96,59,994	5,96,59,994	99.99998994
2	Mr. Hemant Kanoria (As Nominee of SIFL)	01	-	0.0000001676
3	Mr. Sunil Kanoria (As Nominee of SIFL)	01	-	0.0000001676
4	Mr. Sanjeev Sancheti (As Nominee of SIFL)	01	-	0.0000001676
5	Mr. Shashi Bhushan Tiwari (As Nominee of SIFL)	01	-	0.0000001676
6	Mr. Ganesh Prasad Bagree (As Nominee of SIFL)	01	-	0.0000001676
7	Mr. Sandeep Lakhotia (As Nominee of SIFL)	01	-	0.0000001676
	Total	**5,96,60,000**	**5,96,59,994**	**100.00**

Top 10 holders of Debt instruments, as on September 30, 2016:

i. <u>Top 10 Debenture Holders on cumulative basis for all outstanding Secured NCDs:</u>

Sl. No.	Name of Debenture Holders	Address	Amount (₹ in Million)
1	Standard Chartered Bank	Standard Chartered Bank, Crescenzo Securities Services, 3rd Floor, C- 38/39, G-Block, BKC Bandra, Mumbai – 400 051	1,900
2	Standard Chartered Bank (Mauritius) Limited –Debt	Standard Chartered Bank, Crescenzo Securities Services, 3rd Floor, C- 38/39, G-Block, BKC Bandra, Mumbai – 400 051,	1,350
3	UTI-Unit Linked Insurance Plan	UTI – Asset Management Co. Pvt Ltd, UTI Tower, GN Block, Bandra Kurla Complex, Bandra East, Mumabai-400 051	1,032
4	UTI - Retirement Benefit Pension Fund	UTI – Asset Management Co. Pvt Ltd, Dept of Fund Account, UTI Tower, GN Block, Bandra Kurla Complex, Bandra East, Mumabai-400 051	900
5	UTI - Childrens Career Balanced Plan	UTI – Asset Management Co. Pvt Ltd, Dept of Fund Accounts, UTI Tower, GN Block, Bandra Kurla Complex, Bandra East, Mumabai-400 051	600
6	The Karur Vysya Bank Ltd	The Karur Vysya Bank Ltd, Treasury and Fund Management Dept, Central Office, Erode Road Karur- 639 002	250
7	UTI - FTIF Series XIX - V (1095 Days)	UTI – Asset Management Co. Pvt Ltd, UTI Tower, GN Block, Bandra Kurla Complex, Bandra East, Mumbai-400 051	159
8	Oriental Bank of Commerce Employees Pension Fund	Plot No. 5, Sector 32, Institutional Area, Gurgaon – 122 001, India.	100
	JM Financial Mutual Fund-JM Floater Long Term Fund	HDFC Bank Ltd, Custody Services, LODHA - I Think Techno Campus Office, 8th Floor, Next To Kanjurmarg Station, Kanjurmarg East Mumbai – 400 042.	100
	Food Corporation of India Cpf Trust	Khadya Sadan 13th Floor, 16 20 Barakhamba Lane, New Delhi – 110001.	100
9	ITPL - Invesco India Corporate Bond Opportunities Fund	Deutsche Bank AG, DB House, Hazarimal Somani Marg, P.O. Box NO. 1142, Fort Mumbai – 400001	50
	Jakson Limited	A 43, Phase II Extension, Opp: NSEZ, Noida –	50

Sl. No.	Name of Debenture Holders	Address	Amount (₹ in Million)
		201 305.	
	Chhattisgarh State Electricity Board (CSEB) Provident Fund T	Shed No. 7, Dangania, Raipur – 4900 001, .	50
10	Somany Ceramics Limited	2, Red Cross Place, Kolkata – 700 001	38.70

(ii) Top-10 Debenture Holders on cumulative basis for all outstanding Unsecured NCDs:

Sl. No.	Name of Debenture Holders	Address	Amount (₹ in Million)
1	Axis Bank Limited	Axis House, Level 4, South Block, Wadia International Centre, P. B. Marg, Worli, Mumbai – 400 025, India	1,868
2	HVPNL Employees Pension Fund Trust	Shakti Bhawan, Sector 6, Panchkula, Haryana – 134 109.	808
3	Syndicate Bank	F I M Department, Maker Towers E, II Floor, Cuffe Parade, Colaba, Mumbai – 400 005,	728
4	Chhattisgarh State Electricity Board Gratuity and Pension Fund Trust	Chhattisgarh State Electricity Board, ED Finance, Shed No. 7, Dangania, Raipur – 4900 001,	558
5	HPGCL Employees Pension Fund Trust	HPGCL Urja Bhawan, C-7, Sector – 6, Panchkula, Haryana – 134 109, India.	510
6	Bank of India	Bank of India, Treasury Branch, Head Office – Star House, 7th Floor, C-5, "G" Block, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051	500
	Secretary Board of Trustees Mpeb Employees Provident Fund	Shakti Bhawan, Block No. 9, 1st Floor, Jabalpur – 482 008	500
7	Board of Trustees G. S. R. T. C. C P Fund	Central Office, Accounts Department, Gitamandir Road, Ahmedabad – 380 022.	400
8	HVPNL Employees Provident Fund Trust	Shakti Bhawan, Sector 6, Panchkula, Haryana – 134 109.	393
9	ICICI Bank Ltd	Treasury Middle Office Group, 2nd Floor, North Tower, East Wing, ICICI Bank Tower, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	391
10	Punjab And Sind Bank	H.O. Funds Management Dept., 1st Floor 'Bank House', 21 Rajendra Palace, New Delhi, 110 008	300

Debt–Equity Ratio:

The debt-equity ratio of our Company prior to this Issue is based on a total outstanding debt of ₹117,679.00 million and shareholder funds amounting to ₹24,365.80 million, which was 4.83 times, as on September 30, 2016. The term debt-equity ratio post the Issue (assuming subscription of ₹5,000 million) will be 5.03 times, assuming total outstanding debt of ₹122,679.00 million and shareholders' fund of ₹24,365.80 million as on September 30, 2016.

(₹ In million)

Particulars	Pre-Issue as at September 30, 2016 (Audited)	Post Issue*
Debt		
Long Term	39,819.10	44,819.10
Short Term	77,859.90	77,859.90

Particulars	Pre-Issue as at September 30, 2016 (Audited)	Post Issue*
Total Debt	**117,679.00**	**122,679.00**
Shareholders Fund		
Share Capital	596.60	596.60
Reserves & Surplus		
Special Reserve under section 45-IC of Reserve Bank of India Act, 1934	2,670.60	2,670.60
Income Tax Special Reserve	1,003.10	1,003.10
General Reserve	-	-
Capital Reserve	3.10	3.10
Cash Flow Hedge Reserve	66.10	66.10
Securities Premium Account	10,398.00	10,398.00
Debenture Redemption Reserve	6,015.60	6,015.60
Surplus in Profit and Loss Account	3,612.70	3,612.70
Total Shareholders' Fund	24,365.80	24,365.80
Debt-Equity Ratio (Number of times)	**4.83**	**5.03**

**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, 2016. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

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 September 30, 2016, see "***Disclosure on Existing Financial Indebtedness***" on page no 130 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*	152.50
3	Net Proceeds of the Issue	4847.50

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

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 SEBI 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 or KMPs or companies promoted by our Promoter nor will any interest out of the proceeds from this Issue accrue to our Promoter, our Directors or KMPs.

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. The Issue proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

Our Company shall not use the Issue proceeds for the purchase of any business or purchase of any interest in any business whereby the Company becomes entitled to an interest in either the capital or profit or losses or both in such business exceeding 50 per cent thereof. 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.

Variation in terms of contract or objects in Prospectus

Our Company shall not, in terms of Section 27 of the 2013 Act, 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 and applicable SEBI Regulations.

Other Confirmations

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. 151 of this Prospectus;
- 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; and
- Details of all utilized and unutilized 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.

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, Selling and Brokerage Commission, SCSB Processing Fees	120.00	2.40%
Advertising and Marketing Expenses	10.00	0.20%
Printing and Stationery	5.00	0.10%
Others (Debenture Trustee Fees, Registrar Fee, Credit Rating Fee, Legal Fees, Stamp Duty & Registration expense etc.)	10.00	0.20%
Total	145.00	2.90%

**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

Funding plan (Means of finance)

N.A.

The summary of the project appraisal report (if any)

N.A.

The Schedule of implementation of the project

N.A.

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, 2017, 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.

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

The proceeds of the Previous Public Issuances of non-convertible debentures have been utilised according to the objects mentioned in the respective Prospectus.

Details regarding lending out of issue proceeds of Previous Issues

A. Details of Utilisation of previous Issues:

The loans given by the Company out of the proceeds of Previous Issue are as follows:

I. Issue of secured redeemable non-convertible debentures of face value of ₹1,000 each for an amount upto ₹2500 million ("base issue") with an option to retain over subscription for an amount upto ₹2500 million aggregating to ₹5000 million in April 2015. The details are as follows:

Date of Allotment	Amount Raised (₹ in million)
May 11, 2015	4097.04

Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its guidelines on Corporate Governance for NBFCs, from time to time

Concentration of Advances (31- March -16)

Sl. No.	Particulars	(₹ in million)
(i)	Total Advances to twenty largest borrowers	30,931.3
(ii)	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	20.07%

Concentration of Exposures

Sl. No.	Particulars	(₹ in million)
(i)	Total Exposure to twenty largest borrowers / customers	27,458.3
(ii)	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	22.21%

Onward lending to Borrower(s) forming part of the "Group" as defined by RBI:

Sl No.	Name of the Borrower (A)	Amount of Advances /exposures to such Borrower (Group) (₹ in Million) (B)	Percentage of Exposure (C)= B/Total AUM
	Nil	**Nil**	**Nil**

1. Classification of loans/advances given to according to:

a. Type of loans

S. No	Type of loans	₹ in Million
1	Secured	1,48,339.89
2	Unsecured	-
	Total Loan Outstanding	**1,48,339.89**

b. Sectoral Exposure

Sl No	Segment-wise break-up of Loan Outstanding	Percentage of Loan Outstanding
1	**Retail**	
A	Mortgages (home loans and loans against property)	
B	Gold loans	
C	Vehicle finance	
D	MFI	
E	M&SME	
F	Capital market funding (loans against shares, margin funding)	
G	- Others	
2	**Wholesale**	
A	Infrastructure	
B	Real estate (including builder loans)	
C	Promoter funding	
D	Any other sector (as applicable)	
E	Others	Note 1
	Total	**100%**

Note 1: The Company is engaged in the business of Infrastructure equipment financing and registered as an Asset Finance Company under the RBI regulations. Our portfolio has been bifurcated in sectors which are based on assets financed specifically in various Infrastructure sectors which includes construction, mining, irrigation, earthmoving, railway projects, road projects, etc.

c. Denomination of loans outstanding by ticket size*:

Sl. No	Ticket size **	Percentage of Loan Outstanding
1	Upto Rs. 2 lakhs	0.03%
2	Rs. 2-5 lakh	1.41%
3	Rs. 5-10 lakh	2.22%
4	Rs. 10-25 lakh	11.39%
5	Rs. 25-50 lakh	7.66%
6	Rs. 50 lakh-1 crore	5.11%
7	Rs. 1-5 crore	11.30%
8	Rs. 5-25 crore	15.25%
9	Rs. 25-100 crore	25.89%
10	>Rs. 100 crore	19.73%
	Total	**100.00%**

* Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts)
** Ticket size at the time of origination

d. Denomination of loans outstanding by LTV*:

Sl. No	LTV	Percentage of Loan Outstanding
1	Upto 40%	0.14%
2	40-50%	0.23%
3	50-60%	1.22%
4	60-70%	4.68%
5	70-80%	22.34%
6	80-90%	42.01%
7	>90%	29.39%
	Total	**100.00%**

*LTV at the time of origination

e. Geographical classification of borrowers

Sl. No	Top 5 states	Percentage of Loan Outstanding
1	Telangana	23.32%
2	Maharashtra	19.88%

Sl. No	Top 5 states	Percentage of Loan Outstanding
3	New Delhi	9.86%
4	Orissa	8.65%
5	Gujarat	6.45%
	Total	**68.16%**

f. Details of loans overdue and classified as non-performing in accordance with the RBI's guidelines

Movement of gross NPA	₹ in Million (as on March 31, 2016)
Opening gross NPA	7935.2
- Additions during the year	2270.2
- Reductions during the year*	5661.4
Closing balance of gross NPA	4544.0

**** It includes write- off during the year***

Movement of provisions for NPA	₹ in Million (As on March 31, 2016)
Opening Balance	1836.9
- Provisions made during the year	554.6
-- Write-off / write-back of excess provisions	923.1
Closing balance	1468.4

g. Segment-wise gross NPA

Sl. No	Segment-wise gross NPA	Gross NPA (%)
1	**Retail**	
a	- Mortgages (home loans and loans against property)	
b	- Gold loans	
c	- Vehicle finance	
d	- MFI	
e	- M&SME	
f	- Capital market funding (loans against shares, margin funding	
g	- Others	
2	**Wholesale**	
a	- Infrastructure	
b	- Real estate (including builder loans)	
c	- Promoter funding	
d	- Any other sector (as applicable)	
e	- Others	Note 2
	Total	**100%**

Note 2: The Company is engaged in the business of Infrastructure equipment financing and registered as an Asset Finance Company under the RBI regulations. Our portfolio has been bifurcated in sectors which are based on assets financed specifically in various Infrastructure sectors which includes construction, mining, irrigation, earthmoving, railway projects, road projects, etc.

2. Residual maturity profile of assets and liabilities (in line with the RBI format) as on March 31, 2016:

(₹ 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
Deposit	-	-	-	-	-	-	-	-	-
Advances	8,983.20	9,691.00	7,201.20	11,704.00	24,843.50	65,076.80	19,887.50	1,778.70	149,165.90
Investments	5.40	5.40	5.40	15.70	25.30	21.80	-	-	79.00
Borrowing	6,437.00	5,470.70	5,476.30	9,438.80	19,830.90	45,136.50	11,477.30	930.70	104,198.20
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	49.10	-	-	1,110.10	2,045.20	234.00	-	-	3,438.40

Notes:

1. The borrowing indicated above do not include unsecured subordinated perpetual debentures and unsecured subordinated debentures/loan amounting to ₹14,339.00 million since the same forms part of Tier1/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. Others

a. Lending policy:

Please refer to the paragraph titled 'Lending Policies' under the section titled '***Business***' at page no. 95 of this Prospectus.

b. Classification of loans/advances given to associates, entities/person relating to the board, senior management, promoters, others, etc.:

Our Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoters out of the proceeds of Previous Issues.

c. There has not been any change in promoter's holdings in our Company during the financial year ended March 31, 2016 beyond 26% (as prescribed by RBI) except as stated below:

Pursuant to the Share Purchase Agreement ("SPA") dated December 29, 2015 between our Company, BNP Paribas Lease Group (BPLG), Srei Infrastructure Finance Limited (SIFL) and others, BPLG has agreed to sell its entire shareholding of 2,98,30,000 equity shares of our Company representing 50% of the total paid-up equity share capital of our Company to SIFL in accordance with applicable laws. The transaction has received all the requisite approvals and BPLG has sold its entire shareholding of 2,98,30,000 equity shares of our Company representing 50% of the total paid-up equity share capital of our Company to SIFL. Pursuant to this transaction, our Company has become the wholly-owned subsidiary of Srei Infrastructure Finance Limited w.e.f June 17, 2016.

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

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

B. Details of Utilisation of previous Issue by SIFL

The proceeds of the Previous Public Issuances of non-convertible debentures have been utilised according to the objects mentioned in the respective Prospectus (es)/Offer Document.

Please refer to the paragraph titled '***Utilisation details of Previous Issues by group companies'*** under the section titled '***Other Regulatory and Statutory Disclosures'*** at page no 199 of this Prospectus

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 fulfil.

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: 25 November, 2016

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 15% of such tax liability (if net income exceeds Rs. 10,000,000) in case of individuals, a surcharge of 12% of such tax liability in the case of firms (if net income exceeds Rs. 10,000,000) and a surcharge of 7% (if net income is in the range of Rs. 10,000,000 to Rs. 100,000,000) & 12% (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 15% 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 July 1, 2017 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.

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 (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 chapter has been extracted from publicly available documents, including officially prepared materials from the Government of India and its various ministries, trade, industry or general publications and other third party sources as cited in this chapter including ICRA Research Services, Indian Mining and Construction Equipment Industry ("ICRA IMCE Report"), ICRA Research Services, Indian Mining and Construction Equipment Industry, Monthly Updates ("ICRA IMCE Monthly Update") and CARE Ratings, Analysis of Union Budget 16-17 ("CARE Report"). Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. The information may not be consistent with other information compiled by third parties within or outside India. While we have exercised reasonable care in compiling and reproducing such official, industry, market and other data in this document, it has not been independently verified by us or any of our advisors, or any of the Lead Managers or any of their advisors, and should not be relied on as if it had been so verified. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions, which may prove to be incorrect. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in the Prospectus. Accordingly, investment decisions should not be based on such information. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions, which may prove to be incorrect. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in the Prospectus. Accordingly, investment decisions should not be based on such information.

GLOBAL ECONOMY

Global growth is projected to slow to 3.1 percent in 2016 before recovering to 3.4 percent in 2017.

The forecast, revised down by 0.1 percentage point for 2016 and 2017 relative to April, reflects a more subdued outlook for advanced economies following the June U.K. vote in favour of leaving the European Union (Brexit) and weaker-than-expected growth in the United States. These developments have put further downward pressure on global interest rates, as monetary policy is now expected to remain accommodative for longer. Although the market reaction to the Brexit shock was reassuringly orderly, the ultimate impact remains very unclear, as the fate of institutional and trade arrangements between the United Kingdom and the European Union is uncertain. Financial market sentiment toward emerging market economies has improved with expectations of lower interest rates in advanced economies, reduced concern about China's near-term prospects following policy support to growth, and some firming of commodity prices. But prospects differ sharply across countries and regions, with emerging Asia in general and India in particular showing robust growth and sub-Saharan Africa experiencing a sharp slowdown. In advanced economies, a subdued outlook subject to sizable uncertainty and downside risks may fuel further political discontent, with anti-integration policy platforms gaining more traction. Several emerging market and developing economies still face daunting policy challenges in adjusting to weaker commodity prices. These worrisome prospects make the need for a broad-based policy response to raise growth and manage vulnerabilities more urgent than ever.

Growth in emerging market and developing economies is expected to strengthen slightly in 2016 to 4.2 percent after five consecutive years of decline, accounting for over three-quarters of projected world growth this year. However, the outlook for these economies is uneven and generally weaker than in the past. While external financing conditions have eased with expectations of lower interest rates in advanced economies, other factors are weighing on activity. These include a slowdown in China, whose spillovers are magnified by its lower reliance on import- and resource-intensive investment; commodity exporters' continued adjustment to lower revenues; spillovers from persistently weak demand in advanced economies; and domestic strife, political discord, and geopolitical tensions in several countries. While growth in emerging Asia and especially India continues to be resilient, the largest economies in sub-Saharan Africa (Nigeria, South Africa, Angola) are experiencing sharp slowdowns or recessions as lower commodity prices interact with difficult domestic political and economic conditions. Brazil and Russia continue to face challenging macroeconomic conditions, but their outlook has strengthened somewhat relative to last April.

(Source: http://www.imf.org/external/pubs/ft/weo/2016/02/pdf/text.pdf)

THE INDIAN ECONOMY

Macroeconomic Outlook:

The inflation outlook for 2016-17 has improved, but beyond, close vigilance is required to achieve the prospects of reaching 4 per cent i.e., the centre of the target band. Robust consumption brightens the outlook for real gross value added (GVA) in 2016-17, but muted private investment and weak global demand may restrain the pace of growth in 2017-18.

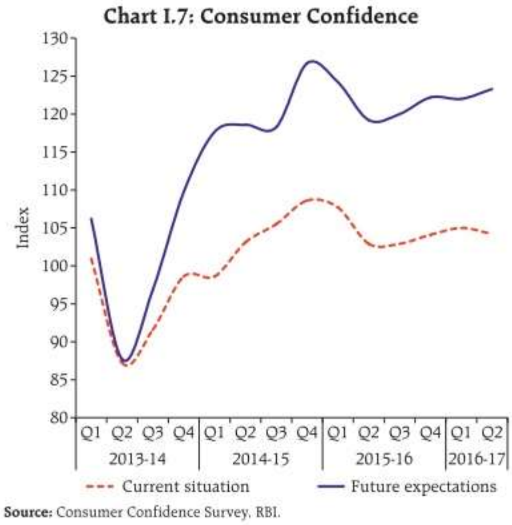
The April 2016 monetary policy report (MPR) presaged the continuing weakening of global growth and external demand. At the September G20 Summit in Hangzhou, the International Monetary Fund (IMF) warned about an even more modest pace of global growth this year, with the balance of risks remaining skewed to the downside.

Outlook for Inflation:

Subdued momentum in food inflation in Q3 and the usual seasonal softening of food prices in early Q4, notwithstanding a reversal of base effects in March 2017, improves the near-term outlook for inflation considerably. Commodity prices are expected to remain quiescent over the rest of the year. These anticipated developments feed into inflation expectations and, in turn, influence wage and price conditions, going forward. Among various economic agents, households tend to be the most adaptive in their expectations formation. Accordingly, food price increases of May-July appear to have remained entrenched in their inflation expectations. The September round of the Reserve Bank's survey of urban households indicates a pickup in their current perceptions and expectations of inflation farther out, as in the June round of the survey, with an increase in the proportion of respondents expecting prices to rise by more than the current rate1 (Chart I.3). In the September round, in fact, inflation is expected to be 9.5 per cent three months ahead and 11.4 per cent one year ahead.

Outlook for growth:

The April 2016 MPR had outlined the key downside risks that could impinge upon the path of growth in 2016-17 – the depressed private investment climate amidst subdued capacity utilisation and corporate balance sheet deleveraging; depressed global output and trade growth dragging down net exports. It also highlighted several positive factors that could potentially lift growth, including the government's "start-up" and other initiatives, the boost to household consumption demand from the 7 th Central Pay Commission (CPC) award, still benign cost conditions, measures announced in the Union Budget 2016-17 to transform the rural sector, upbeat consumer confidence and the expected recovery in agriculture and allied activities. Since then, some of these assumptions have materialised. Accordingly, the spatially and temporally satisfactory south-west monsoon during the 2016 season, and the implementation of the 7th CPC award are expected to provide a boost to consumption spending, both rural and urban. The Reserve Bank's survey conducted in August-September 2016 found consumer optimism on the general economic outlook, but somewhat less confidence on future income and employment (Chart I.7). While private investment activity remains sluggish, corporate business expectations remain upbeat in the Reserve Bank's industrial outlook survey on improving prospects for production, capacity utilisation, employment and the availability of finance.



(Source:https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/MPR_F4A9FF233E5B5453D856849DD52D5F6A4 .PDF)

The Salient Features of Indian Economy in August, 2016 are as follows:

(i) The growth in Gross Value Added (GVA) at constant (2011-12) basic prices in Q1 of 2016-17 was 7.3 per cent, as compared to the growth rate of 7.2 per cent in Q1 of 2015-16. At the sectoral level, agriculture, industry and services sectors grew at the rate of 1.8 per cent, 6.0 per cent and 9.6 per cent respectively in Q1 of 2016-17.

(ii) Eight core infrastructure industries grew by 3.2 per cent in July 2016 as compared to growth of 1.3 per cent in July 2015. The growth of these industries during April-July 2016-17 was 4.9 per cent as compared to 2.2 per cent during the corresponding period of previous year

(iii) Gross tax revenue during April- July 2016-17 recorded a growth of 26.7 per cent over April-July 2015-16. Tax revenue (net to the Centre) increased by 44.1 per cent during April-July 2016-17. The Budget Estimate of the fiscal deficit as per cent of GDP at current market price for 2016-17 is 3.5 per cent as compared to 3.9 per cent in 2015-16.

(iv) Foreign exchange reserves stood at US$ 366.8 billion as on 26th August 2016 as compared to US$ 360.2 billion at end March 2016. The rupee appreciated against the US dollar and Pound sterling by 0.4 per cent and 0.8 per cent respectively, while depreciated against Japanese Yen and Euro by 2.4 per cent and 0.9 per cent respectively, in August 2016 over the month of July 2016.

(Source: http://mof.gov.in/stats_data/monthly_economic_report/2016/indaug16.pdf)

Mining and Construction Equipment (MCE)

Indian MCE Demand:

Following three consecutive years of decline, the Indian MCE industry posted a 4-5% growth in demand during CY2015, following a strong pickup in demand of the construction work-horse excavators in October-15. Demand for the utility equipment-backhoes also picked up in February-16. Road compaction equipment demand also posted a strong growth towards the end of CY2015, given the pick–up in road building activity. This growth momentum should continue through CY2016, with the industry posting a 20-22% growth in demand.

While problems of overleveraged construction companies, challenges in land acquisition and environment clearances continue, Governmental push for infrastructure, through various enabling measure has led to a sharp pick-up in road construction activity in the country. Aggregate quarrying (for roads) was one of the key activities which picked up, apart from drought relief and irrigation related activity during CY2015. Both the eastern and western dedicated freight corridors (DFC) are also witnessing traction in track laying with financial support from multilateral agencies like JICA.

While the high indebtedness of large contractors continues to be a concern, valuation consensus has enabled larger contractors to work at deleveraging, monetising operational projects; this has freed up their capital for further projects and lender's capital enabling them to lend further.

As expected, mining equipment demand stayed subdued in H1 CY2016. Weak coal off-take from power plants due to limited growth in end-user demand and stretched payments from DISCOMS has discouraged coal mining; tenders for equipment procurement by Coal India Limited has reduced significantly over the past quarter (Q1 FY2017). Subdued demand for steel and weak global iron-ore prices has curtailed iron ore mining in the country. Domestic coal production grew by a modest 5.0% during FY2016 down from 7.6% in FY2015. Production fell by 2% in YTD May-16; this has impacted demand for high capacity excavators, >60T dumpers, large wheel loaders and dozers. Demand for mining equipment is expected to revive in CY2017, following mop-up of existing equipment capacity.

Further, simplification of logistics across the country post implementation of GST will support higher equipment movement across States, driving utilisation, the equipment rental market and equipment banks. Impact of the national elections in early 2019 is a headwind over the medium term.

(Source: ICRA IMCE Report)

In line with current trends, it is expected that demand for road construction equipment—compactors, asphalt finishers and motor graders, among others—to grow by 18%-25% during CY2016 to about 3,400 equipment. This trend is expected to continue in CY2017 with the industry expected to post another 12-15% volume growth next year. Associated equipment like backhoes and excavators have also been posting strong volume traction over the past 10 months.

(Source: ICRA IMCE Monthly Update)

Product Segment

Backhoe Loaders - Strong start to calendar 2016 brings cheer; rental rates will play a key role in driving demand: Emerging from a four-year long demand slump, the backhoe loader product category has posted healthy growth during H1 CY2016 driven by pick up in execution under roads & highways and small rural irrigation projects. The industry volumes for H1 CY2016 stood at about 13,000 units as against full year volumes of 20,500 units in CY2015 (translating to an annualized growth rate in the range of 25%). Continued traction in execution of small infrastructure projects is expected to support growth momentum in the backhoe loaders segment.

Excavators - Growth momentum of CY2015 continued during H1 CY2016; outlook remains positive with traction in project execution: Snapping the three year declining trend, the excavator product segment reported a volume growth of 10-12% in CY2015; demand started recovering in October-15. This product segment continued to witness healthy volume expansion during H1 CY2016 posting an annualized growth in excess of 25%. Project executions – mainly roads and highways – has been the primary drivers even as the off-take from the mining sector (smaller-volume higher-capacity) has remained languid. Quarrying activity and irrigation projects in some regions has also supported excavator volumes to an extent. Going forward, the excavators segment is expected to maintain a healthy growth rate of 18-20% over the next two-three fiscals driven by traction in sectors such as roads and highways, real estate, urban infrastructure, railways (tracks), ports and general construction besides revival in mining segment.

Wheeled Loaders - Wheeled loaders post modest growth in calendar 2015 amidst continued slackness in infrastructure investments; prospects hinge on mining revival: Despite a reasonable uptick in the construction sector – primarily driven by roads and irrigation projects, growth in wheeled loaders volumes has remained subdued mainly on account of sluggish demand from the mining sector (for higher powered wheeled loaders). In line with a moderate 5% growth reported by this product segment during CY2015, growth during CY2016 is likely to be modest at 8%. With the emphasis increasing on time-bound implementation of projects, adoption of specialized machines is gaining pace - which bodes well for equipment like wheeled loaders. The segment should report a healthy growth rate of 15-20% during CY2017 and CY2018, with improvements in machine utilization further driving demand.

Mobile Cranes - Mobile crane volume growth remains sluggish with drop in demand for pick & carry segment; however, demand for larger capacity cranes picked up during CY2015: Continuing the sluggish demand of CY2015, the mobile cranes product segment appears to have stepped into CY2016 on a relatively weak footing. The small capacity pick-and-carry (PNC) cranes which account for a sizeable share of the mobile cranes segment reported de-growth during CY2015 and continued to report weak volumes in H1 CY2016. ICRA expects mobile cranes volume growth to remain moderate during CY2016 while demand for larger capacity cranes is expected to pick up with investments in traditional power capacities and the progress in renewable energy (particularly wind). Further, given that rental players account for a sizeable share of the mobile cranes industry (around 70% of buyers each year and over 40% of the total population outstanding); improved equipment utilizations is also expected to spur demand over the medium term.

Dumpers - Awaiting revival in mining activity; Growth prospects remain strong driven by replacement requirements and pent-up demand: Dumper (off-highway dump trucks of 35T and above) volumes have remained sluggish over the last four years owing to issues surrounding the mining sector. While coal block allocation and removal of ban on iron-ore mining in certain states was expected to provide an impetus to dumper volumes, slower-than-expected pick up in mining activity (give lower power off take and steel production) has delayed the revival cycle for dumpers leading to weak performance of the product segment during H1 CY2016. Nevertheless, medium term prospects for dumpers remain strong with replacement requirements, pent-up demand and fresh requirements as mining activity in the country gains pace. For CY2016, ICRA expects a moderate 8-10% demand growth for dumpers.

Dozers - Traction in road project execution drives volumes in the lower powered dozers; however languid volumes in mining dozers offset the same: Strong traction in road project execution as reflected by the increase in per-day road construction (Exhibit 11) has resulted in uptick in demand for related construction equipment - including dozers (<350 hp). However, the same was offset with persisting weakness in the mining dozers (350-850 hp) category which was impacted by slower than expected pick-up in mining activity during H1 CY2016. ICRA expects the overall dozers segment to report moderate 10-12% growth in CY2016 while the medium to longer term prospects remain intact supported by underlying demand from infrastructure needs of the country.

Skid Steer Loaders - Slow but steady growth with improving acceptance and increasing urbanization: After a largely flattish CY2015, the skid steers product category has witnessed modest growth in volumes during H1 CY2016. While the volume base remains low at present and growth slower than expected, skid steers have been posting modest growth over the years. With increasing urbanization, waste management projects like the Swachh Bharat Abhiyan, scarcity of labour, demand growth for skid-steers is likely to accelerate over the medium to longer term. ICRA expects the skid steers segment to post a growth of 7-8% in CY2016 while the same is expected to pick up to 10-12% over the next two years.

(Source: ICRA IMCE Report)

Sectoral Focus

Development of the infrastructure sector has been a priority area for the government and has witnessed enhanced public investment. Many reforms have been initiated in the infrastructure sector, resulting in robust growth in most of the sectors. Major infrastructure sectors, namely power, road, railways, civil aviation, ports and telecommunication, have performed better during 2014-15 as compared to 2013-14. In Indian Railways, the freight carried shows an increase of 9.0 million tonnes during April-November 2015, over the freight traffic of 2014-15, translating into growth of 1.3 per cent. Under the National Highways Development Project (NHDP), total length of 26,177 km road has been completed as on 31 December 2015. Similarly, the civil aviation sector witnessed an improvement of 20.4 per cent in domestic traffic and 7.8 per cent in international passenger traffic during April-November 2015-16 over the same period of the previous year. During April-September 2015 while cargo traffic at all ports increased by 1.1 per cent, major ports reported an increase of 4.1 per cent and non-major ports a decline of 1.0 per cent as compared to the corresponding period in 2014-15. The performance of the telecommunication sector during 2015-16 has been encouraging, with approximately 33.4 million new telephone connections added during April-October 2015, which is way ahead of the 29.7 million new connections in the corresponding period of 2014-15.

(Source: http://indiabudget.nic.in/es2015-16/echapvol2-01.pdf)

Key Initiatives announced in Union Budget, 2016-17 for infrastructure sector

I. Total investment in the road sector, including PMGSY allocation, would be Rs 97,000 crore during 2016-17.

II. India's highest ever kilometres of new highways were awarded in 2015. To approve nearly 10,000 kms of National Highways in 2016-17.

III. Allocation of ₹55,000 crore in the Budget for Roads. Additional ₹15,000 crore to be raised by NHAI through bonds.

IV. Total outlay for infrastructure – Rs.2,21,246 crore.

V. Amendments to be made in Motor Vehicles Act to open up the road transport sector in the passenger segment

VI. Action plan for revival of unserved and underserved airports to be drawn up in partnership with State Governments

VII. Comprehensive plan, spanning next 15 to 20 years, to augment the investment in nuclear power generation to be drawn up.

(Source: http://indiabudget.nic.in/ub2016-17/bh/bh1.pdf)

Roads and Highways

Indian Road network spans about 5.1 million km (as of Mar 16) - 2nd largest in the world after USA. The government has taken various steps to revive the sector including premium rescheduling for stressed projects, bidding of tenders only after 80% land has been acquired for the project, fast track clearances of the projects, 100% exit for developers after two years of project completion both for pre-2009 and post-2009 projects and National Highway Authority of India (NHAI) funding for projects that are stuck in advance stages of completion. In addition, NHAI has also made few changes in the model concession agreement and has introduced hybrid annuity projects for Public Private Partnership (PPP) basis to enhance the attractiveness of the sector. The pace of execution of road projects has also improved as reflected by commencement of execution of around 80% of the stalled projects.

Key announcements

I. Increase in allocation from ₹40,000 crores during last budget to ₹55,000 crores for 2016-17. NHAI can also raise additional ₹15,000 crores through bond issue for construction of roads. Total investment in the road sector including Pradhanmantri Gram Sadak Yojna (PMGSY) is envisaged at ₹97,000 crores.

II. The Government plans to approve around 10,000 km of National Highways in 2016-17. In addition, around 50,000 km of State Highways shall be taken up for up gradation to National Highways.

III. Public Utility Bills for dispute resolution shall be introduced in 2016-17. Guidelines for negotiations of Public Private Partnership (PPP) concession agreements are also expected to be issued in the coming year.

IV. New credit rating system with various credit enhancement features is going to be introduced. Life Insurance Corporation of India will set up dedicated fund to provide credit enhancement to infrastructure projects. Investment basket of foreign portfolio investor will be expanded to include unlisted debt securities and pass through securities issued by securitization of special purpose vehicles (SPVs).

(Source: CARE Report)

Power Sector:

The all-India installed capacity on October 31, 2016 was 307.3 Giga-Watts (GW). In FY14, the base power deficit was 4.2%, which declined to 3.6% in FY15, while peak deficit increased from 4.5% in FY14 to 4.7% in FY15. During 9MFY16, base deficit has declined to 2.2% and peak power deficit to 3.2%.

The sector is still plagued by weak health of power distribution companies, fuel-related issues and transmission constraints.

Encouraging policy framework in the renewable energy (RE) sector has resulted in rising share of RE capacity from 5.9% (7.7 GW) in FY2007 to 13.2% (37.4 GW) as on December 31, 2015. A capacity addition of 16,654.5 MW during the year 2016-17 comprising 13,440.5 MW of thermal, 1,714 MW of hydro and 1,500 MW of nuclear power stations has been considered. During the year 2015-16, a total of 28,114 circuit-km of transmission lines and 62,849 MVA transformation capacity was added. The government has set a target of augmenting the renewable power capacity to 175 GW (including solar capacity of 100 GW) by 2022.

Key schemes announced

I. The Government has plans to achieve 100% village electrification by May 01, 2017. Rs.8,500 crore has been provided for Deendayal Upadhayaya Gram Jyoti Yojna and Integrated Power Development Schemes.

II. Apart from renewable sector capacity addition targets which have been set-down earlier, the Government is drawing up a comprehensive plan to augment the investment in nuclear power generation and has proposed budgetary allocation up to Rs.3,000 crore per annum. This will help in boosting nuclear power capacity.

III. Plant & machinery acquired and installed for transmission activity would also be eligible for additional depreciation (at the rate of 20%) under section 32(1) (iia) of the Income tax act.

(Source: CARE Report, Central Electrical Authority)

Ports:

India has 7,517 km long coastline. The total volume of traffic handled by all the major Indian ports during H1 FY 17 was about 370 million tonnes as compared with about 348 million tonnes handled in H1 FY16, a Y-o-Y growth of about 6.3%.

The Planning Commission has estimated the total traffic growth at about 14% during the 12th Five Year Plan (2012 to 2017).

Key schemes announced

I. Implementation of Customs Single Window project starting from the beginning of the next financial year.
II. Allocation of a corpus of Rs.800 crore to develop new greenfield ports and inland waterways.

(Source: CARE Report, Indian Ports Association)

Construction

Construction industry, the second largest employment generator in the economy after agriculture, is integral to support India's growing need for infrastructure and industrial development. The growth of the industry is directly correlated to the growth of gross domestic product (GDP). In the last 10 years, construction as a percentage of GDP has been around 7-8%. The industry witnessed a slowdown in the last couple of years, mainly on account of slowdown in the economy, delay in project awarding and execution due to environmental clearance hurdles, aggressive bidding by players, lack of funding, land acquisition issues and policy bottlenecks

Key schemes announced

I. Total outlay of Rs.2,21,246 crore planned for infrastructure in 2016-17.

II. A dedicated Long Term Irrigation Fund to be created in NABARD with an initial corpus of Rs. 20,000 crores for implementation of irrigation projects under Accelerated Irrigation Benefit Programme (AIBP).

III. The total outlay on roads and railways to be Rs. 218,000 crore. Nearly 10,000 km of National Highways to be awarded in FY17 and nearly 50,000 km of State highways to be taken up for upgradation as National Highways.

IV. Rs.800 crore allocated for development of greenfield ports and work on the National Waterways.

V. NHAI, PFC, REC, IREDA, NABARD and Inland Water Authority to be permitted to raise additional finances of ₹31,300 crores through bonds in FY17 for infrastructure spending. Measures to revitalise PPPs:

VI. A Public Utility (Resolution of Disputes) Bill to be introduced for resolution of disputes in infrastructure related construction contracts, PPP and public utility contracts.

VII. Guidelines for renegotiation of PPP Concession Agreements.

(Source: CARE Report)

Disclaimer clause of Credit Analysis & Research Limited ("CARE Rating") for issue of *CARE Report*:

"This report is prepared by Credit Analysis & Research Limited [CARE Ratings]. CARE has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. However, neither the ACCURACY nor completeness of it contained in the report is guaranteed. CARE is not responsible for any errors or omissions in analysis/inferences/views or from results obtained from the use of information contained in this report laid specially states that CARE (including all division) has no financial liability whatsoever to the user of this report."

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 222 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:

I. Asset Finance Company (AFC): An AFC is a 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.

II. Investment Company (IC): IC means any company which is a financial institution carrying on as its principal business the acquisition of securities.

III. Loan Company (LC): LC means any company which is a financial institution carrying on as its principal business the providing of finance whether by making loans or advances or otherwise for any activity other than its own but does not include an Asset Finance Company.

IV. Infrastructure Finance Company (IFC): IFC is a non-banking finance company a) which deploys at least 75 per cent of its total assets in infrastructure loans, b) has a minimum Net Owned Funds of ₹ 300 crore, c) has a minimum credit rating of ‘A ‘or equivalent d) and a CRAR of 15%.

V. Systemically Important Core Investment Company (CIC-ND-SI): CIC-ND-SI is an NBFC carrying on the business of acquisition of shares and securities which satisfies the following conditions:

a. it holds not less than 90% of its Total Assets in the form of investment in equity shares, preference shares, debt or loans in group companies;

b. its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its Total Assets;

c. it does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;

d. it does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of the RBI Act except investment in bank deposits, money market instruments, government securities, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies.

e. Its asset size is ₹100 crores or above and

f. It accepts public funds

VI. Infrastructure Debt Fund: Non- Banking Financial Company (IDF-NBFC): IDF-NBFC is a company registered as NBFC to facilitate the flow of long term debt into infrastructure projects. IDF-NBFC raise resources through issue of Rupee or Dollar denominated bonds of minimum 5-year maturity. Only Infrastructure Finance Companies (IFC) can sponsor IDF-NBFCs.

VII. Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI): NBFC-MFI is a non-deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:

a. loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding ₹1,00,000 or urban and semi-urban household income not exceeding ₹ 1,60,000;

b. loan amount does not exceed ₹50,000 in the first cycle and ₹1,00,000 in subsequent cycles;

c. total indebtedness of the borrower does not exceed ₹1,00,000;

d. tenure of the loan not to be less than 24 months for loan amount in excess of ₹15,000 with prepayment without penalty;

e. loan to be extended without collateral;

f. aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs;

g. loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower

VIII. Non-Banking Financial Company – Factor (NBFC-Factors): NBFC-Factor is a non-deposit taking NBFC engaged in the principal business of factoring. The financial assets in the factoring business should constitute at least 50 percent of its total assets and its income derived from factoring business should not be less than 50 percent of its gross income.

IX. Mortgage Guarantee Companies (MGC) - MGC are financial institutions for which at least 90% of the business turnover is mortgage guarantee business or at least 90% of the gross income is from mortgage guarantee business and net owned fund is ₹ 100 crore.

X. NBFC- Non-Operative Financial Holding Company (NOFHC) is financial institution through which promoter / promoter groups will be permitted to set up a new bank. It’s a wholly-owned Non-Operative Financial Holding Company (NOFHC) which will hold the bank as well as all other financial services companies regulated by RBI or other financial sector regulators, to the extent permissible under the applicable regulatory prescriptions.

(Source: https://www.rbi.org.in/Scripts/FAQView.aspx?Id=92)

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)

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, 2016, we have presence in approximately 21 states, including 89 branches across India. We have strategically expanded our marketing network and operations enabling us having relationships with more than 60,000 customers. Our disbursements for the period ended March 31, 2016 were ₹91,588.78 million. 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*", "*Khushiyon Ki Barish*", "*Srei Partnership Week*", Asset Power, Money Power, loyalty programs, spare part financing schemes 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, CARE AA-, from CARE, BWR AA+ from Brickwork and SMERA AA/Stable from SMERA Ratings. In relation to our short-term debt instruments, we currently have the ratings of ICRA A1+ from ICRA Limited, BWR A1+ from BRICKWORK and CARE A1+ from CARE.

As on September 30, 2016, our total employee strength was approximately 1650 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 ₹100,364.60 million as of March 31, 2012 to ₹136,355.70 million as of March 31, 2016, at a CAGR of 7.96 %.
- Our total income increased from ₹18,185.20 million in fiscal 2012 to ₹26,150.90 million in fiscal 2016, at a CAGR of 9.51%,
- Our AUM increased from ₹173,676.27 million as of March 31, 2012 to ₹185,977.90 million as of March 31, 2016 at a CAGR of 1.73 %.
- Our net worth increased from ₹13,359.40 million as of March 31, 2012 to ₹23,218.70 million as of March 31, 2016, at a CAGR of 14.82%.

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 a White Paper on Infrastructure Financing by Crisil Ratings and industry body Assocham, India requires an investment of Rs. 31 trillion over the next 5 years to plug its infrastructure gaps. The Union Budget, 2016-17 announced an outlay of Rs.2.21 trillion crore towards infrastructure. This provides us with opportunity to offer financing for equipment required for such projects.

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 first time users construction equipment hirers, truck owner, farmers 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 a wholly owned subsidiary of Srei Infra. We believe that Srei Infra is well established brand domestically in infrastructure financing business this provides with a significant competitive advantage, 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..

Experienced Board and senior management team

Our Board consists of five directors, two of whom are executive directors and remaining three are independent directors with extensive experience in banking and financial services sector. The directors bring extensive experience in the Indian financial sectors, especially in equipment financing, lending, portfolio management, operational and managerial experience. 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 60,000 clients as of September 30, 2016. Further, as of September 30, 2016, our AUM was ₹199,345.33 million. In order, to strengthen our market position, we have emphasised the diversification of its business by entering into new areas of financing, such as information technology, healthcare, rural equipment, logistics and used equipment financing. 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, 2016, we have presence in approximately 21 states, including 89 branches 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. Further we have diversified our funding source through Public Issue of Secured debt issues.

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

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, Money Power, loyalty programs, spare part funding schemes 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 (Finance/lease for purchase of infrastructure equipment)	**Technology and Solutions Financing** (Finance/lease for purchase of hardware, software and office equipment)	**Health care Equipment Financing** (Finance/lease for all major medical equipment used in medical industry)	**Agricultural and Farming Equipment** (Finance for purchase of major agricultural and farming equipment)	**Used 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 and mining equipment including earthmoving equipment, material handling equipment, road construction equipment, concreting equipment, and material processing equipment. We focus on financing assets whose value which does not exceed 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, 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. As at September 30, 2016, our total loans outstanding in the Infrastructure equipment sector were ₹141,940.38 million, which accounted for 89.39 % of the total loan outstandings of our Company. For fiscal 2016, our total disbursements were ₹76,781.51 million in the infrastructure equipment financing sector, which accounted for 83.83% 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, 2016, our total loans outstanding in the technology and solutions financing sector were ₹5,047.11 million, which accounted for 3.18% of the total loan outstandings of our Company. For fiscal 2016, our total disbursements were ₹5,868.03 million in the technology and solutions financing sector, which accounted for 6.41% 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, 2016, our total loans outstanding in the healthcare equipment financing sector were ₹2,308.47 million, which accounted for 1.45% of the total loan outstandings of our Company. For fiscal 2016, our total disbursements were ₹1,435.59 million in the healthcare equipment financing sector, which accounted for 1.57% 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, 2016, our total loans outstanding in the agriculture and farming equipment financing sector were ₹3,689.10 million, which accounted for 2.32% of the total loan outstandings of our Company. For fiscal 2016, our total disbursements were ₹2,279.79 million in the agriculture and farming equipment financing sector, which accounted for 2.49% 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, 2016, our total loans outstanding in the used equipment financing sector were ₹5,810.15 million, which accounted for 3.66% of the total loan outstandings of our Company. For fiscal 2016, our total disbursements were ₹5,223.85 million in the used equipment financing sector, which accounted for 5.70% of the total disbursements of our Company.

Lease Business:

We are also engaged into the business of providing equipment on lease as and when required by the customers. The various kind of assets given under lease include Heavy earth moving infrastructure equipment’s windmills, aircrafts, IT equipment etc. As at September 30, 2016 our total assets under lease were ₹16,318.14 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 customer base also consists of Lessees where the asset/equipment are owned by us and used by our clients under lease agreements.

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 20% margin on infrastructure financing, 10% to 15% margin on technology and solutions financing and 10% to 15% 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, Money Power 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 promoter Srei Infra 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 stringent 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 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 evaluation. 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 also appraise if credit proposals comply with regulatory guidelines and norms issued by the RBI, SEBI, etc. We have a detailed credit underwriting mechanism 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 robust 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

On an organisational level we have a properly framed credit policy and 'Delegation of Authority' (DOA) which is reviewed and revised on annual basis, approved by a Board level committee 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 board level Committee ("Credit Committee/CC") 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 CC approves the facility thereof. Subject to credit evaluation and due diligence, approval is accorded to the prospective customers. Apart from the Credit Committee comprising of Board Members, we have a mechanism for consideration and approval of credit proposals of lower amounts based on the quantum of credit facility applied for.

In addition, our CORPs team further checks and confirm the pre-disbursement documentation to ensure that all the parameters 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 and monitored on continuous basis, 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 when the overdue amount along with all other charges have been collected/mutually agreed.

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 " Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016"" 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 provided that the period not exceeding 18 months stipulated shall 'not exceed 16 months' for March 31, 2016, 'not exceeding 14 months' for March 31, 2017, 'not exceeding 12 months' for the financial year ending March 31, 2018 and thereafter (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' for the financial year ended March 31, 2015; 'exceeding 16 months' for the financial year ended March 31, 2016; 'exceeding 14 months' for the financial year ending March 31, 2017 and 'exceeding 12 months' for the financial year ending March 31, 2018 and thereafter.
Loss Assets:	(a) an asset which has been identified as loss asset by the non-banking financial company or its internal or external auditor or by the Reserve Bank of India during the inspection of the non-banking financial company, to the extent it is not written off by the non-banking financial company; and (b) an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower

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 bad debts/provision for NPA based on the management's best estimate, which, as per the management are not likely to be recovered. 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 bad debts written off/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.044 / 03.10.119 / 2015-16 issued by Reserve Bank of India.

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.

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 and assignment 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 September 30, 2016 and March 31, 2016, our capital adequacy ratio was 18.70% and 19.62% respectively, 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, 2016	**As of March 31, 2016**	**As of March 31, 2015**	**As of March 31, 2014**
Capital Adequacy Ratio	18.70%	19.62%	17.05%	17.13%
Tier 1 capital	14.47%	14.65%	13.35%	12.63%

For further information relating to our capital adequacy, see on page 106 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 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. Our operational policies cover 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. Also, our collection field force is equipped with handheld devices which enable real-time collection monitoring. 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 September 30, 2016, our total employee strength was approximately 1,650 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, 2016, ₹12.77 million has been spent 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.

Srei Equipment Finance Limited ("**SEFL**"), earlier a joint venture between Srei Infrastructure Finance Limited ("**SIFL**") and BNP Paribas Lease Group ("**BPLG**"), in which each of SIFL and BPLG held 50% of the total paid-up equity share capital on a fully-diluted basis.

In order to take advantage of the emerging opportunities in the infrastructure sector in India, BPLG expressed its intention to become a shareholder in SIFL that would enable BPLG to gain exposure to and take advantage of the larger infrastructure play in the Country. BPLG expressed an intention to acquire 2,51,54,317 equity shares of SIFL representing 5% of the paid-up equity share capital of SIFL and in lieu thereof, sell its entire shareholding of 2,98,30,000 equity shares of our Company representing 50% of the total paid-up equity share capital to SIFL, in accordance with applicable laws. .SIFL would benefit by having BPLG, a subsidiary of BNP Paribas S.A., as a shareholder, coupled with the dual advantage of SIFL holding 100% shareholding in SEFL. This would enable SIFL to consolidate 100% of the financial results of the infrastructure equipment finance business.

Our Company, BPLG, SIFL, Srei Growth Trust, Mr. Hemant Kanoria and Mr. Sunil Kanoria has entered into a share purchase agreement ("SPA") dated December 29, 2015 whereby BPLG has agreed to sell its entire shareholding of 2,98,30,000 equity shares of our Company representing 50% of the total paid-up equity share capital of our Company to SIFL and in lieu thereof acquire 2,51,54,317 equity shares of SIFL representing 5% of the total paid-up equity share capital of SIFL in accordance with applicable laws.

BPLG sold its entire shareholding in our Company to SIFL for a consideration equal to the total consideration which BPLG paid for acquiring 2,51,54,317 equity shares of SIFL representing 5% of the total paid-up equity share capital from the Srei Growth Trust at a price being the higher of:

a) the average of the weekly high and low of the volume weighted average price of the equity shares of SIFL during the 26 (twenty six) weeks preceding the closing date of the acquisition as contemplated under the SPA; and

b) the average of the weekly high and low of the volume weighted average price of the equity shares of SIFL during the 2 (two) weeks preceding the closing date of the acquisition as contemplated under the SPA, in each case computed in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Thereafter, RBI vide its letter no. DNBS.RO.Kol.No. 8555 /00.13.232/2015-16 dated May 20, 2016 granted its approval for the proposed transfer of shares by BPLG to SIFL and pursuant to Circular No. DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 09, 2015 Public Notices were also published jointly by SIFL, BPLG and our Company in Business Standard and Sambad Pratidin on May 19, 2016.

Subsequently, in terms of the aforesaid approval granted by the RBI, the Board of Directors of our Company at its Board meeting held on June 17, 2016 gave effect to the transaction by passing requisite resolutions and transaction stands consummated on June 17, 2016. Pursuant to this transaction, our Company has become the wholly-owned subsidiary of Srei Infrastructure Finance Limited w.e.f June 17, 2016.

BNP Paribas Lease Group has received 2,51,54,317 equity shares of SIFL representing 5% of the total paid-up equity share capital of SIFL in lieu of its entire shareholding of 2,98,30,000 equity shares of our Company representing 50% of the total paid-up equity share capital of 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

Share Purchase Agreement dated December 20, 2015 (“SPA”) between Srei Equipment Finance Limited (“SEFL”), BNP Paribas Lease Group (“BPLG”), Srei Infrastructure Finance Limited (“SIFL”), Srei Growth Trust (the “Seller”), Mr. Hemant Kanoria and Mr. Sunil Kanoria (collectively “IF”). The parties to the SPA are collectively referred to as the Parties.

Major Terms of the SPA

Subject to the terms and conditions of the SPA, on the Closing Date, the Seller shall sell to BPLG, and BPLG shall purchase from, the Seller, the SIFL Shares, free from all Encumbrances and together with all rights and advantages attaching or accruing thereto from the Closing Date. Subject to Applicable Laws, the price per SIFL Share at which the SIFL Shares will be sold by the Seller and purchased by BPLG in accordance with the terms of the SPA shall be the higher of: (a) the average of the weekly high and low of the volume weighted average price of the equity shares of SIFL during the 26 (twenty six) weeks preceding the Closing Gate; and (b) the average of the weekly high and low of the volume weighted average price of the equity shares of SIFL during the 2 (two) weeks preceding the Closing Date, in each case computed in accordance with the ICDR Regulations.

Further subject to the terms and conditions of the SPA, on the Closing Date, BPLG shall sell to SIFL, and SIFL shall purchase from BPLG, the SEFL Shares for a consideration equal to the SEFL Purchase Consideration, free from all Encumbrances and together with all rights and advantages now and hereinafter attaching or accruing thereto from the Closing Date. SIFL shall ensure that the transfer of the SEFL Purchase Consideration from SIFL Account to designated bank account of BPLG shall take place only in accordance with terms and conditions of an Accounts Agreement. The SPA will terminate by mutual written agreement of the Parties or in accordance with Clause 6.7 of the SPA, if the Closing has not occurred before the Long Stop Date, Extended Long Stop Date or Further Extended Long Stop Date, and the termination of the SPA shall not relieve any Party of any obligation or liability accrued prior to the date of termination.

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. As on the date of this Draft Prospectus, our Board has five (5) Directors of whom three (3) Directors are independent directors. The Chairman of the Board is an Executive Director and the composition of the Board is in conformity with section 149 of the Companies Act, 2013.

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. Hemant Kanoria Chairman and Managing Director	00193015	May 12, 2007 (Reappointed w.e.f. 1 Nov 2013) (Change in designation to Chairman and Managing Director w.e.f. June 17, 2016)	August 05, 1962 54 years	Industrialist	"Kanoria House" 3 Middle Road, Hastings, Kolkata – 700022	• Srei Infrastructure Finance Limited • India Power Corporation Limited • Indian Chamber of Commerce Calcutta • Austrian Anadi Bank AG
Mr. Sunil Kanoria Vice Chairman	00421564	May 12, 2007 (Reappointed w.e.f. 1 Nov 2013) (Change in designation to Vice Chairman w.e.f. August 4, 2016)	May 04, 1965 51 years	Industrialist	"Kanoria House" 3 Middle Road, Hastings, Kolkata – 700022	• Srei Infrastructure Finance Limited • India Power Corporation Limited • Upper Ganges Sugar and Industries Limited • The Associated Chambers of Commerce and Industry of India • Grupo Empresarial San Jose, S.A - .
Mr. Kora Ipe Puthenpurackal Non-Executive & Independent Director	02780367	October 26, 2010	May 25, 1951 65 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 69 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
Dr. Tamali Sen gupta Non-Executive & Independent Director (Additional Director)	00358658	September 17, 2016	September 27, 1962 53 years	Advocate	J - 1957, Chittaranjan Park, New Delhi - 110019	• Srei Infrastructure Finance Limited • Access India Advisors Limited • SPE Films India Private Limited • TSG Legal Consulting Private Limited • Bally India Private Limited • Aria Hotels and Consultancy Services Private Limited

None of the names of our existing and current directors are appearing in the RBI defaulter list and/or ECGC default list. None of our Directors have been identified as a 'wilful defaulter' by the RBI or any government/ regulatory authority and/or by any bank or financial institution.

<u>Profile of Directors</u>

Mr. Hemant Kanoria, Chairman & Managing Director

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

Mr. Sunil Kanoria, Vice Chairman

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

Mr. Kora Ipe Puthenpurockal, Non-Executive & 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, Non-Executive & Independent Director

He has over 45 years of experience in Retail, Commercial, Investment Banking and NBFC. Associated with the State Bank of India for 26 years, he has extensive exposure in International Banking at SBI, London and as the Chief Representative in Washington DC having worked closely with IFC, World Bank and IMF. He was the Executive Director with Axis Bank (formerly UTI Bank) wherein he was instrumental in developing the bank's business model and strong business processes enabling it to evolve into a leading player in the industry. He has been associated with Srei in various capacities for developing business, audit, compliance, HR & IT processes as well as risk management. In addition, he has also served as a Member of the Board of Directors of Nabil Bank, Nepal.

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

Dr. Tamali Sengupta has over 30 years of experience in the legal field and is a specialist in transnational legal transactions in media, real estate development, insurance and infrastructure. She is a widely published author and is a Fellow of the Centre of International Legal Studies at Salzburg. She is the Proprietor of T. Sengupta & Associates a corporate law practice based in New Delhi, which provides advice on corporate law, entertainment law, intellectual property, insurance, project finance, corporate governance, and privatization. Dr. Sengupta also has experience in international joint-ventures, collaboration and licensing agreements, mergers and acquisitions and in the structure of projects implemented under Project Finance and on foreign participation in the privatisation of infrastructure.

Relationship between the Directors

None of our present Directors are related to each other except Mr. Hemant Kanoria and Mr. 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, 2016 by our Company are as follows:

Sl.	Name of the Director	By our Company		Total Remuneration(₹)
		Remuneration(₹)	Nature	
1.	Didier Jean Chappet*	-	-	-
2.	Hemant Kanoria	38,003,441	Salary, Perquisites & commission	38,003,441
3.	Sunil Kanoria	39,226,764	Salary, Perquisites & commission	39,226,764
4.	Pascale Charlotte Dufourq Dennery**	-	-	-
5	Philippe Denis Francis Desgeans**	-	-	-

5.	Kora Ipe Puthenpurockal	600,000	Sitting Fees	600,000
6.	Shyamalendu Chatterjee	700,000	Sitting Fees	700,000
7	Olivier De Ryck***	-	-	-

* Resigned w.e.f. May 10, 2016
**Resigned w.e.f. June 17, 2016
***Resigned w.e.f May 12, 2015

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

Mr. Hemant Kanoria was appointed as Vice Chairman and Managing Director of the Company w.e.f. April 2, 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. November 1, 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 February 4, 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. November 1, 2013, the date of conversion of the Company to a Public Limited Company, to October 31, 2018. The Board of Directors at their meeting duly held on May 21, 2014 decided to revise the remuneration payable to him and the shareholders of the Company at the Annual General Meeting held on July 1, 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. April 1, 2014 for remaining period of tenure of office from April 1, 2014 to October 31, 2018. The Board at their meeting held on June 17, 2016 had designated Mr. Hemant Kanoria as Chairman & Managing Director (CMD) of the Company. The Board of Directors at their meeting duly held on August 4, 2016 decided to revise the remuneration payable to him w.e.f. October 1, 2016 for the remaining period of tenure of his office from October 1, 2016 to October 31, 2018 An agreement dated September 8, 2016 was also executed for remuneration payable to him w.e.f. October 1, 2016 for the remaining period of tenure of his office.
Salient features of his remuneration inter alia include:

a) Salary: Rs. 25,00,000/- (Rupees Twenty Five Lacs only) per month with authority to the Board to increase the same from time to time.

b) Commission: 1.00% (one 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 -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

   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.

e) Statutory Payments: The 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 Vice Chairman and Compensation payable to him

Mr. Sunil Kanoria was appointed as Joint Managing Director w.e.f. April 2, 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. November 1, 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 February 4, 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. November 1, 2013, the date of conversion of the Company to a Public Limited Company, to October 31, 2018. The Board of Directors at their meeting duly held on May 21, 2014 decided to revise the remuneration payable to him and the shareholders of the Company at the Annual General Meeting held on July 1, 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. April 1, 2014 for remaining period of tenure of office from April 1, 2014 to October 31, 2018. The Board at their meeting held on August 4, 2016 had designated Mr. Sunil Kanoria as Vice Chairman of the Company. The Board of Directors at their meeting duly held on August 4, 2016 decided to revise the remuneration payable to him w.e.f. October 1, 2016 for the remaining period of tenure of his office from October 1, 2016 to October 31, 2018. An agreement dated September 8, 2016 was also executed for remuneration payable to him w.e.f. October 1, 2016 for the remaining period of tenure of his office.

Salient features of his remuneration inter alia include:

a) Salary: Rs. 25,00,000/- (Rupees Twenty Five Lacs only) per month with authority to the Board to increase the same from time to time.

b) Commission: 1.00% (one 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 shall be entitled to the following perquisites:

   a) Housing: Fully furnished residential accommodation including expenses relating to furniture, gas, electricity, water and other utilities

   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.

e) Statutory Payments: The Vice Chairman 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 November 3, 2016.

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 immovable property acquired by our Company within preceding two years of the date of this Prospectus or proposed to be acquired by it.

Further none of our Directors have any interest in the promotion of our Company. Our Directors may also be deemed to be interested to the extent of Equity Shares, if any, held by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this Draft Prospectus and in accordance with the statutory registers maintained by our Company in this regard, our Company has not entered into any contracts, agreements or arrangements 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 which are proposed to be made with them.

None of our Directors are interested in their capacity as a member of any firm or company and no sums excluding professional fees if any have been paid or are proposed to be paid to any director or to such firm or company in which he or she is interested, by any person, in cash or shares or otherwise, either to induce them or to help them qualify as a director or for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company.

Shareholding details of Director of our Company as on September 30, 2016:

Beneficiary		Name of the Company	Nature of Entity	Equity/ Preference Shares	No. of Shares	% to Total Capital
Hemant Kanoria	As nominee of Srei Infrastructure Finance Limited	Srei Equipment Finance Limited	Public Limited Company	Equity	1	0.0000001676
Sunil Kanoria	As nominee of Srei Infrastructure Finance Limited	Srei Equipment Finance Limited	Public Limited Company	Equity	1	0.0000001676

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	-
Mr. Didier Jean Chappet Chairman, DIN: 06600628	Resigned w.e.f. May 10, 2016	Appointed as Additional Director and Chairman w.e.f June 17, 2013 and appointed as Director w.e.f August 8, 2013	-
Mr. Anjan Mitra Director, DIN: 01878857	Resigned w.e.f September 16, 2013	July 27, 2011	-
Mr Hemant Kanoria	November 1, 2013 and	-	Reappointed as

Name, Designation and DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Chairman and Managing Director DIN: 00193015	Change in designation to Chairman and Managing Director w.e.f. June 17, 2016		Vice Chairman and Managing Director for a period of 5 years Change in designation to Chairman and Managing Director w.e.f. June 17, 2016
Mr Sunil Kanoria Vice Chairman DIN: 00421564	November 1, 2013 and Change in designation to Vice Chairman w.e.f. August 4, 2016	-	Reappointed as Joint Managing Director for a period of 5 years Change in designation to Vice Chairman w.e.f. August 4, 2016
Mr. Kora Ipe Puthenpurockal Director, DIN: 02780367	Appointed as Additional Director w.e.f October 26, 2010 and appointed 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 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	Resigned w.e.f. May 12, 2015	Appointed as Additional Director w.e.f February 4, 2014 and appointed as Director w.e.f July 1, 2014	-
Mrs. Pascale Charlotte Dufourcq Dennery Director, DIN: 07178335	Resigned w.e.f. June 17, 2016	Appointed as Additional Director w.e.f May 12, 2015, appointed as Director w.e.f July 22, 2015 and appointed as Chairperson of the Company w.e.f. February 10, 2016	-
Mr. Philippe Denis Francis Desgeans Additional Director DIN: 07504649	Resigned w.e.f. June 17, 2016	Appointed as Additional Director w.e.f. May 10, 2016	-
Dr. Tamali Sen Gupta Additional Director DIN: 00358658	Appointed as Additional Director w.e.f. September 17, 2016		

Corporate Governance

We are required to adhere to certain corporate governance norms including constitution of committees and certain other norms in connection with disclosure and transparency and connected lending. We have complied with these corporate governance requirements.

Currently our Board has 5 (Five) Directors and the Chairman of the Board is an Executive Director. None of the Directors on the Board are members of more than ten committees or Chairman of more than five Committees across all companies in which they are directors. Our Board has constituted the following committees:

a. Audit Committee;
b. Executive Committee of Directors;
c. ALM & Treasury Committee;
d. Nomination and Remuneration Committee;
e. Risk Committee;
f. Corporate Social Responsibility Committee;
g. Credit Committee; and
h. Stakeholders Relationship Committee

Details of various committees of our Company as on September 30, 2016

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 (vii) Credit Committee and (viii)Stakeholders Relationship 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
4. Mr. Naresh Mathur – Secretary

EXECUTIVE COMMITTEE OF DIRECTORS

A. Purpose

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

B. Members

1. Mr. Hemant Kanoria – **Chairman**
2. Mr. Sunil Kanoria
3. Mr. Shyamalendu Chatterjee
4. Mr. Naresh Mathur – Secretary

ALM & TREASURY COMMITTEE

A. Purpose

(i) 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.

B. Members

1. Mr. Hemant Kanoria
2. Mr. Sunil Kanoria – **Chairman**
3. Mr. Shyamalendu Chatterjee
4. Mr. A. D. Rozario - Secretary

NOMINATION AND REMUNERATION COMMITTEE

A. 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.

B. Members

1. Mr. Hemant Kanoria
2. Mr. Shyamalendu Chatterjee
3. Mr. Kora Ipe Puthenpurockal
4. Mr. Naresh Mathur – Secretary

RISK COMMITTEE

A. 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;

B. Members

1. Mr. Sunil Kanoria
2. Mr. Hemant Kanoria
3. Mr. Shyamalendu Chatterjee
4. Mr. Naresh Mathur – **Secretary**
5. Mr. Indranil Sengupta – **Convenor**

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

A. 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.

B. Members

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

CREDIT COMMITTEE

A. Purpose

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

B. Members

1. Mr. Hemant Kanoria
2. Mr. Sunil Kanoria
3. Mr. Shyamalendu Chatterjee
4. Mr. Tarun Kumar Roy - **Secretary**

STAKEHOLDERS RELATIONSHIP COMMITTEE

A. Purpose

i. To consider and resolve the grievances of security holders of the Company.

B. Members

1. Mr. Shyamalendu Chatterjee – **Chairman**
2. Mr. Sunil Kanoria
3. Mr. Kora Ipe Puthenpurackal
4. Mr. Naresh Mathur - **Secretary**

OUR PROMOTER

The Promoter of our Company is:

Name of the Promoter	Srei Infrastructure Finance Limited
PAN	AAACS1425L
CIN/Identification No.	L29219WB1985PLC055352

Profile of our Promoter

SREI INFRASTRUCTURE FINANCE LIMITED ("Srei Infra"/ "SIFL")

Srei Infra entered the segment of infrastructure financing in 1989 in a limited capacity as a construction equipment financier. During the pre-liberalization era India's infrastructure segment was largely dominated by few players with negligible role for private sector players. The economic liberalisation in 1991 widened the opportunity for Srei Infra to mobilise resource and fund larger number of customers across regions. Srei Infra persisted through the ups and downs of the business cycles emerged as one of the strong players in the infrastructure financing space with an over 25 year track record of performance and credentials.

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. The name of Srei Infra was further changed from Srei International Finance Limited to its existing name of Srei Infrastructure Finance Limited on August 31, 2004.

Srei Infra 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 Srei Infra decided not to accept or renew public deposits w.e.f April 20, 2010. Currently, Srei Infra has been classified as Infrastructure Finance Company (NBFC-ND-SI) w.e.f March 31, 2011. On September 26, 2011 Srei Infra 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 presently listed on the NSE, the BSE and the Calcutta Stock Exchange Limited ('CSE').

The business model of Srei Infra encompasses providing financial products and services for the 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. Srei Infra being an IFC, by accessing long term funding resources can optimise its funding structure by way of issuing long term infrastructure NCDs, raising external commercial borrowings and issuing of debentures to Foreign Institutional Investors thereby expanding its financing operations while maintaining its competitive cost of funds.

In over 25 (twenty five) years of operation, Srei Infra has empowered large number of entrepreneurs through their bouquet of services in the infrastructure sector: infrastructure project finance, advisory and development, infrastructure equipment finance, venture capital, capital market, equipment rental, integrated rural network of Common Services Centres (CSCs), insurance broking, SEZ and industrial park and Environment Management.

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 its project finance segment from those of their 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.

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. The projects are situated across the states of Orissa, Haryana, Maharashtra, Madhya Pradesh, Uttar Pradesh, Arunachal Pradesh and Kerala.

IPD is determined to expand its business from road and highways infrastructure concessions to other core infrastructure verticals of port development, urban infrastructure, railways and water infrastructure projects in PPP space and are participating in several biding in these areas.

Infrastructure Project Advisory
The Infrastructure Project Advisory Division of Srei Infra 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 Smart City, Urban Infrastructure viz. water supply, sewerage, drainage, solid waste management, roads, etc. This division has also diversified its portfolio of advisory services in the domain of Storage & Distribution, Logistic Park, Industrial Park, Multi-Level Car Parking, Tourism Infrastructure, Food Processing Industries sector. 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 qualified, experienced and competent 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. Srei Infra's 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. Once matured SIFL looks to list or bring financial investors to provide growth capital, create some capital gains and create liquidity windows.

Board of directors of Srei Infrastructure Finance Limited as on the date of filing of this Prospectus

Sl.	Name of Directors	Designation
1	Mr. Salil Kumar Gupta	Chief Mentor, Non-Executive & Independent Director
2	Mr. Hemant Kanoria	Chairman & Managing Director
3	Mr. Sunil Kanoria	Vice Chairman (Non-Executive Director)
4	Mr. Srinivasachari Rajagopal	Non-Executive & Independent Director
5	Mr. Shyamalendu Chatterjee	Non-Executive & Independent Director
6	Dr. Punita Kumar Sinha	Non-Executive & Independent Director
7	Dr. Tamali Sengupta	Non-Executive & Independent Director
8	Mr. T.C.A. Ranganathan	Non-Executive & Independent Director
9	Mr. Ram Krishna Agarwal	Non-Executive Director

Srei Infrastructure Finance Limited's shareholding pattern as on September 30, 2016:

Format of Holding of Specified Securities			
1	Name of Listed Entity: SREI INFRASTRUCTURE FINANCE LIMITED		
2	Scrip Code/Name of Scrip/Class of Security: BSE - 523756, CSE - 29051/ NSE - SREINFRA/ EQUITY SHARES		
3	Share Holding Pattern Filed under: Reg. 31(1)(b)		
	a. if under 31(1)(b) then indicate the report for quarter ending: 30th September, 2016		
	b. if under 31(1)(c) then indicate date of allotment/extinguishment: N.A.		
4	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:		
	Particulars	YES*	NO*
a	Whether the Listed Entity has issued any partly paid up shares	-	NO
b	Whether the Listed Entity has issued any Convertible Securities or Warrants?	-	NO
c	Whether the Listed Entity has any shares against which depository receipts are issued?	-	NO
d	Whether the Listed Entity has any shares in locked-in?	-	NO
e	Whether any shares held by promoters are pledge or otherwise encumbered?	-	NO
	*if the Listed Entity selects the option 'NO' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No. of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also, wherever there is 'No' declared by Listed entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.		
5	The tabular format for disclosure of holding of specified securities is as follows:		

Table I - Summary Statement holding of specified securities

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957) (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (XI)=(VII)+(X) (As a % of (A+B+C2))	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	4	305868559	0	0	305868559	60.80	305868559	0	305868559	60.80	0	60.80	0	0.00	0	0.00	305868559
(B)	Public	50813	197217774	0	0	197217774	39.20	197217774	0	197217774	39.20	0	39.20	0	0.00	NA	NA	194041392
(C)	Non-Promoter-Non-Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.00	0	NA	0	0.00	NA	NA	0
(C2)	Shares held by Employees Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total:	**50817**	**503086333**	**0**	**0**	**503086333**	**100.00**	**503086333**	**0**	**503086333**	**100.00**	**0**	**100.00**	**0**	**0.00**	**0**	**0.00**	**499909951**

Table II - Statement showing shareholding pattern of the Promoter & Promoter Group

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class X	Class Y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Indian																	
(a)	Individuals/Hindu undivided Family	2	2182714	0	0	2182714	0.43	2182714	0	2182714	0.43	0	0.43	0	0.00	0	0.00	2182714
	SUNIL KANORIA	1	1802714	0	0	1802714	0.36	1802714	0	1802714	0.36	0	0.36	0	0.00	0	0.00	1802714
	HEMANT KANORIA	1	380000	0	0	380000	0.08	380000	0	380000	0.08	0	0.08	0	0.00	0	0.00	380000
(b)	Central Government/State Government(s)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Financial Institutions/Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Any Other	2	303685845	0	0	303685845	60.36	303685845	0	303685845	60.36	0	60.36	0	0.00	0	0.00	303685845

	BHAVAH ENTERPRISE PRIVATE LIMITED	1	10000	0	0	10000	0.00	10000	0	10000	0.00	0	0.00	0	0.00	0	0.00	10000
	ADISRI COMMERCIAL PRIVATE LIMITED	1	303675845	0	0	303675845	60.36	303675845	0	303675845	60.36	0	60.36	0	0.00	0	0.00	303675845
	Sub-Total (A)(1)	**4**	**305868559**	**0**	**0**	**305868559**	**60.80**	**305868559**	**0**	**305868559**	**60.80**	**0**	**60.80**	**0**	**0.00**	**0**	**0.00**	**305868559**
(2)	Foreign																	
(a)	Individuals (Non-Resident Individuals/Foreign Individuals	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Government	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any Other	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**4**	**305868559**	**0**	**0**	**305868559**	**60.80**	**305868559**	**0**	**305868559**	**60.80**	**0**	**60.80**	**0**	**0.00**	**0**	**0.00**	**305868559**

Table III - Statement showing shareholding pattern of Public Shareholder

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total Shares held (Not applicable) (b)	
								Class X	Class Y	Total								
	(I)	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)**				**(X)**	**(XI)**	**(XII)**		**(XIII)**		**(XIV)**
(1)	Institutions																	
(a)	Mutual Funds	5	3208225	0	0	3208225	0.64	3208225	0	3208225	0.64	0	0.64	0	0.00	NA	NA	3192105
(b)	Venture Capital Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(c)	Alternate Investment Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Foreign Portfolio Investors	73	64552470	0	0	64552470	12.83	64552470	0	64552470	12.83	0	12.83	0	0.00	NA	NA	64372470
	FIDELITY INVESTMENT TRUST FIDELITY SERIES EMERGINGMARKETS FUND	1	41882982	0	0	41882982	8.33	41882982	0	41882982	8.33	0	8.33	0	0.00	NA	NA	41882982
(f)	Financial Institutions/Banks	3	197115	0	0	197115	0.04	197115	0	197115	0.04	0	0.04	0	0.00	NA	NA	197115
(g)	Insurance Companies	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(h)	Provident Funds/Pension	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0

Table III - Statement showing shareholding pattern of Public Shareholder																		
Category	**Category & Name of the Shareholder**	**No of Shareholders**	**No of fully paid up equity shares held**	**No of Partly paid-up equity shares held**	**No of Shares Underlying Depository Receipts**	**Total No of Shares Held (VII) = (IV)+(V)+(VI)**	**Shareholding as a % of total no of shares (A+B+C2)**	**Number of Voting Rights held in each class of securities**				**No of Shares Underlying Outstanding convertible securities (Including Warrants)**	**Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)**	**Number of Locked in Shares**		**Number of Shares pledged or otherwise encumbered**		**Number of equity shares held in dematerialized form**
								No of Voting Rights			**Total as a % of Total Voting Rights**			**No. (a)**	**As a % of total Shares held (b)**	**No. (Not applicable) (a)**	**As a % of total Shares held (Not applicable) (b)**	
								Class X	**Class Y**	**Total**								
	(I)	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)**				**(X)**	**(XI)**	**(XII)**		**(XIII)**		**(XIV)**
	Funds																	
(i)	Any Other																	
	FOREIGN COMPANIES	1	1735717	0	0	1735717	0.35	1735717	0	1735717	0.35	0	0.35	0	0.00	NA	NA	0
	FOREIGN CORPORATE BODIES	1	25154317	0	0	25154317	5.00	25154317	0	25154317	5.00	0	5.00	0	0.00	NA	NA	25154317
	BNP PARIBAS LEASE GROUP	1	25154317	0	0	25154317	5.00	25154317	0	25154317	5.00	0	5.00	0	0.00	NA	NA	25154317
	Sub Total (B)(1)	**83**	**94847844**	**0**	**0**	**94847844**	**18.85**	**94847844**	**0**	**94847844**	**18.85**	**0**	**18.85**	**0**	**0.00**	**NA**	**NA**	**92916007**
(2)	Central Government/State Government(s)/President of India	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Sub Total (B)(2)	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**NA**	**NA**	**0**
(3)	Non-Institutions																	
(a)	i.Individual shareholders holding nominal share capital up to Rs.2 lakhs	48776	23595335	0	0	23595335	4.69	23595335	0	23595335	4.69	0	4.69	0	0.00	NA	NA	22472706
	ii.Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	166	46014572	0	0	46014572	9.15	46014572	0	46014572	9.15	0	9.15	0	0.00	NA	NA	46014572
	SALIL KUMAR GUPTA	1	23445683	0	0	23445683	4.66	23445683	0	23445683	4.66	0	4.66	0	0.00	NA	NA	23445683
(b)	NBFCs Registered with RBI	5	34916	0	0	34916	0.01	34916	0	34916	0.01	0	0.01	0	0.00	NA	NA	34916
(c)	Employee Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Overseas Depositories (Holding DRs)(Balancing figure)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Any Other																	
	TRUSTS	3	1980	0	0	1980	0.00	1980	0	1980	0.00	0	0.00	0	0.00	NA	NA	1980
	NON-RESIDENT INDIANS	629	6647351	0	0	6647351	1.32	6647351	0	6647351	1.32	0	1.32	0	0.00	NA	NA	6631357
	CLEARING MEMBERS	188	583008	0	0	583008	0.12	583008	0	583008	0.12	0	0.12	0	0.00	NA	NA	583008
		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	BODIES CORPORATES	963	25492768	0	0	25492768	5.07	25492768	0	25492768	5.07	0	5.07	0	0.00	NA	NA	25386846
	MILAN COMMERCIAL PRIVATE LIMITED	1	7122298	0	0	7122298	1.42	7122298	0	7122298	1.42	0	1.42	0	0.00	NA	NA	7122298
	Sub Total (B)(3)	**50730**	**102369930**	**0**	**0**	**102369930**	**20.35**	**102369930**	**0**	**102369930**	**20.35**	**0**	**20.35**	**0**	**0.00**			**101125385**
	Total Public Shareholding (B) =	**50813**	**197217774**	**0**	**0**	**197217774**	**39.20**	**197217774**	**0**	**197217774**	**39.20**	**0**	**39.20**	**0**	**0.00**			**194041392**

Table III - Statement showing shareholding pattern of Public Shareholder																		
Category	**Category & Name of the Shareholder**	**No of Shareholders**	**No of fully paid up equity shares held**	**No of Partly paid-up equity shares held**	**No of Shares Underlying Depository Receipts**	**Total No of Shares Held (VII) = (IV)+(V)+(VI)**	**Shareholding as a % of total no of shares (A+B+C2)**	**Number of Voting Rights held in each class of securities**				**No of Shares Underlying Outstanding convertible securities (Including Warrants)**	**Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)**	**Number of Locked in Shares**		**Number of Shares pledged or otherwise encumbered**		**Number of equity shares held in dematerialized form**
								No of Voting Rights			**Total as a % of Total Voting Rights**			**No. (a)**	**As a % of total Shares held (b)**	**No. (Not applicable) (a)**	**As a % of total Shares held (Not applicable) (b)**	
								Class X	**Class Y**	**Total**								
	(I)	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)**				**(X)**	**(XI)**	**(XII)**		**(XIII)**		**(XIV)**
	(B)(1)+(B)(2)+(B)(3)																	

Table IV - Statement showing shareholding pattern of Non Promoter Non Public Shareholder																		
	Category & Name of the Shareholder	**No of Shareholders**	**No of fully paid up equity shares held**	**No of Partly paid-up equity shares held**	**No of Shares Underlying Depository Receipts**	**Total No of Shares Held (VII) = (IV)+(V)+(VI)**	**Shareholding % calculated as per SCRR, 1957. As a % of total no of shares (A+B+C2)**	**Number of Voting Rights held in each class of securities**				**No of Shares Underlying Outstanding convertible securities (Including Warrants)**	**Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)**	**Number of Locked in Shares**		**Number of Shares pledged or otherwise encumbered**		**Number of equity shares held in dematerialized form**
								No of Voting Rights			**Total as a % of Total Voting Rights**			**No.**	**As a % of total Shares held**	**No. (Not applicable)**	**As a % of total Shares held (Not applicable)**	
								Class X	**Class Y**	**Total**								
	(I)	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)**				**(X)**	**(XI)**	**(XII)**		**(XIII)**		**(XIV)**
(1)	Custodian/DR Holder	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations 2014)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**			**0**

Interest of Srei Infra in our Company

Except as stated under the chapter titled "***Financial Information***" beginning on page 243 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.

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*	59,660,000	59,659,994	100.00%	N.A.	N.A.

**Mr Hemant Kanoria, Mr Sunil Kanoria, Mr Sanjeev Sancheti, Mr. Shashi Bhushan Tiwari, Mr. Ganesh Prasad Bagree and Mr. Sandeep Lakhotia hold 1 (one) share each in physical form as nominee of Srei Infra.*

SECTION V: EXISTING FINANCIAL INDEBTEDNESS

The outstanding borrowings of the Company as at September 30, 2016 are as follows:

Sl. No.	Nature of Borrowing	Amount(₹ *in Million)*
1.	Secured Borrowings	100,380.50
2.	Unsecured Borrowings	17,298.50

Set forth below, is a summary of the borrowings by our Company as at September 30, 2016 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	204.50	• **Purpose of the Loan:** Financing of Infrastructure equipments • **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	500.00	• **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: Nil** • **Events of Default**: Some of the material events of default are:

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		– 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

3. **Bank of India**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	499.00	• **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

4. **Bank of India**

Amount Sanctioned *(₹in Million)*	Amount Outstanding *(₹in Million)*	Terms and Conditions
1,000.00	1,000.00	• **Purpose of the Loan:** For purchasing/refinancing cost of equipments under hire purchase / lease business of the company. • **Tenure:** 3 years • **Repayment:** 30 equal monthly instalments with an initial moratorium of 6 months from date of disbursement. • **Rescheduling:** NIL • **Security:** Exclusive charge by way of assignment/hypothecation of the receivables

Amount Sanctioned ***(₹in Million)***	**Amount Outstanding** ***(₹in Million)***	**Terms and Conditions**
		of the specific assets under operating lease, lease rentals/loan instalments for assets acquired/financed and/or to be acquired/financed out of the term loan proceeds. • **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, nationalization, – RBI defaults or action by RBI against Borrower – insolvency/winding up/apprehension of insolvency – jeopardizing/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

5. **Canara Bank**

Amount Sanctioned ***(₹ in Million)***	**Amount Outstanding** ***(₹ in Million)***	**Terms and Conditions**
2,500.00	535.71	• **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.

6. **Corporation Bank**

Amount Sanctioned *(₹in Million)*	Amount Outstanding *(₹in Million)*	Terms and Conditions
1,000.00	213.50	• **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 directors as defaulters. – Enforcement of security/

7. **Dena Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	44.00	• **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

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		payable – Enforcement of security and public auction of such security

8. **Karnataka Bank**

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
250.00	121.43	• **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 – 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

9. **Karur Vysya Bank**

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
500.00	18.52	• **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

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		of any event of default are as follows: – Bank reserves the right to recall the facility. – Enforcement and liquidation of security

10. **Karur Vysya Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
500.00	250	• **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: – 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.

11. **Karur Vysya Bank**

Amount Sanctioned *(₹in Million)*	Amount Outstanding *(₹in Million)*	Terms and Conditions
750.00	750.00	• **Purpose of the Loan:** For purchase of infrastructure equipment for operating leasing and hire purchase activities under multiple banking arrangement. • **Tenure:** 5yrs • **Repayment:** 16 equal quarterly instalments with an initial moratorium of 12 months from date of disbursement. • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of receivables of specific assets for operating lease, lease rentals and hire purchase/loan installments for assets acquired/financed and/or to be acquired/to be financed out of the loan proceeds which will not be included for DP in CC. • **Prepayment:** Company is allowed to prepay out of internal accruals or else 3% prepayment penalty shall be charged. • **Penalty:** Penal interest of 2% for all irregularities/events of default. • **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

Amount Sanctioned *(₹in Million)*	Amount Outstanding *(₹in Million)*	Terms and Conditions
		– 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.

12. **SIDBI**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
2,500.00	546.00	• **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.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.

13. **SIDBI**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
3,000.00	1,375.00	• **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

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		• **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.

14. **SIDBI**

Amount Sanctioned *(₹in Million)*	Amount Outstanding *(₹in Million)*	Terms and Conditions
1,500.00	1,500.00	• **Purpose of the Loan:** For on lending to MSME as defined under Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act as amended from time to time) for productive purposes for creation of assets and services as per SIDBI/RBI guidelines. • **Tenure:** 5 Yrs and 6 Months • **Repayment:** 20 quarterly installments of Rs. 7.50 crores each commencing after 6 months from the date of first disbursements. • **Rescheduling:** NIL • **Security:** Exclusive first charge by way of hypothecation of book debts, movable assets including equipment, plant & machinery, vehicles, other movable assets and current assets acquired/to be acquired out of the term loan. • **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. – Right to call upon the borrower for direct payment of receivables from beneficiaries covered under the loan.

15. **South Indian Bank**

Amount Sanctioned *(₹ in Million)*	**Amount Outstanding *(₹ in Million)***	**Terms and Conditions**
2,000.00	125.00	• **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 – 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

16. **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

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		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 – 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

17. **State Bank of Bikaner &Jaipur**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	47.62	• **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 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

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		– 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

18. **State Bank of Hyderabad**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	583.33	• **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.

19. **Syndicate Bank**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
2,000.00	2,000.00	• **Purpose of the Loan:** For meeting the onward lending requirement of the company. • **Tenure:** 60 months • **Repayment:** 16 equal quarterly instalments with an initial moratorium of 12 months from date of disbursement • **Rescheduling:** NIL • **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:** - Nil at the time of reset with 30 days' notice period, otherwise 1% • **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:

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
		– 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

20. **State Bank of India**

Amount Sanctioned *(₹in Million)*	Amount Outstanding *(₹in Million)*	Terms and Conditions
1,000.00	766.20	• **Purpose of the Loan:** For meeting the onward lending requirement of the company. • **Tenure:** 60 months • **Repayment:** 60 monthly of Rs 1.62 Cr • **Rescheduling:** NIL • **Security:** First charge by way of Hypothecation of all standard assets for operating lease, lease rentals and hire purchase/loan assets and hypothecation / assignment of entire receivables against such assets, on pari passu basis, between the members of the WC consortium, except those financed by way of term loan from Banks/FI against specific assets to the extent of 125% of our purpose. • **Prepayment:** - @2% of the pre –paid amount • **Penalty:** Penal interest of 1% on the amount outstanding in the following cases, - Non submission of financial statement within 7 months from the close of Financial year - @1% on the entire outstanding for non-compliance of financial covenants • **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

21. **Tamilnad Mercantile Bank Ltd**

Amount Sanctioned *(₹in Million)*	Amount Outstanding *(₹in Million)*	Terms and Conditions
500.00	291.50	• **Purpose of the Loan:** For meeting the onward lending requirement of the company. • **Tenure:** 39 months • **Repayment:** 12 equal quarterly instalments with an initial moratorium of 3 months from date of disbursement • **Rescheduling:** NIL • **Security:** Exclusive charge by way of hypothecation over specific assets acquired/

Amount Sanctioned *(₹in Million)*	Amount Outstanding *(₹in Million)*	Terms and Conditions
		financed and/or to be refinanced out of the term loan proceeds and charge over the entire installments receivables against such assets at not less than 1.10 times of the loan outstanding at all times. • **Prepayment:** - If closed by way of takeover by another bank, 2% of the outstanding amount will be levied. - In case of closure by borrower from their own sources of funds, no repayment charges will be levied. • **Penalty:** Penal interest of 2% on the amount outstanding • **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

22. **Vijaya Bank India**

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,000.00	550.00	• **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 Currency Term Loan

1. SIDBI

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
988.49	988.49	• **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.

C. Foreign Term Loan

1. DBS Bank Ltd, Singapore

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
Tranche I - 1,665.25 Tranche II- 1,704.34	Tranche I- 599.49 Tranche II- 409.04	• **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

2. HSBC

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
A-999.15 B-1,332.20	A-999.15 B-1,332.20	• **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:** 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

3. Standard Chartered Bank, Singapore

Amount Sanctioned *(₹ in Million)*	Amount Outstanding *(₹ in Million)*	Terms and Conditions
1,332.20	1,203.40	• **Purpose of the Loan:** Towards financing the import of infrastructure equipment for the purpose to infrastructure projects.

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		• **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 – 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

D. 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	102,180.00	73,879.39	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 September 30, 2016:**

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	Vijaya Bank	Subordinated Loan	500	500	June 29, 2018
2	Central Bank of India	Subordinated Loan	1,000	1,000	Dec 29, 2017
3	Dena Bank	Subordinated Loan	500	500	Jun 27, 2017
4	Bank of Maharashtra	Subordinated Loan	500	500	July 29, 2021
5	Standard Chartered Bank	Overdraft Facility	300	1.01	On Demand
6	ING Bank – A Branch of ING DIBA AG	ECB	1685.03	1685.03	Sept 15, 2026

(III) Details of NCD's:

- **<u>Secured Redeemable Non-convertible Debentures*:</u>**

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.	10 Years	10.92%	100	13-Jun-14	13-Jun-24	CARE AA-& BWR AA+
2	N.A.	10 Years	10.90%	100	20-Jun-14	20-Jun-24	CARE AA-& BWR AA+
3	N.A.	3 Years	11.15%	200	26-Jun-14	20-Jun-17	CARE AA-
4	N.A.	2 Years	10.50%	1,350	03-Nov-14	03-Nov-16	CARE AA-
5	N.A.	3 Years	9.75%	151.05	11-May-15	11-May-18	CARE AA- & BWR AA+
6	N.A.	3 Years	10.20%	2,594.15	11-May-15	11-May-18	CARE AA- & BWR AA+
7	N.A.	3 Years	NA	88.02	11-May-15	11-May-18	CARE AA- & BWR AA+
8	N.A.	3 Years 3 Months	9.75%	20.87	11-May-15	11-Aug-18	CARE AA- & BWR AA+
9	N.A.	3 Years 3 Months	10.20%	569.71	11-May-15	11-Aug-18	CARE AA- & BWR AA+
10	N.A.	3 Years 3 Months	NA	34.60	11-May-15	11-Aug-18	CARE AA- & BWR AA+
11	N.A.	5 Years	9.75%	84.80	11-May-15	11-May-20	CARE AA- & BWR AA+
12	N.A.	5 Years 3 Months	10.25%	232.30	11-May-15	11-Aug-20	CARE AA- & BWR AA+
13	N.A.	7 Years	10.25%	321.54	11-May-15	11-May-22	CARE AA- & BWR AA+
14	N.A.	2 Years	9.00%*	2,000.00	22-Aug-16	22-Aug-18	CARE AA- /CARE A1+

** **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	BWR AA+ & CARE A+
2	N.A.	10 Years	10.00%	1,000.00	23-Dec-09	24-Dec-19	BWR AA+ & CARE A+
3	N.A.	10 Years	10.00%	255.00	19-Mar-10	19-Mar-20	BWR AA+ & CARE A+
4	N.A.	10 Years	10.00%	745.00	31-Mar-10	31-Mar-20	BWR AA+ & CARE A+
5	N.A.	7 Years	11.50%	500.00	31-Mar-11	31-Mar-18	BWR AA+ & CARE A+
6	N.A.	7 Years	12.00%	680.00	27-Sep-11	27-Sep-18	CARE A+
7	N.A.	5 Years 7 months	12.60%	250.00	30-Dec-11	30-Jul-17	BWR AA+ & CARE A+
8	N.A.	10 Years	11.50%	170.00	17-Dec-12	17-Dec-22	BWR AA+
9	N.A.	10 Years	11.25%	90.00	24-Jan-13	24-Jan-23	CARE A+
10	N.A.	5 Years 6 months	11.60%	500.00	8-Feb-13	8-Aug-18	CARE A+
11	N.A.	5 Years 6 months	11.50%	250.00	28-Mar-13	28-Sep-18	CARE A+
12	N.A.	5 Years 3 months	11.10%	150.00	7-May-13	7-Aug-18	BWR AA+
13	N.A.	10 Years	11.25%	208.00	7-May-13	7-May-23	BWR AA+ & CARE A+
14	N.A.	7 Years	10.85%	100.00	29-Jun-13	29-Jun-20	BWR AA+
15	N.A.	5 Years 10 months	10.75%	250.00	29-Jun-13	29-Apr-19	BWR AA+ & CARE A+
16	N.A.	5 Years 10 months	10.75%	150.00	24-Jul-13	24-May-19	BWR AA+
17	N.A.	7 Years	11.00%	160.00	27-Sep-13	27-Sep-20	BWR AA+ & CARE A+
18	N.A.	5 Years 6 months	11.00%	150.00	29-Nov-13	29-May-19	BWR AA +
19	N.A.	7 Years	11.10%	100.00	20-Dec-13	20-Dec-20	BWR AA+
20	N.A.	10 Years	11.00%	50.00	16-Mar-15	16-Mar-25	BWR AA+ & CARE A+
21	N.A.	5 Years 3 Months	11.00%	360.00	31-Mar-15	30-Jun-20	BWR AA+ & CARE A+
22	N.A.	7 Years	10.75%	500.00	13-Aug-15	13-Aug-22	BWR AA+ & SMERA AA
23	N.A.	10 Years	10.75%	1,500.00	13-Aug-15	13-Aug-25	BWR AA+ & SMERA AA
24	N.A.	10 Years	10.50%	100.00	20-Aug-15	20-Aug-25	BWR AA+ & SMERA AA
25	N.A.	10 Years	10.50%	50.00	24-Sep-15	24-Sep-25	BWR AA+ & SMERA AA
26	N.A.	5 Years 7 Months	10.30%	236.00	24-Sep-15	24-Apr-21	BWR AA+ & SMERA AA
27	N.A.	5 Years 7 Months	10.40%	120.00	24-Sep-15	24-Apr-23	BWR AA+ & SMERA AA
28	N.A.	10 Years	10.60%	150.00	11-Jan-16	11-Jan-26	BWR AA+ & SMERA AA
29	N.A.	10 Years	10.60%	50.00	20-Jan-16	20-Jan-26	BWR AA+ & SMERA AA
30	N.A.	5 Years 3	10.15%	70.00	1-Feb-16	1-May-21	BWR AA+ &

Sl. No.	Debenture Series	Tenor/ Period of Maturity	Coupon	Amount Outstanding *(₹ in Million)*	Date of Allotment	Date of Maturity	Credit Rating
		Months					SMERA AA
31	N.A.	10 Years	10.60%	50.00	5-Feb-16	5-Feb-26	BWR AA+ & SMERA AA
32	N.A.	10 Years	10.70%	50.00	18-Mar-16	18-Mar-26	BWR AA+ & SMERA AA
33	N.A.	7 Years	10.70%	20.00	29-Mar-16	29-Mar-23	BWR AA+ & SMERA AA
34	N.A.	10 Years	10.00%	200.00	31-Mar-16	31-Mar-26	BWR AA+ & SMERA AA
35	N.A.	4 Years	10.00%	10.00	28-Apr-16	28-Apr-20	BWR AA+ & SMERA AA
36	N.A.	10 Years	10.75%	200.00	25-May-16	25-May-26	BWR AA+ & SMERA AA
37	N.A.	10 Years	10.25%	35.00	26-May-16	26-May-26	BWR AA+ & SMERA AA
38	N.A.	10 Years	12.50%	375.00	30-Dec-11	30-Dec-21	Care A
39	N.A.	10 Years	9.50%	300.00	24-Aug-16	24-Aug-26	BWR AA+ & SMERA AA

(IV) Non-Convertible Debentures issued on private placement basis during the last five years and 6 months:

Year/Period ended	Amount Issued (₹ in Million)
September 30, 2016	2,545,00
March 31, 2016	3,096.00
March 31, 2015	8,660.00
March 31, 2014	1,268.00
March 31, 2013	6,620.00
March 31, 2012	5,218.00

(V) List of Top 10 Debenture Holders as on September 30, 2016:

- **<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	Standard Chartered Bank, Crescenzo Securities Services, 3rd Floor, C- 38/39, G-Block, BKC Bandra, Mumbai – 400 051	1,900
2	Standard Chartered Bank (Mauritius) Limited –Debt	Standard Chartered Bank, Crescenzo Securities Services, 3rd Floor, C- 38/39, G-Block, BKC Bandra, Mumbai – 400 051,	1,350
3	UTI-Unit Linked Insurance Plan	UTI – Asset Management Co. Pvt Ltd, UTI Tower, GN Block, Bandra Kurla Complex, Bandra East, Mumabai-400 051	1,032
4	UTI - Retirement Benefit Pension Fund	UTI – Asset Management Co. Pvt Ltd, Dept of Fund Account, UTI Tower, GN Block, Bandra Kurla Complex, Bandra East, Mumabai-400 051	900
5	UTI - Childrens Career Balanced Plan	UTI – Asset Management Co. Pvt Ltd, Dept of Fund Accounts, UTI Tower, GN Block, Bandra Kurla Complex, Bandra East, Mumabai-400 051	600
6	The Karur Vysya Bank Ltd	The Karur Vysya Bank Ltd, Treasury and Fund Management Dept, Central Office, Erode Road Karur- 639 002	250
7	UTI - FTIF Series XIX - V (1095 Days)	UTI – Asset Management Co. Pvt Ltd, UTI Tower, GN Block, Bandra Kurla Complex, Bandra East, Mumabai-400 051	159
8	Oriental Bank of Commerce Employees Pension Fund	Plot No. 5, Sector 32, Institutional Area, Gurgaon – 122 001, India.	100
	JM Financial Mutual Fund-JM	HDFC Bank Ltd, Custody Services, LODHA - I	100

Sl. No.	Name of Debenture Holders	Address	Amount (₹ in Million)
	Floater Long Term Fund	Think Techno Campus Office, 8th Floor, Next To Kanjurmarg Station, Kanjurmarg East Mumbai – 400 042.	
	Food Corporation Of India Cpf Trust	Khadya Sadan 13th Floor, 16 20 Barakhamba Lane, New Delhi – 110001.	100
9	ITPL - Invesco India Corporate Bond Opportunities Fund	Deutsche Bank AG, DB House, Hazarimal Somani Marg, P.O. Box NO. 1142, Fort Mumbai – 400001	50
	Jakson Limited	A 43, Phase II Extension, Opp: NSEZ, Noida – 201 305.	50
	Chhattisgarh State Electricity Board (CSEB) Provident Fund T	Shed No. 7, Dangania, Raipur – 490 001	50
10	Somany Ceramics Limited	2, Red Cross Place, Kolkata – 700 001	38.70

- **Top-10 Debenture Holders-Unsecured NCDs on Cumulative basis:**

Sl. No.	Name of Debenture Holders	Address	Amount (₹ in Million)
1	Axis Bank Limited	Axis House, Level 4, South Block, Wadia International Centre, P. B. Marg, Worli, Mumbai – 400 025, India	1,868
2	HVPNL Employees Pension Fund Trust	Shakti Bhawan, Sector 6, Panchkula, Haryana – 134 109.	808
3	Syndicate Bank	F I M Department, Maker Towers E, II Floor, Cuffe Parade, Colaba, Mumbai – 400 005,	728
4	Chhattisgarh State Electricity Board Gratuity and Pension Fund Trust	Chhattisgarh State Electricity Board, ED Finance, Shed No. 7, Dangania, Raipur – 4900 001,	558
5	HPGCL Employees Pension Fund Trust	HPGCL Urja Bhawan, C-7, Sector – 6, Panchkula, Haryana – 134 109, India.	510
6	Bank of India	Bank of India, Treasury Branch, Head Office – Star House, 7th Floor, C-5, "G" Block, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051	500
	Secretary Board of Trustees Mpeb Employees Provident Fund	Shakti Bhawan, Block No. 9, 1st Floor, Jabalpur – 482 008	500
7	Board of Trustees G. S. R. T. C. C P Fund	Central Office, Accounts Department, Gitamandir Road, Ahmedabad – 380 022.	400
8	HVPNL Employees Provident Fund Trust	Shakti Bhawan, Sector 6, Panchkula, Haryana – 134 109.	393
9	ICICI Bank Ltd	Treasury Middle Office Group, 2nd Floor, North Tower, East Wing, ICICI Bank Tower, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	391
10	Punjab And Sind Bank	H.O. Funds Management Dept., 1st Floor 'Bank House', 21 Rajendra Palace, New Delhi, 110 008	300

(VI) Details of Corporate Guarantee issued by the Issuer: NIL

(VII) Details of Commercial Paper as on September 30, 2016:

Sl. No.	Maturity Date	Amount Outstanding (₹ in Million)
1	17-Nov-16	2,000

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. 15 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 rescheduling, defaults/and/or delay in payment of principal or interest on any kind of term loan, debt securities and other financial indebtedness including corporate guarantees issued by our Company in the past 5 years.

There are no outstanding borrowings taken/ debt securities issued where taken/ issued (i) for consideration other than cash, whether in whole or in part, (ii) at a premium or discount, or (iii) in pursuance of an option as on the date of this Prospectus.

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. 160 and "***Issue Procedure***" on page no. 178 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, A. K. Capital Services Limited, Karvy Investor Services Limited, Srei Capital Markets Limited and Trust Investment Advisors Private 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 ₹2,500 million with an option to retain over-subscription upto ₹2,500 million aggregating to a total of upto ₹5,000 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: Category I (Institutional Category) 1. Public financial institutions, statutory corporations, scheduled commercial banks, co-operative banks Indian multilateral and bilateral development financial institution and regional rural banks, which are authorized to invest in the NCDs; 2. Provident funds & pension funds with a minimum corpus of Rs 2500.00 lacs, 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. Insurance funds set up and managed by the army, navy, or air force of the Union of India; 6. Insurance funds set up and managed by the Department of Posts, the Union of India; 7. National investment fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; 8. State industrial development corporations; and 9. Mutual funds. Category II (Non-Institutional Category) 1. Companies within the meaning of section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorized to invest in the NCDs; 2. Trusts including 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. Association of Persons; 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. 179 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. 214 of this Prospectus.
Rating of the Instrument	The NCDs have been rated 'BWR AA+ (BWR Double A Plus) (Outlook: Stable)' by BRICKWORK pursuant to letter dated November 9, 2016 and reaffirmed vide letter dated November 10, 2016 and further reaffirmed by letter dated December 5, 2016 and 'SMERA AA/Stable' by SMERA pursuant to letter dated November 9, 2016 and reaffirmed by letter dated December 6, 2016. Instruments with a rating of 'BWR AA+ (BWR Double A Plus) (Outlook: Stable)'by BRICKWORK and 'SMERA AA/Stable' by SMERA are considered to have high degree of safety regarding timely servicing of financial obligations. The rating provided by SMERA 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	₹2,500 million
Option to retain Oversubscription Amount	₹2,500 million
Total Issue Size	₹5,000 million.
Objects of the Issue	Please see "***Objects of the Issue***" on page no. 72 of this Prospectus.
Details of the utilization of the Proceeds	Please see "***Objects of the Issue***" on page no. 72 of this Prospectus.
Coupon Rate	Please see the section titled "***Terms of the Issue - Interest and Payment of Interest***" on page no. 164164 of this Prospectus
Step Up/Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Please see the section titled "***Terms of the Issue - Interest and Payment of Interest***" on page no. 164164 of this Prospectus
Coupon payment dates	Please see the section titled "***Terms of the Issue - Interest and Payment of Interest***" on page no. 164164 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. 167 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 and Payment of Interest"*** on page no. 164 164 of this Prospectus
Redemption/Maturity Date	Shall mean 400 days from Deemed Date of Allotment for Series I NCDs, 3 years from Deemed Date of Allotment for Series II, Series III and Series IV NCDs and 5 years from Deemed Date of Allotment for Series V, Series VI and Series VII 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 /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/Redemption Premium/Discount	In case of Series I, Series IV and Series VII NCDs, amount will be redeemed at the end of 400 days, 3 years and 5 years respectively commencing from the Deemed Date of Allotment at the Face Value of ₹1000/- each per NCD with premium. Please refer to the paragraph below in this section titled "***Specific Terms of each instrument***"
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 Option/Put Option	N.A.
Minimum Application and in multiples of 1(one) NCD thereafter	₹10,000/- (10 NCDs) across all Series.
Issue Opening Date	January 3, 2017
Issue Closing Date	January 20, 2017 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 Exchanges. 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 II & Series V 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 Exchanges shall be in dematerialized form only.
Settlement mode of the Instrument	Through various modes. Please see the section titled "***Allotment Advice / Refund orders***" at page no. 163 of this Prospectus
Depositories	NSDL and CDSL
Working Day Convention	If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. 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 immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.
Record Date	In connection with Series III and Series VI 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 II and Series V NCDs, 10 (Ten) 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 I, Series IV and Series VII NCDs, 15 (Fifteen) Days prior to the Maturity Date 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 next 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 exclusive first charge in favour of the Debenture Trustee on specific present and/or future receivables/assets and/or first pari passu charge on an identified immovable property 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). For further details please refer to the section titled "***Terms of the Issue – Security***" on page no. 160 of this Prospectus.
Transaction Documents	Issue Agreement dated November 18, 2016 between our Company and the Lead Managers; Registrar Agreement dated November 16, 2016 with the Registrar to the Issue; Debenture Trusteeship Agreement dated November 16, 2016 executed between our Company and the Debenture Trustee, the Escrow Agreement dated December 07, 2016 executed between our Company, the Registrar, the Escrow Collection Banks and the Lead Managers, the Memorandum of Understanding dated December 07, 2016 executed between our 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. 4848 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. 48 of this Prospectus.
Events of Default	See "***Terms of the Issue – Events of Default***" on page no. 173 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. 174 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 Exchanges 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 II & Series V 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 Exchanges 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. 151 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**
Frequency of Interest Payment	NA	Monthly	Annual	NA	Monthly	Annual	NA
Minimum Application	₹10,000/- (10 NCDs) across all Series						
Face Value/Issue Price of NCDs (₹ / NCD)	₹1,000/-						
In Multiples of (₹)	1000 (1NCD)	1000 (1NCD)	1000 (1NCD)	1000 (1NCD)	1000 (1NCD)	1000 (1NCD)	1000 (1NCD)
Tenor from Deemed Date of Allotment	400 days	3 years			5 years		
Coupon (% per annum) for NCD Holders in Category I & Category II	N.A.	8.90%	9.25%	N.A.	9.11%	9.50%	N.A.
Coupon (% per annum) for NCD Holders in Category III	N.A.	9.12%	9.50%	N.A.	9.35%	9.75%	N.A.
Effective Yield (per annum) for NCD Holders in Category I and Category II	8.63%	9.27%	9.29%	9.27%	9.50%	9.52%	9.50%
Effective Yield (per annum) for NCD Holders in Category III	8.81%	9.51%	9.54%	9.55%	9.75%	9.77%	9.75%
Mode of Interest Payment	Through various mode available.						
Amount (₹ / NCD) on Maturity for NCD Holders in Category I & Category II **	₹1,095/-	₹1,000/-	₹1,000/-	₹1,305/-	₹1,000/-	₹1,000/-	₹1,575/-
Amount (₹ / NCD) on Maturity for NCD Holders in Category III **	₹1,097/-	₹1,000/-	₹1,000/-	₹1,315/-	₹1,000/-	₹1,000/-	₹1,593/-
Maturity Date (from Deemed Date of Allotment)	400 days	3 years	3 years	3 years	5 years	5 years	5 years
Put and Call Option	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Institutional, Non-Institutional Category Investor(s) and Individual Category Investor(s) can subscribe to all Series of NCDs.
*** Subject to applicable tax deducted at source, if any.*
**** Our Company shall allocate and allot Series III NCDs wherein the Applicants have not indicated their choice of the relevant NCD Series.*
#Series II & Series V NCDs would be allotted compulsorily in dematerialized form to all categories of Investors.

Day Count Convention

Interest shall be computed on an actual/actual basis i.e. 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 interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. 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 immediately 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 the 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 October 29, 2013 and SEBI Circular No. CIR/ IMD/ DF-1/ 122/ 2016 dated November 11, 2016, as the case may be,

Series II	
Company	Srei Equipment Finance Limited
Face value (per NCD)	₹1,000/-
Issue Opening date/ Date of allotment (tentative)	January 03, 2017/January 28, 2017*
Redemption Date	January 28, 2020
Interest rate for Categories I, II	8.90%
Interest rate for Categories III	9.12%
Frequency of interest payment with specified dates	For NCDs subscribed, in respect to Series II NCDs, where the interest is to be paid on a monthly basis, relevant interest will be calculated from the seventh day till the sixth day of every subsequent month during the tenor of such NCDs, and paid on the seventh 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 sixth day of the subsequent month will be clubbed and paid on the seventh 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**	**Amount Payable per NCD for Categories III (₹)**
1 Coupon	Mar 07, 2017 (Tuesday)	Mar 07, 2017 (Tuesday)	38	9.00	9.00
2 Coupon	Apr 07, 2017 (Friday)	Apr 07, 2017 (Friday)	31	8.00	8.00
3 Coupon	May 07, 2017 (Sunday)	May 08, 2017 (Monday)	30	7.00	7.00
4 Coupon	Jun 07, 2017 (Wednesday)	Jun 07, 2017 (Wednesday)	31	8.00	8.00
5 Coupon	Jul 07, 2017 (Friday)	Jul 07, 2017 (Friday)	30	7.00	7.00
6 Coupon	Aug 07, 2017 (Monday)	Aug 07, 2017 (Monday)	31	8.00	8.00
7 Coupon	Sep 07, 2017 (Thursday)	Sep 07, 2017 (Thursday)	31	8.00	8.00
8 Coupon	Oct 07, 2017 (Saturday)	Oct 07, 2017 (Saturday)	30	7.00	7.00
9 Coupon	Nov 07, 2017 (Tuesday)	Nov 07, 2017 (Tuesday)	31	8.00	8.00
10 Coupon	Dec 07, 2017	Dec 07, 2017 (Thursday)	30	7.00	7.00

Cash flows (event)	Due date	Date of payment	Payment period (days)	Amount Payable per NCD for Categories I & II	Amount Payable per NCD for Categories III (₹)
	(Thursday)				
11 Coupon	Jan 07, 2018 (Sunday)	Jan 08, 2018 (Monday)	31	8.00	8.00
12 Coupon	Feb 07, 2018 (Wednesday)	Feb 07, 2018 (Wednesday)	31	8.00	8.00
13 Coupon	Mar 07, 2018 (Wednesday)	Mar 07, 2018 (Wednesday)	28	7.00	7.00
14 Coupon	Apr 07, 2018 (Saturday)	Apr 07, 2018 (Saturday)	31	8.00	8.00
15 Coupon	May 07, 2018 (Monday)	May 07, 2018 (Monday)	30	7.00	7.00
16 Coupon	Jun 07, 2018 (Thursday)	Jun 07, 2018 (Thursday)	31	8.00	8.00
17 Coupon	Jul 07, 2018 (Saturday)	Jul 07, 2018 (Saturday)	30	7.00	7.00
18 Coupon	Aug 07, 2018 (Tuesday)	Aug 07, 2018 (Tuesday)	31	8.00	8.00
19 Coupon	Sep 07, 2018 (Friday)	Sep 07, 2018 (Friday)	31	8.00	8.00
20 Coupon	Oct 07, 2018 (Sunday)	Oct 08, 2018 (Monday)	30	7.00	7.00
21 Coupon	Nov 07, 2018 (Wednesday)	Nov 07, 2018 (Wednesday)	31	8.00	8.00
22 Coupon	Dec 07, 2018 (Friday)	Dec 07, 2018 (Friday)	30	7.00	7.00
23 Coupon	Jan 07, 2019 (Monday)	Jan 07, 2019 (Monday)	31	8.00	8.00
24 Coupon	Feb 07, 2019 (Thursday)	Feb 07, 2019 (Thursday)	31	8.00	8.00
25 Coupon	Mar 07, 2019 (Thursday)	Mar 07, 2019 (Thursday)	28	7.00	7.00
26 Coupon	Apr 07, 2019 (Sunday)	Apr 08, 2019 (Monday)	31	8.00	8.00
27 Coupon	May 07, 2019 (Tuesday)	May 07, 2019 (Tuesday)	30	7.00	7.00
28 Coupon	Jun 07, 2019 (Friday)	Jun 07, 2019 (Friday)	31	8.00	8.00
29 Coupon	Jul 07, 2019 (Sunday)	Jul 08, 2019 (Monday)	30	7.00	7.00
30 Coupon	Aug 07, 2019 (Wednesday)	Aug 07, 2019 (Wednesday)	31	8.00	8.00
31 Coupon	Sep 07, 2019 (Saturday)	Sep 07, 2019 (Saturday)	31	8.00	8.00
32 Coupon	Oct 07, 2019 (Monday)	Oct 07, 2019 (Monday)	30	7.00	7.00
33 Coupon	Nov 07, 2019 (Thursday)	Nov 07, 2019 (Thursday)	31	8.00	8.00
34 Coupon	Dec 07, 2019 (Saturday)	Dec 07, 2019 (Saturday)	30	7.00	7.00
35 Coupon	Jan 07, 2020 (Tuesday)	Jan 07, 2020 (Tuesday)	31	8.00	8.00
Redemption of Principal along with Interest	Jan 28, 2020 (Saturday)	Jan 28, 2020 (Saturday)	21	1,005.00	1,005.00
Total				**1,272.00**	**1,272.00**

Series III	
Company	Srei Equipment Finance Limited
Face value (per NCD)	₹1,000/-
Issue Opening date/ Date of allotment (tentative)	January 03, 2017/January 28, 2017*
Redemption Date	January 28, 2020
Interest rate for Categories I, II & III	9.25%
Interest rate for Categories III	9.50%
Frequency of interest payment with specified dates	Interest is to be paid on an annual basis, relevant interest will be paid on April 1, 2017 for the period commencing from Deemed date of allotment till March 31, 2017. 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 (Rs) payable per NCDs for Categories I & II(₹)**	**Amount (Rs) payable per NCDs for Categories III (₹)**
First coupon	April 01, 2017 (Saturday)	Apr 01, 2017 (Saturday)	63	16.00	16.00
Second coupon	April 01, 2018 (Sunday)	Apr 02, 2018 (Monday)	365	93.00	95.00
Third coupon	April 01, 2019 (Monday)	Apr 01, 2019 (Monday)	365	93.00	95.00
Redemption of Principal along with Interest	January 28, 2020 (Saturday)	Jan 28, 2020 (Saturday)	302	1,077.00	1,079.00
Total				**1,279.00**	**1,285.00**

Series IV	
Company	Srei Equipment Finance Limited
Face value (per NCD)	₹1,000/-
Issue Opening date/ Date of allotment (tentative)	January 03, 2017/January 28, 2017*
Redemption Date	January 28, 2020
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**	**Amount Payable per NCD for Categories III (₹)**
Principal/ Maturity Value	January 28, 2020 (Tuesday)	Jan 28, 2020 (Tuesday)	1,095.00	1,305.00	1,315.00

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum Subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75% of Base Issue i.e. ₹1,875 million, prior to the Issue Closing Date the entire subscription amount shall be refunded to the Applicants within 12 days from the Issue Closing Date. The refunded subscription amount shall be credited only to the bank account from which the relevant subscription was remitted. 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 214 of this Prospectus.

TERMS OF THE ISSUE

Authority for the Issue

The Board of Directors, at their meeting held on November 3, 2016 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 ₹2,500 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 SEBI Debt Regulations, the Act, the Act 2013, the Memorandum and Articles of Association of our Company, the terms of the Draft 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 exclusive first charge in favour of the Debenture Trustee on specific present and/or future receivables/assets and/or first pari passu charge an identified immovable property 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). 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. Our Company shall utilize the funds only after execution of the Debenture Trust Deed as stated in the Prospectus and after receipt of minimum subscription and receipt of listing and trading approval from the Stock Exchanges.

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 'BWR AA+ (BWR Double A Plus) (Outlook: Stable)' by BRICKWORK pursuant to letter dated November 9, 2016 and reaffirmed vide letter dated November 10, 2016 and further reaffirmed by letter dated December 5, 2016 and 'SMERA AA/Stable' by SMERA pursuant to letter dated November 9, 2016 and reaffirmed by letter dated December 6, 2016. Instruments with a rating of 'BWR AA+ (BWR Double A Plus) (Outlook: Stable)'by BRICKWORK and 'SMERA AA/Stable' by SMERA are considered to have high degree of safety regarding timely servicing of financial obligations.

Issue Period

Issue Opening Date	**January 3, 2017**
Issue Closing Date*	**January 20, 2017**

**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(s) 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 Working Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Trading Members or designated branches of SCSBs are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of investors, the Basis of allotment under the issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

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 ₹2,500 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***
30% of Overall Issue Size	20% of Overall Issue Size	50% of Overall Issue Size

Retention of Oversubscription

Our Company is making a public Issue of NCDs aggregating upto ₹2,500 million with an option to retain oversubscription of NCDs up to ₹2,500 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 30% 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 50% 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 III NCDs wherein the Applicants have not indicated their choice of the relevant NCD 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 193 of this Prospectus.

Form of Allotment & Denomination

As per the SEBI 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 Exchanges 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 Exchanges 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. 151 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 Exchanges through the Members of the Syndicate/ Trading Members of the Stock Exchanges 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 Exchanges 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 required for dispatch of refund orders and Allotment Advice to the Registrars to the Issue, for this purpose.

Interest on NCDs

Series I

Series I NCDs, shall be redeemed at the end of 400 days from the Deemed Date of Allotment at the following amounts based on the relevant categories of NCD Holders as on the Record Date for redemption of the Series I NCDs

Category of NCD Holder	Face Value (Rs per NCD) – A	Premium Amount (Rs per NCD) – (B)	Aggregate Amount Payable at the time of Redemption
Category I & II Investors	1,000	95	1,095*

Category of NCD Holder	Face Value (Rs per NCD) – A	Premium Amount (Rs per NCD) – (B)	Aggregate Amount Payable at the time of Redemption
Category III Investors	1,000	97	1,097*

* subject to applicable tax deducted at source, if any.

Series II

In case of Series II NCDs, interest would be paid monthly on Actual/Actual basis at the following rates of interest in connection with the relevant categories of NCD Holders 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.

Category of Investors	Coupon (% p.a)
For Category I & Category II Investors *	8.90%
For Category III Investors	9.12%

Series II NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any at the end of 3 years from the Deemed Date of Allotment.

Series III

In case of Series III NCDs, interest would be paid annually on an Actual/Actual basis at the following rates of interest in connection with the relevant categories of NCD Holders as on the Record Date on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series III NCD.

Category of Investors	Coupon (% p.a)
For Category I & Category II Investors*	9.25%
For Category III Investors	9.50%

Series III NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any at the end of 3 years from the Deemed Date of Allotment.

Series IV

Series IV NCDs, shall be redeemed at the end of 3 years from the Deemed Date of Allotment at the following amounts based on the relevant categories of NCD Holders as on the Record Date for redemption of the Series IV NCDs

Category of NCD Holder	Face Value (Rs per NCD) – A	Premium Amount (Rs per NCD) – (B)	Aggregate Amount Payable at the time of Redemption
Category I & II Investors	1,000	305	1,305*
Category III Investors	1,000	315	1,315*

* subject to applicable tax deducted at source, if any.

Series V

In case of Series V NCDs, interest would be paid monthly on an Actual/Actual basis at the following rates of interest in connection with the relevant categories of NCD Holders 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.

Category of Investors	Coupon (% p.a)
For Category I & Category II Investors	9.11%
For Category III Investors	9.35%

Series V NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any at the end of 5 years from the Deemed Date of Allotment.

Series VI

In case of Series VI NCDs, interest would be paid annually on an Actual/Actual basis at the following rates of interest in connection with the relevant categories of NCD Holders as on the Record Date on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VI NCD.

Category of Investors	Coupon (% p.a)
For Category I & Category II Investors	9.50%
For Category III Investors	9.75%

Series VI NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any at the end of 5 years from the Deemed Date of Allotment.

Series VII

Series VII NCDs, shall be redeemed at the end of 5 years from the Deemed Date of Allotment at the following amounts based on the relevant categories of NCD Holders as on the Record Date for redemption of the Series VII NCDs

Category of NCD Holder	Face Value (Rs per NCD) – A	Premium Amount (Rs per NCD) – (B)	Aggregate Amount Payable at the time of Redemption
Category I & II Investors	1,000	575	1,575*
Category III Investors	1,000	593	1,593*

* subject to applicable tax deducted at source, if any.

In the event, the interest / pay-out of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹1125.56/-, then the amount shall be rounded off to ₹1,126/-.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated on page no. 164, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs. 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.

Interest and Payment of Interest

In respect to Series II and V, 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 and will be paid on monthly basis. Interest will be calculated from the seventh day till sixth day of every subsequent month during the tenor of such NCDs, and paid on the seventh 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 sixth day of the subsequent month will be clubbed and paid on the seventh day of the month next to that subsequent month.

In respect to Series III and Series VI, 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, 2017 for the period commencing from the Deemed Date of Allotment till March 31, 2017. Subject to the last interest payment will be made at the time of maturity of the NCD on a pro rata basis.

In respect to Series I, Series IV and Series VII NCDs shall be redeemed (the face value of NCDs plus applicable premium on redemption will be made) on the Maturity Date.

NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any record date, and such tenor, coupon/yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

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. 169 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 immediate next- 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

(ii) 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 to the successful Applicants, interest at 8% on the Application Amount allotted, from the date of realization of the Application Amount through cheque(s)/demand draft(s)/any other mode up to 1 (one) 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. 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 194A of the Income Tax Act, as applicable, from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest from three days from the date of upload of the Application on the electronic bidding platform of the Stock Exchanges, whichever is later, upto one day prior to the Deemed Date of Allotment, at the rate of 6%. 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 195 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.167 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 NCDs is 400 days from the Deemed Date of Allotment, for NCDs subscribed under Series II, Series III and Series IV NCDs is 3 years from the Deemed Date of Allotment and for NCDs subscribed under Series V, Series VI and Series VII NCDs is 5 years 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 interest payment will be made on succeeding Working Day (the "Effective Date"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. 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 immediately 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 III and Series VI 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 II and Series V NCDs, 10 (Ten) 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 I, Series IV and Series VII 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 next 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. 234 of this Prospectus.

Taxation

For details, please see "***Statement of Tax Benefits***" on page 77 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 except to the extent of the right to receive the annual report of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI LODR Regulations.

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 SEBI 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 SEBI 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 in terms of Regulation 4(4) of the SEBI Debt Regulations and Section 71(5) of Companies Act, 2013 and the rules prescribed thereunder.. 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 SEBI 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/BM/PI-Bond/5/16-17 dated December 5, 2016and NSE's letter ref. no. NSE/LIST/ 96014 dated December 5, 2016respectively. 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 Exchanges 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, 2017, 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 the Company 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 exclusive first charge in favour of the Debenture Trustee on specific future receivables/assets and first pari passu charge on an identified immovable property 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) 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 SEBI 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 outstanding value of the NCDs issued through the issue. .

(c) every company required to create Debenture Redemption Reserve shall on or before April 30 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 March 31 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 March 31 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.

Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs issued through the Issue.

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. **Holders of NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the DP. No proposal for rematerialization of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialization.**

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(s) 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(s) and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchange(s) and/or SEBI. Please note that the Applicants will not have the option to apply for NCDs under the Issue, through the direct online applications mechanism of the Stock Exchange. 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(s) and the Stock Exchange(s) has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchanges. Hence, the Direct Online Application facility will not be available for this Issue.*

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 Exchanges 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 Exchanges only in specified cities (namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodra and Surat) for Applicants who intend to hold the NCDs in demat form; ("**Syndicate ASBA**");

(b) ASBA Applications through Designated Branches of the 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 Exchanges 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 Exchanges 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 Exchanges 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 Exchanges 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 Exchanges can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchanges 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 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:

<u>Category I (Institutional Category)</u>

1. Public financial institutions, statutory corporations, scheduled commercial banks, co-operative banks Indian multilateral and bilateral development financial institution and regional rural banks, which are authorized to invest in the NCDs;
2. Provident funds & pension funds with a minimum corpus of Rs 2500.00 lacs, 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. Insurance funds set up and managed by the army, navy, or air force of the Union of India;
6. Insurance funds set up and managed by the Department of Posts, the Union of India;
7. National investment fund set up by resolution no. F. No. 2/3/2005- DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
8. State industrial development corporations; and
9. Mutual funds.

<u>Category II (Non-Institutional Category)</u>

1. Companies within the meaning of section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorized to invest in the NCDs;
2. Trusts including 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. Association of Persons; 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. 179 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. 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.*

Applications cannot be made by:

- Minors without PAN and a guardian name**; (A guardian may apply on behalf of a minor. Applications by minor must be made through Application forms that contain the names of both the minor Applicant and the guardian);
- Foreign nationals except as may be permissible under the applicable law;
- 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;
- NRIs on repatriation basis;
- Persons resident outside India including without limitation Foreign Institutional Investors, Foreign Portfolio Investors, Qualified Foreign Investors and Overseas Corporate Bodies;
- Persons ineligible to contract under applicable statutory/regulatory requirements and
- Any category of investor other than the Investors mentioned in categories I, II and III

**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 10% 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 12% 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 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. As per the CBDT notification dated 20th September, 2012 read as Income -Tax (13th Amendment) Rules, 2012- Notification No. 40/2012 where by Central Government has inserted a the new clause (viii) in Rule 17C Income-tax Rules, 1962 to provide that "Investment in debt instruments issued by infrastructure finance company registered with Reserve Bank of India is also a prescribed mode of investment or deposits by charitable/religious trust under Section 11(5)(xii) of the Income Tax Act, 1961.

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. 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.

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.

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.

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. 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.

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. 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 Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons 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 authorized 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 therefor.

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 Exchanges 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 Exchanges 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 Exchanges 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 II 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 Exchanges 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 Exchanges 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 II 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 Exchanges 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 Exchanges 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 Exchanges 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 Exchanges 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 Exchanges 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 Exchanges at www.bseindia.com and www.nseindia.com. A link shall also be provided to the abovementioned websites in the Application Form as well.

B. ASBA Applications

Procedure for Application through the Members of the Syndicate/ Trading Members of the Stock Exchanges

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 Exchanges 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 Exchanges 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 Exchanges 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 41 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 Exchanges 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 Exchanges 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 Exchanges and the Stock Exchanges 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 Exchanges 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 Exchanges 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 Exchanges by the Members of the Syndicate, Trading Members of the Stock Exchanges 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 Exchanges 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 Exchanges 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 Exchanges 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 III NCDs wherein the Applicants have not indicated their choice of the relevant NCD 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 Exchanges at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchanges 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 II 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 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(s) and the Stock Exchange(s) have confirmed that the necessary infrastructure and facilities for the same have not been implemented by both Stock Exchanges. 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 Exchanges 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 Exchanges 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 Exchanges 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 Exchanges 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 Exchanges 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 Exchanges 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 Exchanges 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 Exchanges 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 Exchanges 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 Exchanges 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 Exchanges 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. Withdrawal of Applications during the Issue Period

Withdrawal of ASBA Applications

ASBA Applicants can withdraw their ASBA Applications during the Issue Period by submitting a request for the same to the Syndicate Member, Trading Member of the Stock Exchanges or the Designated Branch, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the Syndicate Member, or Trading Members of the Stock Exchanges at the Specified Cities, upon receipt of the request for withdrawal from the ASBA Applicant, the relevant Syndicate Member, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange. In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the ASBA Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchanges and unblocking of the funds in the ASBA Account directly.

Withdrawal of Non-ASBA Applications (other than Direct Online Applications)

Non-ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to Syndicate Member, or Trading Member of the Stock Exchange, as the case may be, through whom the Application had been placed. Upon receipt of the request for withdrawal from the Applicant, the relevant Syndicate Member, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn Non-ASBA Application Form from the electronic system of the Stock Exchange.

D. Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

E. Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE and notice No: NSE/CML/2012/0672 dated August 7, 2012 issued by NSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the stock exchange(s), by submitting a written request to the Syndicate Member / Trading Members of the Stock Exchange/ the SCSBs, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Syndicate Member, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

F. 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 Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL,

xi. The trading of the NCDs shall be in dematerialized form only.

xii. Interest or other benefits with respect to the NCDs held in dematerialized form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

G. 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 Company Secretary & Compliance Officer/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 Company Secretary & Compliance Officer or Registrar. Please note that Applicants who have applied for the NCDs through Trading Members should contact the Stock Exchanges 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 ; or any other regulatory authority;
- 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 Exchanges 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 II and Series V NCDs;
- Applications by foreign nationals 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;
- NON-CTS 2010 instruments used for payment of the Application Amount; and
- Minor applying without the PAN allotted to minor as per IT Act.

Kindly note that the ASBA Applications being submitted with the Member of the Syndicate or with the Trading Members of the Stock Exchanges 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 Exchanges 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 ₹2,500 million with an option to retain oversubscription upto ₹2,500 million, aggregating to ₹5,000 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 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;

(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 is 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 ₹240 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 ₹240 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 ₹240 million are material/potentially material to the Company.

A. 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 ₹500,000,000/- alleging wrongful lodging of incorrect and false compliant with CIBIL and the damages caused because of that. 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 ₹223,000,000/- under agreement bearing nos. 49826 dated September 22, 2013. The proceedings are pending as of date.

(III) Our Company has initiated an arbitration proceeding against Saket Highways Limited to recover outstanding dues of approximately ₹319,200,000/- under agreement bearing no. 69818 dated Sep 3, 2014. The matters are pending as on date.

(IV) Our Company has initiated two separate arbitration proceedings against Gammon India Ltd., claiming outstanding dues alongwith interest thereon, which aggregates to approximately ₹328,800,000/- and ₹308,600,000/- under agreements bearing nos. 41324 and 39393 dated April 2, 2013 and June 15, 2011, respectively. The matter is 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 outstanding dues along with interest thereon, which aggregates to approximately ₹430,800,000/- under agreement bearing no. 39267 dated March 14, 2013. An award has been passed in favour of SEFL and an Execution case no. 404 of 2016 filed for execution of decree of ₹354,000,000/- at Principal District Civil Court Ahmedabad (Rural) and Execution case no. 6 of 2016 also at Commercial Court at Rajkot. Both the matters are 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 outstanding dues along with interest thereon, which aggregates to approximately ₹1,925,700,000/- under agreement bearing no. 50430 dated September 3, 2013. The matter is pending as on date.

(VII) Our Company has initiated arbitration proceedings against one Essar Projects India Ltd claiming outstanding dues alongwith interest thereon, which aggregates to approximately ₹1,815,700,000/- and ₹1,067,300,000/- under agreements bearing no. 66738/75885/71073 dated July 3, 2014 and agreement bearing no. 76767 dated February 3, 2015 respectively. The matters are pending as on date.

(VIII) Our Company has filed two separate arbitration proceedings against one EMTA Coal Limited, claiming our outstanding dues along with interest thereon, which aggregates to approximately ₹263.1 million under agreement bearing nos. 10745 dated October 4, 2012 and outstanding dues along with interest thereon, which aggregates to approximately ₹251.4 million under agreement bearing nos. 15216 dated September 22, 2012. The matters are pending as on date.

(IX) Our Company has filed arbitration proceedings against one BS C & C JV, claiming our outstanding dues along with interest thereon, which aggregates to approximately ₹342.9 million under agreement bearing nos. 74581 dated November 25, 2014. The matter is pending as on date.

(X) Our Company has filed two separate arbitration proceedings against one BSCPL Infrastructure Ltd, claiming our outstanding dues along with interest thereon, which aggregates to approximately ₹448 million under agreement bearing nos. 92936 dated September 28, 2015 and outstanding dues along with interest thereon, which aggregates to approximately ₹337.9 million under agreement bearing nos. 99506 dated December 22, 2015. The matters are pending as on date.

(XI) Our Company has initiated two separate arbitration proceedings against one Maa Durga Thermal Power Company Limited, claiming our outstanding dues along with interest thereon, which aggregates to approximately ₹961.1 million and ₹740.8 million respectively under agreement bearing nos. 89914 & 94320 dated July 22, 2015 and October 1, 2015. Both matters are pending as on date. Our Company has also preferred a Company winding up petition being C.P. No 53 of 2016 against Maa Durga Thermal Power Company Limited for payment of unpaid dues of ₹98,225,494/- under the above referred two agreements before the High Court of Orissa. The matter is pending as of date.

(XII) Our Company has initiated one winding up proceeding against one Sai Info System India (Private) Limited being CP No. 59 of 2014 before the Hon'ble High Court at Gujarat claiming outstanding dues of

₹523,700,000/- approximately under agreements bearing nos. 23344 and 38822 dated May 1, 2012 and March 19, 2013, respectively. The matter is pending as on date.

(XIII) Our Company has initiated arbitration proceedings against one Jai Hind Projects Ltd, claiming outstanding dues alongwith interest thereon, which aggregates to approximately ₹637,400,000/- agreement bearing no. 39692 dated January 1, 2013. The matter is pending as on date.

(XIV) Our Company has initiated arbitration proceedings against one G S Atwal & Company (Engineers Pvt Ltd), claiming outstanding dues alongwith interest thereon, which aggregates to approximately ₹515,300,000/- vide agreement bearing no. 23000 dated November 11, 2010. The matter is pending as on date.

(XV) Our Company has initiated arbitration proceeding against one Ares & Sons, claiming our outstanding dues along with interest thereon, which aggregates to approximately ₹420,000,000/- under agreement bearing nos. 87442 dated June 8, 2015. The matter is pending as on date.

(XVI) Our Company has initiated 2 (two) arbitration proceedings against Nirmal Lifestyle Limited to recover aggregate outstanding dues of approximately ₹1128,300,000/- under agreements bearing nos. 61218 and 61134 both dated April 3, 2014. The matters are pending as on date.

(XVII) Our Company has initiated an arbitration proceeding against Arshiya Rail Infrastructure Limited to recover outstanding dues of approximately ₹397,700,000/- under agreement bearing no. 42480 dated November 30, 2013. The matter is pending as on date.

(XVIII) Our Company has initiated arbitration proceedings against one Soma Punjab Warehousing Pvt. Ltd. to recover outstanding dues of approximately ₹254,600,000/- under agreement bearing no. 74974 dated September 22, 2014. The matter is pending as on date.

(XIX) Our Company has initiated arbitration proceedings against one Supreme Infrastructure India Ltd claiming outstanding dues along with interest thereon, which aggregates to approximately ₹971.5 million under agreement bearing no. 62683 dated May 31, 2014. The matter is pending as on date.

(XX) Our Company has initiated an arbitration proceeding against Marg Limited to recover outstanding dues of approximately ₹350.3 million under agreement bearing no. 44492 dated June 22, 2013. The matter is pending as on date.

(XXI) Our company has initiated one winding up proceeding against one Ritwik Projects Pvt Ltd claiming outstanding dues along with interest thereon of ₹958.1 million approximately under agreements bearing nos. 39701 dated January 3, 2013, before the Hon'ble High Court at Calcutta. The matter is pending as on date.

(XXII) Our Company has initiated arbitration proceedings against one Kalinga Commercial Ltd. claiming outstanding dues along with interest thereon, which aggregates to approximately ₹240,200,000/- under agreements bearing nos. 70357 dated September 1, 2014. The matter is pending as on date.

(XXIII) Our Company has initiated arbitration proceedings against Saumya Mining Limited, claiming outstanding dues aggregating to approximately ₹255.7 million under agreement bearing no. 49142 dated September 2, 2013. The matter is pending as on date.

(XXIV) Our Company has initiated arbitration proceedings against Partha De, the proprietor of M/s Green Concretex claiming outstanding dues along with interest thereon, which aggregates to approximately ₹311,700,000/- under agreement bearing no. 49828 dated September 22, 2013. 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 SEFL against Partha De, the proprietor of M/s Green Concretex. Both the proceedings are pending as on date.

(XXV) Our Company has initiated an arbitration proceeding against NKC Projects Pvt. Ltd. to recover outstanding dues of approximately ₹28,05,69,011/- under agreement bearing no. 104529 dated March 2016. The matter is pending as on date.

(XXVI) Our Company has also filed petitions under Section 9 and Section 17 of the Arbitration and Conciliation Act, 1996 for restraining customers from disposing of certain property during the pendency of the arbitration proceedings. The Parties have also filed petitions under Section 9 and Section 17 of the Arbitration and Conciliation Act, 1996 against our Company for restraining customers from disposing of certain property during the pendency of the arbitration proceedings.

B. Regulatory proceedings against our Company

(I) 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.

(II) 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.

(III) The Registrar of Companies, West Bengal (ROC) issued a show cause notice to the Company (dated May 1, 2016) calling for details of the companies CSR expenditure for the financial year 2014 - 2015. The said notice has been replied to by the company vide correspondence dated June 2, 2016 giving all relevant details.

(IV) The Registrar of Companies, West Bengal (ROC) issued a show cause notice to the Company and its directors (dated June 22, 2015) for the alleged violations of the provisions of Section 149 of the Act and Rule 3 of the Companies (Appointment & Qualification of Directors Rules) 2014. The company has suitably replied to the said letter July 7, 2015 and has taken appropriate action accordingly.

(V) The Company in the normal course of business receives or has received from various statutory authorities including the Ministry of Corporate Affairs calling for various information and explanations from time to time and the same has been duly replied to.

C. Criminal Proceedings filed against our Company and its Directors

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 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. One Borrower of SEFL M/s Roman Tarmat Ltd. has filed a complaint bearing no. C.C. No. 366/SW/2015 before the Court of Ld. Metropolitan Magistrate 67th Court at Borivali, Mumbai under Section 156 of CrPC against the Promoter and other directors of Srei Infrastructure Finance Ltd alleging forceful repossession of financed asset, pursuant to which an order was passed on October 13, 2015 for investigation. A Writ Petition being WP No. 459 of 2016 has been filed by SEFL and Mr Hemant Kanoria and Mr Sunil Kanoria before the Hon'ble High Court at Bombay for quashing of the said complaint and the Hon'ble court has ordered that no coercive action would be taken. The matters are pending.

8. One Naganagouda S Neeralagi has filed a criminal case (CC no. 107/2015 (PC no. 12/2014), against our company's directors and employees before the Additional Senior Judge & CJM, Dharwad, for allegedly supplying him defective materials and then repossessing the assets by force. Pursuant to an order of summons issued by the lower court, our company has preferred a criminal revision. before the High Court of Karnataka (Dharwad bench) where the lower court proceedings have been stayed. The matter is pending.

D. Other Criminal Proceedings involving our Company

(I) SEFL and some of its employees are party to approximately 39 (thirty nine) criminal cases pending before various courts across India. These cases have been filed on the grounds, inter alia, cheating, fraud, defamation, illegal repossession of the vehicles, theft, insurance claims by the customers. We have been also named as a party as a financer where the vehicle financed by us is used for carrying illegal goods. There are some cases of assault, kidnapping and abduction against the employees of our Company while repossessing of assets financed by SEFL. The alleged employees and SEFL has filed applications under section 482 of the CrPC for quashing of complaints across different high courts and magistrate courts. SEFL has also initiated certain complaints for matters including missing equipment, theft and defamation.

(II) Our Company also has filed approximately 728 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. SEFL has filed numerous complaints, FIRs and cases of fraud and cheating against customers because of loan defaults, cash misappropriation, cheating, forgery, assault on employees of our Company. In certain cases, SEFL has also filed cases under section 420 of the CrPC for the criminal breach of trust and misappropriation of property.

(III) There are several cases wherein applications have been filed for quashing of complaints and FIRs and as on date hereof, the number of such cases is approximately 53.

(IV) SEFL has filed one FIR bearing no. 0343 of 2014 dated September 19, 2014 before Halasur P.S. Bangalore City 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).

E. Section 138 and Other Proceedings

Our Company being an Asset Finance Company has initiated approximately 59,975 cases under section 138 of the Negotiable Instruments Act, 1881, against our customers to recover money due under dishonoured cheques 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.

F. Litigation involving our Promoter and/ or Directors:

(I) On June 4, 2013 SEBI passed an interim order bearing No. WTM/PS/OS/CFD/JUNE/2013 ("Order") in respect of rules 19(1) (b) and 19A of the Securities Contracts (Regulation) Rules, 1957 against companies non-compliant with the minimum public shareholding requirements (MPSR) including India Power Corporation Limited (formerly DPSC Limited) and its Directors, which includes Mr. Hemant Kanoria and Mr. Sunil Kanoria, our Directors. The Order, inter alia, prohibits the promoters/promoter group and directors from buying, selling or otherwise dealing in securities of their and respective companies, except for the purpose of complying with minimum public shareholding requirement till such time the companies comply with the minimum public shareholding requirement and also restrain the directors of non-complaint companies from holding any new position as a director in any listed company, till such time the companies complies with minimum public shareholding requirement. However, the current shareholding pattern of India Power Corporation Limited 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.

(II) Birhanmumbai Municipal Corporation has lodged a FIR bearing no. 2 of 2013 against Mr. Hemant Kanoria, 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. Mr. Hemant 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. The Hon'ble High Court at Bombay has passed an order dated October 8, 2014 pursuant to which no charge sheet is to be filed without permission of the Hon'ble Court. The matter is pending as on date.

Srei Infra has filed a Short Causes Suit no. 100558 of 2014 with Notice of Motion No 1063 against Hope Hall Co-operative Housing Society Limited and Birhanmumbai Municipal Corporation, where Srei Infra has approached the Hon'ble Bombay City Civil court at Bombay seeking relief from unauthorized use of pathway leading to our premises at Avantika Building, 46, Dr. Gopal Rao Deshmukh Marg, (Pedder Road), Mumbai – 400026 by Hope Hall Co-operative Housing Society Limited. The matter is pending as on date.

(III) 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 guilty of contravening the relevant provisions of FERA and imposed a personal penalty of ₹2,000,000/- on Srei Infra, ₹1,000,000/- on Mr. Hemant Kanoria & ₹500,000/- each on two of Srei Infra's employees vide Order No – CIT(A)-11 (SM)/Kol/Adj. Off. (FERA)/2004 dated March 03, 2004/ March 05, 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. In the interim, 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 ₹1,000,000/- in aggregate and which was to be furnished by way of a Bank Guarantee of equivalent amount, which was further confirmed by order dated May 06, 2009 of the Learned Tribunal. The hearings in the said matter before the Hon'ble Tribunal have recommenced from November 2015. The matter is pending before the Hon'ble Tribunal as on date.

(IV) Based on an inspection of the books of accounts and other records of the Company 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 August 30, 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 October 21, 2008 to launch prosecution proceedings against Srei Infra and / or its directors and officers 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 advised them to file application seeking to compound the alleged offences, if they desire to do so. The Directors 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 and Company Secretary of Srei Infra pursuant to said 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. The last order dated July 28, 2014 in C.P. No 385 of 2008 adjourned the matter for 4 (four) weeks. The matter is pending before the Hon'ble Court.

(V) One Mr Naveen Bansal has filed one application being CP No 99 of 2014 u/S(s) 397, 398, 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 ("IPPL") and others (including Mr. Hemant Kanoria) alleging acts of oppression and mismanagement by IPPL. The petitioner i.e. Mr Naveen Bansal has approached CLB Kolkata seeking several interim reliefs including injunctions on IPPL from operating bank accounts, holding any board meetings, etc. No amount has been claimed. The Hon'ble CLB had passed an order on July 22, 2015 which inter alia, provided that, to protect the interest of the fixed assets of IPPL, the respondents in CP No 99 of 2014 shall not sell or alienate such assets without the leave of the Hon'ble CLB till the next date of the hearing. Along with the CP several applications have been filed which have been either disposed off or an pending to be taken at the time of disposal of main CP. Thereafter, Mr Naveen Bansal has also filed a Contempt Petition being CC No 173 of 2015 before the Hon'ble High Court at Calcutta against the Directors of I Log Ports Private Limited for alleged violation of the said order passed by the Company Law Board on September 30, 2015. Srei Infra and Mr. Hemant Kanoria have been made parties to the said contempt petition. The said matter has been referred to mediation by the Hon'ble High Court at Calcutta by order dated December 15, 2015 which has failed. Keeping the maintainability point open, directions have been given to file Affidavits. The proceedings are pending as on date.

(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 ("SVCL")) 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 pending as on date and posted for hearing in January, 2017. 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 ('Delhi High Court') 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 amount involved in the matter is ₹17,875,000 and interest thereon @18% per annum. The matter has been transferred to Court of Learned District Court (South), Saket and new case number is CS 6219 of 2016. The matter is pending and due for hearing in January, 2017.

(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, Mr. Hemant Kanoria and erstwhile Srei Sahaj e-village Ltd. and others alleging oppression and mismanagement. The said Petition is currently pending. The amount involved in the matter is not ascertainable. The matter was transferred to newly formed National Company Law Tribunal at Kolkata (NCLT). The proceedings are pending as on date.

(VIII) K.S. Oil Limited is a Defaulter of Loan extended to it by Srei Infra and as such proceedings for recovery of Loan was initiated by Srei Infra by filing a Suit. The Civil Suit filed by Srei Infra was dismissed by an order dated June 17, 2015 (CS 259 of 2014 G.A. No. 2498 of 2014) against which Srei Infra filed an Appeal No. APDT 23/15 & GA 2070/15 before the High Court at Calcutta. Appeal from Decree was filed in June, 2015 which has been admitted however no stay was granted on appropriation of sale proceeds by State Bank of India. In terms of order dated June 17, 2015 the Respondents filed an Undertaking to indemnify Srei Infra in case it files appropriate proceedings and succeeds therein. Matter is pending as on date. On June 22, 2016 Srei Infra has filed an Original Application being OA 458/2016 in DRT, Kol-1 against K.S. Oil Limited for a claim of ₹5143.6 million. The Matter is pending as on date. Further, State Bank of India & Others have filed OA No. 306/2016 in DRT II, Delhi for recovery of ₹45,335.4 million from the Borrower KS Oils. Srei Infra is made Respondent No. 11. 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/-. Various interim applications have also been filed from time to time connected with the OA. The matter is pending as of date. Srei Infra has also filed C.A. No(s) 347 & 346 of 2013 before the Honourable High Court at Hyderabad objecting the demerger application of DCHL. Srei Infra has also filed I.A. No 76 of 2012, I.A. No 261 of 2013, I.A. No. 262 of 2013 and I.A. No 505 of 2013 before the said Hon'ble Tribunal for attachment before judgment, perjury, judgment upon admission and for completion Survey of one property at Alwal in O.A. No. 393 of 2012. An application was also filed for conversion of part of loan to equity in terms of the loan agreement and Ld. DRT, Kolkata passed orders recording the same. Pursuant to orders of Ld. DRT, Kolkata, DCHL issued and allotted the shares. The said applications are pending as on date. Srei Infra has also filed CA 1776 of 2015 before the Hon'ble High Court at Hyderabad for scheme of compromise and arrangement between DCHL and its creditors and members for revival and rehabilitation of DCHL. The number of applications have been filed in the proceedings by other Lenders and matters are pending as on date. Srei Infra has also 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. Pursuant to FRT by police Srei Infra has filed Na Raji Petition. All the matters are pending as on date.

(X) Srei Infra had initiated arbitration proceedings against Tuff Drilling Private Limited and others, claiming its outstanding dues along with interest thereon, aggregating to approximately ₹292,500,000/-. Srei Infra filed a revised claim in June, 2014 claiming ₹656,300,000/-. Arbitration Award dated May 16, 2016 has been published in favour inter Alia with an Award of ₹656,300,000/- alongwith interest. Counter claim of Tuff for ₹870,000,000/- has been rejected. An appeal being AP 687 of 2016 has been filed by one of the aggrieved parties being one Sachanand Ladhani and another appeal being AP 699 of 2016 has been filed by one of the aggrieved parties being Tuff Drilling Private Limited before the Hon’ble High Court at Calcutta challenging the aforesaid award. In relation to another arbitration initiated by Tuff Drilling Private Limited, the Learned Arbitrator terminated the reference with an order and thereafter, Tuff Drilling Private Limited filed a recalling application, which was also rejected. Thereafter, an appeal was filed by Tuff Drilling Private Limited before the Honourable High Court at Calcutta and an order was passed on February 13, 2015 by the Hon’ble High Court at Calcutta in C.O. No. 3190 of 2012 pursuant to which the order of termination of arbitration mandate passed by the learned arbitrator was set aside and the Honourable High Court at Calcutta had made an observation that Tuff Drilling Private Limited should file an application before the learned Arbitrator on the self-same ground for reopening of the arbitration proceedings. Srei Infra has also filed SLP (Civil) No.16636 of 2015 before the Hon’ble Supreme Court of India against Tuff Drilling Pvt Ltd in relation to the said order dated February, 13, 2015. The Registrar of the Hon’ble Supreme Court directed Srei Infra to take appropriate steps for effecting service on Tuff Drilling Private Limited. The matter is pending as on date.

(XI) Srei Infra has filed a recovery O.A. No 477 for 2012 along with Interim Applications 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 ₹1000,000,000/- provided to Defendant No 1 by Srei Infra under loan agreement dated 5 January 2011 along with applicable interests aggregating to ₹1214,139,813/-. Settlement has been arrived between the parties which are recorded in a Debt Repayment and Settlement Agreement (“DRSA”) and Srei Infra has filed IA 1162/2015 and IA No. 1163/ 2015 before the Hon’ble Tribunal praying that its OA No 477 of 2012 be adjourned sine die till all the defendants have performed their obligations under DRSA further reserving its right to resume present proceeding in case the defendants fail to discharge their obligations under the DRSA.

(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 Pvt. Ltd. & Others for recovery of loan amount of ₹296,538,579.89 (approximately) 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 Performa 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 Pvt. Ltd from 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 Pvt. Ltd till disposal of the said suit. A demurral application has been filed by Mr Varun Bajpai. The amount involved is ₹296,538,579.89 (approximately). Srei Infra has initiated an application being G.A. No. 2699 of 2014 in C.S. No. 76 of 2014 wherein Srei Infra has asked the Hon’ble High Court at Calcutta for appointing a Receiver and Auditor for auditing the books of accounts of Violet Arch Capital Advisors Pvt. Ltd. and its subsidiary. The matter is pending as on date.

(XIII) Srei Infra has filed OA No. 237/2015 in Debt Recovery Tribunal-I, Kolkata against Unitech Limited for recovery of approximately ₹44,000,000/- after adjusting its loan to Unitech Limited of ₹1500,000,000/- and other amounts involving (three) inter corporate deposits of ₹400,000,000/-, ₹600,000,000/- and ₹500,000,000/- aggregating to ₹1500,000,000/- given by Unitech Developers and Projects Limited to Srei Infra. Unitech Developers and Projects Limited filed 3 (three) arbitration petitions u/s 9 of the Arbitration and Conciliation Act, 1996 before the Honourable High Court at Calcutta being AP No. 955 of 2015, AP No. 956 of 2015 and AP No. 957 of 2015 which have been disposed off by an order dated July 21, 2016. Further, Unitech Developers and Projects Limited filed AP No 126 of 2016, AP No 127 of 2016 and AP No 129 of 2016 all under Section 11 of the Arbitration and Conciliation Act, 1996 against Srei Infra before the Hon’ble High Court at Calcutta for appointment of arbitrator and by an order dated June 29, 2016 a Sole Arbitrator has been appointed. The Arbitration proceedings have commenced in August 2016 and Srei Infra has raised the point of maintainability of Arbitration proceedings by filing an application u/s 16 of the Arbitration and Conciliation Act, 1996 objecting to the jurisdiction of the Arbitral Tribunal that subject matter is not arbitrable and for impleading other necessary parties for proper adjudication of the matter. Matters are pending as on date.

(XIV) Srei Infra has filed one matter being OA 469 of 2014 in Debt Recovery Tribunal-I, Kolkata against ARSS Infrastructure Projects Limited and its shareholders/obligors namely Subhas Agarwal, Anil Agarwal, Sunil Agarwal, Mohanlal Agarwal and Rajesh Agarwal for recovery of loan amount of ₹552,330,000/- plus interest at the rate of 16% per annum. The matter is pending as on date. Further, Srei Infra has filed a petition before the Honourable High Court at Odisha being COPET 104/2014 for winding up of ARSS Infrastructure Projects Limited. The matter is pending since date.

(XV) Srei Infra has filed one Declaratory Suit being C.S.NO. 86/2015 & GA NO. 1087 /2015 against Transtel Infrastructure Ltd & Ors before the Hon'ble High Court of Calcutta for *inter alia*, seeking injunction on the defendant not to dilute or alter the nature and character of the pledged securities, appointment of auditors for investigating the books of account, etc. in relation to repayment by the defendant and other entities forming part of the defendant's group of an amounts to of approximately ₹923,200,000/-. By an order dated June 15, 2015 an order was passed by the Hon'ble High Court of Calcutta disposing off Srei Infra's application and confirming the interim order passed on April 8, 2015 restraining the respondents from diluting the percentage of the shares pledged in favour of Srei Infra under the loan agreement without the leave of the Hon'ble High Court of Calcutta. An application has been filed for dematerialisation of shares. The matter is pending.

(XVI) Srei Infra filed one Declaratory Suit being CS No. 104 of 2015 and GA No. 1504 of 2015 against Supreme Infrastructure BOT Private Ltd., Supreme Infrastructure India Limited and others before the Hon'ble High Court of Calcutta seeking, *inter alia*, injunction on the defendant and others to dilute their shareholding in the shares of the companies which are pledged with Srei Infra. An order was passed by the Hon'ble High Court of Calcutta on May 6, 2015 restraining only defendant no. 1 i.e. Supreme Infrastructure BOT Private Ltd. from diluting the percentage of shares pledged in the favour of Srei Infra under several loan agreements. Srei Infra has preferred an appeal being APOT 202/2015 and GA 1589/2015 with CS 104/2015. An order was passed in APOT 202/2015 in Srei Infra's favour, *inter alia* restraining the respondent nos. 1 to 5 from dealing with the pledged shares in any manner, till disposal of Srei Infra's suit pending before Hon'ble High Court at Calcutta. In the interim, in CP. No 558 of 2014, C.P No 605 of 2014, C.P. No 780 of 2014 and related matters filed by certain creditors against Supreme Infrastructure India Limited before the Hon'ble High Court of Bombay, the Hon'ble Court directed winding up of Supreme Infrastructure India Limited vide order dated December 22, 2015. The Joint Lenders Forum moved an application being G.A. 3651 of 2015 before the Hon'ble High Court at Calcutta for intervention and for stay of the proceeding till disposal of the said application. On January 25, 2016, the Hon'ble Court observed the aforesaid order passed by the Hon'ble High Court at Bombay. As per order of the Hon'ble High Court at Calcutta dated January 25, 2016 Srei Infra has filed its application before the Hon'ble High Court at Bombay being CA / 515 / 2016 to seek leave to continue with its Suit. Srei Infra has a total exposure of approximately ₹1900,000,000/- in Supreme Infrastructure BOT Private Ltd and its group companies. Srei Infra has also filed GA 2400 of 2016 for staying the suit until settlement and GA 2401 of 2016 to stay the suit until disposal of 446 application (CA 515 of 2016) filed before the Hon'ble High Court at Bombay. By an Order dated 29.11.2016, Hon'ble Court was pleased to dispose of GA 2400 of 2016 and 2401 of 2016 and confirmed the appeal Court order dated 13.05.2015 i.e. the Defendant No. 1 to 5 are restrained from dealing with the shares as well as assets in terms of Loan Agreement and disposed off the application. Court observed that JLF cannot have right to interfere with the SIFL's right against the Defendant no. 1 securities and the other securities. Court allowed amendment of Plaint and to bring on record the JLF banks as defendants to the extent that the Banks, have a Second charge over the property at Powai Mumbai and pari passu change on the 26,00,000 shares of promoters in Defendant No. 2 (SIIL). Matter now for amendment by Department and filing of Written Statement by Defendants by February, 2017. The matters are pending.

(XVII) Srei Infra has filed WP No. 11116 (W) of 2015 against Union of India and National Institute of Electronics and Information Technology praying that no coercive steps should be taken by National Institute of Electronics and Information Technology (viz. invocation of bank guarantees given by Srei Infra with respect to the services) and payments amounting to approximately ₹112,300,000/- in relation to services provided by Srei Infra in relation to "Providing Managed Data Digitization Services for the Creation of National Population Register (NPR) for Usual Residents of Rural Areas in India" in Uttar Pradesh, Bihar, Assam and others, are paid. Srei Infra also filed WP No. 22016 (W) of 2016 on a fresh cause of action for non-invocation of Bank Guarantee and the Hon'ble Calcutta High Court passed interim order granting injunction on invoking of Bank Guarantee till January 31, 2017. The matters are pending.

(XVIII) Our Company and Srei Infra has filed C.S No 238 of 2014 before the Honourable High Court at Calcutta against Microsoft Corporation and Others for *inter alia*, a decree of ₹28,513,597,495/- along with interest at the rate of 18% per annum, being damages because of the losses suffered by Srei Infra due to alleged harassing and surreptitious actions of Microsoft Corporation and Others. A complaint case u/s 200 CrPC (C/22663/14) has also been filed in CMM Kolkata at Bankshall Court.

(XIX) Srei Infra has instituted one recovery proceeding being OA No 559 of 2015 against Amrit Jal Ventures Limited ("**AJVL**") before Debts Recovery Tribunal – I, Kolkata for inter alia defaults in repayment of ₹335,200,000/- under Rupee Loan Agreement dated April 19, 2011. By an order dated November 30, 2015, the said Tribunal was pleased to pass an interim order which required AJVL to set aside an amount of ₹300,000,000/- out of the receivables from foreign investors. Pursuant to the said order dated November 30, 2015, AJVL preferred an appeal being T.A No 170 of 2015 before the Debts Recovery Appellate Tribunal challenging the same. The appeal has not been admitted. Thereafter AJVL has filed several arbitration petitions including A.P No. 1708 of 2015, A.P. No. 1557 of 2015, A.P No. 1364 of 2015, A.P No 1377 of 2015, A.P No. 1599 of 2015, A.P. 6 of 2016, A.P. 214 of 2016 and A.P No 113 of 2016 against Srei Infra before the Hon'ble High Court at Calcutta seeking various reliefs u/S 9 of the Arbitration and Conciliation Act, 1996 from time to time like extension of time to make payments, appointment of arbitrator, etc. All the said arbitration petitions been disposed of or dismissed, save and except A.P No 113 of 2016, A.P. No 6 of 2016 and A.P. No 214 of 2016. In A.P No. 1599 of 2015, an order was passed on December 23, 2015 by the Hon'ble High Court at Calcutta disposing off the said matter with further directions on AJVL to inter alia pay ₹10,000,000/ by December 31, 2015 and the remaining balance ₹28,100,000/- to be paid by February 15, 2016. An appeal has been filed by AJVL being APOT 88 Of 2016 filed along with GA 880 of 2016 before the Hon'ble Court seeking stay against the said order dated December 23, 2015. In A.P No 113 of 2016, an order was passed on February 25, 2016, pursuant to which Srei Infra would be entitled to take steps against AJVL in terms of the default clause in the said loan agreement if there is any further default by AJVL in making over payment to Srei Infra in the manner as indicated in the said order dated December 23, 2015. The said AP No. 113 has since been dismissed by an order dated August 2, 2016. AJVL has filed an application under Section 9 of the Indian Arbitration and Conciliation Act, 1996 being A.P. 214 of 2016 inter alia seeking extension of time to pay amount as per orders dated December 23, 2015 and February 25, 2016. AJVL has also filed APOT 87 of 2016 inter alia for stay against order dated 25-02-2016 which has not yet been taken up for hearing. The total receivables from AJVL was approximately ₹335,200,000/- out of which approximately ₹70,000,000/- has been realised till date. AJVL has also filed a petition under section 11 of the Arbitration and Conciliation Act, 1996 being AP 6 of 2016 before the Hon'ble High Court at Calcutta and an Arbitrator has been appointed. The Arbitrator has held first Arbitration meeting in August, 2016. A.P. 214 of 2016, APOT 88 Of 2016 (with GA 880 of 2016), OA No 559 of 2015, T.A No 170 of 2015 and the said arbitration proceedings are pending as on date. Srei Infra has filed SLP No. 30341 of 2016 in Supreme Court of India on the point that Arbitration cannot be preferred when DRT action has been taken by the Lender. The matter is pending as of date.

(XX) One Nectrus Limited has filed one civil suit for injunction [CS(OS) 2080/2015 with IA 14394/2015, IA 14395/2015 and IA 14396/2015] before the Hon'ble High Court at Delhi against ATEN Capital Pvt Ltd, (Def No. 1) and others. Srei Infra, Unitech Developers & Projects Limited, Unitech Realty & Project Limited, Unitech Corporate Parks PLC and ATEN Portfolio Managers Pvt Ltd. are Defendant Nos (2), (3), (4), (5), (6) and (7), respectively. Injunction has been sought on inter alia release of ₹2430,000,000/- by Defendant No. 1. Srei Infra has filed an application in December 2015 u/s 151 of CPC seeking legible copies of annexures. The present suit has been transferred to Saket District Courts under the jurisdiction of District Judge, South. The matter is pending as of date.

(XXI) Srei Infra filed an application before Debt Recovery Tribunal, Kolkata being OA No. 408 of 2016 and Dy. No. 504 of 2016 against Sterling SEZ and Infrastructure Limited and others, inter alia, claiming a sum of ₹3378,000,000/-. Matter is pending as on date. Srei Infra has filed Winding Up petition being CP (L) No. 735 of 2016 in High Court at Bombay since the borrower company is indebted to the Srei Infra, for a sum of ₹3,359,338,880/- as on September 1, 2016 along with further interest @ 24% per annum from September 2, 2016 till the date of the repayment. An Application (CAL/676/2016) has also been filed in October, 2016 inter alia for injunction and appointment of Provisional Liquidator. Matter is pending as on date.

(XXII) Srei Infra filed an application before Debt Recovery Tribunal, Kolkata being OA No. 421 of 2016 and Dy. No. 520 of 2016 against Sterling Port Limited and others, inter alia, claiming a sum of ₹783.6 million. Srei has filed an application for amending OA making Gujarat Maritime Board (GMB) party which has been allowed by Hon'ble DRT. Matter is pending as on date.

(XXIII) Srei Infra has filed recovery proceedings being OA 794 of 2016 in DRT Kolkata against Multiwall Pulp & Board Mills Pvt. Ltd. & Ors. The Borrower Multiwall Pulp & Board Mills Pvt. Ltd. & Ors. defaulted in making repayment to the Loan extended to it by Srei Infra, hence DRT proceedings initiated against the defaulter, guarantors and other parties for recovery of Loan of ₹571.2 million (outstanding dues as on September 30, 2016) plus interest thereon from October 1, 2016. Matter to be listed for hearing. Vide order dated 22.11.2016, inter alia, show cause has been given to parties and Receiver has been appointed on the properties of the Guarantors. Matter is posted for hearing in December, 2016 and pending as on date There are other matters connected to the Borrower and Guarantor being SA 415 of 2014 pending before DRT-1, Lucknow where sale by Srei Infra under the SARFEASI Act has been challenged by the Borrower. Two collusive suits are pending being CS OS 776 of 2014 before Hon'ble Civil Judge Sr. Division Fast Track Court, District Court, Moradabad and CS OS 309 of 2014 before Moradabad District Court which have been filed by Borrower and Sher Singh respectively. All matters are pending as on date.

(XXIV) One Nirmal Kumar Pandey has filed a suit against Srei Infra and its Directors namely Mr Hemant Kanoria, Mr Sunil Kanoria and other directors of Srei Infra as party. By filing the Civil Suit being OS 14 of 2016 before XII Additional Chief Judge, City Civil Court at Secunderabad, the plaintiff has claimed Rs. 20 Lakhs as compensation / damages on the alleged ground of issuing him sec 138 notices in 2012. Matter is pending as on date.

(XXV) Srei Infra had disbursed an aggregate loan amount of ₹4265 million to Orissa Slurry Pipeline Infrastructure Ltd ("**OSPIL**"), a subsidiary of Essar Steel India Limited ("**ESIL**") under loan agreements dated March 28, 2015 and June 20, 2015 for purchase of slurry pipeline business from ESIL, in accordance with one business transfer agreement entered between ESIL and OSPIL dated February 27, 2015 ("**BTA**"). A Right to Usage Agreement was entered between OSPIL and ESIL pursuant to which OSPIL was entitled to receive lease rentals from ESIL. Thereafter, OSPIL and ESIL executed an impugned deed of cancellation dated June 24, 2016, unwinding the transaction consummated under the said BTA ("**Cancellation Deed**"). Srei Infra has thereafter filed one Declaratory Suit being Title Suit No 177 of 2016 against OSPIL and ESIL before the Learned Civil Judge Senior Division at Sealdah for inter alia, restraining the OSPIL and ESIL from giving any effect or further effect to any instrument of unwinding of the sale of the pipeline contained in the BTA including the Cancellation Deed and further seeking a declaration to the effect that the Cancellation Deed is null and void and be delivered up and cancelled. The said suit is valued at approximately ₹4,265.00 million.

ESIL has also filed one application under Section 9 of the Arbitration and Conciliation Act ,1996 before the Hon'ble High Court at Calcutta being A.P. No. 950 of 2016 against Srei Infra, inter-alia seeking injunction restraining Srei Infra from taking any step for recovery of any amount from ESIL under agreements entered into between ESIL and Srei Infra, pursuant to which Srei Infra had disbursed an aggregate amount of approximately ₹3750 million approximately to ESIL and further injunction restraining Srei Infra from enforcing any of the securities furnished by Essar Steel Limited in favour of Srei Infra and also a direction upon Srei Infra to cause restoration in respect of 95,541,000 equity shares of Essar Power Limited pledged with Srei Infra as security. The Hon'ble High Court at Calcutta vide order dated November 15, 2016 have granted an ex-parte ad-interim stay on Srei Infra from transferring the balance shares of Essar Power Limited and Essar Steel Limited pledged with Srei Infra, as security, for a period of two weeks.

India Growth Opportunities Fund, a venture capital fund registered with SEBI and being a scheme of Srei Multiple Asset Investment Trust (SMAIT) had subscribed to shares of OSPIL under investment agreements dated March 28, 2015 and May 15, 2015 for an aggregate amount of ₹600 million. In accordance with the said agreements, the funds provided by SMAIT for subscription of the equity shares of OSPIL would be utilised for the purchase of the slurry pipeline under the BTA. Upon OSPIL and ESIL entering to the Cancellation Deed, SMAIT has thereafter filed two applications Under Section 9 of the Arbitration and conciliation Act being Miscellaneous Case No. 913 of 2016 and Miscellaneous Case No. 912 of 2016 against OSPIL before the Learned District Judge at Alipore for inter alia, restraining the OSPIL and ESIL from giving any effect or further effect to any instrument of unwinding of the sale of the pipeline contained in the BTA including the Cancellation Deed.

(XXVI) Srei Infra has filed applications being OJMCA Nos. 180 to 185 of 2016 before Hon'ble High Court at Gujarat for recall of the of the common oral judgment dated July 1, 2016 passed by the Hon'ble High Court at Gujarat sanctioning a composite scheme of arrangement amongst Essar Ports Ltd. & Ors. The said matter has been part heard and posted for further hearing. Srei Infra has exposure of about ₹532.00 million in Essar Bulk Terminal Paradip Ltd which is a subsidiary company of Essar Ports Ltd. Matter is pending as on date.

G. Litigations involving Srei Insurance Broking Private Limited

Srei Insurance Broking Private Limited (SIBPL) has filed a civil suit being CS 164 of 2014 against National Insurance Company Limited inter alia praying for a decree for a sum of ₹5135,900,000/-. SIBPL filed the suit alleging that due to acts committed by respondent in providing incorrect information to IRDA in trying to shift the liability of its employees and wrongdoings onto SIBPL and such other breach, thereby causing revenue loss, loss or reputation and/or goodwill and continuing business loss of SIBPL. An amendment application was filed by SIBPL in the Hon'ble High Court at Calcutta in November 2015, to claim of ₹5136,600,000/- which was allowed on June 6, 2016 by the Hon'ble High Court at Calcutta to include and/or add to the earlier claim a sum of ₹739,852/- which has been paid to IRDA at the time of renewal of License. The matter is pending as on date.

H. Regulatory proceedings against Srei Infra and subsidiaries

The Company and its subsidiaries in the normal course of business receives or has received from various statutory authorities including the Ministry of Corporate Affairs calling for various information and explanations from time to time and the same has been duly replied to.

I. **Regulatory proceedings against Srei Infra's subsidiaries**

(I) Insurance Regulatory and Development Authority vide letter dated June 8, 2010 bearing reference no. IRDA / CB 183 / 03 has levied a penalty of ₹25,000/- on Srei Insurance Broking Private Limited which has been duly paid by Srei Insurance Broking Private Limited.

(II) Insurance Regulatory and Development Authority vide letter dated May 29, 2014 bearing reference no. IRDA/CB 183/03 has levied penalty of ₹739,852 on Srei Insurance Broking Private Limited and the same has been duly paid.

J. Other Proceedings involving Srei Infra in the Ordinary course of business

Srei Infra has initiated approximately 248 cases under section 138 of the Negotiable Instruments Act, 1881, against its customers to recover money due under dishonoured cheques which were presented to Srei Infra. These cases are pending across different courts in India. Srei Infra 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 favour of Srei Infra, execution petitions have been filed 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. Srei Infra has 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.

K. Tax Matters involving our Company

Direct Tax Litigations of our Company

We are involved in several disputed income tax demands amounting to approximately ₹530 million as on March 1, 2015. Out of the said matters, ITAT No 21 of 2015 involving an amount of ₹39.7 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. Our Company has also filed an appeal before the Commissioner of Income Tax (Appeals)-4, Kolkata in relation to a demand of ₹490.2 million. The matters are pending as on date.

Indirect Tax Litigations of our Company

We are involved in several indirect tax litigations relating to different assessment years which are pending before various fora and are at different stages, which includes writ petitions being W.P. No. 37784, 38518, 38519 and 38520 of 2016 pending before the Honorable High Court at Madras, W.P. No. 26034 of 2016 pending before Hon'ble High Court at Calcutta and W.P No. 27381 of 2013 filed by our Company pending before the Honorable High Court at Hyderabad, challenging the demands raised on the Company from time to time. The aggregate amount involved in the indirect tax litigations of our Company is approximately ₹624.4 million as on date.

L. Tax Matters involving Srei Infra

Direct Tax Litigations of Srei Infra

I) Srei Infra is involved in 10 disputes pertaining to income tax demands amounting to approximately ₹576,600,000/- as on September 30, 2016.

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.

Indirect Tax Litigations of Srei Infra

1. Service Tax Department had issued a Show Cause cum Demand notice (SCN) for ₹45,000,000/- on April 20, 2012 regarding availment of Cenvat Credit, considering the observations of auditors appointed u/s 14AA of the Central Excise Act, 1944. Srei Infra has filed its 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 ₹15,118,000/- along with penalty. Hence, the total Demand raised is ₹30,236,000/- Plus Interest on Service Tax (To be quantified later). Srei Infra has filed an Appeal and Stay Petition before CESTAT, Kolkata. The matter was part heard on March 25, 2015 and the final hearing on stay was listed October 07, 2015. The stay was admitted with a full waiver of Pre-deposit amount. Hearing on merits is awaiting to be heard.

2. Service Tax department has issued a Show Cause Cum Demand Notice (SCN) for ₹15,102,000/- regarding irregular availment of Cenvat Credit and non-payment of service tax because advance received from customers for the period comprising of 2011-12 and up to 2014-15. Srei Infra has paid the admitted tax amounting to ₹7,122,000/- along with applicable Interest and penalty. For the in admitted demand Srei Infra has submitted our contentions and filed a reply on February 15, 2016. Notice fixing hearing of Srei Infra's case on merits is awaited.

3. Service Tax department has issued a Show Cause Cum Demand Notice (SCN) for ₹89,316,000/- regarding alleged non-compliance of non-reversal of Cenvat Credit and resulting in short payment of Service Tax u/s 68 of the Finance Act, 1994 for the period comprising of 2011-12 up to 2013-14 and October 2014 to March 2015.

4. The West Bengal Commercial Tax Authorities have rejected Srei Infra's claim of High Sea Sales in Transfer of Right to use transaction for the period 2010-11 thereby raising a basic demand of ₹16,046,922/- & ₹5,096,381/- as interest. The total demand in the matter is ₹21,143,303/-. Srei Infra had filed an Appeal in October 2013. The final hearing has taken place on August 29, 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 filed with the next Appellate Authority on October 21, 2014. The matter is pending.

5. The West Bengal Commercial Tax Authorities have rejected Srei Infra's claim of High Sea Sales in Transfer of Right to use transaction for the period 2011-12 thereby raising a basic demand of ₹14,825,446/- & ₹4,638,132/- as interest. The total demand in the matter is₹19,463,578/-. Order has been received on September 23, 2014. Appeal has been filed before First Appellate Authority on November 07, 2014. Hearing on merits was held on February 16, 2016. Order received on April 08, 2016 confirming the assessment order. Revision against the appellate order has been filed before the Revision & Appellate Board.

6. The West Bengal Commercial Tax Authorities have rejected Srei Infra's claim of High Sea Sales in Transfer of Right to use transaction for the period 2012-13. thereby raising a basic demand of ₹16,123,162/- The total demand in the matter is ₹16,123,162/-. Order received on July 01, 2015. Appeal filed before First Appellate Authority on August 14, 2015. Consequential relief was allowed by appellate authority during hearing, with a modified demand for ₹5,610,772/-. The same is being contested and appeal against the modified demand has been filed before the Revision Board.

Material Development since the last Balance Sheet as on September 30, 2016

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.

Our Company has raised ₹50 million of Secured Rated Redeemable Non-Convertible Debentures on private placement basis on December 2, 2016. The Secured Rated Redeemable Non-Convertible Debentures are proposed to be listed on WDM segment of BSE Limited.

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 November 3, 2016.

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.

Our Company has not been declared as a wilful defaulter by RBI, ECGC, any other government / regulatory authority and /or by any bank or financial institution. Our Company has not made any default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantees issued by the Company.

Disclaimer clause of the BSE

"BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS LETTER DATED DECEMBER 05, 2016, PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGE 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 REF.: NSE/LIST/96014 DATED DECEMBER 5, 2016 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.

EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER 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 ANY OTHER REASON WHATSOEVER."

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, EDELWEISS FINANCIAL SERVICES LIMITED, A. K. CAPITAL SERVICES LIMITED, KARVY COMPUTERSHARE PRIVATE LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE 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 DECEMBER 21, 2016 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 THE 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 WILL BE 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 (TO THE EXTENT APPLICABLE), COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.

WE CONFIRM THAT NO COMMENTS/COMPLAINTS WERE RECEIVED ON THE DRAFT PROSPECTUS DATED NOVEMBER 25, 2016 FILED ON THE WEBSITE OF BSE LIMITED AT WWW.BSEINDIA.COM AND NSE LIMITED AT WWW.NSEINDIA.COM.

Srei Capital Markets Limited is also a Lead Manager to the Issue and is a wholly owned subsidiary of Srei Infrastructure Finance Limited, which is the Promoter 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
A. K. Capital Services Limited	www.akcapindia.com
Karvy Investor Services Limited,	www.karvyinvestmentbanking.com
Srei Capital Markets Limited	www.srei.com
Trust Investment Advisors Private Limited	www.trustgroup.in

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/BM/PI-Bond/5/16-17 dated December 5, 2016 and from NSE vide NSE's letter ref. no. and NSE/LIST/ 96014 respectively both dated December 5, 2016. 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 Exchanges 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 Company Secretary and Compliance Officer, (c) the Chief Financial Officer (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 November 25, 2016, 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 November 25, 2016 and statement of tax benefits dated November 25, 2016 included in the Draft Prospectus and Prospectus and such consent has not been withdrawn as on the date of this Prospectus. Vide letters dated November 16, 2016 and November 15, 2016, our Company has received consent from BRICKWORK and SMERA 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

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum Subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75% of Base Issue i.e. ₹1,875 million, prior to the Issue Closing Date the entire subscription amount shall be refunded to the Applicants within 12 days from the Issue Closing Date. The refunded subscription amount shall be credited only to the bank account from which the relevant subscription was remitted. 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

A copy of the Draft Prospectus has been filed with the Stock Exchanges in terms of SEBI Debt Regulations, for dissemination on their respective website(s) and the same was hosted on their respective websites for dissemination pursuant to Regulation 7 of the SEBI Debt Regulations.

Filing of the Prospectus with the RoC

Our Company shall file a Prospectus as per requirements of Regulation 6(6) of the SEBI Debt Regulations A copy of the Prospectus will be filed with the RoC, in accordance with Section 26 and Section 32 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-IA of the RBI (Amendment) Act, 1997 shall be 25% of the outstanding value of debentures issued through a public issue as per the SEBI Debt Regulations. The Rules further mandates (a) every company to create/maintain the required DRR before April 30 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 March 31 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 ₹ 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, Selling and Brokerage Commission, SCSB Processing Fees	120.00	2.40%
Advertising and Marketing Expenses	10.00	0.20%
Printing and Stationery	5.00	0.10%
Others (Debenture Trustee Fees, Registrar Fee, Credit Rating Fee, Legal Fees, Stamp Duty & Registration expense etc.)	10.00	0.20%
Total	145.00	2.90%

**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 during last 3 (three) years from the date of the Prospectus

(i) Our Company undertook a public issue of secured, redeemable non-convertible debentures of face value of ₹1,000 each in April 2015. The particulars of which have been set forth below:

Date of Opening	April 09, 2015
Date of Closing	April 30, 2015
Total Issue Size	Base Issue Size of ₹2,500 million with an option to retain oversubscription upto ₹2,500 Million aggregating to ₹5,000 Million
Date of Allotment	May 11, 2015
Date of Refunds	May 13, 2015
Date of Listing	May 14, 2015

Utilisation details of Previous Issues by group companies

The proceeds of the Previous Public Issuances of SIFL have been utilised according to the objects mentioned in the respective Prospectus (es)/Offer Document.

Srei Infra has had the following Public/Right Issue

(i) Srei Infra undertook a public issue of its equity shares in 1992. The particulars of which have been set forth below:

Date of Opening	July 7, 1992
Date of Closing	July 16, 1992
Total Issue Size	32,20,000 equity shares of ₹10/- each
Date of Allotment	August 31, 1992
Net Utilisation Of Issue Proceeds	Fully utilized according to the objects of the issue of the respective Offer Document

(ii) Srei Infra undertook a rights issue of its equity shares in 1993. The particulars of which have been set forth below:

Date of Opening	November 02, 1993
Date of Closing	December 03, 1993
Total Issue Size	41,40,000 equity shares of ₹10/- each for cash at a premium of ₹10/- per share
Date of Allotment	January 13, 1994
Net Utilisation Of Issue Proceeds	Fully utilized according to the objects of the issue of the respective Offer Document

(iii) Srei Infra undertook a public issue of first tranche long term infrastructure bonds of face value of ₹1,000 each, in the nature of secured, redeemable, non-convertible debentures, having benefits under section 80 CCF of the Income Tax Act, 1961 in 2011-2012. The particulars of which have been set forth below:

Date of Opening	December 31, 2011
Date of Closing	March 6, 2012
Total Issue Size	₹3000 million
Date of Allotment	March 22, 2012
Date of Refunds	March 26, 2012
Date of Listing	March 30, 2012
Net Utilisation Of Issue Proceeds	Fully utilized according to the objects of the issue of the respective Offer Document

(iv) Srei Infra undertook a public issue of secured, redeemable non-convertible debentures of face value of ₹1,000 each in September 2012. The particulars of which have been set forth below:

Date of Opening	September 20, 2012
Date of Closing	October 25, 2012
Total Issue Size	₹1500 million
Date of Allotment	November 5, 2012
Date of Refunds	November 6, 2012
Date of Listing	November 8, 2012

Net Utilisation Of Issue Proceeds	Fully utilized according to the objects of the issue of the respective Offer Document

(v) Srei Infra undertook a public issue of secured, redeemable non-convertible debentures of face value of ₹1,000 each in March 2013. The particulars of which have been set forth below:

Date of Opening	April 4, 2013
Date of Closing	April 25, 2013
Total Issue Size	₹1500 million
Date of Allotment	May 6, 2013
Date of Refunds	May 7, 2013
Date of Listing	May 10, 2013
Net Utilisation Of Issue Proceeds	Fully utilized according to the objects of the issue of the respective Offer Document

(vi) Srei Infra undertook a public issue of secured, redeemable non-convertible debentures of face value of ₹1,000 each in August 2013. The particulars of which have been set forth below:

Date of Opening	August 26, 2013
Date of Closing	September 17, 2013
Total Issue Size	₹2000 million
Date of Allotment	September 26, 2013
Date of Refunds	September 27, 2013
Date of Listing	October 1, 2013
Net Utilisation Of Issue Proceeds	Fully utilized according to the objects of the issue of the respective Offer Document

(vii) Srei Infra undertook a public issue of secured, redeemable non-convertible debentures of face value of ₹1,000 each in December 2013. The particulars of which have been set forth below:

Date of Opening	December 30, 2013
Date of Closing	January 31, 2014
Total Issue Size	₹1000 million
Date of Allotment	February 11, 2014
Date of Refunds	February 11, 2014
Date of Listing	February 12, 2014
Net Utilisation Of Issue Proceeds	Fully utilized according to the objects of the issue of the respective Offer Document

(viii) Srei Infra undertook a public issue of secured, redeemable non-convertible debentures of face value of ₹1,000 each in May 2014. The particulars of which have been set forth below:

Date of Opening	May 9, 2014
Date of Closing	May 19, 2014
Total Issue Size	₹1500 million
Date of Allotment	May 28, 2014
Date of Refunds	May 28, 2014
Date of Listing	May 29, 2014
Net Utilisation Of Issue Proceeds	Fully utilized according to the objects of the issue of the respective Offer Document

(ix) Srei Infra undertook a public issue of secured, redeemable non-convertible debentures of face value of ₹1,000 each in September 2014. The particulars of which have been set forth below:

Date of Opening	September 29, 2014
Date of Closing	October 31, 2014
Total Issue Size	Base Issue Size of ₹2,500 million with an option to retain oversubscription upto ₹15,000 million
Date of Allotment	November 12, 2014
Date of Refunds	November 13, 2014
Date of Listing	November 14, 2014
Net Utilisation Of Issue Proceeds	Fully utilized according to the objects of the issue of the respective Offer Document

(x) Srei Infra undertook a public issue of secured, redeemable non-convertible debentures of face value of ₹1,000 each in July 2015. The particulars of which have been set forth below:

Date of Opening	July 01, 2015
Date of Closing	July 20, 2015
Total Issue Size	Base Issue Size of ₹2,000 million with an option to retain oversubscription upto ₹10,000 Million within the residual shelf limit of ₹11,738.569 Million
Date of Allotment	July 28, 2015
Date of Refunds	July 30, 2015
Date of Listing	July 30, 2015
Net Utilisation Of Issue Proceeds	Fully utilized according to the objects of the issue of the respective Offer Document

(xi) Srei Infra undertook a public issue of secured, redeemable non-convertible debentures of face value of ₹1,000 each in September 2016. The particulars of which have been set forth below:

Date of Opening	September 7, 2016
Date of Closing	September 28, 2016
Total Issue Size	Base Issue Size of ₹2,500 million with an option to retain oversubscription upto ₹10,000 Million
Date of Allotment	October 5, 2016
Date of Refunds	October 6, 2016
Date of Listing	October 10, 2016
Net Utilisation Of Issue Proceeds	Fully utilized according to the objects of the issue of the respective Offer Document

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.

Debentures or NCDs and redeemable preference shares and other instruments outstanding by our Company

As at September 30, 2016, our Company had outstanding listed / rated / unrated, secured / unsecured, non-convertible redeemable debentures and commercial papers aggregating to ₹20,981.00 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
Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli
Financial District, Nanakramguda, Hyderabad – 500 032
Toll Free No.1-800-3454001
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
Email: einward.ris@karvy.com

Investor Grievance Email: sreiequip.ncdipo2@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M. Murali Krishna
Compliance Officer: Mr. Rakesh Santalia

SEBI Registration No.: INR000000221

In addition, the Company Secretary & Compliance Officer would also handle all investors' grievances:

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 2285 7542
Toll Free No.	:	18004197734
E-Mail	:	naresh.mathur@srei.com, mailto: connect@sreibonds.com

We estimate that the average time required by the Registrar for the redressal of routine investor grievances will be 7 (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 to hold office till the 13th AGM of the Company. (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 SEBI 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

There are no reservations or qualifications or adverse remarks in the Financial Statements of the Company in the last five financial years immediately preceding the Prospectus.

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. 179 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. THE DRAFT PROSPECTUS AND THE PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION The DRAFT PROSPECTUS AND THE PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

US disclaimer

Nothing in this Prospectus constitutes an offer of securities for sale in the United States or any other jurisdiction where it is unlawful to do so. The NCDs have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended ("**Securities Act**"), or the securities laws of any state of the United States or other jurisdiction and the NCDs may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on Section 3(c)(7) thereof. This Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Each other purchaser of the NCDs will be required to represent and agree, among other things, that (i) such purchaser is a non-U.S. person acquiring the NCDs in an "offshore transaction" in accordance with Regulation S, and (ii) any reoffer, resale, pledge or transfer of the NCDs by such purchaser will not be made to a person in the United States or to a person known by the undersigned to be a U.S. Person, in each case in accordance with all applicable securities laws.

EU disclaimer

No offer to the public (as defined under Directive 20003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Issue or otherwise in respect of the NCDs, in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue or otherwise in respect of the NCDs.

Any forwarding, distribution or reproduction of this document in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions of the NCDs and the information contained in the Draft Prospectus read with the Prospectus.

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 set out 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 professional legal advice. Taxation statutes such as the Income Tax Act, 1961 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 statements below are based on the current provisions of 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 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 Reserve Bank of India Act, 1934

The RBI is entrusted with the responsibility of regulating and supervising activities of NBFCs by virtue of powers vested to it through Chapter III B of the RBI Act. Section 45-I (f) of the RBI Act defines a NBFC as:

(i) a financial institution which is a company;

(ii) 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

(iii) such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.

As per the RBI Act 1934, 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.

Any company which carries on the business of a non-banking financial institution as its principal business is to be treated as an NBFC. Since the term 'principal business' has not been defined in law, the RBI has clarified through a press release (Ref. No. 1998-99/ 1269) in 1999, that in order to identify a particular 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 its principal business. The company will be treated as an NBFC if its financial assets are more than 50% of its total assets (netted off by intangible assets) and income from financial assets should be more than 50% of the gross income. Both these tests are required to be satisfied as the determinant factors for principal business of a company.

With effect from 1997, NBFCs were not permitted to commence or carry on the business of a non-banking financial institution without obtaining a Certificate of Registration (CoR) from RBI. Further, with a view to imparting greater financial soundness and achieving the economies of scale in terms of efficiency of operations and higher managerial skills, the RBI has raised the requirement of minimum net owned funds from ₹25 lakhs to ₹200 lakhs for the NBFCs which commence business on or after April 21, 1999. Further, pursuant to RBI Circular No DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014 ("RBI Circular 2014") it shall be mandatory for all the existing NBFCs to attain a minimum net owned funds of ₹200 lakh by the end of March 2017.

Further, 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 31st of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a CoR.

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 Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 ("Prudential Norms-ND") and Non-Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 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, key differences. The most important differences 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.

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the Reserve Bank in order to be able to commence any of the above activities. 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;
- Systemically Important Core Investment Company;
- Loan Companies;
- Infrastructure Finance Companies;
- Infrastructure Debt Fund - NBFCs;
- NBFC- Micro Finance Institutions;
- NBFC - Factors;
- Mortgage Guarantee Companies; and/or
- NBFC- Non-Operative Financial Holding Company

Our Company has been classified as an NBFC-ND-SI and is further classified as an "infrastructure finance company". Norms applicable to NBFCs classified as Infrastructure Finance Companies

On February 12, 2010, the RBI introduced a new classification of NBFCs termed as 'Infrastructure Finance Companies' ("**IFC**"), with a view to encouraging a greater flow of capital into infrastructure development.

To qualify and maintain its status as an IFC, among other conditions, an NBFC must satisfy the following:

- At least 75 % of the NBFC's total assets should be deployed in infrastructure loans;
- The NBFC must have net owned funds of at least ₹3.0 billion;
- The NBFC must have a minimum credit rating of "A" or its equivalent from any of CRISIL, CARE, India Ratings or ICRA or a comparable rating from any other accrediting rating agency;
- The NBFC must have a minimum CRAR of 15.0%; and
- The NBFC must not accept deposits.

IFCs are entitled to various benefits such as:

- A lower risk weight on their bank borrowings, from 100.0% to as low as 20.0% for AAA rated borrowers;
- Higher permissible bank borrowings (both lending and investment, including off balance sheet expenses), increased from 15.0% of its capital funds that a bank may lend to an NBFC to 20.0% of capital funds as per its last audited balance sheet that it may lend to an IFC, provided that such increased bank exposure to the IFC is used for on - lending to the infrastructure sector;
- They are permitted to raise external commercial borrowings (ECBs) (the total outstanding ECBs including the proposed ECB) for on lending to the infrastructure sector under the automatic route (subject to compliance with the applicable prudential guidelines and hedging of the currency risk in full) up to 50% of their owned funds; and
- They are permitted to have loan exposure to the extent of 25.0% (as compared to 20.0% for an NBFC) of net owned funds to a single borrower and loan exposure to the extent of 40.0% (as compared to 35.0% for an NBFC) of net owned funds to a single business group.
- The risk weight for assets covering PPP and post commercial operations date (COD) projects which have completed at least one year of satisfactory commercial operations is at 50 per cent".

Regulatory Requirements of an NBFC under the RBI Act

Net Owned Fund (NOF)

Section 45-IA of the RBI Act provides that to carry on the business of an NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum NOF of ₹200 lakh. Although, at present, the requirement of minimum NOF stands at ₹ 200 lakh, the minimum NOF for companies that were already in existence before April 21, 1999 was retained at ₹ 25 lakh. Further in accordance with RBI Notification No. DNBR.007/CGM (CDS)-2015 dated March 27, 2015 which provides that a non-banking financial company holding a certificate of registration issued by the Reserve Bank of India and having net owned fund of less than two hundred lakh of rupees, may continue to carry on the business of non-banking financial institution, if such company achieves net owned fund of:

i. one hundred lakh of rupees before April 1, 2016; and

ii. two hundred lakh of rupees before April 1, 2017.

For this purpose, the RBI Act has defined "net owned fund" to mean (a) 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 (iii) deferred tax asset (net) and (iv) other intangible assets; and (b) further reduced by the amounts representing;

1. investment by such companies in shares of (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and

2. 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 herein 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.

Maintenance of liquid assets

RBI through notification no 122 dated January 3, 1998, as amended, has prescribed that every NBFC shall invest and continue to invest in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank, the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter

Capital Reserve fund

Pursuant to Section 45 IC of the RBI Act, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. Such a fund is to be created by every NBFC including an NBFC not accepting/holding public deposit. Further, no appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

The RBI by notification DNBS. 193 DG(VL)-2007 dated February 22, 2007 ("Notification 2007") notified the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("Non-Deposit Accepting or Holding Prudential Norms 2007"), which contain detailed directions on prudential norms for a NBFC-ND.

The RBI in order to have all instructions in one place issued the Master Circular, DNBR (PD) CC. No. 044/03.10.119/2015-16 dated July 1, 2015 ("Master Circular, 2015"), updating the Non-Deposit Accepting or Holding Prudential Norms 2007. The Master Circular, 2015 issued by the RBI contains detailed directions on prudential norms, which inter alia, prescribe guidelines on income recognition, asset classification and provisioning requirements applicable to NBFCs, exposure norms, disclosures in the balance sheet, requirement of capital adequacy, restrictions and concentration of credits and investments.

Systemically Important NBFCs –ND

Further, under Section 2 (1) (xviii) of the Master Circular, 2015, all NBFCs – ND with an asset size of ₹50,000 lakhs or more as per the last audited balance sheet will be considered as a systemically important NBFC – ND ("NBFC-ND-SI"). Consequently, our Company has been classified as a Systemically Important NBFCs –ND.

Asset Classification

The Prudential Norms Directions 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:

(i) Standard assets;
(ii) Sub-standard assets;
(iii) Doubtful assets; and
(iv) 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.

Provisioning Requirements

An 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 terms of the requirement of the circular dated January 17, 2011 issued by the RBI, as updated by circular dated March 27, 2015, NBFCs are required to make a general provision of 0.25% of the outstanding standard assets. Provided that the provision for standard assets shall be 0.30 % as on March 31, 2016, 0.35 % as on March 31, 2017 and 0.40 % as on March 31, 2018 and thereafter. The provisions on standard assets are not reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.

Disclosure Requirements

An NBFC-ND is required to separately disclose in its balance sheet the provisions made in terms of the provisioning requirements without netting them from the income or against the value of the assets. These provisions shall be distinctly indicated under separate heads of accounts and shall not be appropriated from the general provisions and loss reserves held, if any, by it. Further every systemically important NBFC (NBFC-ND-SI) shall disclose the following particulars in its balance sheet (i) capital to risk assets ratio (CRAR), (ii) exposure to real estate sector, both direct and indirect, and (iii) maturity pattern of assets and liabilities.

Exposure Norms

The Prudential Norms Directions prescribe credit exposure limits for financial institutions in respect of the loans granted and investments undertaken by a NBFC-ND-SI. An NBFC-ND-SI shall not lend money exceeding 15% of its owned fund to any single borrower and the lending to any single group of borrowers shall not exceed 25% of the NBFC-ND-SI's owned fund. As regards investments, an NBFC-ND- SI shall not invest in the shares of a company exceeding 15% of its owned fund, while the investment in the shares of a single group of companies shall not exceed 25% of its owned fund.

The loans and investments of NBFC-ND-SI taken together should not exceed 25% of its owned fund to or in a single party and 40% of its owned fund to or in a single group of parties. However, this prescribed ceiling shall not be applicable on an NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Further, an NBFC-ND-SI, which is classified as Asset Finance Company, may in exceptional circumstances, exceed the above ceilings on credit / investment concentration to a single party or a single group of parties by 5% of its owned fund, with the approval of its board of directors 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. Further, every NBFC-ND-SI is required to formulate a policy in respect of exposures to a single party/a single group of parties.

NBFCs-ND-SI may exceed the concentration of credit and investment norms, as specified above, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan (as defined in the Prudential Norms Directions) and/ or investment. IFCs may exceed the concentration of credit norms specified above for NBFCs-ND-SI in lending to any single borrower by an additional 10% of their owned fund and any single group of borrowers by 15% of their owned fund. The loans and investments of IFCs taken together may exceed the credit concentration norms specified above by an additional 5% of their owned fund to a single party and an additional 10% of their owned fund to a single group of parties.

Pursuant to the RBI notification RBI/2010-11/453 dated March 30, 2011 NBFCs have been prohibited from contributing capital to any partnership firm or to be partners in any partnership firm. In case of existing partnerships NBFCs may seek early retirement from partnership firms.

Capital Adequacy Norms

As per the Master Circular - Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, every IFC is subject to capital adequacy requirements. Every IFC shall maintain, a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than fifteen per cent of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items. The Tier I capital of an IFC, at any point of time, shall not be less than 10%.

For "Infrastructure Debt Fund-Non-Banking Financial Company" or "IDF-NBFC" which means a non-deposit taking NBFC that has Net Owned Fund of Rs. 300 crores or more and which invests only in Public Private Partnerships (PPP) and post commencement operations date (COD) infrastructure projects which have completed at least one year of satisfactory commercial operation and becomes a party to a tripartite agreement, IDF-NBFC shall have at the minimum, a credit rating grade of 'A' of CRISIL or equivalent rating issued by other accredited rating agencies such as FITCH, CARE and ICRA. The IDF-NBFC shall have at the minimum CRAR of 15 percent and Tier II Capital of IDF–NBFC shall not exceed Tier I. The maximum exposure that an IDF-NBFC can take on individual projects will be at 50 per cent of its total Capital Funds. An additional exposure up to 10 per cent could be taken at the discretion of the Board of the IDF-NBFC.

Other Regulations

Monthly Return

As per the RBI circulars dated September 6, 2005 and June 4, 2009, all NBFC–ND-SIs with an asset size of ₹1,000 million and above are required to submit a monthly return on the important financial parameters to the RBI. It has been clarified by the RBI that the asset size as stated aforesaid may be less than ₹1,000 million as on the balance sheet date but may subsequently add on assets before the next balance sheet due to several reasons, including business expansion. Once the asset size of the NBFC reaches ₹1,000 million or above, it shall come under the regulatory requirement of the NBFC-ND-SI despite not having such assets as on the last balance sheet.

It has been further clarified by the RBI that if the asset size of the NBFC falls below ₹1,000 million in any given month (which may be due to temporary fluctuations and not due to actual downsizing), then such an NBFC shall continue to submit the monthly returns on the important financial parameters to the RBI until the submission of the next audited balance sheet to the RBI and a specific dispensation is received in this regard.

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. As per this Guidelines, 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 ₹1,000 million, irrespective of whether they are accepting / holding public deposits or not, are required to put in place an ALM system. The ALM system rests on the functioning of ALM information systems within the NBFC, ALM organization including an Asset Liability Management (ALM) Committee and ALM support groups, and the ALM process includes liquidity risk management, management of marketing risk, funding and capital planning, profit planning and growth projection, and forecasting/ preparation of contingency plans. It has been provided that the management committee of the board of directors or any other specific committee constituted by the board of directors should oversee the implementation of the system and review its functioning periodically. The ALM Guidelines mainly address liquidity and interest rate risks. For further details, please refer to the section titled "***Business***" on page no. 95 of this Prospectus.

Concentration of Credit

With effect from April 1, 2007, no NBFC-ND-SI is permitted to lend more than 15% of its Net Owned fund to any single borrower or more than 25% of its owned fund to a single group of borrowers. Provided that Infrastructure Finance Companies may exceed the concentration of credit norms

(i) in lending to (a) any single borrower, by ten per cent of its owned fund; and (b) any single group of borrowers, by fifteen per cent of its owned fund;
(ii) in lending to and investing in, (loans/investments taken together) (a) a single party, by five percent of its owned fund; and (b) a single group of parties, by ten percent of its owned fund.

Fair Practices Code

On September 28, 2006 the RBI prescribed broad guidelines towards a fair practices code that was required to be framed and approved by the Board of Directors of all NBFCs. On 1 July 2015 the RBI issued a consolidated Master Circular RBI/2015-16/16 DNBR (PD) CC.No.054/03.10.119/2015-16 on fair practices and has required that the Fair Practices Code of each NBFC is to, be published and disseminated on its website. Among others, the code prescribes the following requirements, to be adhered to by NBFCs:
(i) Inclusion of necessary information affecting the interest of the borrower in the loan Application Form.
(ii) Devising a mechanism to acknowledge receipt of loan Applications and establishing a time frame within which such loan Applications are to be disposed.
(iii) Conveying, in writing, to the borrower the loan sanctioned and terms thereof. The acceptance of such terms should be kept on record by the NBFC.
(iv) Giving notice to the borrower of any change in the terms and conditions and ensuring that changes are

effected prospectively.

(v) Refraining from interfering in the affairs of the borrowers except for the purposes provided in the terms and conditions of the loan agreement.

(vi) Not resorting to undue harassment in the matter of recovery of loans, and an appropriate grievance redressal mechanism for resolving disputes in this regard is to be established.

(vii) Periodical review of the compliance of the fair practices code and the functioning of the grievances redressal mechanism at various levels of management, a consolidated report whereof may be submitted to the board of directors

KYC Guidelines

The RBI has issued a Master Direction No. RBI/DBR/2015-16/18 Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 dated February 25, 2016 Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016. These Directions are applicable amongst others on all NBFCs to formulate a Know Your Customer (KYC) policy duly approved by the Board of Directors of the entity and ensure compliance.. The KYC policies are required to have certain key elements such as customer acceptance policy, risk management, customer identification procedures, monitoring of transactions, Customer Due Diligence (CDD) Procedure Record Management Reporting Requirements to Financial Intelligence Unit – India, adherence to KYC guidelines by the persons authorized by the NBFCs' and customer service in terms of identifiable contact with persons authorized by NBFCs.

Corporate Governance Guidelines

In order to enable NBFCs to adopt best practices and greater transparency in their operations, the RBI introduced corporate governance guidelines on May 8, 2007. RBI through its Master circular on Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 dated July 1, 2015 issued corporate governance guidelines for consideration by the board of directors of NBFC-ND-SI. Such guidelines recommend setting up of an audit committee, nomination committee, risk management committee and rotation of partners of the statutory auditors audit firm - with public deposits/deposits of ₹50,000 lakhs and above. As per this Master Circular, all NBFCs-ND-SI are required to adhere to certain corporate governance norms, including:

(i) Constitution of an audit committee;

(ii) Constitution of a nomination committee to ensure fit and proper status of the proposed and existing Directors;

(iii) Constitution of risk management committee;

(iv) Constitution of asset liability management committee to monitor the asset gap and strategize actions to mitigate the associated risk. Further a risk management committee may also be formed to manage the integrated risk;

(v) Informing the Board of Directors, at regular intervals, the progress made in having a progressive risk management system, a risk management policy and the strategy being followed. The Board of Directors also needs to be informed about compliance with corporate governance standards, including in relation to the composition of various committees and their meetings; and

(vi) Frame internal guidelines on corporate governance for enhancing the scope of the guidelines.

Rating of Financial Product

Pursuant to the RBI Master Circular RBI/2015-16/28 DNBR (PD) CC.No.055/03.10.119/2015-16 dated July 01, 2015, the ratings assigned to financial products like Commercial Paper, Debentures etc. issued by NBFCs may undergo changes for various reasons as ascribed to by the rating agencies. All NBFCs (both deposit taking and non-deposit taking) with asset size of Rs 100 crore and above shall furnish the information about downgrading / upgrading of assigned rating of any financial product issued by them, within fifteen days of such a change in rating, to the Regional Office of RBI under whose jurisdiction their registered office is functioning.

Norms for Excessive Interest Rates

The RBI, through its Master Circular RBI/2015-16/16 DNBR (PD) CC.No.054/03.10.119/2015-16 dated July 1, 2015, directed all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. The Board of each NBFC shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter. The rates of interest and the approach for gradation of risks shall also be made available on the web-site of the companies or published in the relevant newspapers. The information published in the website or otherwise published should be updated whenever there is a change in the rates of interest. The rate of interest should be annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

Enhancement of Capital funds Raising Option

Pursuant to the RBI circular on Enhancement of NBFCs' Capital Raising Option for Capital Adequacy Purposes dated October 29, 2008, NBFCs-ND-SI have been permitted to augment their capital funds by issuing perpetual debt instruments ("**PDI**") in accordance with the prescribed guidelines provided under the circular. Taking into consideration, the need for enhanced funds for increasing business and meeting regulatory requirements, RBI vide Master Circular RBI/2015-16/28 DNBR (PD) CC.No.055/03.10.119/2015-16 dated July 1, 2015 permitted to augment their capital funds by issue of Perpetual Debt Instruments (PDI) in accordance with the guidelines contained in the circular DNBS (PD) CC.No.131/03.05.002/2008-2009 dated October 29, 2008. Such PDI shall be eligible for inclusion as Tier I Capital to the extent of 15% of total Tier I capital as on March 31 of the previous accounting year.

Supervisory Framework

In order to ensure adherence to the regulatory framework by NBFCs-ND-SI, the RBI vide Master Circular RBI/2015-16/28 DNBR (PD) CC.No.055/03.10.119/2015-16 dated July 1, 2015, NBFCs–ND–SI, have been advised to put in place a system for submission of an annual statement of capital funds, risk asset ratio etc., as at end of March every year in form NBS-7 as per prescribed format. The first such return was to be submitted for the year ending March 31, 2007. The return shall be submitted within a period of three months from the close of the financial year, every year. Such returns are to be submitted electronically and for the purpose, an NBFC-ND-SI has to approach the Information Division of Central Office of this Department for assignment of user-id and password for web-enabled submission of the return. A hard copy of the return duly signed by the designated authority may be filed with the Regional Office of the Department of Non-Banking Supervision in whose jurisdiction the company is registered.

Reporting of frauds

The RBI has issued a Master Circular No. RBI/2015-16/17 DNBR (PD) CC.No.058/03.10.119/2015-16 dated July 01, 2015 to ensure that a reporting system for frauds is adopted by NBFCs, both NBFCs-D and NBFCs-ND-SI (Non-Deposit taking NBFCs with asset size of Rs. 500 crore and above). All non-deposit taking NBFCs with asset size of Rs.500 crore and above and deposit taking NBFCs shall disclose the amount related to fraud, reported in the company for the year in their balance sheets. NBFCs failing to report fraud cases to the Reserve Bank would be liable for penal action prescribed under the provisions of Chapter V of the RBI Act, 1934. NBFCs should ensure that all frauds of Rs. 1 lakh and above are reported to their Boards promptly on their detection. Such reports should, among other things, take note of the failure on the part of the concerned officials, and consider initiation of appropriate action against the officials responsible for the fraud.

Recovery of Debts Due to Banks and Financial Institutions Act, 1993

The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 ("Debts Recovery Act") provides for establishment of Debt Recovery Tribunals for expeditious adjudication and recovery of debts due to any bank or public financial institution or to a consortium of banks and public financial institutions. Under the Debts Recovery Act, the procedures for recoveries of debt have been simplified and time frames been fixed for speedy disposal of cases. Upon establishment of the Debts Recovery Tribunal, no court or other authority can exercise jurisdiction in relation to matters covered by the Debts Recovery Act, except the higher courts in India in certain circumstances.

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("Securitisation Act")

The Securitisation Act provides the powers of seize and desist to banks and financial institutions including PFIs, and grants certain special rights to them to enforce their security interests. Further, the Securitisation Act provides that a secured creditor may, in respect of non-performing loans, give notice in writing to the borrower requiring it to discharge its liabilities within 60 days, failing which the secured creditor may take possession of the assets constituting the security for the loan, and exercise management rights in relation thereto, including the right to sell or otherwise dispose of the assets.

Anti-Money Laundering

The Prevention of Money Laundering Act, 2002 ("**PMLA**") was enacted to prevent money laundering and to provide for confiscation of property derived from or involved in, money laundering and for matters connected therewith or incidental thereto. The Government of India under PMLA has issued the Prevention of Money laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, as amended ("**PML Rules**"). PMLA & PML Rules extends to all banking companies, financial institutions, including NBFCs and intermediaries.

The RBI has issued a Master Circular No. RBI/2015-16/108 DNBR (PD) CC No. 051/03.10.119/2015-16 dated July 1, 2015 to ensure that a proper policy frame work for the PMLA and PML Rules is put into place. Pursuant to the provisions of PMLA, PML Rules 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.

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. Further, NBFCs shall exercise on-going due diligence with respect to the business relationship with every client and closely examine the transactions in order to ensure that they are consistent with their knowledge of the client, his business and risk profile and where necessary, the source of funds.

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.

Applicable Foreign Investment Regime

FEMA Regulations

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, GoI, ("**FDI Policy**") and the FDI Policy issued by the DIPP (circular 1 of 2013, with effect from April 5, 2013 as amended by Press Note No. 1 (2013 series), dated 3-6-2013; Press Note no.2 (2013 series) dated 3-06-2013 Press Note no. 3 (2013 series), dated 4-7-2013 and Press Note nos. 4 to 6 (2013 series), all dated 22-08-2013).

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000, as amended ("**FEMA Regulations**") to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India. As specified by the FEMA Regulations, no prior consent and approval is required from the FIPB or the RBI, for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. NBFCs set up under the automatic route will be permitted to undertake only those 18 activities which are permitted under the automatic route. Diversification into any other activity would require the prior approval of FIPB. It has been clarified by the above Circular No 1 of 2013 that the activity of 'leasing and finance', which is one among the eighteen NBFC activities, where induction of FDI is permitted, covers only 'financial leases' and not 'operating leases'

Foreign Direct Investment

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion (DIPP), GoI which is regulated by the FIPB. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India. As laid down by the FEMA Regulations, no prior consent and approval is required from the RBI, for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI.

FDI in an Indian company is governed by the provisions of the FEMA read with the FEMA Regulations and the Foreign Direct Investment Policy ("FDI Policy") by the 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.

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 (other than in prohibited sectors) may be brought in through the approval route.

Further:

(a) As per the sector specific guidelines of the Government of India, 100% FDI/ NRI investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.

(b) Minimum Capitalisation Norms for fund based NBFCs:

(i) For FDI up to 51% - US$ 5 lakhs to be brought upfront
(ii) For FDI above 51% and up to 75% - US $ 50 lakhs to be brought upfront
(iii) For FDI above 75% and up to 100% - US $ 500 lakhs out of which US $ 75 lakhs to be brought up front and the balance in 24 months

(a) Minimum capitalization norm of US $5 lakhs is applicable in respect of all permitted non-fund based NBFCs with foreign investment.

(b) Foreign investors can set up 100% operating subsidiaries without the condition to disinvest a minimum of 25% of its equity to Indian entities, subject to bringing in US$ 500 lakhs as at (b)(iii) above(without any restriction on number of operating subsidiaries without bringing in additional capital).

(c) Joint ventures operating NBFC's that have 75% or less than 75% foreign investment will also be allowed to set up subsidiaries for undertaking other NBFC activities, subject to the subsidiaries also complying with the applicable minimum capital inflow i.e. (b)(i) and (b)(ii) above.

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 issuance 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.

Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP") has issued the consolidated FDI policy effective from June 07, 2016 which subsumes and supersedes all Press Notes/Press Releases/Clarifications/Circulars issued by DIPP, which were in force as on June 06, 2016 and reflects the FDI Policy as on June 07, 2016.

Calculation of Total Foreign Investment in Indian Companies

On February 13, 2009, the Indian Government issued two press notes setting out guidelines for foreign investment in India. Press Note 2 of 2009 prescribes the guidelines for the calculation of total foreign investment (direct and indirect) in Indian companies. Press Note 3 of 2009 prescribes the transfer of ownership or control of Indian companies in sectors with caps from resident Indian citizens to non-resident entities. Additionally, Press Note 4 of 2009 issued on February 25, 2009 clarifies the guidelines on downstream investments by Indian companies. These press notes have been consolidated by the Government of India an FDI Policy issued by the Department of Industrial Policy & Promotion. The FDI Policy is reviewed every one year.

External Commercial borrowing (ECB)

The current policy of the RBI directly relating to ECB is consolidated in the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000, as amended from time to time and Master Circular on External Commercial Borrowing and Trade Credits dated July 1, 2015 ("ECB Guidelines") and Master Direction - External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers dated January 1, 2016 ("ECB Directions").

The ECB Guidelines state that ECB refers to commercial loans in the form of bank loans, buyers' credit, suppliers' credit and securitized instruments, such as, floating rate notes and fixed rate bonds, availed from non-resident lenders with a minimum average maturity of three years. Funds received by an Indian company from the issue of preference shares, whether non-convertible, optionally convertible or partially convertible, or the issue of debentures that are not mandatorily and compulsorily convertible into equity shares, are considered debt and accordingly, all norms applicable to ECB (including those relating to eligible borrowers, recognised lenders, amount and maturity and end-use stipulations) apply to such issues.

ECB can be accessed under the automatic route and the approval route. The ECB Guidelines are subject to amendment from time to time. Pursuant to the extant ECB Guidelines issued by the RBI, NBFCs categorized as IFCs, have been permitted to avail of an ECB. NBFCs-IFCs are permitted to avail of ECBs for on-lending to the infrastructure sector as defined under the ECB policies. NBFCs-IFCs are permitted to avail of ECB, beyond 75 per cent of their owned funds (including the outstanding ECBs) for on-lending to the infrastructure sector as defined under the ECB policy. NBFC-IFCs can avail of ECB up to 75 per cent of their owned funds (ECB including all outstanding ECBs) and must hedge 75 per cent of their currency risk exposure. IFCs can avail ECBs from recognised and eligible lenders up to USD 750 million without any prior approval from RBI.

After obtaining prior approval of the RBI, IFCs can avail ECB beyond 75% of their owned funds subject to compliance with the norms prescribed in the extant ECB Guidelines and upon hedging of 75% of the currency risk. Further, after obtaining prior approval of the RBI, NBFCs can also avail ECB with minimum average maturity of five years from multilateral financial institutions, reputable regional financial institutions, official export credit agencies and international banks to finance import of infrastructure equipment for leasing to infrastructure projects. For all NBFCs, the average maturity period of the ECBs should be either 3 years for ECB up to USD 50 million or its equivalent or 5 years for ECB beyond USD 50 million or its equivalent. However, vide RBI//2015-16/349 A.P. (DIR Series) Circular No.56 dated March 30, 2016 IFCs are eligible to raise ECB under Track I of the ECB Directions with minimum average maturity period of 5 years, subject to 100 per cent hedging. Further, such IFCs should have a Board approved risk management policy and the designated AD Category-I bank shall verify that 100 per cent hedging requirement is complied with during the currency of ECB and report the position to RBI through ECB 2 returns. The said Circular dated March 30, 2016 also clarifies that ECB framework is not applicable in respect of the investment in Non-convertible Debentures (NCDs) in India made by Registered Foreign Portfolio Investors (RFPIs).

The all-in-cost ceiling for NBFCs should be in line with the market conditions. IFCs proposing to avail of the credit enhancement facility under the ECB Guidelines and ECB Directions should comply with the eligibility criteria and prudential norms laid down in the circular DNBS.PD.CC No.168/03.02.089/2009-10 dated February 12, 2010 and in case the novated loan is designated in foreign currency, the IFC should hedge the entire foreign currency exposure.

Revisions to guidelines for securitization timelines

The RBI, vide a notification dated August 21, 2012 extended the guidelines on securitisation of standard assets (loans), which had earlier been issued to banks, to NBFCs, stipulating that originating NBFCs can securitise loans/assets only after the same had been held by them for a minimum period in their books. The notification further clarified that trade receivables with tenor up to 12 months discounted/purchased by NBFCs from their borrowers will be eligible for securitisation. Further, the RBI has stipulated a minimum retention requirement to ensure that the originating NBFCs have a continuing stake in the performance of securitised assets so as to ensure that they carry out due diligence of loans to be securitised. Where the repayment is at more than quarterly intervals, loans can be securitised after repayment of at-least two instalments. The originating NBFCs should ensure that prospective investors have easily available access to all materially relevant data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting a securitisation exposure.

International legislation relating to FATCA

FATCA is a new chapter in the U.S. Internal Revenue Code. FATCA is one of the most extensive tax information reporting regimes created by the U.S. Internal Revenue Service ("IRS") and U.S. Treasury with objective to address perceived abuses by US taxpayers with respect to assets held offshore, away from the USA. FATCA requires Foreign Financial Institutions ("FFI") to identify, classify and report U.S. accounts and Passive Nonfinancial foreign entities ("NFFEs") to report substantial U.S. owners or certify no U.S. ownership. On July 9, 2015, India signed Model 1 Inter-Governmental Agreement ("IGA") with the US IRS for implementation of FATCA. Section 285BA of the Income Tax Act was amended by the Finance (No.2) Act 2014 to require prescribed reporting financial institutions to register, identify accounts held by reportable persons and to report to the Indian tax authorities. The CBDT vide Notification dated August 7, 2015 notified the Income–Tax (11th Amendment) Rules, 2015 (the "Income Tax Rules") to provide for registration of persons, due diligence, maintenance of information, and for matters relating to statement of reportable accounts. RBI vide its Circular dated 28th August, 2015 has issued instructions to all the concerned financial institutions to take steps for complying with the reporting requirement under FATCA and Common Reporting Standards ("CGR"). Further on August 31, 2015, RBI has also issued instructions for compliance of Guidance Note on implementation of reporting requirements under Rules 114F to 114H of the Income Tax Rules, as issued by Department of Revenue, Ministry of Finance on 31st August, 2015, under which all the financial institutions based on the guidance notes are required to determine whether it is a "reporting financial institution" or not. Our Company has registered itself with Income Tax Department for this purpose. However, Indian institutions are generally not required to withhold tax as per section 285A of the Act and the IGA signed with USA. In case any withholding or deduction is required pursuant to section 1471 through 1474 of the US Internal Revenue Code of 1986, any regulation or agreements there under, official interpretations thereof, or any law implementing an intergovernmental approach thereto, our Company shall make such FATCA deduction and shall not be liable to compensate, reimburse, indemnify or otherwise make any payment whatsoever directly or indirectly in respect of such FATCA deduction.

This is not a complete analysis or listing of all potential tax consequences of FATCA. Investors should consult their own tax advisers to obtain a more detailed explanation of FATCA and how FATCA may affect them. Please also refer to the section titled "Risk Factors - Risks relating to any international regulations, FATCA.

SECRETARIAL STANDARDS

The Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) (together referred to as the Secretarial Standards), as approved by the Central Government, have been issued by The Institute of Company Secretaries of India (ICSI) under the provisions of Section 118(10) of the Companies Act, 2013 (the Act), vide ICSI Notification No. 1 (SS) of 2015 dated April 23, 2015 and published in the Gazette of India Extraordinary Part III - Section 4. These Secretarial Standards have come into force with effect from July 1, 2015 and adherence to these Secretarial Standards is mandatory for all the Companies except One Person Company (OPC) in which there is only one Director on its Board.

SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Securities and Exchange Board of India (SEBI) notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) on September 02, 2015. These regulations have become effective from December 01, 2015.

These regulations are part of the SEBI's efforts at improving and streamlining the ongoing market disclosure by companies with different types of securities listed on the stock exchanges in India. Upon the commencement of the Listing Regulations, the existing listing agreements and all circulars modifying the listing agreements will be rescinded, and the listing agreements will be replaced with a short-form agreement, in a form to be prescribed by the SEBI, which will be required to be executed by listed entities within six months of the notification of these regulations.

INSOLVENCY AND BANKRUPTCY CODE

As a demonstration of India's combined political will, the much awaited and debated Insolvency and Bankruptcy Code, 2016 (Code) was passed by the Upper House of the Parliament on May 11, 2016 (shortly after being passed by the Lower House on May 5, 2016). The Code has received the assent of the President of India on May 28, 2016. The Country now has a new legal regime that primarily enables time-bound restructuring and bankruptcy of debtors. Some of the primary objectives with which the Code has been conceptualized are:

A. to consolidate the laws relating to insolvency, reorganization and liquidation/ bankruptcy of all persons, including companies, individuals, partnership firms and Limited Liability Partnerships (LLPs) under one statutory umbrella and amending relevant laws;

B. time bound resolution of defaults and seamless implementation of liquidation/ bankruptcy and maximizing asset value;

C. to encourage resolution as means of first resort for recovery;

D. creating infrastructure which can eradicate inefficiencies involved in bankruptcy process by introducing National Company Law Tribunal (NCLT), Insolvency Resolution Professional Agencies (IPAs), Insolvency Professionals (IPs) and Information Utilities (IUs).

In order to cover bankruptcy of individuals, the Code will repeal the Presidency Towns Insolvency Act, 1909 and Provincial Insolvency Act, 1920. Additionally, the Code will amend 11 statutes including, inter alia, the Companies Act, 2013 (Companies Act) Sick Industrial Companies (Special Provisions) Repeal Act, 2003 (SICA), Limited Liability Partnership Act, 2008 (LLP Act), Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (RDDBFI). The Code seeks to establish an Insolvency and Bankruptcy Board of India (Board) which will function as the regulator for all matters pertaining to insolvency and bankruptcy. The Board will exercise a range of legislative, administrative and quasi-judicial functions.

The Code specifies 2 different adjudicating authorities (the Adjudicating Authority) which will exercise judicial control over the insolvency process as well as the liquidation process. In case of companies, LLPs and other limited liability entities (which may be specified by the Central Government from time to time), the NCLT shall be acting as the Adjudicating Authority. All appeals from NCLT shall lie with the appellate authority, i.e. the National Company Law Appellate Tribunal (NCLAT). In case of individuals and partnerships, the Adjudicating Authority would be the Debt Recovery Tribunal (DRT) with the Debt Recovery Appellate Tribunal (DRAT) continuing to be the appellate tribunal even for insolvency/ bankruptcy matters. The Supreme Court of India shall have appellate jurisdiction over NCLAT and DRAT.

Corporate Insolvency includes two processes within its ambit, (i) Insolvency Resolution and (ii) Liquidation. The Code prescribes a timeline of 180 days for the insolvency resolution process, which begins from the date the application is admitted by the NCLT. The period is subject to a single extension of 90 days in the event the Adjudicating Authority (being petitioned by a resolution passed by a vote of 75% of the COC) is satisfied that the corporate insolvency resolution process cannot be completed within the period of 180 days. This time period is also applicable to individual insolvency resolution process. During this period, the creditors and the debtor will be expected to negotiate and finalise a resolution plan (accepted by 75% of the financial creditors) and in the event they fail, the debtor is placed in liquidation and the moratorium lifted. The Code stipulates an interim-moratorium period which would commence after filing of the application for a fresh start process and shall cease to exist after elapse of a period of 180 days from the date of application. During such period, all legal proceedings against such debtor should be stayed and no fresh suits, proceedings, recovery or enforcement action may be initiated against such debtor. However, the Code has also imposed certain restrictions on the debtor during the moratorium period such as the debtor shall be not be permitted to act as a director of any company (directly/indirectly) or be involved in the promotion or management of a company during the moratorium period. Further, he shall not dispose of his assets or travel abroad during this period, except with the permission of the Adjudicating Authority.

The bankruptcy of an individual can be initiated by the debtor, the creditors (either jointly or individually) or by any partner of a partnership firm (where the debtor is a firm), only after the failure of the Insolvency Resolution Process (IRP) or non-implementation of repayment plan. The bankruptcy trustee is responsible for administration of the estate of the bankrupt and for distribution of the proceeds on the basis of the priority set out in the Code.

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 F of Schedule I to the Companies Act, 2013 (the "**Act**")(hereinafter referred to as "**Table F**") shall apply to the Company except as provided in the following Articles, which shall be the Regulations for the management of the Company. These Articles shall, to the extent to which they are repugnant to and/or at variance with the provisions of the Companies Act, 2013, various Schedules thereto and the Rules framed thereunder (collectively referred to as "Act"), be deemed to have been replaced by the relevant provisions/rules in the Act so as to be in consonance and harmony therewith and the relevant provisions/rules in the Act which require inclusion in the Articles shall be deemed to be included in the Articles.

SHARE CAPITAL

4. The authorised share capital of the Company shall be as per Clause V of the Memorandum of Association of the Company including amendments thereto, if any.

5. Subject to the provisions of the Act and the provisions of these Articles, the shares shall be under the control of the Board.

6. 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..

7 Subject to the provisions of the Act and the provisions of these Articles, the Company shall have the power to issue preference shares. Such shares shall be redeemed on the terms on which they were issued or as varied after due approval of preference shareholders under Section 48 of the Act and in due compliance with Section 55 of the Act and Applicable Law.

8. Regulation 9 of Table "F" shall be read as if the words and brackets "(not being a fully-paid share)" have been deleted therefrom.

9. Regulation 13 of Table "F" 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."

10. 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/SECURITIES

11. The Company may, subject to the Act and other provisions of these Articles, from time to time, increase the share capital by such sum, to be divided into shares of such amount as may be specified in the resolution.

12. 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.

13. The Company may subject to the Act, Rules and Regulations and other provisions of these Articles, issue further securities to any persons, if it is authorized by a special resolution, whether or not those persons include the existing security holder of the Company or employee of the Company either for cash or for a consideration other than cash.

TRANSFER AND TRANSMISSION OF SHARES

14. The Company shall cause a Register of Members to be maintained in accordance with Section 88 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.

15. 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 and the provisions of the Act and Rules prescribed thereunder.

17. No fee shall be charged for registration of any transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other instruments. 18. 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.

19. The provisions of these Articles dealing with transfer of shares shall apply *mutatis mutandis* to all securities.

GENERAL MEETINGS

20. All General Meetings shall be held in accordance with the applicable provisions of the Act.

21. 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.

22. 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.

23. 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. 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 21 may be transacted.

VOTES OF MEMBERS

24. 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.

25. 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

26. The number of Directors of the Company which shall be not less than 3 (three) and not more than 15 (fifteen). However, the Company may appoint more than 15 Directors after passing a Special

Resolution. Composition of the Board shall be in accordance with the provisions of Section 149 of the Act and other Applicable Laws. Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall be entitled to transact business for the purpose of attaining the required composition of the Board.

27. The persons hereinafter named shall be the first Directors of the Company:

- Mr. Arun Kedia
- Mr. Shashi Bhushan Tiwari
- Mr. Sandeep Lakhotia

28. 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.

29. 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.

30. 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 nor 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.

31. 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.

32. 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 Key Managerial Personnel or Secretary or any other person(s), either singly or jointly as and subject to such restrictions, as it may think fit and proper.

33. 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 Board.

34. The Board shall constitute various committees as may be required to be constituted under the Act, Rules and other regulations applicable to the Company and determine their functions, powers, terms of reference, authorities and responsibilities.

35. 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.

36. 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.

37. 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 travel policy of the Company.

38. 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.

39. 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.

40. 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.

41. A Director may be appointed as Chief Executive Officer, Manager,, Company Secretary subject to provisions of Section 203 of the Act. The Board may also designate the head of the financial function to the CFO of the Company.

PRINCIPAL OFFICERS OF THE COMPANY

42. The Board shall appoint the Managing Director(s) of the Company in accordance with the provisions of the Act and rules thereunder.

43. Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in Section 179 of the Act 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, either 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 of such powers.

44. Subject to the provisions of the Act and the Articles, the Board may from time to time, appoint one or more Directors to be Whole-time Director(s) of the Company and remove or dismiss him from office and appoint another in his place.

MEETINGS OF THE BOARD

45. The Board shall meet at such frequency as may be decided by the Board from time to time in accordance with the provisions of the Act.

QUORUM AT MEETINGS OF THE BOARD

46. 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.

47. 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.

48. Notwithstanding anything contained hereinabove, 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 or such other time and place as may be mutually agreed by Directors.

ALTERNATE DIRECTOR

49. 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 India 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 India. If the term of office of the Original Director is determined before he so returns to India, 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 the 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 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

50. 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.

VOTING AT MEETINGS

51. 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.

52. In respect of matters where the Act requires otherwise, 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.

DIRECTORS INSURANCE POLICY

53. The Company shall procure Directors' insurance policy cover for the Directors and their Alternate Directors.

COMMON SEAL

54. The Board may 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, if required to be affixed to any instrument or document, 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 (Share Capital and Debentures) Rules, 2014 as in force from time to time. The Board shall provide for the safe custody of the Seal.

BORROWING POWERS

55. 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, provided that the Board shall not without the requisite sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up Capital of the Company and its free reserves.

The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, or other Securities, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being.

SECRECY

56. 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.

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

58. 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.

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 November 18, 2016 for appointing the Lead Managers to the Issue.
2. The Issue Agreement dated November 18, 2016 executed between our Company and the Lead Managers.
3. Agreement dated November 16, 2016 executed between our Company and the Registrar to the Issue.
4. Escrow Agreement dated December 07, 2016 entered between our Company, Lead Managers, Escrow Collection Banks to the Issue (including Refund Bank) and Registrar to the Issue.
5. Memorandum of Understanding dated December 07, 2016 entered between our Company, Lead Managers and Lead Brokers to the Issue.
6. Debenture Trusteeship Agreement dated November 16, 2016 entered between our Company and Axis Trustee Services Limited, the Debenture Trustee.
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. 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.
6. Certified True Copy of the Resolution passed by the Board of Directors at its Meeting held November 3, 2016 authorising the Issue.
7. Certified True Copy of the Resolution passed by the Committee of Directors at its Meeting held on November 25, 2016 approving the Draft Prospectus
8. Certified True Copy of the Resolution passed by the Committee of Directors at its Meeting held on December 21, 2016 approving the Prospectus
9. Annual Reports of our Company for FY2012 to FY2016. And Audited Accounts of the Company for the six months ended September 30, 2016.
10. The Examination Report of the Statutory Auditors dated November 25, 2016 in relation to the Reformatted Financial Statements included herein.
11. In-principle listing approval obtained from BSE vide letter ref. no. DCS/BM/PI-Bond/5/16-17 dated December 5, 2016.
12. In-principle listing approval obtained from NSE vide letter ref. no. NSE/LIST/ 96014 dated December 5, 2016

13. Certified True Copies of Board Resolution dated May 21, 2014, June 17, 2016 and August 4, 2016 and Shareholder's Resolution dated September 8, 2016, relating to the tenure and terms of appointment of the Chairman & Managing Director of our Company.

14. Certified True Copies of Board Resolution dated May 21, 2014 and August 4, 2016 and Shareholder's Resolution dated September 8, 2016, relating to the tenure and terms of appointment of the Vice Chairman of our Company

15. Credit rating letters dated November 9, 2016 and December 6, 2016 from SMERA in relation to this Issue.

16. Credit rating letters dated November 9, 2016, reaffirmation letter dated November 10, 2016 and reaffirmation letter dated December 5, 2016 from BRICKWORK in relation to this Issue.

17. Consents of the (a) the Directors, (b) the Company Secretary and Compliance Officer of the Company, (c) Chief Financial Officer (d) the Statutory Auditors, (e) Lead Managers, (f) Registrar, (g) Legal Advisor to the Issue, (h) Credit Rating Agencies, (ii) 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.

18. Consents of the lenders of our Company as required under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014.

19. Due Diligence Certificate dated December 21, 2016 filed by the Lead Managers with SEBI.

20. Share Purchase Agreement dated December 29, 2015 between the Company, BPLG, Srei Infrastructure Finance Limited, Srei Growth Trust, Mr. Hemant Kanoria and Mr. Sunil Kanoria

DECLARATION

We, the undersigned Directors of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including relevant provisions of the Companies Act, 1956, as amended all the applicable provisions of Companies Act, 2013 as amended 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, provisions under the Securities Contract (Regulation) Act, 1956, as amended and rules made thereunder in connection with the Issue 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, accurate and correct in all material respects 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 and/or misrepresentations.

Signed by the Board of Directors of the Company.

Hemant Kanoria
Chairman & Managing Director

Sunil Kanoria
Vice Chairman

Kora Ipe Puthenpurockal
Non-Executive & Independent Director

S. Chatterjee
Non-Executive & Independent Director

Tamali Sengupta
Additional Director

Place : Kolkata
Date : December 21, 2016

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 - 700091
India

Tel: +91 (033) 6612 1000
Fax: +91 (033) 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, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012, 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 Interim Condensed Financial Statements of the Company for the six months ended September 30, 2016, year ended March 31, 2016 and year ended March 31, 2015, vide our reports dated November 3, 2016, May 10, 2016 and April 24, 2015 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 Statement of the Company for the financial year ended March 31, 2012 was 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.

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 figures for the earlier periods have been regrouped, wherever necessary, to conform to the classification adopted for the Stand-alone Interim Condensed Financial Statements as at and for the six months ended September 30, 2016.

(d) The Reformatted Stand-alone Summary Financial Statements do not contain all the disclosures required by the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, 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 Stand-alone Financial Statements/Interim Condensed Financial Statements of the Company.

(e) 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 Reformatted Stand-alone 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,

Deloitte Haskins & Sells Chartered Accountants 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 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/Interim Condensed 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

Deloitte Haskins & Sells
Chartered Accountants

"**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)

A Bhattacharya
Partner
Membership No.054110

Kolkata
Date: November 25, 2016

ANNEXURE A

SREI EQUIPMENT FINANCE LIMITED

Statement of Assets and Liabilities, As Reformatted

(₹ in lakhs)

Particulars	Note No.	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
I EQUITY AND LIABILITIES							
(1) Shareholders' funds							
(a) Share capital	2.1	5,966	5,966	5,966	5,966	5,966	5,322
(b) Reserves and Surplus	2.2	237,692	230,432	218,906	203,690	181,152	134,840
		243,658	**236,398**	**224,872**	**209,656**	**187,118**	**140,162**
(2) Non-current liabilities							
(a) Long-term borrowings	2.3	277,172	277,884	321,495	409,238	432,886	351,398
(b) Deferred tax liabilities (Net)	2.4	17,720	17,166	18,155	15,694	15,287	11,133
(c) Other long term liabilities	2.5	15,260	16,256	13,743	14,550	15,315	12,392
(d) Long-term provisions	2.6	4,718	3,971	4,072	2,296	2,847	2,198
		314,870	**315,277**	**357,465**	**441,778**	**466,335**	**377,121**
(3) Current liabilities							
(a) Short-term borrowings	2.7	778,599	763,149	818,566	739,521	743,638	466,157
(b) Trade payables							
(i) Due to Micro and Small Enterprises	2.8 (i)	-	-	-	-	-	-
(ii) Due to Others	2.8 (ii)	130,869	76,812	38,364	27,704	38,056	66,045
(c) Other current liabilities							
(i) Current maturities of long term borrowings	2.9	121,019	144,338	166,392	160,834	178,113	213,679
(ii) Other current liabilities	2.9	22,968	27,296	20,597	22,387	16,318	9,678
(d) Short-term provisions	2.10	2,671	2,943	3,248	10,696	7,942	4,683
		1,056,126	**1,014,538**	**1,047,167**	**961,142**	**984,067**	**760,242**
TOTAL		**1,614,654**	**1,566,213**	**1,629,504**	**1,612,576**	**1,637,520**	**1,277,525**
II ASSETS							
(1) Non- current assets							
(a) Property Plant and Equipment							
(i) Tangible assets	2.11	163,262	138,323	161,946	125,358	124,283	124,014
(ii) Intangible assets	2.11	3,018	3,476	3,891	3,786	1,810	1,716
(b) Non current investments	2.13	61	218	805	113	184	-
(c) Long-term loans and advances							
(i) Financial assets	2.14	796,289	782,580	737,601	755,175	829,727	604,944
(ii) Other long term advances	2.15	3,721	2,320	3,416	3,479	8,027	6,218
(d) Other non current assets	2.16	6,359	13,441	17,103	25,978	19,084	30,937
		972,710	**940,358**	**924,762**	**913,889**	**983,115**	**767,829**
(2) Current assets							
(a) Current investments	2.13	398	572	725	2,971	2,953	-
(b) Trade receivables	2.17	4,411	6,983	6,590	6,597	4,020	2,554
(c) Cash and bank balances	2.18	35,914	20,783	35,329	61,736	102,894	96,289
(d) Short-term loans and advances							
(i) Financial assets	2.14	226,385	217,843	230,954	170,482	103,429	81,088
(ii) Other short term advances	2.19	3,947	3,042	3,280	2,079	2,358	2,173
(e) Other current assets							
(i) Current maturities of long term financial assets	2.14	361,971	363,134	417,595	448,282	427,710	317,614
(ii) Other current assets	2.20	8,918	13,498	10,269	6,540	11,041	9,978
		641,944	**625,855**	**704,742**	**698,687**	**654,405**	**509,696**
TOTAL		**1,614,654**	**1,566,213**	**1,629,504**	**1,612,576**	**1,637,520**	**1,277,525**

SREI EQUIPMENT FINANCE LIMITED

Statement of Profit and Loss, As Reformatted

(₹ in lakhs)

Particulars	Note No.	For the Half year ended 30 September 2016	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
(1) INCOME							
(a) Revenue from operations	2.21	122,953	261,388	260,144	261,793	237,320	181,779
(b) Other income	2.22	34	121	834	140	57	73
Total Income		**122,987**	**261,509**	**260,978**	**261,933**	**237,377**	**181,852**
(2) EXPENDITURE							
(a) Employee benefits expense	2.23	7,258	14,597	14,256	9,603	11,521	10,098
(b) Finance costs	2.24	66,270	141,771	144,228	153,373	136,744	104,477
(c) Depreciation/Amortization/Impairment expenses	2.11	16,852	32,261	29,257	24,234	22,394	15,666
(d) Other expenses	2.25	8,471	17,219	16,844	13,027	11,855	10,754
Total		**98,851**	**205,848**	**204,585**	**200,237**	**182,514**	**140,995**
(3) PROFIT BEFORE BAD DEBTS, PROVISIONS AND TAX		**24,136**	**55,661**	**56,393**	**61,696**	**54,863**	**40,857**
Bad debts written off (Net)/Provision for Non Performing Assets and Standard Assets		14,469	39,618	33,657	25,941	14,515	10,395
(4) PROFIT BEFORE TAX		**9,667**	**16,043**	**22,736**	**35,755**	**40,348**	**30,462**
(5) Tax expense :							
(a) Current tax		2,080	5,506	4,929	12,810	9,202	5,387
(b) Deferred tax		704	(989)	2,505	407	4,154	5,044
Total Tax for current year / period		**2,784**	**4,517**	**7,434**	**13,217**	**13,356**	**10,431**
(6) PROFIT AFTER TAX FOR CURRENT YEAR / PERIOD		**6,883**	**11,526**	**15,302**	**22,538**	**26,992**	**20,031**
Income tax for earlier years		-	-	-	-	-	495
- Less : MAT credit entitlement for earlier years		-	-	-	-	-	(187)
(7) PROFIT AFTER TAX		**6,883**	**11,526**	**15,302**	**22,538**	**26,992**	**19,723**
(8) Earnings per share (basic and diluted) (₹)	2.27	11.54*	19.32	25.65	37.78	47.60	37.60
[Nominal Value of Equity Shares of ₹ 10/- each (31st March 2016,2015,2014,2013,2012: ₹ 10/-each)]							
* Not Annualized							

SREI EQUIPMENT FINANCE LIMITED

Cash Flow Statement, As Reformatted

(₹ in lakhs)

Particulars	Half year ended 30 September 2016	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2012
A. Cash Flows from Operating Activities						
Profit Before Tax	9,667	16,043	22,736	35,755	40,348	30,462
Adjustment for :						
Depreciation/amortization/impairment expenses	16,852	32,261	29,257	24,234	22,394	15,666
Bad Debts written off (net)/Provision for Non Performing Assets and Standard Assets	14,469	39,618	33,657	25,941	14,515	10,395
(Profit) / Loss on sale of Fixed Assets (net)	(20)	71	238	184	86	146
Finance costs	66,270	141,771	144,228	153,373	136,744	104,477
Profit on sale from Current investments	-	-	(754)	-	-	-
Profit on sale from Non Current investments	-	-	-	-	-	(31)
Unrealised exchange Loss / (Gain)	(205)	2,201	-	-	-	-
Dividend Income from Current Investments (Non Trade)	(8)	(112)	(72)	(135)	(44)	(34)
Operating profit before working capital changes	**107,025**	**231,853**	**229,290**	**239,352**	**214,043**	**161,081**
Changes in working capital :						
(Increase) / Decrease in Trade Receivables/ Others	1,682	306	794	(3,446)	1,438	(17,762)
(Increase) / Decrease in Financial Assets	(57,757)	(123)	(81,420)	(39,016)	(370,841)	(165,874)
Increase / (Decrease) in Trade Payables/Others	54,658	41,273	11,967	(5,078)	(25,744)	16,637
(Increase) / Decrease in Fixed Deposit (Deposits with original maturity period of more than three months)	(5,378)	6,421	22,457	36,707	5,269	(49,064)
Cash generated from /(used in) operations	**100,230**	**279,730**	**183,088**	**228,519**	**(175,835)**	**(54,982)**
Interest paid (net of foreign exchange fluctuation)	(71,536)	(135,463)	(145,785)	(154,301)	(129,088)	(102,275)
Advance taxes paid (including Tax deducted at Source)	(2,733)	(6,767)	(11,227)	(10,470)	(6,532)	(9,030)
Net Cash (used in) / generated from operating activities	**25,961**	**137,500**	**26,076**	**63,748**	**(311,455)**	**(166,287)**
B. Cash flows from investing activities						
Purchase of Fixed Assets	(20,942)	(24,478)	(31,287)	(24,138)	(24,550)	(88,265)
Purchase of Investments	-	-	-	-	(3,137)	-
Proceeds from Redemption of Investments	331	740	2,308	53	-	-
Dividend Income from Current Investments (Non Trade)	8	112	72	135	44	-
Proceeds from Sale of Fixed Assets	548	519	332	1,072	174	51
Purchase of Mutual Funds	-	-	-	-	-	(55,000)
Sale of Investments	-	-	-	-	-	281
Proceeds from Sale of Mutual Funds	-	-	-	-	-	55,034
Net Cash (Used in) / Generated from Investing Activities	**(20,055)**	**(23,107)**	**(28,575)**	**(22,878)**	**(27,469)**	**(87,899)**
C. Cash Flows from Financing Activities						
Increase in Equity Share Capital (including Securities Premium)	-	-	-	-	19,964	9,982
Proceeds from issuance of debentures	25,450	71,930	86,600	12,680	66,200	52,180
Repayment on redemption of debentures	(14,000)	(68,600)	(42,924)	(57,289)	(61,519)	(39,731)
Increase / (Decrease) in Working Capital facilities (net)	(5,173)	20,648	38,798	(16,058)	259,159	248,729
Increase / (Decrease) in Other Loans (net)	(4,972)	(143,779)	(86,156)	15,622	59,562	(7,112)
Net Cash (Used in) / Generated from Financing Activities	**1,305**	**(119,801)**	**(3,682)**	**(45,045)**	**343,366**	**264,048**
Net Increase / (Decrease) in Cash and Cash Equivalents	**7,211**	**(5,408)**	**(6,181)**	**(4,175)**	**4,442**	**9,862**
Cash and Cash Equivalents at the beginning of the year	**9,188**	**14,596**	**20,777**	**24,952**	**20,510**	**10,648**
Cash and Cash Equivalents at the end of the period (refer note 2.18)	**16,399**	**9,188**	**14,596**	**20,777**	**24,952**	**20,510**
Note :						
Components of Cash and Cash Equivalents:						
Cash on hand	872	945	671	678	448	222
In Current Account	15,527	2,477	13,925	20,099	23,493	18,314
Fixed Deposits with original maturity period less than three months	-	5,766		-	1,011	1,974
	16,399	**9,188**	**14,596**	**20,777**	**24,952**	**20,510**
Receipts under lien with banks	-	-	-	-	1,011	874
Cash and Bank Balances are represented by :						
Cash and Cash Equivalents	16,399	9,188	14,596	20,777	24,952	20,510
Fixed Deposits with original maturity period exceeding three months and remanining maturity less than twelve months*	19,515	11,595	20,733	40,959	77,942	75,779
	35,914	**20,783**	**35,329**	**61,736**	**102,894**	**96,289**
*Receipts under lien with banks as security	19,433	17,161	20,498	40,534	77,830	75,544

1.1 CORPORATE INFORMATION

Half Year ended September, 2016, Financial Year 2015-16

Srei Equipment Finance Limited 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. Subsequently, the Company has been issued a new certificate by the RBI dated 19th February, 2014 consequent to conversion from Private Limited Company to Public Limited Company.

Financial Year 2014-15 and 2013-2014

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, 2016 and Financial Year 2015-16

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 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.

Financial Year 2014-15

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 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.

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 and 2011-12

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.

1.3 SIGNIFICANT ACCOUNTING POLICIES

i. Operating cycle

Half Year ended September, 2016, Financial Year 2015-16, 2014-15, 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, 2016, Financial Year 2015-16 and 2014-15
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, 2016, Financial Year 2015-16, 2014-15, 2013-14 and 2012-13

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.

Financial Year 2011-12

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 year 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. Property Plant and Equipment and Depreciation/Amortisation

a) Fixed Assets

Half Year ended September, 2016, Financial Year 2015-16, 2014-15 and 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 de-recognition 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 de-recognized.

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.

b) Depreciation/ Amortisation

Half Year ended September, 2016, Financial Year 2015-16

Depreciation/Amortisation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful lives of the respective fixed assets.

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
Computers Equipment	3 years/6 years	5 years
Earth Moving Equipment	9 years	7 years
Motor Vehicles	8 years	7 years
Plant and Machinery	15 years	8 years
Windmill	22 years	20 years

Own Use Assets

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

Class of Assets	New Useful Life considered by the Company
Software	5 years*

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

Financial Year 2014-15

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 Company has, effective 1st April 2014, reviewed and revised the useful lives of its Fixed Assets.

During the year ended 31st March, 2015, 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
Computers	3 years	5 years
Earth Moving Equipment	9 years	7 years
Motor Vehicles	8 years	7 years
Plant and Machinery	15 years	8 years
Windmill	22 years	20 years

Own Use Assets

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

Class of Assets	New Useful Life considered by the Company
Software	5 years*

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

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

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.

c) Impairment of assets

Half Year ended September, 2016, Financial Year 2015-16, Financial Year 2014-15, 2013-14 and 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.

v. Borrowing Costs

Half Year ended September, 2016, Financial Year 2015-16, 2014-15 and 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

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.

vi. Operating Leases

Half Year ended September, 2016, Financial Year 2015-16, 2014-15 and 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.

vii. Finance Leases

Half Year ended September, 2016, Financial Year 2015-16, 2014-15, 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, 2016, Financial Year 2015-16, 2014-15 and 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 fair 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.

ix. Financial Assets

Half Year ended September, 2016, Financial Year 2015-16 and 2014-15

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.
c) Repossessed Assets and assets acquired in satisfaction of debt are valued at lower of cost and estimated net realizable value calculated based on the valuation of the underlying assets, where applicable, carried out by an external valuer.

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 and 2011-12

(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.

x. Write-off/ Provisioning of assets

Half Year ended September, 2016, Financial Year 2015-16 and 2014-15

The Company recognizes bad debts write off/provision for non-performing Assets (NPAs) and standard assets in accordance with applicable guidelines issued by RBI. The Company also makes additional bad debts/ provision for NPA based on the management's best estimate, which, as per the management are not likely to be recovered. 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 bad debts written off/provision for diminution in the fair value of a restructured account is made in addition to the provision as required by RBI guidelines.

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.

xi. Foreign currency transactions and balances

a) Initial recognition

Half Year ended September, 2016, Financial Year 2015-16, 2014-15, 2013-14, 2012-13 and 2011-12

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.

b) Conversion

Half Year ended September, 2016, Financial Year 2015-16, 2014-15, 2013-14, 2012-13 and 2011-12

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.

c) Exchange differences

Half Year ended September, 2016, Financial Year 2015-16, 2014-15, 2013-14 and 2012-13

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 (iv) above.

d) Forward Exchange Contracts (not intended for trading or speculation purpose)

Half Year ended September, 2016, Financial Year 2015-16, 2014-15, 2013-14 and 2012-13

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.

Financial Year 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 year.

e) Derivatives

Half Year ended September, 2016, Financial Year 2015-16 and 2014-15

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.

Derivatives and Hedges

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.

xii. Revenue recognition

Half Year ended September, 2016, Financial Year 2015-16, 2014-15 and 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.

xiii. Retirement and other employee benefits

Half Year ended September, 2016, Financial Year 2015-16, 2014-15 and 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 and 2011-12

(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, 2016, Financial Year 2015-16, 2014-15, 2013-14, 2012-13 and 2011-12

(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.

xiv. Income tax

Half Year ended September, 2016, Financial Year 2015-16 and 2014-15

Tax expense comprises of current 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 year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities 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 recognized 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 recognized 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 2013-14, 2012-13 and 2011-12

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.

xv. Segment reporting

Half Year ended September, 2016, Financial Year 2015-16, 2014-15, 2013-14, 2012-13 and 2011-12

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, 2016, Financial Year 2015-16, 2014-15, 2013-14, 2012-13 and 2011-12

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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.

xvii. Provisions , Contingent Liabilities and Contingent Assets

Half Year ended September, 2016, Financial Year 2015-16, 2014-15 and 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.

xviii. Cash and cash equivalents

Half Year ended September, 2016, Financial Year 2015-16, 2014-15, 2013-14, 2012-13 and 2011-12

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, 2016

As per Rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014 read with Section 71(4) of the Companies Act, 2013 in case of Non-Banking Finance Companies (NBFCs) registered with the Reserve Bank of India(RBI) under Section 45-IA of the RBI (Amendment) Act, 1997, no Debt Redemption Reserve (DRR) is required to be created in the case of privately placed debentures, however in case of public issue of Non-Convertible debentures(NCD) 'the adequacy' of DRR will be 25% of the value of debentures issued through public issue.

As a matter of prudence, the Company, as per the management's discretion, created DRR 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 till 31st March, 2015. Thereafter from 1st April, 2015 in accordance with the aforesaid applicable rules, the Company has created DRR only for redemption of public issue of NCD's

Financial Year 2015-16

As per Rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014 read with Section 71(4) of the Companies Act, 2013 in case of Non-Banking Finance Companies (NBFCs) registered with the Reserve Bank of India(RBI) under Section 45-IA of the RBI (Amendment) Act, 1997, no Debt Redemption Reserve (DRR) is required to be created in the case of privately placed debentures, however in case of public issue of Non-Convertible debentures(NCD) 'the adequacy' of DRR will be 25% of the value of debentures issued through public issue.

As a matter of prudence, the Company, as per the management's discretion, created DRR 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 till 31st March, 2015.

In accordance with the aforesaid applicable rules, during the year ended 31st March 2016 the Company has created DRR only for redemption of public issue of NCD,s issued in the current year.

Financial Year 2014-15

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.

xx. Cash Flow Hedge Reserve

Half Year ended September, 2016

The Company with effect from 1st April 2016 (referred to as "Transition date") has applied the Guidance Note on Accounting for Derivative Contracts issued by Institute of Chartered Accountants of India (ICAI) (herein after referred to as "Guidance Note") which is applicable for all derivative contracts other than those covered by an existing notified Accounting Standard (AS) like forward contracts (or other financial instruments which in substance are forward contracts covered) which is covered by AS 11. Further the said Guidance Note applies to all derivative contracts covered by it and are outstanding as on the transition date with the cumulative impact (net of taxes) as on the transition date recognized in reserves as a transition adjustment and disclosed separately.

As per the requirement of the Guidance note, all applicable derivatives are recognized in the Balance Sheet at Fair Value and classified as hedging derivative, if the same are designated as part of an effective hedge relationship. The carrying amount of derivative are re measured at Fair Value throughout the life of the Contract. The method of recognizing the resulting fair value gain loss on derivative depends on whether the derivative is designated as hedging instrument and if so on the nature of the item hedged. Hedge accounting is used for derivative designated in the aforesaid way provided certain criteria's as stated in the guidance note are met.

The Company has designated the derivatives covered under the guidance note as Hedges of the highly probable future cash flows attributable to a recognized asset or liability (Cash Flow Hedge).The effective portion of the changes in fair value of derivative in case of cash flow hedges are recognized in the cash flow hedge reserve as part of the Equity. The accumulated hedge reserves in the equity are adjusted in the periods in which the hedge items effects the Income Statement. When the hedging instruments expired or sold or when the hedge no longer meet the criteria for hedge accounting, the cumulative gain / loss existing in the equity as hedging reserve remains in the equity and are adjusted when the forecasted transactions / hedge element is ultimately recognized in the income statement.

xxi. Assets under Management

Half Year ended September, 2016, Financial Year 2015-16, 2014-15, 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

Contracts securitized or assigned or co-branded are derecognized from the books of account. Contingent liabilities, if any, in respect of such contracts are disclosed separately.

xxii. Miscellaneous Expenditure (to the extent not written off / adjusted)

Financial Year 2013-14, 2012-13 and 2011-12

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.

2.1 SHARE CAPITAL

Particulars	As at 30th September, 2016		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012	
	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	75,000,000	7,500	75,000,000	7,500	53,220,000	5,322
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	59,660,000	5,966	59,660,000	5,966	53,220,000	5,322
Total		5,966		5,966		5,966		5,966		5,966		5,322

2.1.1 Reconciliation of Equity Shares

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, 2016		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012	
	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 period/year	59,660,000	5,966	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
Add: Issued as fully paid up during the period/year	-	-	-	-	-	-	-	-	6,440,000	644	3,220,000	322
At the end of the period/year	59,660,000	5,966	59,660,000	5,966	59,660,000	5,966	59,660,000	5,966	59,660,000	5,966	53,220,000	5,322

2.1.2 Terms/rights attached to equity shares

Half year ended September, 2016 and Financial Year 2015-2016, 2014-15, 2013-14, 2012-13, 2011-12

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 preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

2.1.3 The details of shareholders holding more than 5% shares are set out as below:

Class of shares and names of shareholders	As at 30th September, 2016		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012	
	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*	59,660,000	100	29,830,000	50	29,830,000	50	29,830,000	50	29,830,000	50	26,610,000	50
BNP Paribas Lease Group*#	-	-	29,830,000	50	29,830,000	50	29,830,000	50	29,830,000	50	26,610,000	50

* Including nominee shareholders

During the period ended 30th September, 2016 Equity shares constituting 50% of the paid up Equity share capital of the Company held by BNP Paribas Lease Group (BPLG) has been transferred in favour of Srei Infrastructure Finance Limited (SIFL). Consequently, the Company has become a wholly owned subsidiary of SIFL with effect from 17th June, 2016.

SREI EQUIPMENT FINANCE LIMITED
Notes to Financial Statements
Schedules to the Statement of Assets & Liabilities, As Reformatted

2.2 RESERVES AND SURPLUS

(₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
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	103,980	103,980	84,660	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**	103,980	103,980	84,660
Debt Redemption Reserve						
Opening balance	58,600	55,747	40,956	26,776	15,707	8,105
Add: Transferred from Surplus for the period/year [(refer note 1.3 (xix)]	1,556	2,853	14,791	14,180	11,408	8,234
Less: Transferred to Surplus on redemption	-	-	-	-	339	632
Closing Balance	**60,156**	**58,600**	**55,747**	40,956	26,776	15,707
Cash Flow Hedge Reserve						
Opening balance	**-**	**-**	**-**	-	-	-
Add: Transferred from during the period / year [refer note 1.3 (xx)]	**661**	**-**	**-**	-	-	-
Closing balance	**661**	**-**	**-**	**-**	**-**	**-**
Special Reserve (created pursuant to Section 45IC of the Reserve Bank of India Act, 1934)						
Opening balance	25,329	23,023	19,939	15,431	10,032	6,087
Add: Transferred from Surplus for the period/year	1,377	2,306	3,084	4,508	5,399	3,945
Closing Balance	**26,706**	**25,329**	**23,023**	19,939	15,431	10,032
Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)						
Opening balance	8,396	3,972	**-**	-	-	-
Add: Transferred from Surplus for the period/year	1,635	4,424	3,972	-	-	-
Closing balance	**10,031**	**8,396**	**3,972**	-	-	-
Surplus in the Statement of Profit and Loss						
Opening balance	34,096	32,153	38,784	34,934	24,410	16,234
Less:Transition Reserve on Interest rate swaps [Net of Deferred Tax of ₹ 141 lakhs] (refer note no : 2.4)	(265)	-	-	-	-	-
Less:Transition Reserve on Cross Currency Interest rate swaps [Net of Deferred Tax of ₹ 10 lakhs] (refer note no : 2.4)	(19)	-	-	-	-	-
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life [Net of deferred tax of ₹ 44 lakhs] (refer note no : 2.4)	-	-	(86)	-	-	-
Add: Profit after tax transferred from Statement of Profit and Loss	6,883	11,526	15,302	22,538	26,992	19,723
Amount available for appropriation	40,695	43,679	54,000	57,472	51,402	35,957
<u>Appropriations:</u>						
Amount transferred to Special Reserve	(1,377)	(2,306)	(3,084)	(4,508)	(5,399)	(3,945)
Amount transferred to Income Tax Special Reserve	(1,635)	(4,424)	(3,972)	-	-	-
Amount transferred to Debt Redemption Reserve	(1,556)	(2,853)	(14,791)	(14,180)	(11,408)	(8,234)
Amount transferred from Debt Redemption Reserve	-	-	-	-	339	632
Closing balance	36,127	34,096	32,153	38,784	34,934	24,410
Total Reserves and Surplus	**237,692**	**230,432**	**218,906**	**203,690**	**181,152**	**134,840**

SREI EQUIPMENT FINANCE LIMITED
Notes to Financial Statements
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2.3 LONG TERM BORROWINGS

Non Current :

(₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
A. Secured						
Debentures						
Non-convertible debentures (refer note 2.3.1)	42,970	44,970	36,500	10,100	53,024	56,593
Term loans (refer note 2.3.2)						
From banks						
- Rupee loans	52,279	51,080	81,966	157,229	157,320	92,113
- Foreign currency loans	26,466	37,764	69,691	99,069	105,425	95,366
From financial institutions						
- Rupee loans	19,900	13,180	25,240	37,300	22,205	4,520
- Foreign currency loans	9,885	-	668	2,210	3,274	17,240
Other loans from banks						
Buyer's credit in foreign currency (refer note 2.3.3)	-	-	-	-	988	4,405
(A)	**151,500**	**146,994**	**214,065**	**305,908**	**342,236**	**270,237**
B. Unsecured						
Debentures						
Subordinated perpetual debentures (Tier I Capital) [refer note 2.3.4]	3,750	3,750	3,750	3,750	3,750	3,750
Subordinated redeemable non convertible debentures (Tier II Capital) [refer note 2.3.5]	94,990	102,140	78,680	74,580	61,900	51,800
Non convertible debentures [refer note 2.3.8]	100	-	-	-	-	-
Term loans (refer note 2.3.6)						
Subordinated loans (Tier II Capital)						
- From banks (Rupee loans)	11,667	25,000	25,000	25,000	25,000	25,000
- From Foreign banks	15,165	-	-	-	-	-
Other loans (refer note 2.3.7)						
Foreign currency loans						
- From financial institutions	-	-	-	-	-	611
(B)	**125,672**	**130,890**	**107,430**	**103,330**	**90,650**	**81,161**
Total (A+B)	**277,172**	**277,884**	**321,495**	**409,238**	**432,886**	**351,398**

SREI EQUIPMENT FINANCE LIMITED
Notes to Financial Statements
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2.3 LONG TERM BORROWINGS

Current Maturities:

(₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
A. Secured						
Debentures						
Non-convertible debentures (refer note 2.3.1)	15,500	13,500	39,100	42,924	31,039	59,139
Term loans (refer note 2.3.2)						
From banks						
- Rupee loans	44,724	59,973	81,113	85,027	96,568	110,215
- Foreign currency loans	18,967	45,573	32,797	16,324	24,373	36,610
From financial institutions						
- Rupee loans	14,310	12,060	12,060	11,810	6,240	1,212
- Foreign currency loans	-	732	1,322	1,560	15,016	1,379
Other loans from banks						
Buyer's credit in foreign currency (refer note 2.3.3)	-	-	-	3,189	4,251	4,173
(A)	**93,501**	**131,838**	**166,392**	**160,834**	**177,487**	**212,728**
B. Unsecured						
Debentures						
Subordinated redeemable non convertible debentures (Tier II Capital) [refer note 2.3.5]	12,500	7,500	-	-	-	-
Term loans (refer note 2.3.6)						
Subordinated loans (Tier II Capital)						
- From banks (Rupee loans)	13,333	5,000	-	-	-	-
- From Foreign banks	1,685	-	-	-	-	340
Other loans (refer note 2.3.7)						
Foreign currency loans						
- From financial institutions	-	-	-	-	626	611
(B)	**27,518**	**12,500**	**-**	**-**	**626**	**951**
Total (A+B)	**121,019**	**144,338**	**166,392**	**160,834**	**178,113**	**213,679**

2.3.1 Secured Non-convertible debentures

Half year ended September, 2016

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in lakhs) * As at 30th September, 2016	Interest rate (%)	Earliest redemption date
20 June 2014	1,000,000	1,000	10.90%	20 June 2024
13 June 2014	1,000,000	1,000	10.92%	13 June 2024
11 May 2015	1,000	40,970	-	**
26 June 2014	1,000,000	2,000	11.15%	20 June 2017 #
03 November 2014	1,000,000	13,500	10.50%	02 November 2016
Total		**58,470**		

* Includes current maturities

** The above debenture are alloted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 3-7 Years having rate of interest ranging from 9.00% to 10.50%.

All the above debentures are redeemable at par except those marked # which are redeemable at premium.

Security:

1) All the above non-convertible debentures except those issued to public 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) During the year ended 31st March 2016, the company raised ₹ 40,970 lakhs through Public Issue of Secured Non Convertible Debenture which are secured by way of exclusive charge on the company's immovable properties located at Chennai and specific future receivables of the company.

Financial Year 2015-2016

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in lakhs) * As at 31st March, 2016	Interest rate (%)	Earliest redemption date
20 June 2014	1,000,000	1,000	10.90%	20 June 2024
13 June 2014	1,000,000	1,000	10.92%	13 June 2024
11 May 2015	1,000	40,970	-	**
26 June 2014	1,000,000	2,000	11.15%	20 June 2017 #
03 November 2014	1,000,000	13,500	10.50%	02 November 2016
Total		**58,470**		

* Includes current maturities.

** The above debenture are alloted through public issue of Secured Non Convertible Secured Debenture and are redeemable over a tenure of 3-7 Years having rate of interest ranging from 9.75% to 10.50%.

All the above debentures are redeemable at par except those marked # which are redeemable at premium.

Security:

1) All the above non-convertible debentures except those issued to public 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) During the year ended 31st March 2016, the company raised ₹ 40,970 lakhs through Public Issue of Secured Non Convertible Debenture which are secured by way of exclusive charge on the company's immovable properties located at Chennai and specific future receivables of the company.

Financial Year: 2014-15

Date of Allotment	Face Value per Debenture (₹) ##	Amount outstanding (₹ in lakhs) * As at 31st March, 2015	Interest rate (%)	Earliest redemption date
20 June 2014	1,000,000	1,000	10.90%	20 June 2024
13 June 2014	1,000,000	1,000	10.92%	13 June 2024
03 November 2014	1,000,000	13,000	10.70%	02 November 2017 #
26 June 2014	1,000,000	2,000	11.15%	20 June 2017 #
03 November 2014	1,000,000	19,500	10.50%	02 November 2016
03 November 2014	1,000,000	19,500	10.50%	02 February 2016
03 November 2014	1,000,000	9,500	10.15%	16 November 2015
19 July 2012	1,000,000	10,100	11.50%	19 July 2015
Total		**75,600**		

* 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.

Financial Year: 2013-14

Date of Allotment	Face Value per Debenture (₹) ##	Amount outstanding (₹ in lakhs) * As at 31st March, 2014	Interest rate (%)	Earliest redemption date
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.

Financial Year: 2012-13

Date of Allotment	Face Value per Debenture (₹) ##	Amount outstanding (₹ in lakhs) * As at 31st March, 2013	Interest rate (%)	Earliest redemption date
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.

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.

2.3.2 Term Loan from banks and financial Institutions

Half year ended September, 2016

Particulars	Outstanding * (₹ in lakhs)	Repayment terms (₹ in lakhs)				Tenure (years)	Rate of Interest per annum	Nature of security
	As at 30September, 2016	Monthly	Quarterly	Half yearly	Single installment			
Rupee term loans								
From banks	97,003	52,847	32,156	-	12,000	3-6	10%-12%	Hypothecation of specific assets covered by hypothecation loan agreements and operating lease agreements with customers and receivables arising there from.
From financial institutions	34,210	19,210	15,000	-	-	5-6	10%-12%	
Total	**131,213**	**72,057**	**47,156**	**-**	**12,000**			
Foreign currency term loans								
From banks	45,433	-	12,034	33,399	-	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	9,885	-	-	9,885	-	5	<10%	
Total	**55,318**	**-**	**12,034**	**43,284**	**-**			

* Includes current maturities.

Financial Year: 2015-16

Particulars	Outstanding * (₹ in lakhs)	Repayment terms (₹ in lakhs)				Tenure (years)	Rate of Interest per annum	Nature of security
	As at 31st March, 2016	Monthly	Quarterly	Half yearly	Single installment			
Rupee term loans								
From banks	111,052	54,510	44,542	-	12,000	3-6	10%-12%	Hypothecation of specific assets covered by hypothecation loan agreements and operating lease agreements with customers and receivables arising there from.
From financial institutions	25,240	25,240	-	-	-	5-6	10%-12%	
Total	**136,292**	**79,750**	**44,542**	**-**	**12,000**			
Foreign currency term loans								
From banks	83,338	-	12,411	70,927	-	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	732	-	-	732	-	7-10	<10%	
Total	**84,070**	**-**	**12,411**	**71,659**	**-**			

* Includes current maturities.

Financial Year: 2014-15

Particulars	Outstanding * (₹ in lakhs)	Repayment terms (₹ in lakhs)				Tenure (years)	Rate of Interest per annum	Nature of security
	As at 31st March, 2015	Monthly	Quarterly	Half yearly	Single installment			
Rupee term loans								
From banks	163,079	50,121	100,958	-	12,000	3-6	10%-12%	Hypothecation of specific assets covered by hypothecation loan agreements and operating lease agreements with customers and receivables arising there from.
From financial institutions	37,300	37,300	-	-	-	5-6	11%-12%	
Total (A)	**200,379**	**87,421**	**100,958**	**-**	**12,000**			
Foreign currency term loans								
From banks	102,488	-	12,499	89,989	-	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	1,990	-	-	1,990	-	7-10	<10%	
Total (B)	**104,478**	**-**	**12,499**	**91,979**	-			

* Includes current maturities.

2.3.2 Term Loan from banks and financial Institutions

Financial Year: 2013-14

Particulars	Outstanding * (₹ in lakhs)	Repayment terms (₹ in lakhs)				Tenure (years)	Rate of Interest per annum	Nature of security
	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 institutions	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 lakhs lying in the bucket range of 12%-14% p.a

Financial Year: 2012-13

Particulars	Outstanding * (₹ in lakhs)	Repayment terms (₹ in lakhs)				Tenure (years)	Rate of Interest per annum	Nature of security
	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**	**137,228**	-			

* Includes current maturities.

** Includes ₹ 8,303 lakhs guaranteed by two directors of the Company.

The above figures includes ₹ 16,746 lakhs lying in the bucket range of 12%-14% p.a. and ₹ Nil lying in the bucket range of <10% p.a.

2.3.2 Term Loan from banks and financial Institutions

Financial Year: 2011-12

Particulars	Outstanding * (₹ in lakhs)	Repayment terms (₹ in lakhs)				Tenure (years)	Nature of security
	As at 31st March, 2012	Monthly	Quarterly	Half yearly	Single installment		
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

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

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, 2016

As at 30th Septemeber, 2016, the amount outstanding in respect of unsecured subordinated perpetual debentures is ₹ 3,750 lakhs which is 1.61% 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 or after 31st December, 2021 with prior approval of RBI.

Financial Year: 2015-16
As at 31st March, 2016, the amount outstanding in respect of unsecured subordinated perpetual debentures is ₹ 3,750 lakhs which is 1.64% 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 or after 31st December, 2021 with prior approval of RBI.

Financial Year: 2014-15
As at 31st March, 2015, the amount outstanding in respect of unsecured subordinated perpetual debentures is ₹ 3,750 lakhs which is 1.74% 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 or after 31st 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 had 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 had 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, 2016

During the half year ended 30th September, 2016, the Company raised subordinated redeemable non-convertible debentures qualifying for Tier II Capital amounting ₹ 5,350 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)	Coupon rate (%)	Earliest redemption date
		As at 30th September, 2016		
24 August 2016	10,00,000	3,000	9.50%	24 August 2026
26 May 2016	10,00,000	350	10.25%	26 May 2026
25 May 2016	10,00,000	2,000	10.75%	25 May 2026
31 March 2016	10,00,000	2,000	10.00%	31 March 2026
18 March 2016	10,00,000	500	10.70%	18 March 2026
05 February 2016	10,00,000	500	10.60%	05 February 2026
20 January 2016	10,00,000	500	10.60%	20 January 2026
11 January 2016	10,00,000	1,500	10.60%	11 January 2026
24 September 2015	10,00,000	500	10.50%	24 September 2025
20 August 2015	10,00,000	1,000	10.50%	20 August 2025
13 August 2015	10,00,000	15,000	10.75%	13 August 2025
16 March 2015	10,00,000	500	11.00%	16 March 2025
07 May 2013	10,00,000	2,080	11.25%	07 May 2023
24 September 2015	10,00,000	1,200	10.40%	24 April 2023
29 March 2016	10,00,000	200	10.70%	29 March 2023
24 January 2013	10,00,000	900	11.25%	24 January 2023
17 December 2012	10,00,000	1,700	11.50%	17 December 2022
13 August 2015	10,00,000	5,000	10.75%	13 August 2022
01 February 2016	10,00,000	700	10.15%	01 May 2021
24 September 2015	10,00,000	2,360	10.30%	24 April 2021
20 December 2013	10,00,000	1,000	11.10%	20 December 2020
27 September 2013	10,00,000	1,600	11.00%	27 September 2020
31 March 2015	10,00,000	3,600	11.00%	30 June 2020
29 June 2013	10,00,000	1,000	10.85%	29 June 2020
31 March 2010	10,00,000	7,450	10.00%	31 March 2020
19 March 2010	10,00,000	2,550	10.00%	19 March 2020
24 December 2009	10,00,000	10,000	10.00%	24 December 2019
29 November 2013	10,00,000	1,000	11.00%	29 May 2019
29 November 2013	10,00,000	500	11.00%	29 May 2019
24 July 2013	10,00,000	1,500	10.75%	24 May 2019
29 June 2013	10,00,000	2,500	10.75%	29 April 2019
28 March 2013	10,00,000	2,500	11.50%	28 September 2018
27 September 2011	10,00,000	6,800	12.00%	27 September 2018
08 February 2013	10,00,000	5,000	11.60%	08 August 2018
07 May 2013	10,00,000	1,500	11.10%	07 August 2018
31 March 2011	10,00,000	5,000	11.50%	31 March 2018
03 August 2007	10,00,000	10,000	12.00%	03 August 2017
30 December 2011	10,00,000	2,500	12.60%	30 July 2017
31 March 2011	10,00,000	-	11.00%	30 September 2016
26 October 2010	10,00,000	-	9.15%	26 April 2016
Total		**107,490**		

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

Financial Year: 2015-16

During the year ended 31st March, 2016, the Company raised subordinated redeemable non-convertible debentures qualifying for Tier II Capital amounting ₹ 30,960 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)	Coupon rate (%)	Earliest redemption date
		As at 31st March, 2016		
31 March 2016	10,00,000	2,000	10.00%	31 March 2026
18 March 2016	10,00,000	500	10.70%	18 March 2026
05 February 2016	10,00,000	500	10.60%	05 February 2026
20 January 2016	10,00,000	500	10.60%	20 January 2026
11 January 2016	10,00,000	1,500	10.60%	11 January 2026
24 September 2015	10,00,000	500	10.50%	24 September 2025
20 August 2015	10,00,000	1,000	10.50%	20 August 2025
13 August 2015	10,00,000	15,000	10.75%	13 August 2025
16 March 2015	10,00,000	500	11.00%	16 March 2025
07 May 2013	10,00,000	2,080	11.25%	07 May 2023
24 September 2015	10,00,000	1,200	10.40%	24 April 2023
29 March 2016	10,00,000	200	10.70%	29 March 2023
24 January 2013	10,00,000	900	11.25%	24 January 2023
17 December 2012	10,00,000	1,700	11.50%	17 December 2022
13 August 2015	10,00,000	5,000	10.75%	13 August 2022
01 February 2016	10,00,000	700	10.15%	01 May 2021
24 September 2015	10,00,000	2,360	10.30%	24 April 2021
20 December 2013	10,00,000	1,000	11.10%	20 December 2020
27 September 2013	10,00,000	1,600	11.00%	27 September 2020
31 March 2015	10,00,000	3,600	11.00%	30 June 2020
29 June 2013	10,00,000	1,000	10.85%	29 June 2020

31 March 2010	10,00,000	7,450	10.00%	31 March 2020
19 March 2010	10,00,000	2,550	10.00%	19 March 2020
24 December 2009	10,00,000	10,000	10.00%	24 December 2019
29 November 2013	10,00,000	1,000	11.00%	29 May 2019
29 November 2013	10,00,000	500	11.00%	29 May 2019
24 July 2013	10,00,000	1,500	10.75%	24 May 2019
29 June 2013	10,00,000	2,500	10.75%	29 April 2019
28 March 2013	10,00,000	2,500	11.50%	28 September 2018
27 September 2011	10,00,000	6,800	12.00%	27 September 2018
08 February 2013	10,00,000	5,000	11.60%	08 August 2018
07 May 2013	10,00,000	1,500	11.10%	07 August 2018
31 March 2011	10,00,000	5,000	11.50%	31 March 2018
03 August 2007	10,00,000	10,000	12.00%	03 August 2017
30 December 2011	10,00,000	2,500	12.60%	30 July 2017
31 March 2011	10,00,000	2,500	11.00%	30 September 2016
26 October 2010	10,00,000	5,000	9.15%	26 April 2016
Total		**109,640**		

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

Financial Year: 2014-15

During the year ended 31st March,2015, the Company raised subordinated redeemable non-convertible debentures qualifying for Tier II Capital amounting ₹ 4,100 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)	Coupon rate (%)	Earliest redemption date
		As at 31st March, 2015		
16 March 2015	10,00,000	500	11.00%	16 March 2025
07 May 2013	10,00,000	2,080	11.25%	07 May 2023
24 January 2013	10,00,000	900	11.25%	24 January 2023
17 December 2012	10,00,000	1,700	11.50%	17 December 2022
20 December 2013	10,00,000	1,000	11.10%	20 December 2020
27 September 2013	10,00,000	1,600	11.00%	27 September 2020
31 March 2015	10,00,000	3,600	11.00%	30 June 2020
29 June 2013	10,00,000	1,000	10.85%	29 June 2020
31 March 2010	10,00,000	7,450	10.00%	31 March 2020
19 March 2010	10,00,000	2,550	10.00%	19 March 2020
24 December 2009	10,00,000	10,000	10.00%	24 December 2019
29 November 2013	10,00,000	1,000	11.00%	29 May 2019
29 November 2013	10,00,000	500	11.00%	29 May 2019
24 July 2013	10,00,000	1,500	10.75%	24 May 2019
29 June 2013	10,00,000	2,500	10.75%	29 April 2019
28 March 2013	10,00,000	2,500	11.50%	28 September 2018
27 September 2011	10,00,000	6,800	12.00%	27 September 2018
08 February 2013	10,00,000	5,000	11.60%	08 August 2018
07 May 2013	10,00,000	1,500	11.10%	07 August 2018
31 March 2011	10,00,000	5,000	11.50%	31 March 2018
03 August 2007	10,00,000	10,000	12.00%	03 August 2017
30 December 2011	10,00,000	2,500	12.60%	30 July 2017
31 March 2011	10,00,000	2,500	11.00%	30 September 2016
26 October 2010	10,00,000	5,000	9.15%	26 April 2016
Total		**78,680**		

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)	Coupon rate (%)	Earliest redemption date
		As at 31st March, 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: 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)	Coupon rate (%)	Earliest redemption date
		As at 31st March, 2013		
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.

2.3.6 Unsecured Subordinated Term Loans (Tier II Capital)

Half year ended September, 2016

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Tenure (years)	Rate of Interest per annum
	As at 30th September, 2016	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	11%-13%
Foreign currency loans from banks	16,850	-	16,850	-	10	<10%
Total	**41,850**	**10,000**	**21,850**	**10,000**		

** Payable after moratorium of 06 months
# Payable after moratorium of 09 months

Financial Year: 2015-16

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Tenure (years)	Rate of Interest per annum
	As at 31st March, 2016	Quarterly	Half yearly	Single installment		
Subordinated term loans (Tier II Capital)						
Rupee loan from banks	30,000	10,000**	5,000#	15,000	5-7	11%-13%
Total	**30,000**	**10,000**	**5,000**	**15,000**		

** Payable after moratorium of 12 months
# Payable after moratorium of 15 months

Financial Year: 2014-15

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Tenure (years)	Rate of Interest per annum
	As at 31st March, 2015	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 moratorium of 24 months
# Payable after moratorium of 27 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**	5,000#	10,000	5-7	12%-14%
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)	Repayment terms (₹ in lakhs)			Tenure (years)
	As at 31st March 2012	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
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.

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 31st March 2012	Quarterly	Half yearly	Single installment	
Other foreign currency loans					
From financial institutions	1,222	-	1,222	-	8
Total	**1,222**	**-**	**1,222**	**-**	

* It includes current maturities.

2.3.8 Unsecured non-convertible debentures

Half year ended September, 2016

During the half year ended 30th September, 2016, the Company raised unsecured non-convertible debentures amounting ₹ 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 30th September, 2016	Coupon rate (%)	Earliest redemption date
28 April 2016	10,00,000	100	10.00%	28 April 2020

The above debentures is redeemable at par in single installment.

2.4 DEFERRED TAX LIABILITIES (NET)

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.

The break-up of major components of such Deferred tax liabilities (net) is as follows:

(₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Deferred tax liability on :						
Depreciation on Fixed Assets	21,766	20,766	21,386	18,010	16,577	11,979
Deferred Revenue Expenditure	1,460	1,447	1,544	2,209	2,153	2,140
Gross deferred tax liability (A)	23,226	22,213	22,930	20,219	18,730	14,119
Deferred tax asset on :						
Provisions for Non Performing Assets and Standard assets	5,033	4,771	4,535	4,441	3,313	2,883
Derivative financial liability on Interest rate swaps (Transitional effect)	141	-	-	-	-	-
Derivative financial assets on Cross Currency Interest rate swaps (Transitional effect)	9	-	-	-	-	-
Depreciation on fixed assets (Transitional effect)	44	44	44	-	-	-
Others	279	232	196	84	130	103
Gross deferred tax asset (B)	5,506	5,047	4,775	4,525	3,443	2,986
Net Deferred Tax Liability (A-B)	**17,720**	**17,166**	**18,155**	**15,694**	**15,287**	**11,133**

2.5 OTHER LONG TERM LIABILITIES

(₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Trade Payables						
Acceptances	1,112	2,340	427	817	457	972
Others						
Interest accrued but not due on borrowings	212	557	4,444	2,711	5,268	2,451
Sundry liabilities (Interest Capitalisation) Account *	-	-	-	943	-	-
Trade deposits received	13,907	13,299	8,699	10,079	9,590	8,657
Others liabilities**	29	60	173	-	-	-
Forward contract payable	-	-	-	-	-	312
Total	**15,260**	**16,256**	**13,743**	**14,550**	**15,315**	**12,392**

* As per Reserve Bank of India Guidelines

** It represents Derviative Financial Liability Interest rate swaps as at 30th September, 2016 amounting to ₹ 7 lakhs (31st March, 2016: ₹ Nil lakhs, 31st March, 2015 : ₹ NIL lakhs) and Deferred Payment Liability

2.6 LONG-TERM PROVISIONS

(₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Provision for employee benefits (refer note 2.30)						
Provision for Gratuity	806	669	567	248	400	320
Provision for compensated absence	1,305	1,069	1001	729	680	568
(A)	2,111	1,738	1,568	977	1,080	888
Less: Current portion of provision for employee benefits (refer note 2.10)						
Provision for Gratuity	-	-	100	200	150	100
Provision for compensated absence	207	148	133	108	92	76
(B)	207	148	233	308	242	176
C=(A-B)	1,904	1,590	1,335	669	838	712
Other provisions						
- Contingent provision against standard assets	2,814	2,381	2,737	1,627	2,009	1,486
(D)	**2,814**	**2,381**	**2,737**	1,627	2,009	1,486
Total (C+D)	**4,718**	**3,971**	**4,072**	**2,296**	**2,847**	**2,198**

2.7 SHORT TERM BORROWINGS

(₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
A. Secured						
From Banks :						
Working capital facilities (Rupee loan) [Note (a) below]	711,187	726,461	711,900	657,715	671,142	412,053
Working capital facilities (Foreign Currency loan) [Refer note (a) below]	15,410	2,493	-	-	-	-
Short- term foreign currency loan from banks [Note (b) below]		-	-	-	8,145	20,200
Buyer's credit foreign currency loans [Note (c) below]	12,207	15,195	10,882	22,737	27,692	22,307
Short- term rupee loan [Note (d) below]	-	12,500	12,500	7,500	-	-
From Others :						
Debentures [refer note 2.7.1]	20,000	6,500	17,000	-	26,250	-
(A)	758,804	763,149	752,282	687,952	733,229	454,560
B. Unsecured						
From others :						
Commercial papers [Note (e) below]	19,795	-	66,284	51,569	10,409	11,597
(B)	19,795	-	66,284	51,569	10,409	11,597
Total (A+B)	**778,599**	**763,149**	**818,566**	**739,521**	**743,638**	**466,157**

(a) Working capital facilities from banks (Rupee loan)

Half year ended September, 2016

Working capital facilities (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, 2016 working capital facilities from banks include working capital demand loans aggregating ₹ 492,500 lakhs. Rate of interest for working capital demand loans ranges from 9% to 11% per annum and for other working capital facilities, ranges from 10% to 14% per annum. Working capital Facilities in the form of foreign currency demand loan from bank bearing interest rate will not exceed 10.50% per annum

Financial Year: 2015-16

Working capital facilities (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, 2016 working capital facilities from banks include working capital demand loans aggregating ₹ 690,000 lakhs. Rate of interest for working capital demand loans including Foreign currency demand loan ranges from 9% to 11% per annum and for working capital facilities, ranges from 10% to 14% per annum. Working capital Facilities in the form of foreign currency demand loan from bank bearing interest rate will not exceed 10.50% per annum.

Financial Year: 2014-15

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, 2015 working capital facilities from banks include working capital demand loans aggregating ₹ 441,300 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 14% 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.

(b) Short- term foreign currency loan from banks

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, 2016 and Financial Year: 2015-16, 2014-15 and 2013-14
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 for working capital facilities bearing interest rate of less than 10% per annum.

Financial Year: 2012-13 and 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 for working capital facilities.

(d) Short- term rupee loan from banks
Half year ended September, 2016 and Financial Year: 2015-16
Short- term rupee loans from banks bearing interest rate from 9% to 10% 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: 2014-15
Short- term rupee 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) Commercial papers - Others
Half year ended September, 2016
Rate of Interest ranges from 8% to 9% per annum. The maximum amount outstanding during the half year ended was ₹ 172,500 lakhs.
Financial Year: 2015-16
Rate of Interest ranges from 7% to 10% per annum . The maximum amount outstanding during the year ended was ₹ 450,000 lakhs.
Financial Year: 2014-15
Rate of Interest ranges from 9% to 10% per annum. The maximum amount outstanding during the year was ₹ 408,500 lakhs.
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.

SREI EQUIPMENT FINANCE LIMITED
Notes to Financial Statements
Schedules to the Statement of Assets & Liabilities, As Reformatted

2.7.1 Secured Non-Convertible Debentures

Half year ended September, 2016

Date of allotment	Face Value per debenture (₹)	Amount outstanding (₹ in lakhs) *	Interest Rate (%)	Earliest redemption date
22 August 2016	1,000,000	20,000	9.00%	22 August 2018**
Total		**20,000**		

* All the above debentures are redeemable at par.
** Contains put options excercisable on a quarterly basis
Security: The above non-convertible debentures are 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.

Financial Year: 2015-16

Date of allotment	Face Value per debenture (₹)	Amount outstanding (₹ in lakhs) *	Interest Rate (%)	Earliest redemption date #
04 July 2014	1,000,000	6,000	10.95%	04 July 2016
15 May 2014	1,000,000	500	10.95%	15 May 2016
Total		**6,500**		

* All the above debentures are redeemable at par.
# These debentures contains put option exercisable on or after 1 year

Security: The above non-convertible debentures are 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.

Financial Year: 2014-15

Date of allotment	Face Value per debenture (₹)	Amount outstanding (₹ in lakhs) *	Interest Rate (%)	Earliest redemption date #
04 July 2014	1,000,000	12,000	10.65%	04 July 2016
15 May 2014	1,000,000	5,000	10.65%	15 May 2016
Total		**17,000**		

* All the above debentures are redeemable at par.
# These debentures contains put option exercisable on or after 1 year

Security: The above non-convertible debentures are 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.

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.

2.8 TRADE PAYABLES

2.8 (i) Due to Micro and Small Enterprises

(₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day.	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
	-	
Total	**-**	**-**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Financial Year 2014-15, 2013-14 and 2012-13
No interest was payable by the Company during the year ended 31st March, 2015, 31st March, 2014 and 31st March, 2013 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 2011-12
No interest was payable by the Company during the year ended 31st March, 2012 to the 'Suppliers' covered under the Micro, Small and Medium Enterprise Development Act, 2006. The above information takes into account only those suppliers who have responded to enquiries made by the Company for this purpose.

2.8 (ii) Due to others

(₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Due to others						
Acceptances	43,264	32,044	7,258	6,470	3,254	19,011
Other than acceptance	87,069	44,019	30,355	20,501	32,524	45,682
Employees payables	467	634	598	507	2,008	1,155
Commission payable to Directors	69	115	153	226	270	197
Total	**130,869**	**76,812**	**38,364**	**27,704**	**38,056**	**66,045**

2.9 OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Current maturities of long-term borrowings (refer note 2.3)	121,019	144,338	166,392	160,834	178,113	213,679
(A)	121,019	144,338	166,392	160,834	178,113	213,679
Interest accrued but not due on borrowings	13,581	19,420	9,279	13,885	10,660	6,308
Sundry liablities (Interest Capitalisation) Account *	-	-	1,436	3,117	-	-
Other payables						
Trade deposits received	5,600	4,927	7,504	2,604	1,294	521
Forward contracts payable	1,365	740	437	877	1,619	966
Advances from customers for operating leases	451	146	75	124	833	148
Other liabilities **	1,971	2,063	1,866	1,780	1,912	1,735
(B)	22,968	27,296	20,597	22,387	16,318	9,678
Total (A + B)	**143,987**	**171,634**	**186,989**	**183,221**	**194,431**	**223,357**

* As per Reserve Bank of India Guidelines

** It includes Swap and hedging premium accrued but not due as at 30th September, 2016 amounting to : ₹ 479 lakhs, 31st March, 2016 : 860 lakhs, 31st March, 2015 :1,197 lakhs, 31st March, 2014 :1,247 lakhs, 31st March, 2013 :1,513 lakhs, 31st March, 2012 : 1441 lakhs, Deferred Payment Liabilities as at 30th September, 2016 amounting to : ₹ 104 lakhs, 31st March, 2016 : ₹ 140 lakhs, 31st March, 2015 : ₹ 127 lakhs, 31st March, 2014 : Nil lakhs, 31st March, 2013 : Nil lakhs, 31st March, 2012 : Nil lakhs and statutory remittances as at 30th September, 2016 amounting to : ₹ 1,165 lakhs, 31st March, 2016 : ₹ 913 lakhs, 31st March, 2015 : ₹ 410 lakhs, 31st March, 2014 : ₹ 380 lakhs, 31st March, 2013 : ₹ 287 lakhs, 31st March, 2012 : ₹ 213 lakhs

SREI EQUIPMENT FINANCE LIMITED
Notes to Financial Statements
Schedules to the Statement of Assets & Liabilities, As Reformatted

2.10 SHORT TERM PROVISIONS

(₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Provision for employee benefits (refer note 2.6)						
Provision for Gratuity	-	-	100	200	150	100
Provision for compensated absence	207	148	133	108	92	76
(A)	207	148	233	308	242	176
Provision - Others						
- Contingent provision against standard assets	1,941	1,619	578	1,653	1,305	961
Provision for Income taxes *	523	1,176	2,437	8,735	6,395	3,546
(B)	2,464	2,795	3,015	10,388	7,700	4,507
Total (A+B)	**2,671**	**2,943**	**3,248**	**10,696**	**7,942**	**4,683**
* Net of Advance tax / Tax deducted at source	47,735	45,001	38,234	31,823	20,611	14,079

SREI EQUIPMENT FINANCE LIMITED
Notes to Financial Statements
Schedules to the Statement of Assets & Liabilities, As Reformatted

2.11 PROPERTY PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Gross block						Depreciation/amortization/Impairment						Net book value					
	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
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	92	92	72	15	14	12	10	8	6	77	78	80	82	84	66
Furniture and fixtures	2,384	2,381	2,227	2,129	2,036	1,944	1,705	1,590	1,335	1,097	839	561	679	791	892	1,032	1,197	1,383
Motor vehicles	306	306	233	204	186	153	117	94	58	52	59	66	189	212	175	152	127	87
Computers and office equipments	2,278	2,295	1,474	1,353	1,245	1,161	1,374	1,219	991	782	618	521	904	1,076	483	571	627	640
(A)	**5,064**	**5,078**	**4,030**	**3,782**	**3,563**	**3,334**	**3,211**	**2,917**	**2,396**	**1,941**	**1,524**	**1,154**	**1,853**	**2,161**	**1,634**	**1,841**	**2,039**	**2,180**
Assets given on operating lease																		
Aircrafts	806	806	806	806	806	806	407	387	347	307	258	209	399	419	459	499	548	597
Earthmoving Equipments	59,098	51,529	52,011	31,709	27,624	24,800	24,211	20,374	17,601	12,739	10,316	6,155	34,887	31,155	34,410	18,970	17,308	18,645
Motor vehicles	76,085	73,820	88,927	61,868	54,977	46,870	42,722	40,540	37,496	30,430	23,509	15,618	33,363	33,280	51,431	31,438	31,468	31,252
Plant & Machinery *#	66,759	39,702	32,742	27,900	23,612	20,134	20,138	17,128	11,994	7,976	5,472	3,235	46,621	22,574	20,748	19,924	18,140	16,899
Wind Mills *#	43,277	43,277	43,277	40,277	40,277	40,277	13,737	12,640	10,075	8,011	5,846	3,683	29,540	30,637	33,202	32,266	34,431	36,594
Computers	33,073	36,082	31,688	26,710	23,937	18,834	21,291	22,370	16,185	10,387	6,911	3,427	11,782	13,712	15,503	16,323	17,026	15,407
Furniture and fixtures	8,593	7,734	7,275	6,127	4,629	2,971	3,775	3,349	2,716	2,030	1,306	531	4,818	4,385	4,559	4,097	3,323	2,440
(B)	**287,691**	**252,950**	**256,726**	**195,397**	**175,862**	**154,692**	**126,281**	**116,788**	**96,414**	**71,880**	**53,618**	**32,858**	**161,409**	**136,162**	**160,312**	**123,517**	**122,244**	**121,834**
Total for Tangible assets (C)= (A+B)	**292,755**	**258,028**	**260,756**	**199,179**	**179,425**	**158,026**	**129,492**	**119,705**	**98,810**	**73,821**	**55,142**	**34,012**	**163,262**	**138,323**	**161,946**	**125,358**	**124,283**	**124,014**
II. Intangible assets:																		
Assets for Own use																		
Softwares	5,020	4,756	4,158	3,204	742	675	3,135	2,641	1,746	1,072	551	400	1,885	2,115	2,412	2,132	191	275
Tenancy right	8	8	8	8	8	8	8	8	8	8	8	8	-	-	-	-	-	-
(D)	**5,028**	**4,764**	**4,166**	**3,212**	**750**	**683**	**3,143**	**2,649**	**1,754**	**1,080**	**559**	**408**	**1,885**	**2,115**	**2,412**	**2,132**	**191**	**275**
Assets given on operating lease																		
Softwares	3,394	3,640	3,217	3,836	3,087	2,341	2,261	2,279	1,738	2,182	1,468	900	1,133	1,361	1,479	1,654	1,619	1,441
(E)	**3,394**	**3,640**	**3,217**	**3,836**	**3,087**	**2,341**	**2,261**	**2,279**	**1,738**	**2,182**	**1,468**	**900**	**1,133**	**1,361**	**1,479**	**1,654**	**1,619**	**1,441**
Total for Intangible assets (F)= (D+E)	**8,422**	**8,404**	**7,383**	**7,048**	**3,837**	**3,024**	**5,404**	**4,928**	**3,492**	**3,262**	**2,027**	**1,308**	**3,018**	**3,476**	**3,891**	**3,786**	**1,810**	**1,716**
Total for Fixed Assets (C+ F)	**301,177**	**266,432**	**268,139**	**206,227**	**183,262**	**161,050**	**134,896**	**124,633**	**102,302**	**77,083**	**57,169**	**35,320**	**166,280**	**141,799**	**165,837**	**129,144**	**126,093**	**125,730**

* Gross Block as at 31st March, 2016 includes assets pending to be given on operating lease amounting to ₹ 8,256 lakhs

Additions for the year ended 31st March, 2015 includes assets pending to be given on operating lease amounting to ₹ 8,635 lakhs

As a result of the change in the estimated useful life, the charge on account of depreciation for the year ended 31st March, 2015, is lower by ₹ 1,185 lakhs compared to useful lives estimated in earlier periods. In case of assets whose useful lives have ended, the carrying value, net of residual value as at 1st April, 2014 amounting to ₹ 86 lakhs (net of deferred tax of ₹ 44 lakhs) has been adjusted to the opening surplus in the Statement of Profit and Loss as on 1st April, 2014 pursuant to the provisions of Schedule II to the Companies Act, 2013

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 year ended 31st March, 2016 lease payments charged to the Statement of Profit and Loss with respect to such leasing arrangements aggregate to ₹ 2607 lakhs, 31st March, 2015: ₹ 2,361 lakhs, 31st March, 2014: ₹ 2,256 lakhs, 31st March, 2013: ₹ 2,036 lakhs, 31st March, 2012: ₹ 1,885 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 year ended 31st March, 2016 total lease payments aggregating to ₹ 113 lakhs, 31st March, 2015: ₹ 111 lakhs, 31st March, 2014: ₹ 107 lakhs, 31st March, 2013: ₹ 178 lakhs, 31st March, 2012: ₹ 216 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 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Not later than one year	39	108	116	137	161
Later than 1 year but not later than 5 years	43	74	151	110	229
Later than five years	-	-	8	-	-
Total	**82**	**182**	**275**	**247**	**390**

None of the operating lease agreements entered into by the Company provides for any contingent rent payment.

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 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Not later than one year	39,523	43,402	34,249	37,946	32,156
Later than 1 year but not later than 5 years	63,688	88,304	59,837	65,707	75,181
Later than five years	10,208	15,394	18,611	18,017	22,984
Total	**113,419**	**147,100**	**112,697**	**121,670**	**130,321**

c) In the capacity of lessor (Finance Lease)

The Company has given assets 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 period.

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 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
i. Not later than one year;	345	345	74	70	-
ii. Later than one year and not later than five years;	601	946	151	225	-
iii. Later than five years;	-	-	-	-	-
Total	**946**	**1,291**	**225**	**295**	**-**

Unearned finance Income (₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
i. Not later than one year;	96	132	23	30	-
ii. Later than one year and not later than five years;	91	187	22	45	-
iii. Later than five years;	-	-	-	-	-
Total	**187**	**319**	**45**	**75**	**-**

Minimum lease payments (₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
i. Not later than one year;	244	209	51	40	-
ii. Later than one year and not later than five years;	504	748	129	180	-
iii. Later than five years;	-	-	-	-	-
Total	**748**	**957**	**180**	**220**	**-**

2.13- INVESTMENTS

Non Current Investments **(₹ in lakhs)**

Particulars	As at 30th September, 2016		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012	
	Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
Non trade investments (unquoted) **												
Others:												
Pass Through Certificates -Series A2 in Indian Infrastructure Equipment Receivable Trust, December 2012 37 units of Face Value of ₹ 1,29,512 each as at 31st March 2015, of ₹ 4,72,156 each as at 31st March, 2014 and of ₹ 9,09,897.50/- each as at 31st March, 2013	-		-	-	2	46	48	127	184	153	-	-
Pass Through Certificates -Series A2 in Indian Infrastructure Equipment Receivable Trust, December 2013 12 units of Face Value of ₹10,00,756.63 each as at 31st March, 2016 and of 5,32,744 each as at 31st March, 2015 and of ₹ 9,12,259 each as at 31st March, 2014.	-		-	20	20	44	65	44	-	-	-	-
Pass Through Certificates -Series A2 in Indian Infrastructure Equipment Receivable Trust, October 2014 114 units of Face Value of ₹ 10,04,717.81 each as at 30th September, 2016 and 31st March, 2016 and of 8,52,551 each** as at 31st March, 2015	33	274	148	370	529	443	-	-	-	-	-	-
Pass Through Certificates -Series A2 in Indian Infrastructure Equipment Receivable Trust, December 2014 49 units of Face Value of ₹ 10,02,123.56 each as at 30th September, 2016 and 31st March, 2016 and of 9,10,071 each ** as at 31st March, 2015	28	124	70	182	254	192	-	-	-	-	-	-
Subtotal (A)	**61**	**398**	**218**	**572**	**805**	**725**	**113**	**171**	**184**	**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)	**61**	**398**	**218**	**572**	**805**	**725**	**113**	**2,971**	**184**	**2,953**	**-**	**-**

* At cost or market value, whichever is lower
** At cost

2.14 FINANCIAL ASSETS

Non current maturities (₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
(Secured, considered good, unless otherwise stated)						
Financial assets * # @	824,465	836,633	785,425	792,397	854,197	625,560
Less : Bad debts for the period / year /Provision against Non Performing Assets	28,176	54,053	47,824	37,222	24,470	20,616
Total	**796,289**	**782,580**	**737,601**	**755,175**	**829,727**	**604,944**

Current maturities (₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
(Secured, considered good, unless otherwise stated)						
Financial assets * # @	361,971	363,134	417,595	448,282	427,710	317,614
Total	**361,971**	**363,134**	**417,595**	**448,282**	**427,710**	**317,614**

Short term (₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
(Secured, considered good, unless otherwise stated)						
Financial assets * # @	226,385	217,843	230,954	170,482	103,429	81,088
Total	**226,385**	**217,843**	**230,954**	**170,482**	**103,429**	**81,088**

As at period/year end, the financial assets includes the following: (₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
* Non-performing assets of	43,099	45,440	79,352	77,140	46,551	36,076
@ Restructured standard assets under Corporate Debt Restructuring (CDR) / Strategic Debt Restructuring (SDR) mechanism of	47,777**	52,473**	81,610	41,203	3,864	-

** Net of advances/deposits

Half year ended September, 2016

The above financial assets / receivables 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: 2015-16, 2014-15

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

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 Year: 2012-13 and 2011-12

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.

As at period/year end, the financial assets includes the following : (₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Assets pending to be given on finance (repossessed assets)	83,914	89,334	50,193	44,632	8,317	3,964
Tangible assets acquired in satisfaction of debt	23,753	24,076	44,138	9,880	3,918	2,773
Equity shares acquired in satisfaction of debt	-	98	98	-	-	-
Compulsory Convertible Preference Shares acquired in consideration of receivables under Corporate Debt Restructuring (CDR) Mechanism	5,447	-	-	-	-	-
Equity shares acquired in consideration of receivables under Corporate Debt Restructuring (CDR) Mechanism.	508	677	1,023	-	-	-
Equity shares acquired in consideration of receivables under Strategic Debt Restructuring (SDR) Mechanism	159	204	-	-	-	-

2.14 FINANCIAL ASSETS (GROSS)- (CONTD…)
Disclosure of Restructured Accounts

Financial Year: 2015-16

(₹ in lakhs)

Sl No	Type of Restructuring / Asset Classification / Details		Under CDR Mechanism: Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts on April 1, 2015	No. of Borrowers	8	2	-	-	10
		Amount Outstanding	81,610	4,299	-	-	85,909
		Provision there on *	6,205	490	-	-	6,695
2	Fresh restucturing during the year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding#	-	-	-	-	-
		Provision there on *#	-	-	-	-	-
3	Upgradation to restructured Standard category during the Year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-			
		Provision there on *	-	-	-	-	-
4	Restructured Standard advances which cease to attract higher provisioning and/ or additional risk weight and hence need not be	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision there on *	-	-	-	-	-
5	Downgradations of restructured accounts during the Year	No. of Borrowers	(1)	1			1
		Amount Outstanding	(178)	170			170
		Provision there on *	(9)	17			17
6	Write-Offs of restructured accounts during the Year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision there on *	-	-	-	-	-
7	Restructured Accounts on March 31, 2016	No. of Borrowers	7	2	-	-	9
		Amount Outstanding	52,473	1,497	-	-	53,970
		Provision there on *	5,609	349	-	-	5,958

Fresh restructuring during the year includes fresh / additional sanction to existing restructured accounts
* Provision as stated above includes provision for diminution in fair value of restructured advances

Financial Year: 2014-15

(₹ in lakhs)

Sl No	Type of Restructuring / Asset Classification / Details		Under CDR Mechanism: Standard	Sub-Standard	Doubtful	Loss	Total
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 year	No. of Borrowers	2	-	-	-	2
		Amount Outstanding#	37,312	-	-	-	37,312
		Provision there on *#	2,151	-	-	-	2,151
3	Upgradation to restructured Standard category during the Year	No. of Borrowers	1	(1)	-	-	-
		Amount Outstanding	7,465	(7,431)			7,465
		Provision there on *	452	(743)			452
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	(2)	2			2
		Amount Outstanding	(4,370)	4,299			4,299
		Provision there on *	(289)	490			490
6	Write-Offs of restructured accounts during the Year	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision there on *	-	-	-	-	-
7	Restructured Accounts on March 31, 2015	No. of Borrowers	8	2	-	-	10
		Amount Outstanding	81,610	4,299	-	-	85,909
		Provision there on *	6,205	490	-	-	6,695

Fresh restucturing during the year of fresh / additional sanction to existing restructured accounts
* Provision as stated above includes provision for dimunition in fair value of restructured advances.

Financial Year: 2013-14

(₹ in lakhs)

Sl No	Type of Restructuring / Asset Classification / Details		Under CDR Mechanism: Standard	Sub-Standard	Doubtful	Loss	Total
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	8,048**	(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.

SREI EQUIPMENT FINANCE LIMITED
Notes to Financial Statements
Schedules to the Statement of Assets & Liabilities, As Reformatted

2.15 OTHER LONG-TERM ADVANCES

(₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
(Unsecured, considered good)						
Capital advances	2,539	501	1,053	892	5,295	3,762
Security deposits						
- To Related Parties (refer note 2.29)	43	804	803	812	1,103	1,103
- To Others	267	195	195	370	41	373
Balances with Service Tax / VAT Authorities etc.	281	279	848	890	1,069	639
Other loans and advances						
- Advances to employees	103	53	29	27	31	32
- Advance income tax (net of Income tax provision of ₹ 162 lakhs as at 30th September, 2016, of ₹ 162 lakhs as at 31st March, 2016, ₹ 162 lakhs as at 31st March, 2015; ₹ 162 lakhs as at 31st March, 2014; ₹ 162 lakhs as at 31st March, 2013; ₹ 295 lakhs as at 31st March, 2012)	488	488	488	488	488	309
Total	**3,721**	**2,320**	**3,416**	**3,479**	**8,027**	**6,218**

2.16 OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
(Unsecured, considered good)						
Miscellaneous expenditure to the extent not written off or adjusted	-	-	-	-	28	111
Non-current portion of other bank balances						
- Fixed deposit with banks (refer note 2.18)	212	2,754	37	2,268	1,992	9,424
Unamortized public issue expenses for non convertible debentures	249	385	-			
Prepaid expenses	2,384	2,465	2,020	3,369	3,764	4,075
Receivable on forward exchange contracts	2,890	7,837	15,020	20,315	13,250	17,246
Derivative Financial Assets CCIRS	624	-	-	-	-	-
Other advances*	-	-	26	26	50	81
Total	**6,359**	**13,441**	**17,103**	**25,978**	**19,084**	**30,937**
* Includes Deferred Premium on Forward Contracts of	-	-	-	-	-	30

2.17 TRADE RECEIVABLES #

(₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
(Unsecured, considered good unless otherwise stated)						
Debts outstanding for a period exceeding six months from the date they became due						
Considered good	-	3,104	498	301	8	105
Considered doubtful (Non Performing Assets)	-	-	-	600	151	37
	-	**3,104**	**498**	**901**	**159**	**142**
Other debts						
Considered good	4,411	3,879	6,092	5,741	3,737	2,416
Considered doubtful (Non Performing Assets)	-	-	-	17	155	-
	4,411	**3,879**	**6,092**	**5,758**	**3,892**	**2,416**
	4,411	**6,983**	**6,590**	**6,659**	**4,051**	**2,558**
Less: Provision for bad and doubtful debts		-	-	62	31	4
Total	**4,411**	**6,983**	**6,590**	**6,597**	**4,020**	**2,554**

Trade receivables includes amount due in respect of Operating leases only

2.18 CASH AND BANK BALANCES

(₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
A. Cash and cash equivalents						
Cash in hand	872	945	671	678	448	222
Balances with banks- In current accounts	15,527	2,477	13,925	20,099	23,493	18,314
Fixed deposits with banks (having original maturity of 3 months or less) *	-	5,766	-	-	1,011	1,974
(A)	**16,399**	**9,188**	**14,596**	**20,777**	**24,952**	**20,510**
B. Other bank balances						
Fixed deposit with banks (having original maturity of more than 3 months but less than 12 months) **	13,068	2,181	7,559	30,997	53,085	50,352
Fixed deposit with banks (having original maturity of more than 12 months) **	6,659	12,168	13,211	12,230	26,849	34,851
Less: Non-current portion of other bank balances (refer note 2.16)	212	2,754	37	2,268	1,992	9,424
(B)	**19,515**	**11,595**	**20,733**	**40,959**	**77,942**	**75,779**
Total (A+B)	**35,914**	**20,783**	**35,329**	**61,736**	**102,894**	**96,289**
* Includes deposits under lien with banks as security aggregating	-	-	-	-	1,011	874
** Includes deposits under lien with banks as security aggregating	19,641	19,911	20,531	42,798	79,822	84,967

2.19 OTHER SHORT TERM ADVANCES

(₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
(Unsecured, considered good)						
Advances to employees	208	292	615	250	219	164
Security deposits						
- To Related Parties (refer note 2.29)	1,534	747	725	647	322	322
- To Others	141	384	308	121	431	96
Balances with Service Tax / VAT Authorities etc.	924	693	673	638	1,066	1,481
Advances to vendors	1,140	926	959	423	320	110
Total	**3,947**	**3,042**	**3,280**	**2,079**	**2,358**	**2,173**

2.20 OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Interest accrued on fixed deposits	43	53	54	258	311	434
Miscellaneous expenses to the extent not written off or adjusted	-	-	-	28	84	84
Unamortized public issue expenses for non convertible debentures	276	275	168	-	-	-
Prepaid expenses	1,150	1,055	1,773	2,316	2,613	2,268
Receivable on forward exchange contracts	5,047	11,741	8,040	3,287	7,232	6,476
Derivative Financial Assets CCIRS	1,336	-	-	-	-	-
Others *	1,066	374	234	651	801	716
Total	**8,918**	**13,498**	**10,269**	**6,540**	**11,041**	**9,978**
* Includes Deferred Premium on Forward Contracts of	840	353	210	571	756	635

2.21 REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Half year ended 30th September, 2016	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012
Income from Financial Assets*#	100,801	221,399	221,107	215,847	192,024	154,553
Income from Operating Lease	21,530	38,522	35,988	40,296	36,409	22,321
Interest on Fixed Deposits	604	1,400	3,004	5,609	7,934	4,905
Interest Income from Investments	18	67	45	41	116	-
Liabilities no longer required written back	-	-	-	-	837	-
Total	**122,953**	**261,388**	**260,144**	**261,793**	**237,320**	**181,779**

* Includes interest income aggregating to ₹ 48,329 lakhs for the half year ended 30th September, 2016, ₹ 207,174 lakhs for year ended 31st March, 2016, ₹ 210,145 lakhs for year ended 31st March, 2015

Includes interest income amounting to ₹ 205,745 lakhs for year ended 31st March, 2014, ₹ 177,660 lakhs for year ended 31st March, 2013 and ₹ 140,130 lakhs for the year ended 31st March, 2012, fee income and other income attributable to financial assets.

2.22 OTHER INCOME

(₹ in lakhs)

Particulars	Half year ended 30th September, 2016	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012
Profit on sale from current investments	-	-	754	-	-	31
Dividend income from current investments	8	112	72	135	44	34
Profit on sale of fixed assets (Net)	20	-	-	-	-	-
Miscellaneous income	6	9	8	5	13	8
Total	**34**	**121**	**834**	**140**	**57**	**73**

2.23 EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	Half year ended 30th September, 2016	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012
Salaries and bonus	6,230	12,771	12,201	8,050*	9,889	8,572
Contribution to provident and other funds	264	548	525	438	396	353
Gratuity (refer note no. 2.30)	139	139	355	50	182	113
Staff welfare	227	367	370	334	304	369
Managerial remuneration	398	772	805	731	750	691
Total	**7,258**	**14,597**	**14,256**	**9,603**	**11,521**	**10,098**

* Includes provision no longer required written back in respect of performance incentive for the year ended 31st March, 2014 aggregating to ₹ 855 lakhs accrued in the previous year

2.24 FINANCE COST

(₹ in lakhs)

Particulars	Half year ended 30th September, 2016	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012
Interest expense	60,482	122,977	113,048	132,781	114,931	87,567
Other borrowing costs	5,786	18,762	31,313	20,540	20,935	15,152
Net (Gain)/Loss on foreign currency transaction and translations	2	32	(133)	52	878	1,758*
Total	**66,270**	**141,771**	**144,228**	**153,373**	**136,744**	**104,477**

* Includes foreign exchange loss to the extent considered as an adjustment to borrowing cost amounting to ₹ 1,057

2.25 OTHER EXPENSES

(₹ in lakhs)

Particulars	Half year ended 30th September, 2016	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012
Communication expenses	211	434	384	369	320	276
Legal and professional fees	1,731	3,933	4,490	2,914	2,041	1,537
Electricity charges	212	363	381	339	326	230
Rent	1,417	2,720	2,472	2,363	2,214	2,101
Rates and taxes	20	28	22	27	33	14
Brokerage and service charges	1,075	2,019	1,598	1,060	1,655	1,632
Auditor’s remuneration (refer note 2.25.1 below)	48	185	127	116	121	114
Repairs to machineries	837	1,336	936	661	450	446
Repairs others	855	1,681	1,669	1,070	1,034	866
Travelling and conveyance	1,275	2,607	2,658	2,415	2,184	1,979
Director’s sitting fees	11	13	12	2	1	1
Insurance	66	106	57	28	32	27
Printing and stationery	117	221	187	187	161	125
Advertisement and subscription	61	185	197	126	177	218
Conference and seminar	21	234	75	172	108	296
Corporate social responsibility expenses	128	210	127	-	-	-
Charity and donations	4	19	379	383	348	387
Loss on sale of Fixed assets (net)	-	71	238	184	86	146
Exchange Fluctuations (Net)	-	123	-	-	-	-
Miscellaneous expenses	382	731	835	611	564	359
Total	**8,471**	**17,219**	**16,844**	**13,027**	**11,855**	**10,754**

2.25.1 Payment to Auditors

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012
Audit Fees	50	50	46	36	35
Other services (certification etc.)	123	70*	63	82	74
Reimbursement of expenses	12	7#	7	3	5
Total	185	127	116	121	114

* Includes payment to erstwhile auditor amounting to ₹ 8 lakhs
# Includes payment to erstwhile auditor amounting to ₹ 3 lakhs

2.26 SEGMENT REPORTING
Half year ended September, 2016, Financial Year 2015-16, 2014-15, 2013-14, 2012-13 and 2011-12

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.

2.27 EARNING PER SHARE

Particulars	Half year ended 30th Sepetmeber, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Net Profit attributable to Equity Shareholders (₹ in lakhs)	6,883	11,526	15,302	22,538	26,992	19,723
Weighted average number of Equity Shares Basic (Nos.)	59,660,000	59,660,000	59,660,000	59,660,000	56,704,658	52,454,590
Weighted average number of Potential Equity Shares (Nos.)	-	-	-	-	-	-
Weighted average number of Equity Shares Diluted (Nos.)	59,660,000	59,660,000	59,660,000	59,660,000	56,704,658	52,454,590
Nominal Value of Equity per share (₹)	10	10	10	10	10	10
Basic and Diluted Earnings per share (₹)	11.54	**19.32**	**25.65**	**37.78**	**47.60**	**37.60**

2.28 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in lakhs)

Particulars	Half year ended 30th Sepetmeber, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Contingent liabilities						
Claims against the company not acknowledged as debt						
Disputed demands*						
- Sales tax	204	345	171	62	7	7
- Service tax	1,893	19	55	555	555	9,110
- Value added tax (VAT)	1,272	1,282	906	527	237	29
- Income tax	5,300	5,300	397	1,232	1,186	586
(A)	**8,669**	**6,946**	**1,529**	**2,376**	**1,985**	**9,732**
Guarantees						
Bank guarantees**#	148	352	144	480	786	786
Bank Guarantees against receivables securitized / assigned	-	-	-	-	-	8,648
(B)	**148**	**352**	**144**	**480**	**786**	**9,434**
Total (A+B)	**8,817**	**7,298**	**1,673**	**2,856**	**2,771**	**19,166**

Commitments						
Estimated amount of capital contracts remaining to be executed (Net of advances)	11,613	1,579	1,426	3,792	6,470	4,182
Advances	2,539	501	748	892	5,295	3,762
Other commitments (refer note 2.28.1)						

* The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and result of operations.

** Excludes ₹ 56 lakhs as at 30th September, 2016 issued on behalf of the holding company against which the Company holds counter guarantee.

Excludes ₹ 56 lakhs as at 31st March, 2016, ₹ 697 lakhs as at 31st March, 2015, ₹ 697 lakhs as at 31st March, 2014, ₹ 697 lakhs as at 31st March, 2013, ₹ 892 lakhs as at 31st March, 2012 issued on behalf of the Joint Venturer to give effect to the Scheme of Arrangement, against which the Company holds counter guarantee.

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:

Category	Currency	As at 30th September, 2016		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012 #	
		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
Currency Options / Swaps	USD/INR	7	USD 867	12	USD 1,177	12	USD 1651	13	USD 1,922	22	USD 2,761	24	USD 2,556
Currency Options / Swaps	YEN/USD	-	-	-	-	-	-	1	YEN 13,598	1	YEN 26,217	1	YEN 38,401
Currency Options / Swaps	EUR/INR	1	EURO 225	-	-	1	EUR 17	1	EUR 28	2	EUR 48	3	EUR 73
Currency Options / Swaps	SGD/USD	1	SGD 84	1	SGD 126	1	SGD 209	1	SGD 279	1	SGD 349	1	SGD 349
Forward Contracts	USD/INR	16	USD 251	12	USD 174	9	USD 47	25	USD 110	22	USD 250	44	USD 299
Forward Contracts	EUR/INR	16	EURO 159	21	EURO 97	14	EUR 57	21	EUR 120	26	EUR 160	41	EUR 223
Forward Contracts	YEN/INR	-	-	-	-	-	-	1	YEN 515	-	-	-	-
Forward Contracts	AUD/INR	-	-	-	-	1	AUD 10	-	-	-	-	-	-
Forward Contracts	SGD/INR	-	-	-	-	1	SGD 27	-	-	-	-	1	SGD 6
Forward Contracts	CHF/INR	-	-	-	-	-	-	-	-	1	CHF 4	1	CHF 4
Interest Rate Swaps	USD/INR	2	USD 150	5	USD 722	6	USD 1101	6	USD 1,247	7	USD 1,528	7	USD 1,573
Interest Rate Swaps	EUR/INR	-	-	1	EURO 6	1	EURO 17	1	EUR 28	1	EUR 39	1	EUR 50

Foreign currency exposures aggregating to ₹ 10,835 lakhs as at 31st March, 2012 is not hedged by derivative instruments.

2.29 Related Party Disclosure

Related party disclosures, as stipulated by “AS 18: Related Party Disclosures” are given below:

List of Related Parties

Holding Company	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Srei Infrastructure Finance Limited	√	-	-	-	-	-

Equity shares constituting 50% of the paid up Equity share capital of the Company held by BNP Paribas Lease Group (BPLG) has been transferred in favour of Srei Infrastructure Finance Limited (SIFL). Consequently, the Company has become a wholly owned subsidiary of SIFL with effect from 17th June, 2016.

Fellow Subsidiares	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Srei Capital Markets Limited	√	-	-	-	-	-
Srei Alternative Investment Managers Limited	√	-	-	-	-	-
Srei Infrastructure Advisors Limited	√	-	-	-	-	-
Controlla Electrotech Private Limited	√	-	-	-	-	-
Srei Mutual Fund Asset Management Private Limited	√	-	-	-	-	-
Srei Mutual Fund Trust Private Limited	√	-	-	-	-	-
Srei Insurance Broking Private Limited	√	-	-	-	-	-
Quippo Oil & Gas Infrastructure Limited	√	-	-	-	-	-
Quippo Energy Limited	√	-	-	-	-	-
Srei Asset Reconstruction Private Limited	√	-	-	-	-	-

Joint Venture	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Srei Infrastructure Finance Limited	-	√	√	√	√	√
BNP Paribas Lease Group	-	√	√	√	√	√

Equity shares constituting 50% of the paid up Equity share capital of the Company held by BNP Paribas Lease Group (BPLG) has been transferred in favour of Srei Infrastructure Finance Limited (SIFL). Consequently, the Company has become a wholly owned subsidiary of SIFL with effect from 17th June, 2016.

Key management personnel (KMP)	Designation	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Mr. Hemant Kanoria	Chairman and Managing Director	√	√	√	√	√	√
Mr. Sunil Kanoria	Vice Chairman	√	√	√	√	√	√
Mr. D K Vyas	Chief Executive Officer	√	√	√	√	√	√
Mr. CR Sudharsanam(Till 30th June, 2016)	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, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Ms. Sangeeta Vyas	Spouse of Chief executive officer	√	√	√	√	√	√

Enterprise over which KMP is having significant influence	As at 30th September, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
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, 2016		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012	
		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) Holding Company													
Srei Infrastructure Finance Limited (ceased to be joint Venture w.e.f. 16th June, 2016)	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	-						
	Purchase of equity shares of Srei Asset Reconstruction Private Limited	-	-	-	-	5	-	-	-	-	-	-	-
	Valuation Fees	-	-	15	-	14	-	-	-	-	-	-	-
	Balance receivable - Others	-	-	-	-	-	29	-	-	-	-	-	-
	Balance Payable - Others	-	-	-	-	-	351	-	-	-	-	-	-
	Rent payment	911	-	1,735	-	1,643	-	1,568	-	1,456	-	1,388	-
	Security Deposit paid for Leased Premises	26	1,577	22	1,551	69	1,528	-	1,425	-	1,425	54	1,425
	Refund of Security Deposit paid for Leased Premises	-	-	-	-	-	-	-	-	-	-	50	-
	Refund of Security Deposit on sub-letting of Leased premises.	-	-	-	-	-	-	-	-	-	-	7	-
(B) Subsidiary of Holding Company:													
Quippo Oil and Gas Infrastructure Limited	Assets Given on Operating Lease	25,655	25,655	-	-	-	-	-	-	-	-	-	-
(C) Joint Venture													
BNP Paribas Lease Group (ceased to be joint Venture w.e.f. 16th June, 2016)	Issue of equity shares including securities premium	-	-	-	-	-	-	-	-	9,982	-	4,991	-
	Professional fees	12	-	159	-	1,338	-	-	-	-	-	-	-
	Balance payable	-	-	-	-	-	1,242	-	-	-	-	-	-
(D) Key management personnel (KMP):													
Mr. Hemant Kanoria#	Managerial Remuneration	199	59	380	98	406	118	361	129	375	167	346	99
Mr. Sunil Kanoria#	Managerial Remuneration	199	45	392	78	399	101	370	128	375	159	345	99
Mr. D K Vyas	Remuneration	122	10	292	10	236	9	261	24	245	16	175	-
	Loan Given / (Repayment)	-	-	-	-	-	-	(13)	-	(22)	13	(21)	35
	Interest Income on loan given	-	-	-	-	-	-	-	**	2	-	5	-
	Rent paid for leased premise	5	-	8	-	8	-	5	-	-	-	-	-
Mr. CR Sudharsanam (Till 30th June, 2016)	Salary and Allowances	30	-	87	-	82	-	85	-	94	-	82	-
	Advance given	-	-	-	5	-	5	-	5	-	-	-	-
	Refund taken	5	-	-	-	-	-	-	-	-	-	-	-
Mr. Naresh Mathur	Salary and Allowances	12	1	26	1	18	1	-	-	-	-	-	-
Mr. Sanjay Chaurasia	Loan Given / (Repayment)	-	-	-	-	(****)	5	(****)	-	-	-	-	-
	Interest income	-	-	-	-	*****	-	*****	-	-	-	-	-
	Remuneration	-	-	-	-	3	***	-	***	-	-	-	-
(D) Transaction 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
	Loan given	-	-	-	-	-	-	-	-	-	12,093	-	12,501

** ₹ 41,759

*** ₹ NIL as on 31st March, 2016 (₹ 22,525 as on 31st March 2015)

****(₹ NIL during the year ended 31st March, 2016) (₹ 25,104 during the year ended 31st March, 2015) (₹ 22,733 during the year ended 31st March, 2014)

*****(₹ Nil during the year ended 31st March, 2016) (₹ 6,023 during the year ended 31st March'2015) (₹8,394 during the year ended 31st March' 2014)

** During the period ended 30th September' 2016 Equity shares constituting 50% of the paid up Equity share capital of the Company held by BNP Paribas Lease Group (BPLG) has been transferred in favour of Srei Infrastructure Finance Limited (SIFL). Consequently, the Company has become a wholly owned subsidiary of SIFL with effect from 17th June, 2016.

Apart from the transactions referred above, Mr. Hemant Kanoria, Chairman & Managing Director and Mr. Sunil Kanoria, Vice Chairman of the Company have extended their personal guarantees in favour of financial institution / banks, the outstanding amount of which as at 31st March, 2015 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 31st March, 2015, ₹ Nil lakhs, 31st March, 2014: ₹ 840 lakhs, 31st March, 2013: ₹ 4,428 lakhs and 31st March, 2012: ₹ 10,112 lakhs, respectively for the loans taken by the Company from such institutions / banks.

2.30 Employee Benefits

Financial Year:- 2015-16, 2014-15, 2013-14, 2012-13 & 2011-12

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 (funded)				
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Current service cost	242	167	177	145	123
Interest cost	92	75	62	50	39
Expected return on plan assets	(55)	(50)	(42)	(28)	(20)
Past Service Cost	-	-	-	-	-
Net actuarial losses/(gains)	(140)	163	(147)	15	(29)
Net benefit expense (refer note no 2.23 **: employee benefit expenses)**	**139**	**355**	**50**	**182**	**113**
Expected return on plan assets	8.75%	8.75%	9.25%	9.25%	9.25%
Actual Return					9.25%

(₹ in lakhs)

Particulars	Compensated absence (Unfunded)				
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Current service cost	260	254	205	192	204
Interest cost	36	29	28	24	18
Expected return on plan assets	-	-	-	-	-
Past Service Cost	-	-	-	-	-
Net actuarial losses/(gains)	81	261	33	72	78
Net benefit expense (refer note no 2.23 : employee benefit expenses)	**377**	**544**	**266**	**288**	**300**
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Return	N.A.	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, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Defined benefit obligation	1,347	1,202	815	767	586
Fair value of plan assets	(678)	(635)	(567)	(367)	(266)
Net liability	**669**	**567**	**248**	**400**	**320**

(₹ in lakhs)

Particulars	Compensated absence				
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Defined benefit obligation	1,069	1,001	729	680	568
Fair value of plan assets	-	-	-	-	-
Net liability	**1069**	**1001**	**729**	**680**	**568**

(c) Changes in the present value of the defined benefit obligations are as follows:

(₹ in lakhs)

Particulars	Gratuity				
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Opening defined benefit obligation	1,202	815	767	586	468
Interest cost	92	75	62	50	39
Current service cost	242	167	177	145	123
Benefit paid	(49)	(18)	(33)	(25)	(15)
Actuarial losses/(gains)	(140)	163	(158)	11	(29)
Plan Amendments	-	-	-	-	-
Closing defined benefit obligation	**1,347**	**1,202**	**815**	**767**	**586**

(₹ in lakhs)

Particulars	Compensated absence				
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Opening defined benefit obligation	1,001	729	680	568	412
Interest cost	36	29	28	24	18
Current service cost	260	254	205	192	204
Benefit paid	(309)	(272)	(217)	(176)	(144)
Actuarial losses/(gains)	81	261	33	72	78
Plan Amendments	-	-	-	-	-
Closing defined benefit obligation	**1,069**	**1,001**	**729**	**680**	**568**

(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, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Opening fair value of plan assets	635	567	367	266	177
Expected return on plan assets *	55	50	42	28	20
Contribution by the Company	36	37	202	102	84
Benefits paid	(49)	(18)	(33)	(25)	(15)
Actuarial (losses) / gains	1	(1)	(11)	(4)	-
Closing fair value of plan assets	**678**	**635**	**567**	**367**	**266**

* Determined based on government bond rate

e) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

Particulars	Gratuity				
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
	%	%	%	%	%
Investments with Insurer	100	100	100	100	100

(f) The principal assumptions used in determining the gratuity and leave liability are as shown below:

Particulars	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Discount rate (%)	7.80%	7.80%	9.25%	8.20%	8.70%
Expected Return on Plan Assets (Gratuity Scheme)	8.75%	8.75%	9.25%	9.25%	9.25%
Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate

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

(₹ in lakhs)

Particulars	Gratuity				
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Defined benefit obligation	1,347	1,202	815	767	586
Fair value of plan assets	678	635	567	367	266
Deficit	669	567	248	400	320
Experience adjustments on plan liabilities – gains/ (losses)	139	53	28	42	3
Experience adjustments on plan assets – gains/(losses)	1	(1)	(10)	(4)	-

(₹ in lakhs)

Particulars	Compensated absence				
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Defined benefit obligation	1,069	1,001	729	680	568
Fair value of plan assets	-	-	-	-	-
Deficit	1,069	1,001	729	680	568
Experience adjustments on plan liabilities – gains/ (losses)	(81)	(170)	(89)	(46)	(92)
Experience adjustments on plan assets – gains/(losses)	-	-	-	-	-

h) 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.

i) Best estimate of employers expected contributionto the gratuity fund for the next year ₹ Nil as at 30 September, 2016; ₹ 100 lakhs as at 31 March, 2016; ₹ 200 lakhs as at 31 March, 2015; ₹ 150 lakhs as at 31 March, 2014; ₹ 100 lakhs as at 31 March, 2013; ₹ 100 lakhs as at 31 March, 2012.

j) Amount provided for defined contribution plans are as follows:

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Provident fund	555	522	474	432	386
Employee state insurance	11	9	7	7	10
Total *	**566**	**531**	**481**	**439**	**396**

* Includes in respect to Managerial Personal.

2.31 C.I.F Value of Imports

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Capital goods (for operating lease)	3,328	3,554	1,282	1,745	13,163
Total	**3,328**	**3,554**	**1,282**	**1,745**	**13,163**

2.32 Expenditure in Foreign Currency

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Finance charges	4,352	5,297	6,943	6,822	6,559
Others	1,715	1,475	192	132	119
Total	**6,067**	**6,772**	**7,135**	**6,954**	**6,678**

2.33 Financial Year 2015-16

Information as required by terms of paragraph 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 and annex 4 of Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015 is furnished vide Annexure I attached herewith.

Financial Year 2014-15, 2013-14, 2012-13, 2011-12

Information as required by Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is furnished vide Annexure – I attached herewith.

2.34 IMPAIRMENT OF ASSETS

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 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 under highly competitive market conditions. Based on the above, impairment losses aggregating ₹ 536 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 have been recognized in the Statement of Profit and Loss for the year ended 31st March, 2012.

2.35 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 of the financial statements.

2.36 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

2.37 Financial Year 2012-13

Consequent to the changes in business dynamics and operations and emerging trend of useful lives of various items of fixed assets deployed under operating lease during the year the company has changed the estimated useful life of Plant & Machinery, Heavy earthmoving Equipment, Motor Vehicles and Furniture & Fixture as under:

Particulars	Useful life considered earlier (in months)	Revised life (in months)
Plant & Machinery	72 to 253	60 to 144
Heavy Earth Moving Equipment	106	72
Motor Vehicles	74	66
Furniture and Fixture	96 to 190	84

2.38 Half Year Ended September, 2016

The Company's ultimate tax liability will be decided based on the taxable profit for the year ended 31st March, 2017

2.39 COMPARATIVE FIGURES

Half Year Ended September, 2016, Financial Year 2015-16, 2014-15, 2013-14, 2012-13, 2011-12

Previous year figures have been regrouped / rearranged wherever considered necessary to correspond with the current year classification/disclosure.

2. 40 Asset under management

2.40.1 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	Year Ended 31st March, 2016	Year Ended 31st March, 2015	Year Ended 31st March, 2014	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Total number of contracts securitized	3,550	2,821	4,570	3484	367
Book Value of contracts securitized	32,378	43,096	87,314	67,409	19,555
Sales consideration *	32,378	43,096	87,314	67,409	19,555
Gain/(Loss) (net) on securitization	-	-	-	-	-
Subordinated assets as on Balance Sheet date	-	-	-	-	-

* excludes unmatured finance charges thereon.

The aggregate amount of collateral security provided by the Company against the securitized pools stands as follows on the Balance Sheet date:

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Bank/Other deposits provided as collateral as on Balance Sheet date	16,686	20,356	16,622	8,011	2,837
Credit enhancements provided by third parties;					
-First loss facility			-		1,580
-Second loss facility			-		1,703

2.40.2 Assignment of receivables

Financial Year 2015-16

In terms of Reserve Bank of India guidelines on securitisation of assets issued on 21st August,2012, during the year ended 31st March, 2016, the Company has assigned financial assets to the extent of ₹ 204,167 lakhs for purchase consideration of ₹ 204,167 lakhs. The total amount of exposures retained by the Company on such assignment to comply with the Minimum Retention Requirement (MRR) is ₹ 22,813 lakhs. Assets assigned are derecognized from the books of account. As at 31st March, 2016 the Company has lodged bank deposits of Nil as collateral against total assigned contracts outstanding at the year ended 31st March 2016.

Financial Year 2014-15

In terms of Reserve Bank of India guidelines on securitisation of assets issued on 21st August,2012, during the Year ended 31st March,2015, the Company has assigned financial assets to the extent of ₹ 101,998 lakhs for purchase consideration of ₹ 101,998 lakhs . The total amount of exposures retained by the Company on such assignment to comply with the Minimum Retention Requirement (MRR) is ₹ 11,394 lakhs . Assets assigned are derecognized from the books of account. At 31st March, 2015 the Company has lodged bank deposits of ₹ Nil lakhs as collateral against total assigned contracts outstanding at the year ended 31st March, 2015.

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 for purchase consideration of ₹ 50,000 lakhs . The total amount of exposures retained by the Company on such assignment to comply with the Minimum Retention Requirement (MRR) is ₹ 5,000 lakhs. Assets assigned are derecognized from the books of account. At 31st March, 2014 the Company has lodged bank deposits of ₹ 25,700 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 for purchase consideration of ₹ Nil. Assets assigned are derecognized from the books of account. At 31st March, 2013 the Company has lodged bank deposits of ₹ 72,164 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 for purchase consideration of ₹ 413,798 lakhs . Assets assigned are derecognized from the books of account. At 31st March, 2012 the Company has provided corporate guarantee of ₹ Nil as stated in Note no. 2.28 and bank deposits of ₹ 78,474 lakhs as collateral against these contracts outstanding at the year end.

2.40.3 Co-branded arragements:

Financial Year 2011-12

During the year ended 31st March, 2012 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.

2.40.4 The Aggregate amount of assets derecognized/loans originated in terms of paragraphs 2.40.1 to 2.40.3 above that are Assets Under Management of the Company are as under :

Particulars	Amount outstanding (₹ in lakhs)				
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Securitization	66,291	92,809	113,189	65,462	15,603
Assignment of Receivables	227,274	112,530	90,730	217,348	443,635
Total	**293,565**	**205,339**	**203,919**	**282,810**	**459,238**

2.40.5 Disclosure as per revised guidelines on Securitisation Transactions and annex 4 of Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015

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, 2016 #	As at 31st March, 2015 #	As at 31st March, 2014	As at 31st March, 2013
No of SPVs sponsored by the NBFC for securitisation transactions	7	12	9	6
Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	66,291	92,809	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	15,074	17,479	15,043	6,432
* Others	790	1,530	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	1,612	2,877	1,579	1,579
ii) Exposure to third party securitisations				
* First loss	-	-	-	-
* Others	-	-	-	-

\# The above figures are based on the information obtained from the SPVs, which is duly certified by the SPV's auditor.

2.40 Asset under management (CONTINUED)

2.40.6 Disclosure as per revised guidelines on Securitisation Transactions

In terms of Reserve Bank of India Guidelines on Assignment of Receivables issued on 21st August, 2012, details of direct assignment contracts by the Company outstanding at the year ended are as under:

		31st March 2016	31st March 2015	31st March 2014	31st March 2013
Sl.No	**Particulars**	**No. / (₹ in lakhs)**	**No. / (₹ in lakhs)**	**No. / (₹ in lakhs)**	**No. / (₹ in lakhs)**
1	No of transactions assigned by the Company	23	10	2	-
2	Total amount outstanding	227,274	112,530	50,000	-
3	Total amount of exposures retained by the NBFC to comply with Minimum Retention Requirement (MRR) as on the date of Balance Sheet				
	a) Off-balance sheet exposures				
	* First loss	-	-	-	-
	* Others	-	-	-	-
	b) On-balance sheet exposures				
	* First loss	-	-	-	-
	* Others	24,179	11,394	5,000	-
4	Amount of exposures to securitisation transactions other than MRR				
	a) Off-balance sheet exposures				
	i) Exposure to own securitisations				
	* First loss	-	-	-	-
	* Loss	-	-	-	-
	ii) Exposure to third party securitisations				
	* First loss	-	-	-	-
	* Others	-	-	-	-
	b) On-balance sheet exposures				
	i) Exposure to own securitisations				
	* First loss	-	-	-	-
	* Others	-	-	-	-
	ii) Exposure to third party securitisations				
	* First loss	-	-	-	-
	* Others	-	-	-	-

2. 41 ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS

Disclosure of details as required in terms of paragraphs 13 of Systematically Importatnt Non Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, paragraphs 10 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and annex 4 of Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015

1. Capital to Risk Asset Ratio (CRAR)

(₹ in lakhs)

Sl no.	Items	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
i	CRAR (%)	19.62	17.05	17.13	16.19	16.92
ii	CRAR – Tier I Capital (%)	14.65	13.35	12.63	11.47	11.08
iii	CRAR – Tier II Capital (%)	4.97	3.70	4.50	4.72	5.84
iv	Amount of subordinated debt raised as Tier-II capital	35,960	4,100			
v	Amount raised by issue of perpetual Debt Instruments	-	-			

2. Exposure to Real Estate

(₹ in lakhs)

Category	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
a) Direct Exposure					
(i) Residential Mortgages					
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	-	-	-	-	-
(ii) Commercial Real Estate			-	-	-
Lending secured by mortgages on commercial real estates (office buildings, retail space, 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;	50,299	6,000	-	-	-
(iii) Investments in Mortgage Securities (MBS) and other securitised exposures					
a. Residential,	-	-	-	-	-
b. Commercial Real Estate	-	-	-	-	-
b) Indirect exposure	-	-	-	-	-
Total Exposure to Real Estate Sector	**50,299**	**6,000**	-	-	-

3. Exposure to Capital Market

(₹ in lakhs)

SL No	Category	As at 31st March, 2016	As at 31st March, 2015
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		-	-

4. Details of Assignment transactions undertaken by NBFCs

(₹ in lakhs, except in respect of total number of accounts)

SL No	Particulars	As at 31st March, 2016	As at 31st March, 2015
(i)	Number of accounts	10,424	4,764
(ii)	Aggregate value (net of provisions) of accounts sold	204,167	101,998
(iii)	Aggregate consideration	204,167	101,998
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

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5. Asset Liability Management

F.Y. 2015-16 Maturity pattern of certain items of assets and liabilities as at 31st March, 2016 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
Deposits	-	-	-	-	-	-	-	-	-
Advances	89,832	96,910	72,012	117,040	248,435	650,768	198,875	17,787	1,491,659
Investments	54	54	54	157	253	218	-	-	790
Borrowings	64,370	54,707	54,763	94,388	198,309	451,365	114,773	9,307	1,041,982
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	491	-	-	11,101	20,452	2,340	-	-	34,384

Notes:

1. The borrowings indicated above do not include unsecured subordinated perpetual debentures and unsecured subordinated debentures/loan amounting to ₹ 1,43,390 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. 2014-15 Maturity pattern of certain items of assets and liabilities as at 31st March, 2015 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	49,590	56,229	69,563	93,576	186,806	425,242	102,568	17,276	1,000,850
Market Borrowings	11,304	48,047	10,321	30,403	35,691	56,557	3,850	2,000	198,173
Assets									
Advances	95,569	105,123	80,006	134,312	271,774	637,277	178,593	48,965	1,551,619
Investments	60	60	60	181	364	798	7	-	1,530
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	195	621	1,807	1,932	2,703	428	-	-	7,686

Notes :

1. The borrowings indicated above do not include unsecured subordinated perpetual debentures and unsecured subordinated debentures/loan amounting to ₹ 107,430 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. 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;

(₹ 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	52,707	39,117	45,141	82,746	181,914	515,402	152,968	25,910	1,095,905
Market Borrowings	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
Investments	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;

(₹ 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	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.

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(₹ in lakhs)

Sl. No.	Particulars	As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012	
		Amount Outstanding	Amount overdue	Amount Outstanding	Amount overdue	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities side:										
6)	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**										
	a) Debentures										
	- Secured	70,250	-	97,803	-	61,247	-	118,984		119,299	-
	- Unsecured	122,666	-	88,926	-	83,828	-	70,255		58,218	-
	(Other than falling within the meaning of public deposits)										
	b) Deferred Credits	-	-	-	-	-	-	-	-	-	-
	c) Term loans	234,371	-	319,129	-	420,564	-	441,375		382,280	-
	d) Inter- corporate loans and borrowings	-	-	-	-	-	-	-	-	-	-
	e) Commercial paper	-	-	66,284	-	51,569	-	10,409		11,597	-
	f) Other Loans (Tier II Loan, Buyers Credit, Working Capital Demand Loan etc)	778,061	-	748,033	-	709,044	-	729,543		468,599	-

Financial Year 2015-16 and 2014-15

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
		Amount outstanding	Amount outstanding
	Assets side:		
7)	**Break-up of Loans and Advances including bills receivables** [other than those included in (4) below]:		
	(a) Secured	-	-
	(b) Unsecured	27,065	33,321
	Total (a) + (b)	**27,065**	**33,321**
8)	**Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities**		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease	759	972
	(b) Assets on operating Lease	144,506	168,381
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		-
	(b) Repossessed Assets	89,334	50,193
	(iii) Other loans counting towards AFC activities		
	(a) Loans where Assets have been repossessed	89,334	50,193
	(b) Loans other than (a) above	1,327,517	1,382,809

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(₹ in lakhs)

Sl. No.	Particulars	As at 31st March, 2016 Amount outstanding	As at 31st March, 2015 Amount outstanding
9	**Break up of Investments**		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities		
	(v) Others (Pass Through Certificates etc)	790	1530
	Long term Investments		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-

(₹ in lakhs)

SL. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
10	**Value of Investments**		
(i)	**Gross Value of Investments**	**790**	**1,530**
	(a) In India	790	1,530
	(b) Outside India,	-	-
(ii)	**Provisions for Depreciation**	**-**	**-**
	(a) In India	-	-
	(b) Outside India,	-	-
(iii)	**Net Value of Investments**	**790**	**1,530**
	(a) In India	790	1,530
	(b) Outside India.	-	-
11	**Movement of provisions held towards depreciation on investments**		
(i)	Opening balance	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
12	**Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account**		
(i)	Provision for depreciation on Investment	Nil	Nil
(ii)	Bad debts written off (Net)/Provision for Non Performing Assets	38,933	33,622
(iii)	Provision made towards Income tax	4,517	7,434
(iv)	Other Provision and Contingencies (with details)		
	- Provision for Employee Benefits	516	899
	- Provision for Standard Assets	685	35
		44,651	**41,990**

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13) Borrower Group-wise Classification of assets financed as in (8) above

(₹ in lakhs)

Sl. No.	Related Parties	Amount net of provisions														
		As at 31st March, 2016			As at 31st March, 2015			As at 31st March, 2014			As at 31st March, 2013			As at 31st March, 2012		
		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	1,508,063		1,508,063	1,554,531	-	1,554,531	1,505,707	-	1,505,707	1,488,749	-	1,488,749	1,129,475	-	1,129,475

14) Investor Groupwise Classification of all Investments in Shares and Securities

(₹ in lakhs)

Sl. No.	Related Parties	As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012	
		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 NAV	Book value (net of provision)
1	Related parties**										
	a) Subsidiaries	-	-	-	-	-	-	-	-	-	-
	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

** As per AS 18: Related Party Disclosures as per ICAI

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15. Concentration of Advances*

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March' 2016	As at 31st March' 2015
(i)	Total Advances to twenty largest borrowers	309,313	287,444
(ii)	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	20.07%	18.05%

* It Includes Loan and assets given on Operating Lease

16. Concentration of Exposures

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March' 2016	As at 31st March' 2015
(i)	Total Exposure to twenty largest borrowers / customers	274,583	290,633
(ii)	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	22.21%	21.64%

17. Concentration of NPAs

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March' 2016	As at 31st March' 2015
(i)	Total Exposure to top four NPA accounts	12,591	31,023

18. Sector-wise NPAs

(₹ in lakhs)

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		As at 31st March' 2016	As at 31st March' 2015
(i)	Agriculture & allied activities	*	*
(ii)	MSME		
(iii)	Corporate borrowers		
(iv)	Services		
(v)	Unsecured personal loans		
(vi)	Auto loans		
(vii)	Other personal loans		

* The Company is engaged in the business of Infrastructure equipment financing and registered as an Asset Finance Company under the RBI regulations. Our portfolio has been bifurcated in sectors which are based on assets financed specifically in various Infrastructure sectors which includes construction, mining, irrigation , earthmoving, railway projects, road projects,etc.

19. Movement of Non Performing Assets (NPAs) (₹ in lakhs)

SL. No.	Particulars	As at 31st March' 2016	As at 31st March' 2015
(i)	**Net NPAs to Net Advances (%) ***	1.99%	3.83%
(ii)	**Movement of NPAs (Gross)**		
	(a) Opening balance	79,352	77,757
	(b) Additions during the year	22,702	50,762
	(c) Reductions during the year **	56,614	49,167
	(d) Closing balance	45,440	79,352
(iii)	**Movement of Net NPAs**		
	(a) Opening balance	60,984	63,556
	(b) Additions during the year	21,009	46,642
	(c) Reductions during the year **	51,237	49,214
	(d) Closing balance	30,756	60,984
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
	(a) Opening balance	18,369	14,201
	(b) Provisions made during the year	5,546	11,427
	(c) Write-off / write-back of excess provisions	9,231	7,259
	(d) Closing balance	14,684	18,369

* Net NPA on advances

** It includes write- off during the year

20. Details of non-performing financial assets purchased : (₹ in lakhs)

SL No :	Particulars	31st March' 2016	31st March' 2015
(i)	(a) No. of accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
(ii)	(a) Of these, number of accounts restructured during the year	-	-
	(b) Aggregate outstanding	-	-

21. Details of Non-performing Financial Assets sold : (₹ in lakhs)

SL No :	Particulars	31st March' 2016	31st March' 2015
(i)	No. of accounts sold	-	-
(ii)	Aggregate outstanding	-	-
(iii)	Aggregate consideration received	-	-

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22) Other Information:

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
i.	Gross Non-Performing Assets					
	(a) Related Parties	-	-	-	-	-
	(b) Other than related Parties	45,440	79,352	77,758	46,857	36,113
ii.	Net Non-Performing Assets					
	(a) Related Parties	-	-	-	-	-
	(b) Other than related Parties	30,756	60,983	63,557	35,547	25,261
iii.	Assets acquired in satisfaction of debt	24,076*	45,260*	9,880	3,918	2,773

* Further,it include equity shares acquired in satisfaction of debt as well as those acquired in consideration of receivables under Corporate Debt Restructuring (CDR) Mechanism and Strategic Debt Restructuring (SDR) aggregating ₹ 98 lakhs as at 31st March, 2016, ₹ 98 Lakhs as at 31st March, 2015, ₹ 677 lakhs as at 31st March, 2016, ₹ 1,023 Lakhs as at 31st March, 2015, ₹ 204 lakhs as at 31st March, 2016 and ₹ Nil as at 31st March, 2015 respectively.

23. Forward Rate Agreement/Interest Rate Swap

(₹ in lakhs)

SL. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
(i)	The notional principal of swap agreements	48,266	69,952
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
(iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps	Nil	Nil
(v)	The fair value of the swap book	(406)	(1,158)

The nature and terms of FRA/IRS as on 31st March 2016 are set out below :

SL No.	Nature	Notional Principal (₹ in lakhs)	Benchmark	Terms
(i)	Hedging	47,840	USD Libor	Fixed Payable Vs Floating Receivable
(ii)	Hedging	426	EURO Libor	Fixed Payable Vs Floating Receivable

Disclosure of details as required in terms of paragraphs 13 of Systematically Importatnt Non Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, paragraphs 10 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and annex 4 of Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015

24. Exchange Traded Interest Rate (IR) Derivatives

(₹ in lakhs)

SL. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year	Nil	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as at year end	Nil	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil

25. Disclosures on Risk Exposure in Derivatives

(i) Qualitative Disclosure

Financial Year 2015-2016

Asset Liability Committee (ALCO) manages the Foreign Currency and Interest Rate Risks, besides other market risks / core functions. The company has put in place the policies for hedging / mitigating risks / strategies and processes for continuous monitoring of risks, which will enable the company to quantify risk, both on account of Foreign Currency and Interest Rate Risks. Apart from ALCO there is a Risk Committee of the Board which guides the company in these risks. Risk is measured on the basis of Fair Value as on reporting date. The Board has delegated authority to company officials in the FX Treasury department for entering into Generic derivative products besides Forward Contracts, on behalf of the company, to hedge the Foreign Currency and Interest Rate Risk exposures. The company has a Risk Management Policy which paves the way for risk reporting and risk monitoring systems. The marked-to-market values are obtained from the banks with whom the hedge deals are done. The Company, in order to hedge itself against the adverse impact of fluctuations in foreign currency rates / variable interest benchmark (LIBOR) on underlying liability, enters into the derivative contracts. The Company does not enter into derivative contracts for speculation or trading purposes. In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are “marked to market” on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored. The Company believes that the above treatment reflects the true effect of the hedge and also reflects the economic substance of the impact of derivative contracts. The premium or discount arising at the inception of 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.

Disclosure of details as required in terms of paragraphs 13 of Systematically Importatnt Non Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, paragraphs 10 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and annex 4 of Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015

Financial Year 2014-2015

The structure and organization for management of risk in derivatives trading, is not applicable since the Company is not engaged in derivative trading.

The scope and nature of risk measurement, risk reporting, policies for hedging and / or mitigating risk and strategies are carried out by the Asset Liability Committee & Board of Directors. Risk is measured on the basis of Fair Value as on reporting date.

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.

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.

(ii) Quantitative Disclosures

Financial Year 2015-2016

(₹ in lakhs)

SL. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	**Derivatives (Notional Principal Amount)**		
	For hedging	77,394	48,261
(ii)	**Marked to Market Positions [1]**		
	a) Asset (+)	18,322	-
	b) Liability (-)	(107)	(406)
(iii)	Credit Exposure [2]	Nil	Nil
(iv)	Unhedged Exposures	Nil	25,659

Financial Year 2014-2015

(₹ in lakhs)

SL. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	**Derivatives (Notional Principal Amount)**		
	For hedging	89,860	69,952
(ii)	**Marked to Market Positions [1]**		
	a) Asset (+)	22,888	-
	b) Liability (-)	(34)	(1,158)
(iii)	Credit Exposure [2]	Nil	Nil
(iv)	Unhedged Exposures	Nil	24,998

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS

Disclosure of details as required in terms of paragraphs 13 of Systematically Importatnt Non Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, paragraphs 10 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and annex 4 of Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015

26 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC	Nil	Nil

27 Registration obtained from other financial sector regulators : None

28 No penalites has been imposed by RBI and other regulators during the financial year ended 31st March 2016 and 31st March 2015

29 Ratings assigned by credit rating agencies and migration of ratings during the year

		As at 31st March, 2016				As at 31st March, 2015			
Sl. No.	Particulars	CARE	ICRA	Brickwork	SMERA	CARE	ICRA	Brickwork	SMERA
i)	Long Term Banking facilities	CARE AA-	-	-	-	CARE AA	-	-	-
ii)	Short Term Banking Facilities	CARE A1+	-	-	-	CARE A1+	-	-	-
iii)	Short Term Debt Instruments		ICRA A1+	-	-	-	ICRA A1+	-	-
iv)	NCDs/Bonds	CARE AA-	-	BWR AA	-	CARE AA	-	BWR AA	-
v)	Unsecured Subordinated/Tier-II Debentures/Bonds	CARE A+	-	BWR AA	SMERA AA	CARE AA-	-	BWR AA	-
vi)	Perpetual Debentures	CARE A	-	-	-	CARE A+	-	-	-

30 Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Restructions

Sl. No.	Particulars	Year ended 31st March, 2016
(i)	Nos of Acccounts	Nil
(ii)	Aggregate value (net of provisions) of Accounts sold to SC/RC	Nil
(iii)	Aggregate consideration	Nil
(iv)	Additional Consideration realized in respect of accounts transferred in earlier years	Nil
(v)	Aggregate gain/loss over net book Value	Nil

31 Overseas Assets (for those with Joint Venturers and Subsidiaries abroad : Nil

32 Off Balance Sheet SPV's sponsored : Nil

33 Details of Financing of Parent Company Products : N.A

34 Disclosure of Complaints

Sl. No.	Customer Complaints	Year ended 31st March, 2016	Year ended 31st March, 2015
(i)	No. of complaints pending at the beginning of the year	Nil	Nil
(ii)	No. of complaints received during the year	30	Nil
(iii)	No. of complaints redressed during the year	30	Nil
(iv)	No. of complaints pending at the end of the year	Nil	Nil

ANNEXURE B

The Statement of Capitalisation

(₹ in Million)

Particulars	Pre Issue As at 30 September, 2016 (Audited)	Post Issue
Debt		
Long Term**	39,819.10	44,819.10
Short Term	77,859.90	77,859.90
Total Debt	**117,679.00**	**122,679.00**
Shareholders Fund		
Share Capital	596.60	596.60
Reserve & Surplus		
Special Reserve under section 45-IC of Reserve Bank of India Act, 1934	2,670.60	2,670.60
Capital Reserve	3.10	3.10
Securities Premium Account	10,398.00	10,398.00
Debenture Redemption Reserve	6,015.60	6,015.60
Cash Flow Hedge Reserve	66.10	66.10
Special Reserve under section 36(1)(viii) of the Income Tax Act, 1961	1,003.10	1,003.10
Surplus in Profit and Loss Account	3,612.70	3,612.70
	23,769.20	23,769.20
Total Shareholders Fund	24,365.80	24,365.80
Debt-Equity Ratio (Number of times)***	4.83	5.03*

* 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, 2016. 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.*

*** *Debt-Equity Ratio (Number of times)* = *Total Debt* / *Total Shareholders Fund*

For and on behalf of **Srei Equipment Finance Limited**

Authorised Signatory

Deloitte Haskins & Sells Chartered Accountants

Srei Equipment Finance Limited Kolkata

ANNEXURE C

Statement of Accounting Ratios

Sl. No.	Particulars	Half year ended 30 September, 2016	Year ended 31 March, 2016	Year ended 31 March, 2015	Year ended 31 March, 2014	Year ended 31 March, 2013	Year ended 31 March, 2012
	Number of shares at the begining of the year/period	59,660,000.00	59,660,000.00	59,660,000.00	59,660,000.00	53,220,000.00	50,000,000.00
	Number of shares at the end of the year/period	59,660,000.00	59,660,000.00	59,660,000.00	59,660,000.00	59,660,000.00	53,220,000.00
	Weighted average number of equity share of ₹ 10/- each	59,660,000.00	59,660,000.00	59,660,000.00	59,660,000.00	56,704,658.00	52,454,590.00
	Dilutive effect on weighted average number of shares	-	-	-	-	-	-
	Weighted average number of equity shares of ₹ 10/- (Diluted)	59,660,000.00	59,660,000.00	59,660,000.00	59,660,000.00	56,704,658.00	52,454,590.00
	Net profit after tax available for Equity Share (₹ in million)	688.30	1,152.60	1,530.20	2,253.80	2,699.20	1,972.30
	Net worth at the end of the year/ period (₹ in million) * #	23,956.70	23,218.70	22,086.00	20,391.20	18,059.80	13,359.40
	Average Networth During the year/period[(Opening+Closing)/2] (₹ in million)	23,587.70	22,653.35	21,239.60	19,225.50	15,709.60	11,801.20
A.	Basic Earning Per Share (EPS) ₹	11.54*	19.32	25.65	37.78	47.60	37.60
B.	Dilutive Earning Per Share (EPS) ₹	11.54*	19.32	25.65	37.78	47.60	37.60
	Return on Net Worth (%):						
C.	Considering Networth at the end of the year/period	2.87%	4.96%	6.93%	11.05%	14.95%	14.76%
D.	Considering Average Networth during the year/period	2.92%	5.09%	7.20%	11.72%	17.18%	16.71%
E.	Net Asset Value Per Share (₹)	401.55	389.18	370.23	341.79	302.71	251.02
	Borrowing (₹ in million)	117,679.00	118,537.10	130,645.30	130,959.30	135,463.70	103,123.40
F.	Debt Equity	4.91	5.11	5.91	6.42	7.50	7.72

* Not Annualized

Notes:

A. Earning Per Share (Basic) — Net Profit attributable to equity shareholder / Wieghted Average Number of equity Share Outstanding during the year/period

B. Earning Per Share (Diluted) — Net Profit attributable to equity shareholder / Wieghted Average Number of Dilutedequity Share Outstanding during the year/period

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/period

D. Return on Net Worth (%) (Based on Average Net Worth during the year/period) — Net Profit After Tax / Average Net Worth during the year/period

E. Net Asset Value Per Share — Net Worth at end of the year/period / Number of Equity Shares outstanding at the end of the year/period

F. Debt Equity — Borrowing / Net Worth

* Net Worth = Share capital + Reserves - Defered Expenditure - Miscellaneous Expenditure to the extent not written off.

\# The above Net worth calculation is based on the Audited Financial Statement in complaince with the Section 2(57) of the Companies Act, 2013.
Previous year figures have been regrouped / rearranged wherever considered necessary to correspond with the current year classification.

For and on behalf of Srei Equipment Finance Limited

Authorised Signatory

Deloitte Haskins & Sells Chartered Accountants

SREI FINANCE LTD KOLKATA

ANNEXURE D

Statement of Tax Shelter

(` in Millions)

Particulars	Half year ended 30 September, 2016	Year ended 31 March, 2016	Year ended 31 March, 2015	Year ended 31 March, 2014	Year ended 31 March, 2013	Year ended 31 March, 2012
Profit before Tax	966.7	1604.3	2,274	3,576	4,035	3,046
Income Tax Rate (A)	34.61%	34.61%	33.99%	33.99%	32.45%	32.45%
Tax at above rate (B)	335	555	773	1,215	1,309	988
Adjustements:						
Permanent Differences:						
Exempt Income (Dividend Income & LTCG)	(1)	(11)	(7)	(14)	(4)	(3)
Capital receipts Income	-	-	-	-	-	-
Other Adjustments	(159)	(308)	(151)	49	38	47
Sub Total (C)	(159)	(320)	(158)	36	34	43
Timing Difference						
Difference between tax depreciation and book depreciation	(287)	191	(917)	(208)	(1,426)	(1,681)
Disallowance for Provisions of NPA, Standard asset and Gratuity	89	82	39	291	151	74
Deferred Revenue Expenditure	(8)	33	214	24	1	125
Sub Total (D)	(206)	307	(665)	107	(1,274)	(1,482)
Net Adjustments (E)=(C)+(D)	(365)	(13)	(823)	142	(1,240)	(1,439)
Tax on Adjustments (F)=(E*A)	(126)	(4)	(280)	48	(402)	(467)
Net Tax after Adjustments (G)=(B)+(F)	208	551	493	1,264	907	522
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)	-	-	-	-	-	-
Normal Tax Provision (J)=(G)+(H)+(I)	208	551	493	1,264	907	522
Tax Liability Under MAT (K)	109	136	101	354	476	390
Tax Provision L= (Higher of J or K)	208	551	493	1,264	907	522
MAT Credit entitlement/adjustment (M)	-	-	-	-	-	(187)
Tax Liability after MAT credit adjustment (N)=(L)+(M)	208	551	493	1,264	907	335
Income Tax in respect of earlier years	-	-	-	-	-	495
Provision for Tax	208	551	493	1,281	920	847
Deferred Tax Adjustment	70	(99)	251	41	415	504
Interest u/s 234C	-	-	-	17	14	17

For and on behalf of Srei Equipment Finance Limited

Authorised Signatory

Deloitte Haskins & Sells Chartered Accountants

SREI EQUIPMENT FINANCE LIMITED KOLKATA

ANNEXURE E

Statement of Dividends

Particulars	Half year ended 30 September, 2016	Year ended 31 March, 2016	Year ended 31 March, 2015	Year ended 31 March, 2014	Year ended 31 March, 2013	Year ended 31 March, 2012
Equity Share Capital (₹ in million)	596.60	596.60	596.60	596.60	596.60	532.20
Number of Shares (Nos.)	59,660,000	59,660,000	59,660,000	59,660,000	59,660,000	53,220,000
Dividend %	-	-	-	-	-	-
Dividend Per share (₹)	-	-	-	-	-	-

For and on behalf of **Srei Equipment Finance Limited**

Authorised Signatory

Deloitte Haskins & Sells
Chartered Accountants

SREI EQUIPMENT FINANCE LIMITED
KOLKATA

ANNEXURE F

Brickwork RATINGS

CIN: U67190KA2007PTC043591

BWR/NCD/HO/ERC/VS/0423/2016-17

November 9, 2016

Mr. Hemant Kanoria
Chairman & Managing Director
Srei Equipment Finance Ltd.
Kolkata- 700 046

Dear Sir,

Sub: Conversion of Rs 500 crs (Rupees Five Hundred Crores Only) Proposed Secured NCD (Private Placement) to Rs 500 crs Proposed Secured NCD issue (Public Issue) (Rupees Five Hundred Crores Only) of Srei Equipment Finance Ltd.

Ref: BWR letter BWR/BNG/RL/2014-15/0113 dated July 18, 2014 and your letter SEFL/HO/TRS/BWR/16-17/1609 dated November 3, 2016 requesting conversion of rating of proposed Secured NCD (Private Placement) of Rs 500 crs.

Acting on your mandate dated June 11, 2014, a rating letter BWR/BNG/RL/2014-15/0113 dated July 18, 2014 had been issued with an assigned rating of BWR "AA" (Outlook:Stable). This was later upgraded to BWR "AA+" (Outlook: Stable) vide rating letter date BWR/NCD/HO/ERC/VS/0157/2016-17 dated 4th July, 2016 . Now based on your request through letter SEFL/HO/TRS/BWR/16-17/1609 dated November 3, 2016, the requested conversion of the proposed NCD issue to Public Issue has been acceded to and this rating letter is being issued which supersedes our earlier letters mentioned above.

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 Limited's proposed Secured NCD (**Public Issue**) issue of ₹ 500 Crores has been assigned **BWR AA+ (Pronounced BWR Double A Plus)** rating. 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**.

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 compliance with the RBI guidelines relating to issue of Commercial Papers and Brickwork Ratings standard disclaimer appended below. 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.

Brickwork Ratings India Pvt. Ltd.

Corporate Office: 3rd Floor, Raj Alkaa Park, Kalena Agrahara, Bannerghatta Road, Bengaluru - 560 076.
Phone: +91 80 4040 9940 • Fax: +91 80 4040 9941 • 1-860-425-2742 • www.BrickworkRatings.com • www.Financial-Literacy.in
Ahmedabad • Bengaluru • Chennai • Coimbatore • Chandigarh • Guwahati • Hyderabad • Ludhiana • Kolkata • Mumbai • New Delhi • Pune • Rajkot • Vadodara

Please let us have your acceptance for the above rating before November 11, 2016. 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.

Best Regards,

Vidyashankar
Chief General Manager – Ratings

Brickwork Ratings India Pvt Ltd.

Brickwork RATINGS

CIN: U67190KA2007PTC043591

BWR/NCD/HO/ERC/VS/0427/2016-17
November 10, 2016

Mr. Hemant Kanoria
Chairman & Managing Director
Srei Equipment Finance Ltd.
Kolkata- 700 046

Dear Sir,

Sub: Validation of Rating– Secured NCD issue of ₹ 500 Crores (Public issue) rated by Brickwork Ratings on November 9, 2016

Ref: Your email dated November 10, 2016

We wish to advise that your Company's aforementioned issue for ₹ 500 Crores carries **BWR AA+ (Pronounced BWR Double A Plus) (Outlook: Stable)** rating as advised vide our letter BWR/NCD/HO/ERC/VS/0423/2016-17 dated November 9, 2016. The rating is valid up to November 8, 2017. We note that the company has not raised any 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/NCD/HO/ERC/VS/0423/2016-17 dated November 9, 2016 remain unchanged.

Please note to furnish complete details of borrowings under the above issue, as and when is completed.

Best Regards,

Vidyashankar
Chief General Manager– Ratings

Brickwork Ratings India Pvt. Ltd.

Corporate Office: 3rd Floor, Raj Alkaa Park, Kalena Agrahara, Bannerghatta Road, Bengaluru - 560 076.
Phone: +91 80 4040 9940 • Fax: +91 80 4040 9941 • 1-860-425-2742 • www.BrickworkRatings.com • www.Financial-Literacy.in

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BWR/NCD/HO/ERC/VS/0468/2016-17
December 5, 2016

Mr. Vinay Agarwal
Sr. Vice President – Head Treasury (Operations)
SREI Equipment Finance Ltd.
Kolkata -700 091

Dear Sir,

Sub: Validation of Rating for SREI Equipment Finance Ltd.'s NCD issues of Rs 500 Crores (public issue) rated by Brickwork Ratings on November 9, 2016.

Ref: Your email dated December 3, 2016

We wish to advise that your Company's aforementioned NCD issues of Rs 500 Crores carries **BWR AA+ (Pronounced BWR Double A Plus) (Outlook: Stable)** rating as advised vide our letter BWR/NCD/HO/ERC/VS/0423/2016-17 dated November 9, 2016. The rating is valid up to November 8, 2017. We note that the company has not raised any amount.

Instruments with BWR AA+ rating are considered to have **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

Please note that all the terms and conditions of our earlier letter BWR/NCD/HO/ERC/VS/0423/2016-17 dated November 9, 2016 remain unchanged.

Please note to furnish complete details of borrowings under the above issue, as and when is completed.

Best Regards,

Vidya Shankar
Chief General Manager – Ratings

Rating Rationale

Brickwork Ratings assigns 'BWR AA+' with Stable Outlook rating for proposed Unsecured NCD issue of ₹ 200 Cr of SREI Equipment Finance Ltd.

Brickwork Ratings (BWR) has assigned the **Rating**[1] of BWR AA+ (Pronounced BWR Double A Plus) with Stable **Outlook** for proposed Unsecured Non-Convertible Debentures (NCD) of ₹ 200 Cr.

Brickwork Ratings (BWR) also reaffirms BWR AA+ (Pronounced BWR Double A Plus) with Stable **Outlook** rating for SREI Equipment Finance Ltd.'s (SEFL or the 'Company') outstanding Non-Convertible Debentures (NCD) of ₹ 2130 Cr as provided below:

Instruments	Amount (₹ in Cr)	Reaffirmed Rating	Previous Rating	Previous review date
Unsecured, Subordinated (Tier II) Redeemable NCD	**100.00**	**BWR AA+ (Stable Outlook)**	BWR AA+ (Stable Outlook)	June 2016
Unsecured, Subordinated (Tier II) Redeemable NCD	**350.00**	**BWR AA+ (Stable Outlook)**	BWR AA+ (Stable Outlook)	June 2016
Unsecured, Subordinated (Tier II) Redeemable NCD	**100.00**	**BWR AA+ (Stable Outlook)**	BWR AA+ (Stable Outlook)	June 2016
Unsecured, Subordinated (Tier II) Redeemable NCD	**30.00**	**BWR AA+ (Stable Outlook)**	BWR AA+ (Stable Outlook)	June 2016
Unsecured, Subordinated (Tier II) Redeemable NCD	**100.00**	**BWR AA+ (Stable Outlook)**	BWR AA+ (Stable Outlook)	June 2016
Unsecured, Subordinated (Tier II) Redeemable NCD	**100.00**	**BWR AA+ (Stable Outlook)**	BWR AA+ (Stable Outlook)	June 2016
Unsecured, Subordinated (Tier II) Redeemable NCD	**300.00**	**BWR AA+ (Stable Outlook)**	BWR AA+ (Stable Outlook)	June 2016
Secured Long Term NCD Issues	**50.00**	**BWR AA+ (Stable Outlook)**	BWR AA+ (Stable Outlook)	June 2016
Secured Long Term NCD Issues (Public)	**500.00**	**BWR AA+ (Stable Outlook)**	BWR AA+ (Stable Outlook)	June 2016
Secured Long Term NCD Issues (Private Placement)	**500.00**	**BWR AA+ (Stable Outlook)**	BWR AA+ (Stable Outlook)	June 2016

[1] ***Please refer to** <u>www.brickworkratings.com</u> **for definition of the Ratings***

The rating "BWR AA+" stands for an instrument that is considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The ratings factors in the improvement in SEFL's asset quality as reflected in the reduction in NPA levels, significant increase in CRAR and the purported benefits out of the recent 100% consolidation with SIFL [rated BWR AA+]. The rating also factors in, *inter alia*, the experience of the promoter group in equipment financing business, where it has a dominant market share, its association with reputed original equipment manufacturers (OEMs), the Government's recent initiatives to boost infrastructure sector, its conservative asset classification and provisioning norms followed.

The rating is, however, constrained by the slow recovery in the infrastructure sector and inherent risks associated with equipment financing business whose prospects hinge substantially upon the performance of only a few sectors

BWR has essentially relied upon the Company's financial results up to FY16, unaudited financials for Q1FY17 and projected financials, publicly available information and information and clarification provided by the Company.

Background - SEFL

SEFL is a 100 % subsidiary of SREI Infrastructure Finance Ltd post BNP Paribas Leasing Solutions India selling its 50% stake to SREI Infrastructure Finance Ltd (SIFL) in exchange for a 5% stake in SIFL. 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 the same going forward. The Company has over 88 offices including 12 regional offices across the Country. Current employee strength exceeds 1650.

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 is currently 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.

Financial Performance - SEFL

The Company reported income from operations of Rs 2,614 Crores in FY16 compared to Rs2601 Crores in FY15. 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 ₹ 1196 Crores and 4.8% in FY16, as compared to ₹1,159 Crores and 4.9% respectively in FY15. However, due to higher provision cost of ₹396 Crores in FY16 as compared to ₹337 Cr previously, SEFL reported a low net profit of ₹115 Crores in FY16 as against ₹153 Crores in FY16.

SEFL's net worth increased by 5.1 % y-o-y to ₹2364 Crores in FY16, supported by retained earnings in the year. While the overall asset size remained at the same level, Total Borrowings declined from ₹ 13,065 Crores in FY15 to Rs 11,854 Crores in FY16. SEFL has a large consortium of 37 banks and financial institutions providing funding by way of Term Loans & Working Capital Facilities. As per the Company, it is looking at increasing share of Domestic bank and FI loans and reducing dependence on Bonds and Foreign Borrowings.

SEFL's leverage (Assets/ Equity) improved from 8.81 times in FY13 to 5.01 times in FY16. The capital adequacy ratio has increased from 17.05% as of FY15 to 19.62% in FY16, comfortably higher than RBI's prescribed minimum of 15% for NBFCs. Tier 1 Capital ratio and Tier 2 Capital ratio were at 14.65% and 4.97%, respectively.

Total disbursements increased to Rs 9159 Crores in FY16 from Rs 7719 Crs 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's.

SEFL recognizes NPAs as per by RBI norms (120+ days past due from FY 16-17). In addition to that the Company, based on the management estimates, makes additional provisions even in respect of cases which have delinquencies of less than 120 days, which is conservative as compared to prudential norms prescribed by RBI for NBFCs. The Company's Gross NPA has substantially improved to 2.95 % in FY16 from 4.98% in FY15. Subsequently, Net NPA also decreased from 3.64% in FY15 to 1.99% in FY16.

The company has reported Total income of Rs 594.50 crs for Q1FY17 a decrease of 5% when compared to Rs 625.29 crs in Q1FY16. However the company has reported better PAT in Q1FY17 of Rs 32.03 crs when compared to Rs 22.85 crs in Q1FY16 mainly due to reduced interest costs and operating expenses.

Rating Outlook

Company's performance in FY16 in terms of profitability and improved asset quality has shown signs of improvement. However, going forward, it is expected that Infrastructure segment will be revived with better growth. 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.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	**Media Contact**
1-860-425-2742	media@brickworkratings.com

Rating Letter

SMERA RATINGS LIMITED

Private and Confidential

2016/18852/SEFL/RL/MJ
November 09, 2016

Mr. S B Tiwari
Group Treasury Head
SREI Equipment Finance Limited
Block - EP,
Plot -Y10, Sector - V,
Saltlake City,
Kolkata - 700091

Dear Mr. Tiwari

Credit Rating for Rs.500.00 crore Proposed Secured Unsubordinated Redeemable Non-Convertible Debentures (NCD) of SREI Equipment Finance Limited

Please find in the table below the ratings for the debt instruments/facilities of the company, and the rating actions by SMERA on the ratings as on date.

Total Non-Convertible Debentures Rated	**Rs. 500.00 crore**
Long-Term Rating	**SMERA AA/Stable (Assigned)**

(Details as per Annexure 1)

As per our agreement, SMERA would disseminate the ratings, along with the outlook, through its publications and other media, and keep the ratings, along with the outlook, under surveillance over the life of the instrument/facility.

All ratings assigned by SMERA are kept under continuous surveillance and review. SMERA reserves the right to suspend, withdraw, or revise the ratings, along with the outlook, at any time, on the basis of new information, or unavailability of information, or other circumstances which SMERA believes may have an impact on the ratings.

This letter will expire on November 09, 2017 or on the day of the next rating action taken by SMERA, whichever is earlier. It may be noted that the rating is subject to change anytime even before the expiry date of the letter. Hence to confirm the outstanding rating, for lending purpose, bankers/ users of rating may visit www.smera.in or call us on 022-67141144 or +91 70457 98432.

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours faithfully,

Mohit Jain

Mohit Jain
Vice President – Rating Operations

Rating Letter

SMERA RATINGS LIMITED

ANNEXURE – I

Instrument	Scale	Amount (Rs. Cr)	Ratings
Secured Unsubordinated Redeemable Non-Convertible Debentures (Proposed)	Long Term	500.00	SMERA AA/Stable
Total Debt		**500.00**	

SMERA

SMERA RATINGS LIMITED

Rating Revalidation Letter

Private and Confidential

2016/19557/SEFL/RL/MJ
December 06, 2016

Mr. S B Tiwari
Group Treasury Head
Srei Equipment Finance Limited
Block - EP, Plot -Y10,
Sector - V,
Saltlake City,
Kolkata - 700091

Credit Rating for secured, unsub-ordinated, redeemable Rs.500 crore Non-convertible debentures (NCD) of Srei Equipment Finance Limited

Dear Sir,

We refer to our letter (Ref No. 2016/188852/SEFL/RL/MJ) dated November 09, 2016.

SMERA has an outstanding rating of **'SMERA AA'** read as **[SMERA double A]** with a **'Stable'** outlook for the abovementioned debt instrument *[see annexure 1]*. As per SMERA's rating definition, 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.

All ratings assigned by SMERA are under constant surveillance. SMERA reserves the right to suspend/withdraw/revise and disseminate such ratings on the basis of SMERA's suspension/withdrawal/revision policy, without reference to you.

SMERA ratings are not recommendations to buy, sell or hold any security.

Please feel free to get in touch if you require any clarification on the above.

Thanking you.
Yours faithfully,

Mohit Jain

Mr. Mohit Jain
Vice President - Operations
Encl: As Above

SMERA RATINGS LIMITED

Rating Revalidation Letter

ANNEXURE - I

Instrument	Scale	Amount (Rs. Cr)	Ratings
Secured, unsubordinated Redeemable NCD (Proposed)	Long Term	500.00	SMERA AA/Stable
Total Debt		**500.00**	

Srei Equipment Finance Limited: Reaffirmed

Instrument	Amount (Rs. Crore)	Ratings/Outlook
Proposed Secured Unsubordinated Redeemable Non-Convertible Debentures	500.00	SMERA AA/Stable (Assigned)
Proposed Unsecured Subordinated Redeemable Non-Convertible Debentures	200.00	SMERA AA/Stable (Reaffirmed)
Unsecured Subordinated Redeemable Non-Convertible Debentures	500.00	SMERA AA/Stable (Reaffirmed)
Secured Unsubordinated Redeemable Non-Convertible Debentures	200.00	SMERA AA/Stable (Reaffirmed)

SMERA has assigned a rating of **SMERA AA (read as SMERA double A)** to the Rs.500.00 Proposed Secured Unsubordinated Redeemable Non-Convertible Debentures. The Outlook is **'Stable'.**

SMERA has also reaffirmed the rating of **SMERA AA (read as SMERA double A)** to the Rs. 500.00 crore Unsecured Subordinated Redeemable Non-Convertible Debentures, Rs. 200.00 Secured Unsubordinated Redeemable Non-Convertible Debentures and Rs. 200.00 crore Proposed Unsecured Subordinated Redeemable Non-Convertible Debentures. The Outlook is **'Stable'.**

The rating takes into account the improvement in profitability (first quarter of FY2016-17), asset quality (reduction in NPA levels) and liquidity profile of the company. The rating continues to draw support from the satisfactory track record of SEFL, large customer base, diversified credit portfolio, well-established market position with long standing experience in the equipment financing and providing ancillary advisory solutions. The rating also factors in the stable interest income, comfortable asset-liability maturity profile and moderate capital structure and robust capitalization

However, the rating is constrained by the continued moderation in y-o-y profitability and presence in a competitive equipment financing industry, coupled with muted growth in the overall portfolio of assets. Notwithstanding the improvement in Gross Non Performing Advances (GNPA) to total assets ratio to 2.80 per cent as on March 31, 2016 from 4.77 per cent as on March 31, 2015, SEFL's asset quality continues to be constrained on account of challenges in the infrastructure sector, leading to stress on the credit profile of its large borrowers.

SEFL was set up in 2006 as 'SREI Infrastructure Development Limited' (SIDL), a subsidiary of SREI Infrastructure Finance Limited (SIFL) for financing and developing infrastructure projects. The Kolkata-based SIFL has over two decades of experience in leasing, hire purchase and hypothecation financing of construction, mining equipment and infrastructure projects. Later, in April 2008, SIFL ceased to be the holding company of SEFL. It was converted into a 50:50 joint venture with BNP Paribas Lease Group (BPLG), a wholly owned step down subsidiary of BNP Paribas Bank. In November 2013, the company's name was changed to SREI Equipment Finance Limited and RBI classified SEFL as a 'Systemically Important Non-deposit Taking Asset Finance Company'. In June 2016, SEFL became a wholly owned subsidiary of SIFL, as BPLG has transferred its 50% stake in SEFL to the Srei group, in lieu of 5% stake in SIFL.

SEFL is engaged in financing of infrastructure assets including those related to construction and mining, technology, healthcare, rural infrastructure among others. It is one of the largest construction and mining equipment financing companies with 91 offices across India and a diverse customer base across business segments. As on March 31, 2016, the company established its presence in approximately 22 states. It has consistently posted growth in its portfolio by extending facilities of asset finance to sectors primarily to the infrastructure and construction sector, besides diversifying into the mining, information technology, rural, infra and medical healthcare segment, among others.

The company's comfortable liquidity profile is evident from the favourable asset-liability profile as a result of raising long term funds at competitive rates. SEFL's capitalisation levels have improved with CRAR ratio increasing from 17.05 per cent in March, 2015 to 19.62 per cent in March, 2016. This improvement in capitalisation levels is on account of reduction in risk weighted exposure and increase in Tier II capital. SMERA further believes that given the sale of stake in Viom Networks Limited (Viom) the future ability of SIFL to infuse funds in SEFL can be expected to improve significantly.

The company registered improvement in the Gross Non-Performing Assets (GNPAs) to Total Assets from 3.70 per cent in the third quarter of FY2016 to 2.80 per cent at the end of the last quarter of FY2016. The asset quality continues to remain moderate on account of a high delinquency risk in the top accounts by total exposure as on 31st March, 2016. Additions to the Gross NPAs has fallen to Rs.227.02 crore in FY2016 against Rs.507.62 crore in FY2015. In FY2016, SEFL wrote off Rs.393.69 crore of bad loans as compared to Rs.294.55 crore in the previous year. The growth in SEFL's assets under management has also been muted at around 2.12 per cent in FY2016, an increase from Rs.17,716 crore in FY2015 to Rs.18,093 crore in FY2016.

Rating Sensitivity Factors

- Sustained increase in asset portfolio while maintaining profitability indicators
- Movement in the company's capitalisation levels.
- Credit profile of its large borrowers

Outlook-Stable

SMERA believes that SEFL will maintain a Stable outlook on account of its healthy capitalisation, large scale of operations and an expected improvement in the infrastructure and equipment industry. The outlook may be revised to Positive with robust growth in the asset portfolio along with sustained improvement in profitability and asset quality. However, the outlook may be revised to Negative in case of significant deterioration in the asset quality and any sustained pressure on profitability indicators.

Criteria applied to arrive at the ratings:

- Non-Banking Finance Company

About the Company

SEFL, headquartered in Kolkata has a pan India presence. The company was incorporated in 2006 and is a wholly owned subsidiary of SREI Infrastructure Finance Limited. The company, headed by Mr. Hemant Kanoria, Vice Chairman and Managing Director is engaged in asset financing for infrastructure, construction, mining and technology solutions among others.

The company reported profit after tax (PAT) of Rs.115.26 crore on interest income of Rs.2,228.66 crore for FY2015-16 as compared to PAT of Rs.153.02 crore on interest income of Rs.2,241.56 crore. The Assets under Management for SEFL as on 31st March, 2016 stood at Rs.18,093 crore compared to Rs.17,716 crore as on 31st March, 2015. The net worth improved to Rs.2,363.98 crore as on March 31, 2016, as against Rs. 2,248.72 crore a year earlier.

Contacts:

Analytical	Business Development
Mr. Mohit Jain Vice President – Ratings Operations, Tel: +91-22-6714 1105 Cell: 9619911017 Email: mohit.jain@smera.in	Mr. Suman M Vice President – Business Development, Corporate Ratings Tel: +91-22-6714 1151 Cell: +91-9892306888 Email: suman.m@smera.in

ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details, please visit www.smera.in.

ANNEXURE G

AXIS TRUSTEE

ATSL/CO/16-17/0142
November 16, 2016

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 5,000 MILLION.

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue pursuant to Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended and to our name being inserted as the Debenture Trustee to the Issue in the Draft 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 Prospectus to be filed with the Registrar of Companies, West Bengal, Stock Exchanges and 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	Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai 400 025
Telephone Number	022- 62260075/74
Fax Number	022-43253000
Email	debenturetrustee@axistrustee.com
Investor Grievance e-mail	debenturetrustee@axistrustee.com
Website	www.axistrustee.com
Contact Person	Mr. Jayendra Prasad Shetty-Chief Operating Officer
Compliance Officer	Mr. Devraj Rao
SEBI Registration No	IND000000494

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**

Makarand Kulkarni
Deputy General Manager

AXIS TRUSTEE

Annexure A

November 16, 2016

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 5,000 MILLION.

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a **Debenture Trustee** is true and correct:

S. No.	Particulars	Details
1.	Registration Number	IND000000494
2.	Date of registration/ date of last renewal of registration/ date of application for renewal of registration	January 31, 2014
3.	Date of expiry of registration	Permanent
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	None]
5.	Details of any pending inquiry/ investigation being conducted by SEBI	None
6.	Details of any penalty imposed by SEBI	None

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the relevant Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Non-convertible Debentures on the relevant Stock Exchanges.

Sincerely

For **Axis Trustee Services Limited**

Makarand Kulkarni
Deputy General Manager

AXIS TRUSTEE SERVICES LTD.
(A wholly owned subsidiary of Axis Bank)
Corporate Identity Number (CIN): U74999MH2008PLC182264
CORPORATE & REGISTERED OFFICE : Axis House, Ground Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.
TEL : 022-6226 0054 / 6226 0050 Website: www.axistrustee.com

प्ररूप ख
FORM-B

डिबेंचर न्यासी

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड

SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993

(DEBENTURE TRUSTEE) REGULATIONS, 1993

(विनियम 8)

000240

(Regulation 8) Regulation 8A

रजिस्ट्रीकरण प्रमाणपत्र

CERTIFICATE OF REGISTRATION

PERMANENT REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

AXIS TRUSTEE SERVICES LIMITED
AXIS HOUSE, 2ND FLOOR,
WADIA INETERNATIONAL CENTRE
PANDURANG BUDHKAR MARG,
WORLI, MUMBAI 400 026

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।

as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट IND000000494 है।

2) Registration Code for the debenture trustee is

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र .... से .... तक विधिमान्य है।

3) Unless renewed, the certificate of registration is valid from .... to ....

3) This Certificate of Registration shall be valid for permanent, unless suspended or cancelled by the Board.

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : MUMBAI

तारीख Date : JANUARY 31, 2014

MEDHA SONPAROTE
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory