Prospectus
Dated December 11, 2018

SREI EQUIPMENT FINANCE LIMITED

Srei Equipment Finance Limited ("**our Company**" or "**the Company**" or "**the Issuer**") was incorporated as 'Srei Infrastructure Development Limited' as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 13, 2006 issued by the Registrar of Companies, West Bengal, at Kolkata ("**RoC**"). The name of our Company was changed to 'Srei Infrastructure Development Finance Limited' and a fresh certificate of incorporation was granted by the RoC on April 16, 2007. Our Company was converted into a private limited company and the name of our Company was changed to 'Srei Infrastructure Development Finance Private Limited' and a fresh certificate of incorporation was granted by the RoC on September 28, 2007. The name of our Company was further changed to 'Srei Equipment Finance Private Limited' and a fresh certificate of incorporation was granted by the RoC on May 30, 2008. Pursuant to a special resolution passed by the shareholders of our Company on October 28, 2013, our Company was converted into a public limited company and the name of our Company was changed to 'Srei Equipment Finance Limited' and the RoC issued a fresh certificate of incorporation dated November 1, 2013. Our Company was registered as a 'non-banking financial institution and without accepting public deposits' under section 45 (1A) of the Reserve Bank of India Act, 1934 ("**RBI Act**") and has been reclassified as 'Asset Finance Company – Non-Deposit Taking'. Our Company has not changed its registered office since incorporation. For further details refer section titled "*General Information*" on page 50 of this Prospectus.

Registered Office: **'**Vishwakarma', 86C, Topsia Road (South), Kolkata – 700 046, West Bengal, India; **Tel**: +91 33 6160 7734; **Fax**: +91 33 2285 7542;
Corporate Office: Room no. 12 & 13, 2nd Floor, 6A, Kiran Shankar Roy Road, Kolkata – 700 001, West Bengal, India; **Tel**: +91 33 6499 0230;
Head Office: Plot No. Y-10, Block EP, Sector V, Salt Lake City, Kolkata – 700 091, West Bengal, India; **Tel**: +91 33 6639 4700; **Fax**: +91 33 6602 2600
Compliance Officer: Ms. Ritu Bhojak, Company Secretary and Compliance Officer, **Phone:** +91 33 6160 7734; **Toll Free No.:**1800 4197 734; **Fax:** +91 33 2285 7542;
Email-id: connect@sreibonds.com; **Website**: www.sreiequipment.com; **Corporate Identity Number**: U70101WB2006PLC109898

PUBLIC ISSUE BY SREI EQUIPMENT FINANCE LIMITED (THE "COMPANY" OR THE "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000/- EACH ("SECURED NCDS") AND UNSECURED, SUBORDINATED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000/- EACH ("UNSECURED NCDS"), FOR AN AMOUNT UPTO ₹1,500,000,000 (RUPEES ONE THOUSAND FIVE HUNDRED MILLION) ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVER SUBSCRIPTION FOR AN AMOUNT UPTO ₹1,500,000,000 (RUPEES ONE THOUSAND FIVE HUNDRED MILLION), AGGREGATING TO ₹3,000,000,000 (RUPEES THREE THOUSAND MILLION) ("OVERALL ISSUE SIZE") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE SECURED NCDS AND UNSECURED NCDS ARE TOGETHER HEREINAFTER REFERRED AS "DEBENTURES / NCDS". THE UNSECURED NCDS WILL BE IN THE NATURE OF SUBORDINATED DEBT AND WILL BE ELIGIBLE FOR INCLUSION AS TIER II CAPITAL.

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 164 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. 21 and "***Material Developments***" beginning on page 265 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. 205 of this Prospectus. For details relating to eligible investors please see "***Who are eligible to apply for NCDs***" on page 221 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 April 12, 2017 and further revalidated by letters dated October 11, 2018 and November 28, 2018 and "ACUITE AA+/Stable' (ACUITE Double A plus/Stable)" by ACUITE Ratings Limited ("**ACUITE**") pursuant to letter dated April 06, 2017 and revalidated by letters dated September 18, 2018, October 9, 2018 and December 03, 2018. Instruments with a rating of 'BWR AA+" (BWR Double A Plus) (Outlook: Stable) by BRICKWORK and "ACUITE AA+/Stable" (ACUITE Double A plus) 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 ACUITE 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 October 12, 2018 was filed with BSE Limited ("**BSE**") on October 13, 2018 pursuant to the Regulation 6(2) of the SEBI Debt Regulations and was open for public comments for a period of 7 (seven) Working Days i.e. until 5:00 p.m. on October 23, 2018.

LISTING

The NCDs offered through this Prospectus are proposed to be listed on BSE. Our Company has received 'in-principle' approval for the Issue from BSE vide its letter no. DCS/BM/PI-Bond/13/18-19 dated October 24, 2018. For the purposes of this Issue, BSE shall be the Designated Stock Exchange.

LEAD MANAGERS TO THS ISSUE*				DEBENTURE TRUSTEE TO THE ISSUE	REGISTRAR TO THE ISSUE
Edelweiss Financial Services Limited Edelweiss House, Off CST Road Kalina, Mumbai – 400 098 Tel: +91 22 4086 3535 Fax: +91 22 4086 3610 Email: 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	**IIFL Holdings Limited** 10th Floor, IIFL Centre Kamala City, Senapati Bapat Marg, Lower Parel (West) Mumbai 400 013, Maharashtra, India Tel: +91 22 4646 4600 Fax: +91 22 2493 1073 E-mail: sefl.ncd2018@iiflcap.com Investor grievance e-mail: ig.ib@iiflcap.com Website: www.iiflcap.com Contact person: Mr. Sachin Kapoor/ Ms. Nishita Mody Compliance Officer: Mr. Sourav Roy SEBI Registration No.: INM000010940	**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: seflncd2018@trustgroup.in Investor Grievance Email: customercare@trustgroup.in Website: www.trustgroup.in Contact Person: Ms. Hetal Sonpal Compliance Officer: Mr. Ankur Jain SEBI Registration No.: INM000011120	**Tipsons Consultancy Services Private Limited** 401, Sheraton House, Opp: Ketav Petrol Pump, Polytechnic Road, Ambawadi Ahmedabad Gujarat 380015 India Tel No. +91 079 6682 8000/8064/8120 Fax No. +91 079 6682 8001 E-mail: sandeep.bhansali@tipsons.com Investor Grievance Email: mbd@ tipsons.com Website: www.tipsons.com Contact person: Mr. Sandeep Bhansali Compliance Officer: Mr Jimmy Joshi SEBI Registration No: INM000011849	**Axis Trustee Services Limited**** Axis House, Bombay Dyeing Mills Compound Pandurang Budhkar Marg, Mumbai 400 025 Tel: +91 22 6230 0451 Fax: -Email: debenturetrustee@axistrustee.com Investor Grievance Email: complaints@axistrusee.com Website: www.axistrustee.com Contact Person: Chief Operating Officer Compliance Officer: Ms Kadiyala Krishna Kumari SEBI Registration No.: IND000000494	**Karvy Fintech Private Limited** Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakaramguda, Hyderabad – 500 032 Tel: +91 40 6716 2222 Fax: +91 40 2343 1551 Email: selfncd5.ipo@karvy.com Investor Grievance Email: einward.ris@karvy.com Website: www.karisma.karvy.com Contact Person: Mr. Murali Krishna M Compliance Officer: Mr. Rakesh Santhalia SEBI Registration No.: INR000000221

In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("SEBI Merchant Bankers Regulation") , Srei Capital Markets Limited will be involved only in marketing of the Issue.

ISSUE PERIOD#			
ISSUE OPENING DATE	**DECEMBER 19, 2018**	**ISSUE CLOSING DATE**	**JANUARY 18, 2019**

*# 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/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 Exchange. For further details please refer to "**General Information**" on page 50 of this Prospectus*

***Axis Trustee Services Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated September 27, 2018 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.304 of this Prospectus.*

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SECTION I: GENERAL

DEFINITIONS & ABBREVIATIONS

CONVENTIONAL AND GENERAL TERMS OR 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
ACUITE	ACUITE Ratings & Research Limited Limited (erstwhile SMERA Ratings Limited)
AFC	Asset finance company
AGM	Annual General Meeting
AS	Accounting Standard
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time.
ALM	Asset Liability Management
AS or Accounting Standards	Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time
ASBA	Application(s) Supported by Blocked Amount
AUM	Assets Under Management
Bankruptcy Code / IBC / IB Code	The Insolvency and Bankruptcy Code, 2016
Bn/ bn	Billion
BSE	BSE Limited
Brickwork/ BWR	Brickwork Ratings India Private Limited
CAGR	Compounded annual growth rate
CARE/ CARE Ratings	Credit Analysis and Research Limited
CBDT	Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, GoI
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have an effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act 2013	Companies Act, 2013, as amended and, to the extent in force pursuant to the notification of sections by the Ministry of Corporate Affairs, GoI as of the date of this Prospectus, along with the relevant rules made thereunder
Competition Act	Competition Act, 2002, as amended
Contract Labour Act	The Contract Labour (Regulation and Abolition) Act, 1970
CPC	Civil Procedure Code, 1908
CrPC	Code of Criminal Procedure, 1973
CSE	The Calcutta Stock Exchange Limited
CSR	Corporate Social Responsibility
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 read with regulations framed thereunder
Depositories	NSDL and CDSL
DIN	Director’s Identification Number
DRR	Debenture Redemption Reserve

Term	Description
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, GoI
DP ID	Depository Participant’s Identity Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DRT	Debt Recovery Tribunal
DRAT	Debt Recovery Appellate Tribunal
ECB	External Commercial Borrowing
EGM	Extraordinary General Meeting
Employees Provident Fund Act	Employees Provident Funds and Miscellaneous Provisions Act, 1952
Employees State Insurance Act	Employees State Insurance Act, 1948
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FDI Circular	Consolidated Foreign Direct Investment policy circular of 2017, effective from August 28, 2017, issued by the DIPP
FEMA	Foreign Exchange Management Act, 1999, as amended read with rules and regulations thereunder
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.
Financial Year / FY/ Fiscal/Fiscal Year	Financial Year ending March 31. The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending March 31 of that particular year
FIPB	The erstwhile Foreign Investment Promotion Board
FPI(s)	Foreign portfolio investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014
GDP	Gross domestic product
G-Sec	Government Securities
GoI/ Government/ Central Government	The Government of India
GST	Goods and Service Tax
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICRA	ICRA Limited
IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961, read with the rules framed thereunder
Income Tax Rules	Income Tax Rules, 1962
IndAS/Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time
Indian Accounting Standard Rules	Companies (Indian Accounting Standards) Rules, 2015 as amended
IST	Indian Standard Time
IT	Information Technology
Indian GAAP	Generally Accepted Accounting Principles in India
IFC	Infrastructure Finance Company
IPC/ Indian Penal Code	Indian Penal Code, 1860
IRDA	Insurance Regulatory and Development Authority
LLP	Limited Liability Partnership
Mn/Mio	Million
MCA	Ministry of Corporate Affairs, Government of India

Term	Description
MNC	Multi-National Corporation / Company
MAT	Minimum Alternate Tax
MICR	Magnetic ink character recognition
MoU	Memorandum of understanding
N.A.	Not Applicable
NAV	Net Asset Value
NACH	National Automated Clearing House
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
NBFC	Non-banking finance company
NBFC-D	NBFC accepting public deposits
NBFC-ND	NBFC not accepting public deposits
NBFC-ND-SI	A systemically important NBFC-ND
NBFC-SI Directions	The RBI master directions titled “Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016” as amended
NBFC-SI	A systemically important NBFC, as defined under Regulation 2(1) (zla) of the SEBI ICDR Regulations
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
Negotiable Instruments Act	Negotiable Instruments Act, 1881, as amended
NRI	A person resident outside India, who is a citizen of India or an overseas citizen of India cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NPA	Non-performing assets
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% 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 was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
OEM	Original equipment manufacturer
PAN	Permanent Account Number
PSSA	Payment and Settlement Systems Act, 2007
p.a.	Per annum
P/E Ratio	Price/earnings ratio
PAT	Profit after tax
PBT	Profit before tax
PFRDA/Pension Fund Regulations	Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015
PMS	Portfolio Management Services
Resident Indian	A person resident in India, as defined under FEMA
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
RONW/ RoNW	Net profit after tax / net worth as at the end of period/year
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, 1992

Term	Description
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 as amended
SIFL/ SREI Infra / Srei Infra	Srei Infrastructure Finance Limited
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
SEBI ICDR Regulations 2018	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time
SEBI Merchant Banker Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as amended from time to time
SMEs	Small and Medium Enterprises
State Government	The Government of a state in India
Stock Exchange(s)	BSE
STT	Securities transaction tax
Trademarks Act	Trade Marks Act, 1999
TAN	Tax deduction account number
TDS	Tax Deducted at Source
U.S./ U.S.A/ United States	United States of America
US$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally accepted accounting principles of the United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VAT	Value added tax
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations
Year/ Calendar Year	The 12 months' period ending December 31

COMPANY 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
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board, as described in "***Our Management***" on page 153 of this Prospectus
Auditors/ Statutory Auditors	The current statutory auditor of our Company, being Deloitte Haskins & Sells, Chartered Accountants
Board/ Board of Directors	The board of directors of our Company (including any duly constituted committee thereof)
BPLG	BNP Paribas Lease Group
CC	Credit and Investment Committee of the Board
Committee of Directors	Committee of Directors of the Issuer
CP	Commercial Paper

Term	Description
CRAR	Capital-to-Risk-Weighted Assets Ratio
CSRC	The corporate social responsibility committee of our Board, as described in "***Our Management***" on page 153 of this Prospectus.
DIN	Director's Identification Number
Director(s)	The director(s) on our Board
Earning Assets	Long-term Financial Assets, Current maturities of Long-term Financial Assets, Short-term Financial Assets, Trade Receivables, Net Block of Assets given on Operating Lease, Net block of Assets for Own Use (Plant and Machinery) and Balances in Deposits Accounts (Assets for Own Use (Plant and Machinery) represent assets for use under Joint Controlled Operations).
Equity Shares	The equity shares of our Company of face value of ₹10 each
Exposure	Exposure includes credit exposure (funded and non-funded) and investment exposure.
FIMMDA	Fixed Income, Money Markets and Derivatives Association
Gross Earning Assets	Aggregate of Earning Assets and assets derecognised by way of securitisation and assignment of receivables
IDF-NBFC	Infrastructure Debt Fund Non- Banking Financial Company
IFC	'Infrastructure Finance Company', as defined under applicable RBI guidelines
Group	SIFL and all its subsidiaries (including the Company), associates, and group companies.
Group Companies	The companies as described in the chapter "History and Main Objects" on page no. 150 of this Prospectus.
Head Office	The head office of our Company, situated at Plot No. Y-10, Block EP, Sector V, Saltlake City, Kolkata – 700 091, West Bengal, India
Independent Director(s)	The independent Director(s) on our Board, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013
KMP	Key Managerial Personnel, as defined under the Companies Act, 2013, section 2(51), as amended as under: *"key managerial personnel", in relation to a company, means -* i. *the Chief Executive Officer or the managing director or the manager;* ii. *the company secretary;* iii. *the whole-time director;* iv. *the Chief Financial Officer; and* v. *such other officer not more than one level below the directors who is in whole-time employment designed as key managerial personnel by the Board; and* vi. *such other officer as may be prescribed;"*
LC	Loan Company
Materiality Policy	The policy adopted by our Board on October 25, 2017 and September 3, 2018, for identification of material Group Companies, 'material' litigation involving our Company, its Promoter, Group Companies and Directors (excluding criminal proceedings, statutory/ regulatory actions and taxation matters) and 'material' outstanding dues to creditors
Memorandum or Memorandum of Association/ MoA	The memorandum of association of our Company, as amended from time to time
NBFC-MFI	Non-Banking Financial Company - Micro Finance Institution
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, securities premium account and debit or credit balance of profit and loss 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

<table>
<tr><th>Term</th><th>Description</th></tr>
<tr><td>Nomination and Remuneration Committee/ NRC</td><td>The nomination and remuneration committee of our Board, as described in “Our Management” on page 153 of this Prospectus.</td></tr>
<tr><td>PFI</td><td>Public Financial Institution as defined under Section 2(72) of the Companies Act 2013</td></tr>
<tr><td>Portfolio</td><td>Our aggregate outstanding loans and advances</td></tr>
<tr><td>Preference Shares</td><td>The preference shares of our Company of face value of ₹100 each</td></tr>
<tr><td>Promoter/ SIFL</td><td>The promoter of our Company, namely, Srei Infrastructure Finance Limited</td></tr>
<tr><td>RC</td><td>Risk Committee of the Board</td></tr>
<tr><td>Registered Office</td><td>The registered office of our Company, situated at ‘Vishwakarma’, 86C, Topsia Road (South), Kolkata – 700 046, West Bengal, India</td></tr>
<tr><td>Registrar of Companies/ RoC</td><td>The Registrar of Companies, West Bengal at Kolkata</td></tr>
<tr><td>RoC Delhi</td><td>The Registrar of Companies, National Capital Territory of Delhi and Haryana</td></tr>
<tr><td>Reformatted Financial Statements</td><td>Includes (i) Reformatted Statements of Assets and Liabilities as at June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, (ii) Reformatted Statements of Profit and Loss and (iii) the Reformatted Cash Flow Statements for the qaurter ended June 30, 2018 and for each of the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014.</td></tr>
<tr><td>Special Purpose Interim Condensed Financial Statements</td><td>Includes (i) Condensed Statements of Assets and Liabilities as at June 30, 2018, and (ii) condensed statement of profit and loss (including other comprehensive income), condensed statement of changes in equity and (iii) condensed cash flow statement as at and for the quarter ended June 30, 2018 and notes thereon prepared under IndAS. This Special Purpose Interim Condensed Financial Statements is included in this Prospectus.</td></tr>
<tr><td>Scheme of Arrangement</td><td>Scheme of Arrangement between our Company and SIFL, sanctioned by the High Court of Calcutta vide its order dated January 28, 2008, in terms of which inter alia the project finance and asset-based financing businesses of SIFL for equipment including construction equipment, transportation, materials handling, and equity share capital in Srei Insurance Broking Limited (formerly Srei Insurance Services Limited) held by SIFL were transferred to our Company</td></tr>
<tr><td>Senior Debt/ Senior Loans</td><td>Debt secured by exclusive charge or first charge</td></tr>
<tr><td>Shareholders</td><td>The holders of the Equity Shares from time to time</td></tr>
<tr><td>Srei Group</td><td>Means Srei Infrastructure Finance Limited and all its subsidiaries, sub-subsidiaries, associates and group companies</td></tr>
<tr><td>Stakeholders Relationship Committee/ SRC</td><td>The stakeholders’ relationship committee of our Board, as described in “Our Management” on page 153 of this Prospectus</td></tr>
<tr><td>Gross Stage 3</td><td>Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS</td></tr>
<tr><td>Net Stage 3</td><td>Stage 3 provision are life time expected credit loss resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS</td></tr>
<tr><td>Subordinated Debt</td><td>An instrument, which is fully paid up, is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the non-banking financial company. The book value of such instrument shall be subjected to discounting as provided hereunder:
<table>
<tr><td>Remaining Maturity of the instruments</td><td>Rate of discount</td></tr>
<tr><td>Upto one year</td><td>100 per cent</td></tr>
<tr><td>More than one year but upto two years</td><td>80 per cent</td></tr>
<tr><td>More than two years but upto three years</td><td>60 per cent</td></tr>
<tr><td>More than three years but upto four years</td><td>40 per cent</td></tr>
<tr><td>More than four years but upto five years</td><td>20 per cent</td></tr>
</table></td></tr>
</table>

Term	Description
	to the extent such discounted value does not exceed fifty per cent of Tier I capital
Tier I Capital	Tier I Capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten percent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.
Tier II Capital	Tier II Capital includes the following: (i) preference shares other than those which are compulsorily convertible into equity; (ii) revaluation reserves at discounted rate of fifty five percent; (iii) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (iv) hybrid debt capital instruments; (v) subordinated debt; and (vi) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital to the extent, the aggregate does not exceed Tier I Capital.
Unaudited Interim Financial Results	The limited reviewed financial statements of our Company for the six months ended September 30, 3018 submitted pursuant to the requirement of Regulation 52 of SEBI LODR as modified by SEBI circular number CIR/IMD/DF1/69/2016 dated August 10, 2016 read with SEBI circular Number CIR/CFD/FAC/62/2016 dated July 5, 2016 and prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) “Interim Financial Reporting” prescribed under Section133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounitng principles generally accepted in India.
WCDL	Working Capital Demand Loan

Technical/ Industry Related Terms/ Abbreviations

Term	Description
AAI	Airport Authority India
ALCO	Assets liability management committee
AML	Anti-money Laundering
ARM	Assets and Receivable Management
CAM	Credit Appraisal Memorandum
CAR	Capital adequacy ratio
CDR	Corporate Debt Restructuring
CEMM Act	Construction, Earth Moving, Material Handling and Mining Equipment Act
CME	Construction, Mining and allied Equipment
CPC	Code of Civil Procedure, 1908
CSO	Central Statistical Organisation, India
DFC	Dedicated Freight Corridor
ERP	Enterprise resource planning
ESMS	Environmental and Social Management System
E&S	Environmental and Social
FTBs	First Time Buyer
FTUs	First Time Users

Term	Description
GVA	Gross Value Added
IMF	International Monetary Fund
IoT	Internet of Things
KYC	Know your customer
LTV	Loan to value
MHE	Material Handling Equipment
MSMEs	Micro, Small and Medium Enterprises
PPP	Public private partnership
PSUs	Public Sector Undertakings
SDR	Strategic Debt Restructuring
SEPs	Srei Entrepreneur Partners
S4A	Scheme for Sustainable Structuring of Stressed Assets
TAT	Turn Around Time

ISSUE RELATED TERMS

Term	Description
Abridged Prospectus	A memorandum containing the salient features of this Prospectus
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Appication Form
Allotment / Allotted / Allot	Unless the context otherwise requires, the issue and allotment of the NCDs pursuant to the Issue to the successful 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 applies for issuance of NCDs pursuant to the terms of the Draft Prospectus, Prospectus, Abridged Prospectus and Application Form for the Issue
Application/ASBA Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account which will be considered as the application for Allotment in terms of this Prospectus.
Application Amount	Aggregate value of NCDs applied for, as indicated in the Application Form for the Issue.
Application Form/ ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process and which will be considered as the Application for Allotment of NCDs in terms of this Prospectus
Application Supported by Blocked Amount/ ASBA Application/ASBA	The Application (whether physical or electronic) used by an 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 with a SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the Application Amount in relation to the Application Form by an ASBA Applicant.
ASBA Applicant	Any Applicant who applies for the NCDs through the ASBA Process
Banker(s) to the Issue	Collectively the Public Issue Account Banks and Refund Bank(s)
Base Issue Size	₹1,500 million
Basis of Allotment	The basis on which NCDs will be allotted to successful Applicants under the Issue and which is described in "***Basis of Allotment***" on page no. 235 of this Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
BRICKWORK/BWR	Brickwork Ratings India Private Limited

Term	Description
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the website of the Stock Exchange at www.bseindia.com
Category I / Institutional Investors	a. Public Financial Institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution, which are authorized to invest in the NCDs; b. Provident funds and 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. Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than five thousand million rupees as per the last audited financial statements h. 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; i. State industrial development corporations; and j. Mutual funds registered with SEBI.
Category II / Non-Institutional Investors	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. Co-operative banks and regional rural banks; c. Trusts including Public/private charitable/religious trusts which are authorized to invest in the NCDs; d. Scientific and/or industrial research organizations, which are authorized to invest in the NCDs; e. Partnership firms in the name of the partners; f. Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); g. Association of Persons; and h. Any other incorporated and/ or unincorporated body of persons
Category III / Individual Investors	a. Resident Indian individuals; and b. Hindu undivided families through the karta
CDP/ Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996 and registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Credit Rating Agencies	BRICKWORK and ACUITE
Debenture(s) / NCD(s)	Secured, Redeemable, Non-Convertible Debentures of face value ₹1,000/- each (Secured NCDs) and Unsecured Subordinated Non-Convertible Debentures of face value ₹1,000/- each (Unsecured NCDs), proposed to be issued under this Issue. The Unsecured NCDs will be in the nature of Subordinated Debt and will be eligible for inclusion as Tier II Capital.
Debenture Holder (s) / NCD Holder(s)	The holders of the NCDs whose name appears in the database of the Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law.

Term	Description
Debenture Trust Deeds	The Secured Debenture Trust Deed and Unsecured Debenture 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.
Debenture Trusteeship Agreement	Agreement dated October 10, 2018 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.
Debt Listing Agreement	The listing agreement between our Company and the Stock Exchange(s) in connection with the listing of debt securities of our Company pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time
Deemed Date of Allotment	The Deemed Date of Allotment for the NCDs shall be the date on which the Board of Directors or Committee of Directors 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	The demographic details of an Applicant, such as his address, occupation, bank account details, Category, PAN 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, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or at such other websites as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchanges at www.bseindia.com as updated from time to time
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of this Prospectus following which the NCDs will be Allotted in the Issue
Designated Stock Exchange / DSE	BSE Limited
Designated Intermediary(ies)	Collectively, the Members of the Syndicate, sub-brokers, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the website of the Stock Exchange at www.bseindia.com, as updated from time to time)

Term	Description
Draft Prospectus	The Draft Prospectus dated October 12, 2018 filed by our Company with the Stock Exchanges for receiving public comments, in accordance with the provisions of the Companies Act 2013 and the SEBI Debt Regulations.
Edelweiss	Edelweiss Financial Services Limited
Public Issue Account Agreement	Agreement dated Decembr 5, 2018entered into by our Company, the Registrar to the Issue, the Lead Managers and the Banker(s) to the Issue
Feedback	Feedback Business Consulting Services Private Limited
Feedback Reports	"Indian Economy", "Infrastructure Segment", "Market Assessment of the Construction, Mining & Allied Equipment (CME) Segment in India", "Farm Equipment Market", "Medical Device Market in India", "Indian IT Equipment Industry", "Indian Tippers Market", "Market Assessment of the Construction, Mining and Allied Equipment (CME) Financing Segment", "Farm Equipment Financing in India", "Medical Equipment Finance in India", "Market Assessment of the IT Equipment (IT) Finance Segment in India" and "Market Assessment of Tipper Financing Segment in India", all dated July 10, 2018, prepared by Feedback Business Consulting Services Private Limited.
ICRA	ICRA Limited
IIFL	IIFL Holdings Limited
Interest/Coupon Payment Date	Please see the section titled "***Terms of the Issue***" on page 205 of this Prospectus.
Institutional Portion	Applications received from Institutional Investors grouped together across all Series of NCDs, as specified in this Prospectus
Issue/Issue size	Public Issue of Secured, Redeemable Non-Convertible debentures of face value of ₹1,000/- each ("Secured NCDs") and Unsecured Subordinated Non-Convertible Debentures of face of value of ₹1,000/- each (Unsecured NCDs") of our Company for an amount upto ₹1,500 million ("**Base Issue Size**") with an option to retain over-subscription for an amount upto ₹1,500 million aggregating to ₹3,000 million ("**Overall Issue Size**"). The Secured NCDs and Unsecured NCDs are together referred to as "Debentures / NCDs". The Unsecured NCDs will be in the nature of Subordinated debt and will be eligible for inclusion as Tier II capital. The Secured NCDs and Unsecured NCDs will be issued upto the Overall Issue Size either Individualy or collectively.
Issue Agreement	The Issue Agreement dated October 12, 2018 entered between the Company and the Lead Managers
Issue Closing Date	January 18, 2019
Issue Opening Date	December 19, 2018
Issue Period	Shall mean the period between the Issue Opening Date and Issue Closing Date, both dates inclusive, during which a prospective Applicant may submit their Application Form.
Lead Managers	Edelweiss Financial Services Limited, IIFL Holdings Limited, Tipsons Consultancy Services Private Limited, Trust Investment Advisors Private Limited and Srei Capital Markets Limited.
Lead Brokers	AUM Capital Market Private Limited, Axis Capital Limited, Edelweiss Securities Limited, HDFC Securities Limited, ICICI Securities Limited, IDBI Capital Market Services Limited, IIFL Securities Limited, Integrated Enterprises (India) Private 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 & Trust Securities Services Private Limited
Lead Broker Agreement	Agreement dated December 5, 2018 to be entered into amongst our Company, Lead Managers and Lead Brokers
Market Lot	One (1) NCD

Term	Description
Maturity Amount or Redemption Amount	The amount repayable on the Allotted NCDs, as specified in the section titled "***Issue Related Information***" on page 196 of this Prospectus.
Maturity Date or Redemption Date	Please see the section titled "***Terms of the Issue***" on page 205 of this Prospectus.
Members of the Syndicate	Members of Syndicate include Lead Managers and Lead Brokers to the Issue.
Members of the Syndicate Bidding Centers	Members of the Bidding Centers established for acceptance of Application Forms.
Non-Institutional Portion	Applications received from Non-Institutional Investors grouped together across all Series of NCDs as specified in this 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
Offer Document	The Draft Prospectus, Prospectus, Application Form and the Abridged Prospectus
Prospectus	The Prospectus dated December 11, 2018 issued and filed by our Company with the ROC, SEBI and Stock Exchanges in accordance with the SEBI Debt Regulations and the Companies Act 2013
Public Issue Account	Account(s) opened with the Bankers to the Issue to receive monies from the ASBA Accounts on the Designated Date.
Public Issue Account Bank	The Banker(s) to the Issue with whom the Public Issue Account will be opened, in this case being ICICI Bank Limited
Record Date	In connection with Series III and Series VI NCDs, 10 (Ten) 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, Series IV, Series VII and Series IX NCDs, 15 (Fifteen) 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 V and Series VIII 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 succeeding 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.
Refund Bank	The Banker(s) to the Issue with whom the Refund Account will be opened, in this case being ICICI Bank Limited
Registrar to the Issue/Registrar	Karvy Fintech Private Limited (formerely Karvy Computershare Private Limited).
Registrar Agreement	Agreement dated October 11, 2018 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.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Applications from Applicants
RTAs/ Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue at the Designated RTA Locations
Resident Indian Individuals	Individual who is a person resident in India as defined under the Foreign Exchange Management Act, 1999

Term	Description
Self-Certified Syndicate Banks or SCSB(s)	The banks which are registered with the SEBI under the 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/other/OtherAction.do?doRecognised=yes or such other website as may be prescribed by the SEBI from time to time.
Senior Citizen	All the Applicants who are aged more than 60 years as on Deemed Dated of Allotment of NCDs with respect to the Issue.
Series	Collectively the Series of NCDs being offered to the Applicants as stated in the section titled '***Issue Related Information***' beginning on page 196 of this Prospectus.
Secured Debenture Trust Deed	The trust deed to be entered 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 Secured NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs and the interest due thereon issued pursuant to the Issue.
Secured NCDs	Secured Redeemable Non-Convertible Debentures of face value of ₹1,000/- each.
Secured Debenture Holder (s) /Secured NCD Holder(s)	The holders of the Secured NCDs whose name appears in the database of the Depository and/or the register of Secured NCD Holders (if any) maintained by our Company if required under applicable law.
Srei Caps	Srei Capital Markets Limited
Specified Cities/Speciifed Locations	Bidding Centres where the Member of the Syndicate shall accept Application Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Syndicate ASBA	Applications through the Members of the Syndicate or the Designated Intermediaries
Tipsons	Tipsons Consultancy Services Private Limited
Trading Member	Intermediaries registered with SEBI as a Lead Broker or a sub-broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchange.
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.
Unsecured Debenture Trust Deed	The trust deed to be entered between the Debenture Trustee and the Company which shall be executed within the time limit prescribed by applicable statutory and/or regulatory requirements, for the benefit of the Unsecured NCD Holders
Unsecured NCDs	Unsecured Redeemable Non-Convertible Debentures of face value of ₹1,000/- each, which will be in the nature of Subordinated debt and will be eligible for inclusion as Tier II Capital.
Unsecured Debenture Holder (s) / Unsecured NCD Holder(s)	The holders of the Unsecured NCDs whose name appears in the database of the Depository and/or the register of Unsecured NCD Holders (if any) maintained by our Company and if required under applicable law.

Term	Description
Wilful Defaulter	A Person or a company categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as such.
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 shall mean all trading days of Stock Exchanges excluding Sundays and bank holidays in Mumbai

Notwithstanding the foregoing, terms in ***"Risk Factors",*** "***Capital Structure***", "***History and Main Objects***", "***Existing Financial Indebtedness***", "***Outstanding Litigations and Statutory Defaults",*** "***Summary of Key Provisions of Articles of Association***", "***Statement of Tax Benefits***", "***Regulations and Policies***", "***Our Business***" on pages 21, 61, 150, 168, 241, 294, 69, 280 and 127 respectively of this Prospectus, and "***Financial Information***" on page 307 of this Prospectus, 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;
- OEM, customer, SEP and employee relationships; and
- Demand for our products and services.

By their nature, certain market risk disclosures are only estimate(s) 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, Lead Managers nor any of its Directors and its officers, their respective affiliates or associates 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 or could cause our actual results to differ from our expectations, see the section titled "***Risk Factors***" beginning on page no. 21 and chapters titled "***Industry***" and "***Our Business***" beginning on pages 76 and 127 respectively 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, CURRENCY OF PRESENTATION & USE OF INDUSTRY & USE OF MARKET DATA

Unless stated otherwise, the financial data used in this Prospectus is derived from the Reformatted Financial Statement which is based/derived from our Company's audited financial statements as at and for the three months ended June 30, 2018 and as at and for each of the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 prepared in accordance with Indian GAAP, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards prescribed by the Institute of Chartered Accountants of India, Companies Act and other applicable statutory and / or regulatory requirements.

The Reformatted Financial Statement as prepared by our Company and the examination report provided by our Statutory Auditor, Deloitte Haskins & Sells, Chartered Accountants, included in this Prospectus includes (i) Reformatted Statements of Assets and Liabilities as at June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, (ii) Reformatted Statements of Profit and Loss and (iii) the Reformatted Cash Flow Statements for the quarter ended June 30, 2018 and for each of the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and the Company has also included the Special Purpose Interim Condensed Financial Statements including the audit opinion of the Statutory Auditor, which has been prepared in accordance with the Indian Accounting Standard 34 "*Interim Financial Reporting*" prescribed under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India, of the state of affairs of the Company as at June 30, 2018 including without limitation the profit, total comprehensive income, changes in equity and its cash flows for the quarter ended on that date, under the special purpose framework in connection with the proposed debt and/or equity offering of the Company, as stated in the report of our Company's Statutory Auditors, Deloitte Haskins & Sells, Chartered Accountants, included in this Prospectus.

Further the Company has also included the Unaudited Interim Financial Results for half year ended September 30, 2018 submitted pursuant to Regulation 52 of SEBI LODR Regulation and prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under IndAS as per Section 133 of Companies Act, 2013 and relevant rules issued thereunder. Further details please refer to "*Financial Information*" beginning on the page no. 307.

Any financial information under IndAS for the three months ended June 30, 2018 and for the half year ended September 30, 2018 are not comparable with those in the Reformatted Financial Statements since they have been prepared under different accounting frameworks.

In this Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off. Our Company is proposing, subject to, receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offer of its Equity Shares and has filed the Draft Red Herring Prospectus dated November 28, 2017 with SEBI on or about November 28, 2017 ("Draft Red Herring Prospectus"). Our Company has received the Observation Letter from SEBI dated September 7, 2018 in regard to the Draft Red Herring Prospectus dated November 28, 2017 filed by the Company with SEBI.

The financial statements included in the Draft Red Herring Prospectus have been prepared by taking financials of the Company, audited as per the Indian GAAS framework for the preceding fiscals i.e. Fiscal 2017, Fiscal 2016, Fiscal 2015, Fiscal 2014 and Fiscal 2013 as its underlying base and restating the same in accordance with the requirments of SEBI ICDR Regulations ("Restated Financials"). The Reformatted Financial Statements for the four fiscals i.e. Fiscal 2017, Fiscal 2016, Fiscal 2015 and Fiscal 2014 included in this Prospectus is not comparable with the Restated Financials included in the Draft Red Herring Prospectus. 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. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. We have relied on the Feedback Reports for industry related data that has been disclosed in this Prospectus. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in *"Internal Risk Factor no. 50 – We have relied on third party industry reports which have been used for industry related data in this Prospectus and such data have not been independently verified by us"* on page no. 42.

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'/ 'US$' / '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.

Except otherwise specified in this Prospectus, all figures stated in various chapters of this Prospectus are in Indian GAAP only.

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

India has decided to adopt the "Convergence of its existing standards with IFRS" referred to as the "Indian Accounting Standards" or "IndAS". In terms of a notification released by the MCA, our Company is required to prepare its financial statements in accordance with IndAS for accounting periods beginning on April 1, 2018. Accordingly, our financial statements for the three-month period commencing from April 1, 2018 and ending on June 30, 2018 prepared under IndAS, may not be comparable to the the three-month period commencing from April 1, 2018 and ending on June 30, 2018 prepared under Indian GAAP.

There are significant differences between Indian GAAP and IndAS. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Exchange Rates

	Exchange rate as on						
Currency	**Sept 30, 2018**	**June 30, 2018**	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**
1 US$	72.54**	68.57	65.04	64.84	66.33	62.59	59.915*

(Source: www.rbi.org.in)

Note: In case March 31/June 30 of any of the respective years is a public holiday, the previous working day has been considered.

**Source: Foreign Exchange Dealers Association of India.*

***Source: www.fbil.org*

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees at any particular rate, the rates stated above or at all.

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 127 of this Prospectus and under "**Financial Information**" on page 307 of this Prospectus 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.

All the financial information other than financial information pertaining to September 30, 2018 and included in this section is as per Reformatted Financial Statements derived from financial statements prepared under IGAAP.

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 unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implications of any of the risks described in the section.

INTERNAL RISKS

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

There are outstanding legal proceedings involving our Company, Promoter, Directors and Group Companies which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert the management's time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations.

The summary of such outstanding material legal proceedings as on the date of this Prospectus is set out below:

Nature of cases	No. of cases	Total amount involved (in ₹million)
Litigation involving our Company		
Against our Company		
Civil cases	2	790.54
Criminal cases	23	-
Action taken by statutory and regulatory authorities	4	-
Taxation cases	19[1]	845.00
By our Company		
Civil cases	19	13,768.68
Criminal cases	48,699	9,537.02
Litigation involving our Promoter		
Against our Promoter		

[1] As on November 30, 2018

Nature of cases	No. of cases	Total amount involved (in ₹million)
Civil cases	3[2]	12,249.50
Criminal cases	1	-
Action taken by statutory and regulatory authorities	8	2.00
Taxation cases	20[3]	864.26
By our Promoter		
Civil cases	16	24,572.43
Criminal cases	229	7,266.80
Litigation involving our Directors		
Against our Directors		
Civil cases	1	368.00
Criminal cases	11	-
Action taken by statutory and regulatory authorities	4	1.00
Taxation cases	0	0
By our Directors		
Civil cases	0	0
Criminal cases	0	0
Litigation involving our Group Companies		
Against our Group Companies		
Civil cases	6	1,093.70
Criminal cases	0	-
Action taken by statutory and regulatory authorities	5	-
Taxation cases	44[4]	1,381.61
By our Group Companies		
Civil cases	5	3486.97
Criminal cases	2	5.67

SEBI *vide* an order dated June 4, 2013 had *inter alia* directed IPCL to comply with the minimum public shareholding requirements ("**MPS Requirement**") prescribed under applicable law. The Order, among other things, prohibits the promoters/promoter group and directors from buying, selling or otherwise dealing in securities of their respective companies, except for the purpose of complying with minimum public shareholding requirement until such time as the companies comply with the minimum public shareholding requirements and also restrain the directors of non-compliant companies from holding any new position as a director in any listed company, until such time such companies comply with minimum public shareholding requirements. Thereafter, SEBI filed an application before the High Court of Calcutta ("**High Court**"), seeking the modification of a scheme of amalgamation ("**Scheme**") approved by the High Court on April 17, 2013 between the former India Power Corporation Limited and DPSC Limited, contending that the Scheme flouted the MPS Requirement by providing that 'Power Trust', an irrevocable independent trust, would qualify as 'public shareholder' under Applicable Law. The High Court disposed off the application *vide* its order dated January 27, 2017, directing the trustees of Power Trust to sell 32,63,16,563 shares of IPCL to the public by April 30, 2017, which period was subsequently extended by the High Court, *vide* its order dated August 25, 2017, to December 31, 2017 with a further grace period of up to the end of February 2018. Subsequently, Power Trust filed an application before the High Court seeking an extension of time to sell the remaining 32,40,53,397 shares of IPCL to the public, and for permission to offload and sell the balance shares by other methods as prescribed by SEBI in the circular dated February 22, 2018 (the "**Circular**"). The High Court, *vide* its order dated May 18, 2018 has disposed off the said application, directing that all steps to dispose of the balance IPCL shares be taken expeditiously, using all methods and combinations thereof as prescribed by the relevant statutory provisions, including the methods provided under the Circular, subject to such caps and limits as provided by the SEBI Regulations.

We cannot assure you that any of these matters will be settled in our favour or in favour of our Company, Promoter, Directors and Group Companies, respectively, or that no additional liability will arise out of these proceedings.

[2] Includes counterclaim by SIFL
[3] As on November 30, 2018
[4] As on November 30, 2018

An adverse outcome in any of these proceedings could have an adverse effect on our business, financial position, prospects, results of operations and our reputation. For details, please see "***Outstanding Litigation and Stautory Defaults***" on page no. 241 of this Prospectus.

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

Lending activities are exposed to credit risk arising from the risk of default and late or non-payment by borrowers and other counterparties of the principal amount lent by us or the interest thereon. Our total AUM as of June 30, 2018 and as of March 31, 2018, 2017 and 2016 were ₹316,809.40 million, ₹300,727.70 million, ₹212,318.10 million and ₹185,977.80 million, respectively. As at September 30, 2018 our total AUM as per IndAS was ₹334,151.10 million. Our earning assets are expected to grow as a result of our business strategy in CME as well as new verticals. Sustained growth may expose us to an increasing risk of defaults. Moreover, as our earning assets mature, we may experience greater defaults in principal or interest repayments.

The borrowers, their guarantors or third parties may default in their repayment obligations due to various reasons including insolvency, lack of liquidity, increase in operating costs or operational failure. Historically, several of our customers have been First Time Buyers ("FTBs")/ First Time Owners ("FTOs") and may have a limited or no credit track record. Any delay in enforcing on the collateral due to delays in enforcement proceedings before the Indian courts or due to any other reasons may lead to potential losses.

We cannot assure you that our risk management controls will be sufficient to prevent future losses on account of customers default. Any such defaults and late or non-payments would adversely affect our asset quality and could result in provisions or write-offs in our financial statements which could materially and adversely affect our profitability and asset quality.

3. Our business is focused on the infrastructure equipment financing sector, with a particular focus on financing of CME, and any adverse economic or regulatory developments in the CME sector, may adversely affect our results of operations. If loans made to borrowers in these sectors become non-performing or if there are defaults on such loans, our business, cash flows, financial condition and results of operations could 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 NPAs portfolios have, and are likely to continue to have a high concentration of borrowers in the infrastructure sectors including the construction and mining these sectors. Our business is therefore largely dependent on various factors that impact the infrastructure sector in India, in particular the demand for construction and mining equipment, changes in Indian regulations and policies affecting the infrastructure sector and the macroeconomic environment in India and globally. Any decline in the demand for finance for such equipment as a result of these factors could adversely affect our financial condition and results of our operations.

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

4. We are exposed to operational and credit risks which may result in NPAs, and we may be unable to control or reduce the level of NPAs in our portfolio. If we are unable to manage the level of NPAs or provisioning requirement as per regulatory requirements, our cash flows, financial position and results of operations may suffer.

Our ability to manage the credit quality of our loans, which we measure in part through NPAs, is a key driver of our results of operations. We have a diverse customer base in each of our verticals. For instance, our CME customers include first time owners, first time buyers, fleet owner and midsize contractor and large corporations and project owners. Our customers may, at times, be unable to provide us all the information required in connection with our loan products, which may affect our customer on-boarding procedures. Further, our customers may face cash flow constraints due to losses incurred by them in their businesses or other economic activities pursued by them, which may lead to a diversion of the loan proceeds for purposes other than those for which the loan was sanctioned. Any such cash flow constraints or diversion of loan proceeds may affect the ability of our customers to repay their loans and, in turn, our ability to recover the loans.

As of June 30, 2018, and Fiscals 2018, 2017 and 2016, our Gross NPAs were ₹7,482.00 million, ₹4,380.60 million, ₹4,198.60 million and ₹4,544.00 million, respectively, while our Gross NPAs/Earning Assets were 2.99%, 1.84%, 2.48% and 2.95%, respectively. As of June 30, 2018, and Fiscals 2018, 2017 and 2016, our Net NPAs were ₹5,998.20 million, ₹3080.00 million, ₹2,990.30 million and ₹3,075.60 million, respectively, while our Net NPAs/Earning Assets were 2.41%, 1.30%, 1.76% and 1.99%, respectively. We cannot assure you that we will be able to maintain our current levels of NPAs in the future.

We have made provisions of ₹1,483.80 million, ₹1,300.60 million, ₹1,208.30 million and ₹1,468.40 million in respect of Gross NPAs and Standard Restructured Assets under relevant RBI guidelines as at June 30, 2018 and March 31, 2018, 2017 and 2016, respectively. In addition, we maintain a provision against standard assets in accordance with the guidelines of the RBI. As of June 30, 2018, and March 31, 2018, 2017 and 2016, we have made provisions of ₹981.70 million, ₹942.80 million, ₹485.50 million and ₹400.00 million, respectively, in respect of standard assets. There can be no assurance that there will be a decrease in our NPAs provisions as a percentage of assets in the future, 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.

We are primarily governed by the RBI master directions titled "*Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016*" ("NBFC-ND-SI Directions"). Pursuant to the NBFC-ND-SI Directions, the regulatory framework applicable to NBFCs in India has been amended to require NBFCs such as us to follow more stringent NPAs evaluation criteria. We have been required to advance the classifications of certain overdue assets as NPAs in a phased manner. For example, assets (other than lease rental and hire purchase assets) were required to be classified as NPAs if they remain overdue for three months in the financial year ending March 31, 2018. For further information, please see "***Regulations and Policies***" on page 280 of this Prospectus. Any adverse regulatory developments relating to the assessment and recognition of and provisioning for NPAs may have an adverse effect on our financial performance as our gross NPAs and net NPAs in the period are likely to increase significantly, disproportionate to the growth of our business and total loan assets.

Further, these master directions govern the provisioning requirements as per the asset classification. 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. Under the NBFC-ND-SI Directions, the provisioning for standard assets was required to be 0.40% in Fiscal 2018, and thereafter. The provisioning requirements may moreover require subjective judgments of our management. In addition to the NBFC-ND-SI Directions, we are also subject to various circulars, notifications, guidelines and directions issued by the RBI from time to time. For further information, please see "***Regulations and Policies***" on page 280 of this Prospectus.

There can be no assurance that we will be able to improve our collections and recoveries in relation to our NPAs, or otherwise adequately control our level of NPAs in future. Moreover, as our loan portfolio matures, we may experience greater defaults in principal and/ or interest repayments. Thus, if we are not able to control or reduce our level of NPAs further, the overall quality of our loan portfolio may deteriorate, and our results of operations may be adversely affected. In the event of any further deterioration in our NPAs portfolio, there could be an adverse impact on our results of operations.

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.

5. ***As an NBFC, non-compliance with the RBI's observations made during its period inspections could expose us to penalties and restrictions which could have a material and adverse effect on us.***

As an NBFC, we are subject to period inspection by the RBI under Section 45N of the Reserve Bank of India Act, 1934 (the "RBI Act"), pursuant to which the RBI inspects 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. In certain of its past inspection reports, the RBI has made observations in relation to, among others: (i) our eligibility to get classified as an "AFC" primarily due to RBI's view of declassification of financing in relation to used equipment and repossessed equipment as asset financing, (ii) non-disclosure in our balance sheet of the categorisation of assets as per prudential norms and provisioning held against each category, (iii) absence of an independent evaluation of controls to identify high value transactions to be carried out by internal audit departments as per KYC/AML requirements, (iv) deficiencies in relation to the content and application of our investment policy and credit appraisal system, (v) high concentration of our strategic loan portfolio, (vi) exposure to the real estate sector increasing the probability of NPAs in the future, (vi) failure to adopt certain board approved policies including liquidity risk management policy and IT policy, (vii) failure to segregate loan accounts into 'high value risk' and 'low value risk' based on the nature of transactions, and (viii) lack of a compliance record submitted for internal audit reports.

While we believe we have responded satisfactory to the RBI's observations, in some instances the RBI has asked us to resubmit certain responses on the grounds of these not being sufficiently comprehensive or detailed. The RBI has also repeated in successive inspections that we have failed to address certain observations in the year they were first made. While we have submitted revised responses in these instances and believe we have appropriately addressed all observations and concerns raised by the RBI, we cannot assure you that the RBI or any other regulatory authority will not make similar or additional observations in the future or that we will be able to respond to all such queries to the satisfaction of the RBI or such other authorities.

We have received the annual inspection report of the RBI for Fiscal 2017 and we have replied to the specific observations of the RBI. In the event we are unable to satisfactorily address the observations of the RBI or are unable to comply with any specified RBI requirements for any reason, we may be subject to monetary sanctions and may also be restricted in our ability to conduct our business. In the event we are unable to resolve the observation of the RBI regarding our AFC status, we may be subject to regulatory actions by the RBI including the levy or fines or penalties and/or the cancellation of our license to operate as an NBFC-AFC. Any such outcome would have a material and adverse effect on our business, financial condition and reputation.

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

The primary security interest for the financing facilities provided by us is the underlying equipment purchased by our customers, hypothecated in our favour. We typically maintain a loan to value ("**LTV**") ratio that ranges from 60% 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 over the course of time. Consequently, the realisable value of the collateral for the credit facility provided by us, when liquidated, may be lower than the outstanding loan from such customers. Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. In the case of a default, we typically repossess the equipment financed by us 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.

We may not be able to realise adequate value of our collateral, due to, among other things, defects in the perfection of collateral, decline in the value of the collateral, delays on our part in taking immediate action in bankruptcy and foreclosure proceedings, claims of other lenders, legal or judicial restraint, unavailability of a ready market 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.

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

As part of our relationship-based customer strategy, we have entered into strategic alliances and arrangements with various OEMs and dealers in the infrastructure sector, particularly for CME, to further expand our customer origination network and establish ourselves as preferred financiers for customers of such OEMs and dealers. Our relationships with OEMs are key to our equipment centric business model. We intend to develop similar strategic alliances in other business verticals that we intend to increase our focus on in the future.

There can also be no assurance that we will be able to benefit from these arrangements to effectively source a sufficient volume of new customers and business commensurate with the incentives provided to us by the OEMs and dealers under our arrangement with them.

There can be no assurance that the OEMs and dealers will 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, 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 could adversely affect our Company's business prospects and financial conditions.

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

We have experienced steady growth recently. Our growth strategy primarily includes consolidating our 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, and expanding our customer base across various business verticals in India.

Although our growth initiatives have contributed to our financial results in recent years, there can be no assurance that we will be able to continue to successfully implement this strategy, or that our growth strategy will continue to be successful. Our ability to sustain and manage growth depends primarily upon our ability to manage key issues such as maintaining and leveraging our relationships with OEMs and dealers, selecting and retaining skilled personnel, gaining market share in select businesses and geographies, maintaining and, in a timely manner, upgrading our technology platform to be effective, introducing and successfully implementing new and improved technology initiatives and customer-friendly innovative products, ensuring a high standard of customer service and successfully integrating and managing any acquired businesses. Sustained growth also puts pressure on our ability to effectively manage and control historical and emerging risks. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, prospects, financial condition and results of operations, as well as the market price of our Equity Shares.

We also intend to continue to increase and diversify our customer base and delivery channels. In recent years, we have increased the scope of our branch network. We cannot assure you that we will be successful in achieving our target benchmark level of efficiency and productivity in our branches and our success will depend on various internal and external factors, some of which are not under our control.

9. As on September 30, 2018, our top 20 borrowers represented 11.31% of our total Gross Earning Assets. Our inability to maintain relationships with these customers or any payment default by or credit losses of these customers could materially and adversely affect our business, future financial performance and results of operations.

As on September 30, 2018, our top 20 borrowers accounted for 11.31% of our total Gross Earning Assets. Our business and results of operations will be adversely affected if we are unable to maintain or further develop relationships with our significant customers. Moreover, as of September 30, 2018, Strategic customers accounted for 71% of our total Gross Earning Assets. There can be no assurance that we will be able to maintain the historic levels of business from our significant customers. Further, in the event we lose any significant customer, we cannot assure you that we will be able to replace them, which could have a material adverse effect on our results of operations.

Our business and results of operations depend upon the timely repayment of the interest and principal from our significant customers. We cannot assure you that we will not experience delays in servicing of the loan advanced 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 operations and consequently, our profitability. In case we are unable to recover the full amount of principal and interest or any part of thereof, and the collateral is not sufficient to recover the full amount, our financial condition may be adversely affected.

10. Our business requires funds regularly, and any disruption in our funding sources would have a material adverse effect on our business and cash flows.

As an equipment finance company, our liquidity and ongoing profitability are in large part dependent upon our timely access to, and the costs associated with, raising funds. Our Company's funding requirements have been met through a combination of unsecured subordinated non-convertible debentures, secured redeemable non-convertible debentures, subordinated loans, term loans (Rupee loans and foreign currency loans) from banks and financial institutions, external commercial borrowings, working capital facilities and commercial papers. Thus, our Company's business growth, liquidity and profitability depend and will continue to depend on our ability to access diversified, relatively stable and low-cost funding sources. Further, in terms of our growth strategy, strengthening our geographical network and strengthening new product and service offerings to will have an impact on our long-term capital requirements.

Out of our long-term outstanding borrowings of ₹71,999.70 million as at June 30, 2018, our current maturities of long-term borrowings were ₹15,151.60 million as at June 30, 2018. Also, as at September 30, 2018 the total borrowing (includes debt securities, borrowing other debt securities and subordinated liabilities) is ₹222,630.40. In order to make these payments, we may either need to refinance this debt, or alternatively, raise equity capital or generate sufficient revenue to retire the debt. There can be no assurance that we will be able to arrange for refinancing on terms that are commercially better than those available previously, or at all, or that our business will generate sufficient cash to enable it to service its existing debts or to fund its other liquidity needs.

Our ability to borrow funds on acceptable terms and refinance existing debt may also be affected by a variety of factors, including our credit ratings, the regulatory environment and government policy initiatives in India, liquidity in the credit markets, the strength of the lenders from whom we borrow, the amount of eligible collateral and accounting changes that may impact calculations of covenants in our 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 our cost of funds and make it difficult for us 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 our liquidity and financial condition.

With the growth of our business, we may become increasingly reliant on funding from the debt capital markets and external commercial borrowings. While our borrowing costs have been competitive in the past due to our ability to structure debt products, our credit ratings and the quality of our asset portfolio, if we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. This may adversely impact our business, our future financial performance and the price of our Equity Shares.

The capital and lending markets are highly volatile and our access to liquidity may be adversely affected by prevailing economic conditions. These conditions may result in increased borrowing costs and difficulty in accessing funds in a cost-effective manner. Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. As a financial services company, we also face certain regulatory restrictions on our ability to raise money from international markets which may further constrain our ability to raise funds at attractive rates. If we are unable to obtain adequate financing or financing on terms satisfactory to us, as and when we require it, our ability to grow or support our business and to respond to business challenges could be limited and our business prospects, financial condition and results of operations may be materially and adversely affected.

11. As part of our growth strategy, we intend to strategically expand our operations in other business verticals, in particular used CME equipment, Tippers, IT and allied equipment, Farm equipment, Medical and allied equipment and Other assets. Our growth initiatives are susceptible to various risks that may limit our growth and diversification.

In addition to providing CME financing, as part of our growth strategy, we intend to continue to expand our operations in other business verticals, in particular, used CME equipment, Tippers, IT and allied equipment, Farm equipment, Medical and allied equipment and Other assets. 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 utilised;
- our inability to develop and launch suitable products for these business segments and sub-segments;
- our limited experience in these new business verticals, which may prevent us from competing effectively with established and new competitors in these areas. As we seek to diversify our business operations, we may face the risk of some of our competitors being more experienced in or having a deeper understanding of these verticals or having better relationships with potential clients; and
- diversified business operations may make forecasting revenue and operating results difficult, which will impair our ability to manage these 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.

12. We assign or securitise a portion of our loans to banks and other institutions. Any deterioration in the performance of any pool of receivables assigned or securitised 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 securitise a portion of the receivables from our loan portfolio to banks and other institutions. Such assignment and securitisation transactions are conducted on the basis of our internal estimates of our funding requirements, which vary from time to time. As of June 30, 2018, and March 31, 2018, 2017 and 2016, our securitisation of receivables outstanding was ₹15,543.20 million, ₹12,791.70 million, ₹10,026.90 million and ₹6,629.10 million, respectively. Further, as at the same periods, our assignment of receivables outstanding was ₹43,515.10 million, ₹42,919.60 million, ₹29,989.20 million and ₹22,727.40 million, respectively. Any change in the statutory and/or the regulatory requirements in relation to assignments or securitisations by financial institutions, including the requirements prescribed by the RBI and the GoI, could have an adverse impact on our assignment and securitisation transactions.

We are also required to provide credit enhancement for the securitisation transactions by way of fixed deposits. The cash collateral for securitisation of receivables amount outstanding as of June 30, 2018 was ₹3,339.60 million. In the event a relevant bank or institution does not realise the receivables due under such loan assets, the credit enhancement shall be utilised only for the purpose and to the extent of any shortfall in the collection of receivables.

13. 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.

Being a non-deposit taking NBFC, we are exposed to greater interest rate risk as compared to banks or deposit taking NBFCs. Our primary sources of funds include unsecured subordinated redeemable non-convertible debentures, secured redeemable non-convertible debentures, subordinated loans, term loans (Rupee loans and foreign currency loans) from banks and financial institutions, external commercial borrowings, working capital facilities and commercial papers. 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 others are linked to the respective banks' benchmark prime lending rate/ base rate. As of September 30, 2018, approximately 34.32% of our total borrowings were at fixed rates and 65.68% were at floating rates. 36.07% of our total advances are at fixed rates while 63.93% of our total advances are at floating rates as at September 30, 2018. For details, please see "***Financial Information***" starting on page 307 of this Prospectus.

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 71.10%, 71.96%, 82.04% and 84.70% of our revenue from operations for the three months ended June 30, 2018 and Fiscals 2018, 2017 and 2016, respectively. Our total income has increased to ₹33,209.10 million in Fiscal 2018 from ₹24,953.30 million in Fiscal 2017. For the six months ended September 30, 2018 our total revnue from operations under IndAS was ₹22,804.20 million.

There can be no assurance that we will be able to adequately manage our interest rate risk and effectively balance the proportion and maturity of our interest-earning assets and interest-bearing liabilities in the future. Further, 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. Our results of operations could be affected by changes in interest rates and the timing of any repricing of our liabilities compared with the repricing of our assets. 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 who borrow at fixed interest rates.

Additional risks arising from increasing interest rates include:

- increases in the rates of interest charged (where floating rates are typically used) on certain financing products in our product portfolio, which could result in the extension of loan maturities and higher monthly instalments due from borrowers which in turn could result in higher rates of default;
- reductions in the volume of loan disbursements as a result of the customer's inability to service high interest rate payments;
- inability to raise low cost funds as compared to some of our competitors, who may have access to lower cost deposits; and
- losses of anticipated interest amount in case of prepayment of loans by our customers.

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 total income, net income and margins, which could in turn have a material adverse effect on our business, financial condition and results of operations.

14. We face asset-liability mismatches which may 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.

Assets and liabilities mismatches, which represent a situation when the financial terms of institutional assets and liabilities do not match, are a key financial parameter. We cannot assure you that we will be able to maintain a positive ALM. We face liquidity risk due to varying periods over which our assets and liabilities mature. As is typical for NBFCs, part of our funding requirement is met through short term borrowing sources such as bank loans, working capital demand loan, cash credit and commercial paper. However, each of our financial assets has varying average tenor, average yield and average maturity. Though we pay careful attention to the maturity of liabilities while creating financial assets, it may happen that maturity of assets do 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 of our Company as on June 30, 2018:

(₹ in million)

	1 day to 30/31 days	**Over 1 month to 2 months**	**Over 2 months to 3 months**	**Over 3 months to 6 months**	**Over 6 months to 1 year**	**Over 1 year to 3 years**	**Over 3 years to 5 years**	**Over 5 years**	**Total**
Deposits	-	-	-	-	-	-	-	-	-
Advances	11,712.90	11,946.10	10,049.60	17,829.50	33,235.30	108,239.50	37,637.40	2,510.20	233,160.50
Investments	-	-	-	-	-	-	-	-	-
Borrowings	7,714.00	23,589.80	11,483.70	10,489.80	20,970.10	69,429.30	40,648.60	18,706.00	203,031.30

	1 day to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	548.00	373.20	577.60	1,667.70	1,341.20	418.10	-	-	4,925.80

Note: The maturity patterns of working capital facilities sanctioned by the banks have been apportioned in proportion to the maturity pattern of the financial assets.

15. We are subject to credit, market and liquidity risks and, if any such risk were to materialise, 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 market 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 and if these are downgraded it would have an adverse impact on our ability to cost effectively access funds. Downgrading in our credit rating could cause our lenders to impose additional terms and conditions to any financing or refinancing arrangement that we enter into in the future. In relation to our long-term debt instruments, we currently enjoy long-term credit ratings of CARE AA; Stable, CARE AA-; Stable and CARE A+; Stable, from CARE, BWR AA+/Stable from Brickwork and ACUITE AA+/Stable from Acuité Ratings & Research Limited (erstwhile SMERA Ratings Limited). In relation to our short-term credit ratings, our current credit ratings include ICRA A1+ from ICRA Limited and CARE A1+ from CARE.

16. Equipment deployed in infrastructure projects carries project-specific and general risks.

Our Company's product offerings cover equipment financing related to CME and other sectors in India. As on September 30, 2018, our Company's AUM was ₹334,151.10 million.

Infrastructure, construction and mining 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 and changes in government and regulatory policies that may adversely affect project viability;
- interruptions or disruption in domestic or international financial markets, whether for equity or debt funds;
- 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 cement, steel, 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 equipment materialise, the quality of our Company's assets financed may decline. The borrowers may delay, or the borrowers or their guarantors may default in, their respective repayment obligations. Any such decline, default or delayed or non-payment could result in provisions or write-offs in our financial statements and would adversely affect our profitability.

17. The financing industry is becoming increasingly competitive with significant presence of public and private sectors banks that have extensive branch networks as well as NBFCs, cooperative banks and other financial service companies, where significant presence of and our Company's growth will depend on its ability to compete effectively.

Our primary competition historically has been banks and other NBFCs. These financial institutions, particularly the larger ones, could compete with us for business as well as procurement of funds at competitive rates. For further details on our competitors, please see "***Our Business***" on page 127 of this Prospectus.

Our ability to compete effectively will depend, in part, on our ability to maintain or increase our margin. Our margins are our ability to raise low-cost funding in the future. Many of our competitors are large institutions, which may have larger customer bases, funding sources, branch networks and capital compared to us. Certain of our competitors may be more flexible than we are and better-positioned to take advantage of market opportunities. In particular, private banks in 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. Furthermore, the spread between the lowest and the highest rate of interest offered by various lenders continues to reduce. This competition may intensify further as a result of regulatory changes and market liberalisation. These competitive pressures affect the industry in which we operate as a whole, and our future success will depend to a large extent on our ability to respond in an effective and timely manner to these competitive pressures. There can be no assurance we will be able to react effectively to these or other market developments or compete effectively with new and existing peers in the increasingly competitive finance industry.

Competition in our industry also depends on, among other things, the 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. 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.

There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing peers. Increasing competition may adversely affect our net interest margin, income and market share.

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

While we have various risk management policies and procedures, 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 behaviour, 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. 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. Our risk management policies and procedures are also influenced by applicable policies and regulations of the GoI 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 CME financing, we intend to continue to strategically expand our operations in other business segments and sub-segments, in particular, Tippers, IT and allied equipment, Medical and allied equipment, Farm equipment and used CME equipment. 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.

19. High levels of Retail and SME customer defaults could adversely affect our business, financial condition and results of operations.

Any lending or investment activity by us is exposed to credit risk arising from the risk of default and non-payment by borrowers and other counterparties. As of June 30, 2018, the total outstanding borrowings of our Retail and SME customers were ₹96,738.06 million. Our customers also include retail borrowers and SME borrowers which constituted 31.27% of our Gross Earning Assets as at June 30, 2018. 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 any decline in 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 for any reason could adversely affect the ability of our borrowers to meet their obligations to us. If our borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations may be adversely impacted.

Some of our retail borrowers may not have adequate credit history with supported documents, which could increase our credit risk, and we are more vulnerable to Retail customer default risks including default or delay in repayment of principal or interest on our loans. 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 in respect of our customers. Furthermore, unlike certain developed economies, a nationwide credit bureau has only become operational in India in 2004, 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. Failure to effectively manage and monitor the loan contracts, particularly for individual borrowers, could adversely affect our Gross Earning Assets which could have a material and adverse effect on our results of operations and financial condition.

20. 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.

In deciding whether to extend credit or enter into other transaction with customers, we rely on the information furnished to us by or on behalf of our customers. 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 for whatever reason on their part. The lack of availability of information in connection with our customers may make 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. This may increase the likelihood of an increase in the level of NPAs, which would adversely affect our operations and profitability.

21. We may face difficulties and incur additional expenses in operating in rural and semi-urban markets, where infrastructure may be limited.

A significant number of our customers are located in the rural and semi-urban markets in India, which may have limited infrastructure, particularly for transportation, electricity and internet bandwidth. We also may face difficulties in conducting operations, transporting our personnel and equipment and implementing technology measures in such markets. There may also be increased costs in conducting our business and operations, implementing security measures and expanding our advertising. We cannot assure you that such costs will not be incurred or will not increase in the future as we expand our network in rural and semi urban markets and such increased costs could adversely affect our profitability.

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 favour in the form of hypothecation or mortgage, or both. In addition, the 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, or at all, resulting in adverse effect on our business and financial condition.

23. 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.

As on the date of this Prospectus, some of our Directors namely, Mr. Hemant Kanoria and Mr. Sunil Kanoria, Mr. Shyamalendu Chatterjee and Mr. Suresh Kumar Jain, have interests in entities that are engaged in businesses similar to ours.

Mr. Hemant Kanoria and Mr. Sunil Kanoria are currently the Chairman and Managing Director and Vice Chairman (Non-Executive), respectively of SIFL, our Promoter. Mr. Shyamalendu Chatterjee, who is an independent director of our Company is also an independent director of SIFL, our Promoter, which is an infrastructure finance company and a public financial institution.

Further, Mr. Suresh Kumar Jain, an independent director of our Company, is a director on the board of Avanse Financial Services Limited, a NBFC involved in the business of education finance.

None of the abovementioned companies is in the same line of business as our Company, i.e. equipment financing.

Further, in the event the Board is considering a matter which raises an issue of conflict of interest for one of the Directors, in view of their other directorship(s), such Director does not participate in the proceedings of the Board while such matter is being considered in terms of Section 166(4) of the Companies Act, 2013.

Commercial transactions in the future between us and related parties may result in conflicting interests which could have an adverse effect on our operations. Further there is no assurance that our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future. Such factors may have an adverse effect on the results of our operations and financial condition.

24. We provide unsecured trade advances to OEMs and dealers to promote our business. If such advances are not repaid or set off, we may have to write-off such advances, which may have an adverse effect on our results of operations, financial condition and cash flows.

We provide unsecured trade advances in the normal course of business to OEMs and dealers with whom we have business relationships and we intend to continue to provide such trade advances in the future. These OEMs and dealers are permitted to net the principal amount of loans granted to our customers from such trade advances. These trade advances are not secured. While these advances were considered good as at September 30, 2018, any failure to recover such advances or set these off will have an adverse effect on our results of operations, financial condition and cash flows.

25. 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% (38% for foreign banks having less than 20 branches for 2018-19) 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 and 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 specialised institutions like us that are better positioned to or exclusively focus on originating such assets through on-lending or purchase of assets or securitised 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 securitise our asset pool will be hampered, which may adversely affect our financial condition, results of operations and/or cash flows.

26. We are subject to certain conditions and restrictions in terms of our financing arrangements, which restrict our ability to conduct our business and operations in the manner we desire. Further, our inability to meet our obligations, including financial covenants, could adversely affect our business and results of operations.

As of June 30, 2018, our long-term borrowings were ₹71,999.70 million, short term borrowings were ₹115,880.00 million and current maturities of long-term borrowings were ₹15,151.60 million, and we will continue to incur additional indebtedness in the future. As at September 30, 2018 total borrowing under IndAS of our Company was ₹ 222,630.40 million, which includes debt securities ₹13760.30 million, borrowings other than debt securities of ₹191,786.60 million and subordinated liabilities of ₹17,083.50 million.

Our financing agreements contain restrictive covenants that require us to obtain prior approval from our lenders for, among others:

- change in the capital structure of our Company;
- substantial change in management set-up;
- any fundamental changes such as to the financial year of our Company;
- any scheme for merger, amalgamation or re-organisation;
- approaching the capital market for mobilising additional resources either in the form of debt or equity;
- creating or forming a subsidiary of our Company;
- undertaking guarantee obligations on behalf of other company, firm or person, other than in the ordinary course of business; and
- entering into borrowing arrangements.

While we have received approvals from all our lenders in relation to the Issue, undertaking any of the other activities above which require a prior approval without such approval constitutes a default under the relevant financing documents and would entitle the respective lenders to declare a default against our Company and enforce remedies under the terms of the financing documents, that include, among others, acceleration in repayment of the amounts outstanding under the financing documents, enforcement of any security interest created under the financing documents, and taking possession of the assets given as security in respect of the financing documents. A default by our Company under the terms of any financing document may also trigger a cross-default under some of the other financing documents of our Company, or any other agreements or instruments of our Company containing a cross-default provision, which may individually or in aggregate, have an adverse effect on our operations, financial position and credit rating. For further details of our Company's borrowings, please see "***Existing Financial Indebtedness***" on page 168 of this Prospectus.

27. 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 ("**AML**") and anti-terrorism laws and other regulations in India. In the ordinary course of our operations, we run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers and assessment of penalties or imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect any money-laundering activity and ensure KYC compliance, there can be no assurance that these will be effective in all instances. We may accordingly be subject to regulatory actions including imposition of fines and other penalties by the RBI and other relevant governmental authorities to whom we report.

For instance, in certain of its past inspection reports, the RBI has made observations in relation to absence of an independent evaluation of controls to identify high value transactions to be carried out by internal audit department as per KYC/AML requirements. If any party uses or attempts to use us for money laundering or any other illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with the applicable legal requirements, our reputation could suffer and could result in a material adverse effect on our business, financial condition, reputation and results of operations.

28. We may fail to obtain, maintain or extend our statutory and 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 statutory and 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 aforementioned 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.

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, please see section titled "***Regulations and Policies***" on page 280 of this Prospectus. There can be no assurance that we will be able to comply with these regulations or norms or provisions.

29. Any decline in our capital adequacy ratio could restrict our future business growth.

As per the RBI master directions titled "Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" dated September 1, 2016, 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 of risk adjusted value of off-balance sheet items.

Our capital adequacy ratio computed on the basis of applicable RBI requirements is 15.22% as of June 30, 2018 and 15.94% as of Fiscal 2018, as compared to 18.66% as of Fiscal 2017. Out of the total capital adequacy ratio, Tier I capital comprised 10.43% as of June 30, 2018 and 10.68% as of March 31, 2018, as compared to 13.71% as at March 31, 2017. Out of the total capital adequacy ratio, Tier II capital comprised 4.79% as of June 30, 2018 and 5.26% as of March 31, 2018, as compared to 4.95% as at March 31, 2017. As at September 30, 2018 out of total capital adequacy ratio, Tier I Capital comprised of 10.00% and Tier II capital of 5.20%.

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 regulatory capital in the future on terms favourable to us or at all, and this may adversely affect the growth of our business.

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

Our Company is also governed by the Companies Act and some of its activities are subject to supervision and regulation by statutory and regulatory authorities including the Ministry of Corporate Affairs, the RBI and the SEBI. Further, our Company is subject to changes in Indian law, as well as to changes in regulation and government policies and accounting principles.

31. We may face tax related assessments or regulatory actions.

The laws and regulations governing the tax liability of 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.

Our Company has filed tax returns with the 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 you that the tax department will not initiate scrutiny, investigation or regulatory action or reopen assessments for previous years. Any adverse finding by the tax department may have a material adverse effect on our Company's reputation, business, operations and financial conditions.

32. The bankruptcy code in India may affect our rights to recover loans from borrowers.

The Insolvency and Bankruptcy Code, 2016 ("Bankruptcy Code") was notified on August 5, 2016. The Bankruptcy Code offers a uniform and 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. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors must be taken by a vote of not less than 75% of the voting share of all financial creditors. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it.

In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen and other employees, and debts owed to unsecured credits. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority.

Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code.

33. We benefit from the brand name that the Group enjoys in the industry and any factor affecting the business and reputation of SIFL may have a concurrent adverse effect on our business and results of operations. Moreover, any change in control of our Promoter, SIFL, or our Company may correspondingly adversely affect our goodwill, operations and profitability.

At present, we are a wholly-owned subsidiary of our Promoter, SIFL. We benefit from the brand name of the Group and believe that this ensures a steady inflow of business. In the event the Group is unable to maintain the quality of its services or its goodwill deteriorates for any reason, 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 as a part of the Group may be adversely affected, which in turn could adversely affect our business and results of operations. Any disassociation of our Company from the Group could adversely affect our ability to attract customers and to expand our business, which in turn could adversely affect our business operations and profitability.

34. We are permitted to use the Srei Logo i.e. SREI as our logo by Srei Infrastructure Finance Limited, our Promoter and our Promoter has been so permitted by our Group Company, Adisri Commercial Private Limited ("Adisri"). 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 and business.

We have been permitted to use the Srei Logo i.e. SREI as our logo by SIFL, our Promoter as we are a wholly owned subsidiary of SIFL and SIFL has been permitted by Adisri to use the trademark. We have been provided a non-exclusive, non-transferable and royalty-free license to use the trademark. Any withdrawal of this permission by SIFL or Adisri may result in us being unable to use this trademark as part of our trademark which could have a material adverse effect on our reputation and business. For further details, please see "***History and Main Objects***" on page 150 of this Prospectus.

35. We do not own our Registered Office or the 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. Our Registered Office is owned by our Promoter. All such non-owned properties are leased to us for an average period of four years. Upon expiration of the lease agreement for the land at which our Registered Office or the majority of our branch offices and regional offices are situated, we may be required to negotiate the terms and conditions on which the lease agreement may be renewed. Termination of our lease may occur for reasons beyond our control, such as breach of any terms of the lease agreement by the lessor of the relevant land. We cannot assure you that we will own or have the right to occupy this land in the future, or that our current or future lessors will not breach the lease agreements, or that we will be able to continue with the uninterrupted use of the land on which our Registered Office and the majority of our branch offices and regional offices are situated in the event that we are unable to comply with the terms of our lease agreement. This may in turn impair our operations and adversely affect our business, results of operations and financial condition. For further details, please see "**Our Business**" on page 127 of this Prospectus.

36. We do not have certain licences for our Registered Office and some of our branch offices. In the absence of these statutory licenses, we may not be able to carry on our operations in future which may affect our performance, or we may have to face penalties and other action by the relevant authorities.

While we have obtained a significant number of approvals, licences, registrations and permits from the relevant authorities, we are yet to receive or apply for few approvals, licenses, registrations and permits. We cannot assure you that we will receive these approvals and clearances in time or at all. There can be no assurance that the relevant authority will issue an approval or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could adversely affect our related operations. Furthermore, under such circumstances, the relevant authorities may restrain our operations, impose fines or penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all.

37. Our business may be affected by the seasonal trends in the Indian economy.

Our business operations may be affected by seasonal trends in the Indian economy. Generally, the monsoon season (which varies across different regions in India) typically witnesses lower infrastructure development activity and construction, due to which volumes of equipment purchased and disbursements made by us may be lower. Any significant event such as unforeseen floods, earthquakes, political instabilities, epidemics or economic slowdowns during this peak season would materially and adversely affect our results of operations and growth. During these periods, we may continue to incur operating expenses, but our income from operations may be delayed or reduced.

38. *We have had negative net cash flows in the past and may have negative cash flows in the future.*

The following table sets forth our cash flow for the periods indicated:

(₹ in million)

Particulars	Three months ended June 30, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016
Net cash (used in)/ generated from operating activities	(12,923.10)	(32,606.20)	(4,291.00)	13,173.40
Net cash (used in)/ generated from investing activities	(1,475.50)	(26,449.10)	(7,809.80)	(2,310.70)
Net cash (used in)/ generated from financing activities	14,284.50	58,589.90	12,476.90	(11,980.10)
Cash and cash equivalents at the beginning of the period/year	252.90	718.30	342.20	1,459.60
Cash and cash equivalents at the end of the period/year	138.80	252.90	718.30	342.20

For further details, please see "***Financial Information***" on page 307 of this Prospectus. We cannot assure you that our net cash flows will be positive in the future.

39. *Some of our Group Companies have incurred losses in the recent past.*

Some of our Group Companies have incurred losses in recent fiscals as indicated below:

(₹ in million)

Name of Group Company	Details of Profit/(Loss)		
	Fiscal 2018	Fiscal 2017	Fiscal 2016
Controlla Electrotech Private Limited	(4.75)	(3.71)	(3.69)
Srei Mutual Fund Trust Private Limited	(0.69)	(0.62)	(0.36)
Hyderabad Information Technology Venture Enterprises Limited	(0.70)	(0.56)	(0.17)
Bengal Srei Infrastructure Development Limited	(5.14)	3.89	0.11

There can be no assurance that these or any of our other Group Companies will not incur losses in future periods or that there will not be an adverse effect on our Company's reputation or business as a result of such losses.

40. *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 unauthorised 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, disaster recovery and business continuity systems, any failure of our IT systems 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 and 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 the growth in our business, any technical problems 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 various elements of our IT operations, including 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. Any of these developments 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, may cause interruptions or delays in our ability to provide services to our customers and may also result in added costs to address such system failures and/or security breaches.

41. 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. We compete for such personnel with several other banking and other financial institutions and no assurance can be given that we 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 to our 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, availability of 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.

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

As of September 30, 2018, our Company did not have 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.

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

43. Our lending operations involve cash collection which may be susceptible to loss or misappropriation or fraud by our employees. This may adversely affect our business, operations and ability to recruit and retain employees.

Our lending and collection operations involve handling of cash, including collections of instalment repayments in cash especially in Retail segment. Cash collection exposes us to the risk of loss, fraud, misappropriation or unauthorised transactions by our employees responsible for dealing with such cash collections. While we obtain insurance coverage including fidelity coverage and coverage for cash in safes and in transit and undertake various measures to detect and prevent any unauthorised transactions, fraud or misappropriation by our employees, these measures may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our business operations and financial condition. In addition, we may be subject to regulatory or other proceedings in connection with any such unauthorised transaction, fraud or misappropriation by our agents or employees, which could adversely affect our goodwill, business prospects and future financial performance. In addition, given the high volume of transactions involving cash processed by us, certain instances of fraud and misconduct by our representatives or employees may go unnoticed for some time before they are identified, and corrective actions are taken. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, there can be no assurance that we will recover any amounts lost through such fraud or other misconduct. While we have internal controls in place to minimise the likelihood of such frauds, there can be no assurance that these are sufficient and will be so in the future.

In addition to the above, our employees operating in remote areas may be particularly susceptible to criminal activity as they are required to transport cash due to lack of local banking facilities. In the event of any such adverse incident our ability to continue our operations in such areas will be adversely affected and our employee recruitment and retention efforts may be affected, thereby affecting our growth and expansion. In addition, if we determine that certain areas of India pose a significantly higher risk of crime or instability, our ability to operate in such areas will be adversely affected.

44. 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. For further details on our current insurance policies, please see "***Our Business***" on page 127 of this Prospectus. 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.

45. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of shareholders and will depend on factors that our Board and shareholders deem relevant, including among others, our future earnings, financial condition, cash flows, capital requirements, capital expenditures, business prospects and restrictive covenants under our financing arrangements. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends at any point in the future. For details of dividend paid by our Company in the past, please see "***Other Regulatory and Stautory Disclosures***" on page 266 of this Prospectus.

46. Any increase in or realisation of our contingent liabilities could adversely affect our financial condition.

As on June 30, 2018, our Reformatted Financial Information disclosed and reflected the following contingent liabilities:

(₹ in million)

Particulars	As at June 30, 2018
Claims against the company not acknowledged as debt	
Disputed demands (Refer note a)	
- Sales tax	4.80
- Service tax	182.80
- Value added tax (VAT)	128.40
- Income tax	530.00

Particulars	As at June 30, 2018
(A)	846.00
Guarantees	
Bank guarantees (Refer note b)	6,011.10
(B)	**6,011.10**
Total (A+B)	**6,857.10**

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.

47. We have in the past entered into related party transactions and will continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

Transactions entered into by us with related parties in the three months ended June 30, 2018 include:

(₹ in million)

Name of the related party	Nature of relationship	Nature of transaction	Three months ended June 30, 2018
Quippo Oil and Gas Infrastructure Limited	Fellow Subsidiary	Loan given	5.00
		Interest income on loan given	3.40
		Rental income on assets given on operating lease	38.20
India Power Corporation Limited (with effect from June 1, 2017)	Enterprise over which relative of KMP has significant influence	Rent paid for leased premise	-
		Rental income on assets given on operating lease	48.00

While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we will enter into related party transactions in the future. Although all related party transactions that we may enter into will be subject to the Audit Committee or Board or shareholders' approval, as necessary under the Companies Act, 2013 and the SEBI Listing Regulations, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Such related party transactions may potentially involve conflicts of interest. For details, please see "***Financial Information***" starting on page 307 of this Prospectus. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition and cash flows.

48. Certain of our Directors and Key Management Personnel may have business interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.

Certain of our Directors and Key Management Personnel may be regarded as having business interests in our Company other than reimbursement of expenses incurred, normal remuneration or benefits. Certain of our Directors may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. We cannot assure you that our Directors and our Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, please see "**Capital Structure**" and "**Our Management**" on pages 61 and 153, respectively of this Prospectus.

49. Our Company, our Promoter and certain of our Group Companies have availed or may avail of certain loans that are recallable by lenders, at any time.

Our Company, our Promoter and certain of our Group Companies have availed or may avail of loans that are repayable on demand at any time by the relevant lenders. Any such unexpected demand for immediate repayment may have a material adverse effect on the business, cash flows and financial condition of the entity against which repayment is sought.

50. We have relied on third party industry reports which have been used for industry related data in this Draft Prospectus and such data have not been independently verified by us.

We have relied on the Feedback Reports for industry related data that has been disclosed in this Draft Prospectus. The reports use certain methodologies for market sizing and forecasting. We have not independently verified such data and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Accordingly, investors should read the industry related disclosure in this Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information. For further details, please see "***Industry***" on page 76 of this Prospectus.

51. Payments made on the Unsecured NCDs will be subordinated to payments to secured and unsecured creditors and certain tax and other liabilities preferred by law.

Some of the NCDs may be unsecured and will be subordinated to all secured and unsecured creditors of our Company as well as certain liabilities preferred by law such as to claims of the GoI on account of taxes, and certain liabilities incurred in the ordinary course of our transactions. In particular, in the event of bankruptcy, liquidation or winding-up, our assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the NCDs. Further, there is no restriction on the amount of debt securities that we may issue that may rank above the NCDs. The issue of any such debt securities may reduce the amount recoverable by investors in the NCDs on our bankruptcy, winding-up or liquidation.

52. We are required to comply with various financial and other covenants under the loan agreements that we are a party to. If we are not in compliance with the covenants contained in such loan agreements, including obtaining the relevant consents from our lenders for the Issue, our lenders could accelerate their respective repayment schedules, and enforce their respective security interests, which would lead to an adverse effect on our business, results of operations and financial condition.

We are required to comply with various financial and other covenants under the loan agreements that we are a party to, including but not limited to, amongst other things, obtaining, wherever applicable, prior consents from our existing lenders for further borrowings, including undertaking this Issue, maintenance of financial ratios and for creation of encumbrances over certain of our assets. .If our Company proceeds with the Issue without the consents of lenders wherin specifically required, the same may constitute an event of default by our Company under the relevant financing documents in which case the concerned lenders shall have the right to inter alia enforce remedies under the terms of the relevant financing documents, which includes without limitation, acceleration of repayment of the outstanding amounts, enforcement of security interests and taking possession of assets given as security. Further, such an event of default could also trigger a cross-default under certain other financing documents of our Company, or any other agreements or instruments of our Company containing a cross-default provisions, which may have a material adverse effect on our Company including our financial position and credit rating.

We have duly applied to all the lenders of our Company for their respective consents to include their name in the Prospectus. As on the date of this Prospectus, we are yet to receive consents from some of the lenders of our Company for inclusion of their names and relevant details in the Prospectus. In the event our Company fails to obtain such lenders' consents for inclusion of their names prior to opening of the Issue, such lenders may initiate any penalty or other actions, which might impact the existing financial credit facilities or cash flow of the Company. Consequently, our Company may have to dedicate a substantial portion of its cash flow from operations to make payments under the financing documents, thereby reducing the availability of of its cash flow to meet its working capital requirements and use for other general corporate purposes. If the lenders holding substantial part of the outstanding loans declare an event of default simultaneously, our Company may be unable to pay its debts upon such debts falling due for repayment at once.

53. 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. 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.

Risks Associated with the NCDs

1. There is no guarantee that the NCDs issued pursuant to this Issue will be listed on BSE 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 Exchange(s). There could be a failure or delay in listing the NCDs on the Stock Exchange(s). If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchange(s), 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 Exchange(s) 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 for listed debt securities; (iii) general economic conditions; and (iv) 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 "ACUITE AA+" from ACUITE. We cannot guarantee that these ratings will not be downgraded. The ratings provided by BRICKWORK and ACUITE 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 Exchange(s) 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.

11. There are certain risks in connection with the Unsecured NCDs.

The Unsecured NCDs will be in the nature of Subordinated Debt and hence the claims of the holders thereof will be subordinated to the claims of other secured and other unsecured creditors of our Company. Further, since no charge upon the assets of our Company would be created in connection with the Unsecured NCDs, in the event of default in connection therewith, the holders of Unsecured NCDs may not be able to recover their principal amount and/or the interest accrued thereon in a timely manner, for the entire value of the Unsecured NCDs held by them or at all. Accordingly, in such a case the holders of the Unsecured NCDs may lose all or a part of their investment therein. Further, the payment of interest and the repayment of the principal amount before the due maturity in connection with the Unsecured NCDs would be subject to the requirements of RBI, which may also require our Company to obtain prior approval from the RBI in certain circumstances.

EXTERNAL RISKS

Risks Relating to India

1. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us.

We have not determined the impact of such proposed legislations on our business. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

2. The Government of India has implemented a national tax regime by imposing GST. We are unable to quantify the impact of this development at this stage due to limited information available in the public domain.

The Government of India has recently implemented a comprehensive national goods and services tax ("GST") regime with effect from July 1, 2017, that combines multiple taxes and levies by the Central and State Governments into a unified tax structure. The implementation of this rationalised tax structure may be affected by any disagreement between certain state governments, which may create uncertainty.

During the old tax (VAT) regime, the aggregate indirect tax rate for CME including leasing ranged between 14.75% to 27% across various states in India. The initial GST rate on most equipment categories was 28%. This resulted in many equipment categories experiencing an overall increase in indirect tax rates and therefore in their prices.

Various industry representations were made to reduce the GST rate in this segment. On January 18, 2018 the GST council announced a reduction in GST rates from 28% to 18% for 177 goods (w.e.f. November 15, 2017), which included certain important CME classes.

There can be no assurance that the GST rate will not be increased in the future. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materialising, the tax costs associated with purchase of CME is greater than anticipated, it could affect the volume of such transactions.

3. Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and prospects.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the USA and several European countries during a part of financial years 2008 and 2009 adversely affected market prices in the global securities markets, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect 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 and could then adversely affect our business, financial performance.

Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

4. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

We are dependent on domestic, regional and global economic and market conditions. Our performance and growth are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in India is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

5. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

6. 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 could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. Significant differences exit between Indian GAAP used to prepare our Company's financial statements and other accounting principles, such as Indian Accounting Standards (IndAS), with which investors may be more familiar.

Our Company's Reformatted Financial Statements included in this Prospectus are derived from financial statements prepared in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from IndAS and other accounting principles and standards.. If our Company were to prepare its financial statements in accordance with such other accounting principles, our Company's results of operations, cash flows and financial condition may be substantially different. The significant accounting policies applied in the preparation of its Indian GAAP financial statements are set forth in the notes to the Reformatted Financial Statements included in this Prospectus. Prospective investors should review the accounting policies applied in the preparation of our Company's Reformatted Financial Statements summarised in the section "*Financial Information*" on page no 307 of the Prospectus and "*Summary of Significant Differences between Indian GAAP and IndAS*" beginning on page 289 of this Prospectus, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Accordingly, the degree to which the Reformatted Financial Statements included in this Prospectus will provide meaningful information is entirely dependent on the investor's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

The Companies (Indian Accounting Standards) Rules, 2015 ("IAS Rules"), as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, enacted changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The IAS Rules provide that the financial statements of the companies to which they apply shall be prepared and audited in accordance with IndAS. All NBFCs having a net worth of more than Rs. 5,000 million are required to mandatorily adopt IndAS for the accounting period beginning from 1 April 2018 with comparatives for the period ending on 31 March 2018.

As there is not yet a significant body of established practice, such as interpretations of the new accounting standards, on which to draw in forming judgments regarding the new system's implementation and application, our Company has not determined with any degree of certainty the impact such adoption will have on its financial reporting.

As a result, there can be no assurance that our Company's financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IndAS than under Indian GAAP. Our Company's management may also have to divert significant time and additional resources in order to implement IndAS on a timely and successful basis. Moreover, there is increasing competition for the small number of IndAS experienced accounting personnel available as more Indian companies begin to prepare IndAS financial statements. There can be no assurance that our Company's adoption of IndAS will not adversely affect its reported results of operations or financial condition in the future.

PROMINENT NOTES

1. This is a public issue by our Company of Secured Redeemable Non-Convertible Debentures of face value of ₹1,000/- each ("**Secured NCDs**") and Unsecured, Subordinated Redeemable Non-Convertible Debentures of face value of ₹1,000/- each ("**Unsecured NCDs**"), for an amount upto ₹1,500 million with an option to retain over subscription for an amount upto ₹1,500 million, aggregating to ₹3,000 million. The Unsecured NCDS will be in the nature of subordinated debt and will be eligible for inclusion as Tier II capital. The Secured NCDs and Unsecured NCD will be issued and allotted upto maximum of Overall Issue Size either individually or collectively.
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 153 and 61 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 amended and as disclosed in the chapter titled "***Financial Information***" beginning on page 307 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***" on page 235 of this Prospectus.
7. Our Equity Shares are currently unlisted. Our Company is proposing, subject to, receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offer of its Equity Shares and has filed the Draft Red Herring Prospectus dated November 28, 2017 with SEBI, BSE and NSE on or about November 28, 2017. Our Company has received the Observation Letter from SEBI dated September 7, 2018 in regard to the Draft Red Herring Prospectus dated November 28, 2017 filed by the Company with SEBI.
8. Most of our earlier secured non-convertible debentures issued by our Company on private placement basis and through public issues are listed on BSE and/or NSE.
9. For further information on such contingent liabilities, see "***Financial Information***" on page 307 of this Prospectus.
10. For further information relating to certain significant legal proceedings that we are involved in, see ***Outstanding Litigation***" beginning on page 241 of this Prospectus.

SECTION III: INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated as 'Srei Infrastructure Development Limited' as a public limited Company company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 13, 2006 issued by the Registrar of Companies, West Bengal, at Kolkata ("RoC"). The name of our Company was changed to 'Srei Infrastructure Development Finance Limited' and a fresh certificate of incorporation was granted by the RoC on April 16, 2007. Our Company was converted into a private limited company and the name of our Company was changed to 'Srei Infrastructure Development Finance Private Limited' and a fresh certificate of incorporation was granted by the RoC on September 28, 2007. The name of our Company was further changed to 'Srei Equipment Finance Private Limited' and a fresh certificate of incorporation was granted by the RoC on May 30, 2008. Pursuant to a special resolution passed by the shareholders of our Company on October 28, 2013, our Company was converted into a public limited company and the name of our Company was changed to 'Srei Equipment Finance Limited' and the RoC issued a fresh certificate of incorporation dated November 1, 2013. Our Company was registered as a 'non-banking financial institution and without accepting public deposits' under section 45 (1A) of the Reserve Bank of India Act, 1934 ("RBI Act") and has been reclassified as 'Asset Finance Company – Non-Deposit Taking'. Our Company has not changed its registered office since incorporation.

Registration Number	**:**	109898
CIN	**:**	U70101WB2006PLC109898
RBI Registration Number	**:**	N.05.06694
Website	**:**	www.sreiequipment.com

Registered Office of the Issuer

Srei Equipment Finance Limited
'Vishwakarma', 86C Topsia Road (South)
Kolkata – 700 046 West Bengal, India
Tel: +91 33 6160 7734
Fax: +91 33 2285 7542
Email-id: connect@sreibonds.com

Corporate Office of the Issuer

Srei Equipment Finance Limited
Room no 12 & 13, 2nd Floor, 6A, Kiran Shankar Roy Road,
Kolkata - 700 001 West Bengal, India
Tel: +91 33 6499 0230

Head Office of the Issuer

Srei Equipment Finance Limited
Plot No Y-10, Block EP, Sector-V, Salt Lake City
Kolkata-700091 West Bengal, India
Tel: +91 33 6639 4700
Fax: +91 33 6602 2600

Address of the RoC

Registrar of Companies

Nizam Palace
2nd MSO Building
2nd Floor, 234/4
Acharya Jagadish Chandra Bose Road
Kolkata – 700 020
West Bengal, India

Company Secretary and Compliance Officer

Name	:	**Ms Ritu Bhojak**
Address	:	Srei Equipment Finance Limited, 'Vishwakarma' 86C Topsia Road (South), Kolkata 700 046 West Bengal, India
Tel	:	+91 33 6160 7734
Fax	:	+91 33 2285 7542

E-mail : 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
Fax	:	+91 33 6602 2600
E-Mail	:	manoj_beriwal@srei.com

Debenture Trustee

Axis Trustee Services Limited
Axis House,
Bombay Dyeing Mills Compound
Pandurang Budhkar Marg
Mumbai 400 025
Tel: +91 22 6230 0451
Fax: -
Email: debenturetrustee@axistrustee.com
Investor Grievance Email: complaints@axistrustee.com
Website: www.axistrustee.com
Contact Person: Chief Operating Officer
Compliance Officer: Ms. Kadiyala Krishna Kumari
SEBI Registration No.: IND000000494
CIN: U74999MH2008PLC182264

Axis Trustee Services Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated September 27, 2018 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. 196 of this Prospectus.

Registrar of the Issue

Karvy Fintech Private Limited (formerly known as Karvy Computershare Private Limited)
Karvy Selenium Tower B, Plot 31- 32, Gachibowli
Financial District, Nanakaramguda, Hyderabad – 500 032
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
Email: selfncd5.ipo@karvy.com
Investor Grievance Email: einward.ris@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. Murali Krishna M
Compliance Officer: Mr. Rakesh Santhalia
SEBI Registration No.: INR000000221
CIN: U72400TG2003PTC041636

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 Bidding Centres of the relevant Members of the Syndicate and sub-brokers, 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 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 Pvt 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

Acuite Ratings & Research Limited (erstwhile SMERA Ratings Limited)
A-812, The Capital, G-Block, BKC Bandra (East)
Mumbai – 400 051
Tel: +91 22 4929 4000
Fax: NAE-mail: chitra.mohan@acuite.in
SEBI Registration No.: IN/CRA/006/2011

Statutory Auditors

Deloitte Haskins & Sells
Chartered Accountants
Bengal Intelligent Park,
Building Omega 13th and 14th Floor,
Plot No. – A2, M2 & N2, Block - EP & GP,
Sector - V, Salt Lake Electronics Complex,
Kolkata – 700 091,
West Bengal, India
Tel: +91 33 6612 1000
Fax: +91 33 6612 1001
Contact Person: Mr. Shrenik Baid
Membership No: 103884
Firm registration no: 302009E

Date of Appointment as Statutory Auditor: July 1, 2014

Registration

- Corporate Identity 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 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 CIN: L99999MH1995PLC094641	**IIFL Holdings Limited** 10th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West) Mumbai 400 013, Maharashtra, India Tel: +91 22 4646 4600 Fax: +91 22 2493 1073 E-mail: sefl.ncd2018@iiflcap.com Investor grievance e-mail: ig.ib@iiflcap.com Website: www.iiflcap.com Contact person: Mr. Sachin Kapoor/ Ms. Nishita Mody Compliance Officer: Mr. Sourav Roy SEBI Registration No.: INM000010940 CIN: L74999MH1995PLC093797
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 CIN: U67190WB1998PLC087155	**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: seflncd2018@trustgroup.in Investor Grievance Email: customercare@trustgroup.in Website: www.trustgroup.in Contact Person: Ms. Hetal Sonpal Compliance Officer: Mr. Ankur Jain SEBI Registration No.: INM000011120 CIN: U67190MH2006PTC162464
Tipsons Consultancy Services Private Limited 401, Sheraton House, Opp: Ketav Petrol Pump, Polytechnic Road, Ambawadi Ahmedabad Gujarat 380015 India Tel No. +91 079 6682 8000/8064/8120 Fax No. + 91 22 6610 0594 E-mail: sandeep.bhansali@tipsons.com Investor Grievance Email: mbd@tipsons.com Website: www.tipsons.com Contact person: Mr. Sandeep Bhansali Compliance Officer: Mr Jimmy Joshi SEBI Registration No: INM000011849 CIN: U74140GJ2010PTC062799	

In compliance with the proviso to Regulation 21A (1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("SEBI Merchant Bankers Regulation"), Srei Capital Markets imited will be involved only 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

Public Issue Account Banks

ICICI Bank Limited

Refund Bank

ICICI Bank Limited

Bankers to our Company

Andhra Bank Chowringhee Branch, 58, Chowringhee Branch Road, Kolkata-700071, West Bengal, India **Tel**: +91 33 2282 3549 **Email:** bm0770@andhrabank.co.in **Website**: www.andhrabank.com **Contact person:** I Ravi Krishna	**Karur Vysya Bank Limited** SB Towers, 37 Shakespeare Sarani Branch Kolkata – 700 017, West Bengal, India **Tel:** +91 98307 66517 **Fax:** +91 2283 6388, 2283 6387 **Email:** shakespeare@kvbmail.com **Website:** www.kvb.co.in **Contact person:** Venkataramani V. N
Oriental Bank of Commerce 6th Floor, Om Tower, 32, Jawaharlal Nehru Road, Kolkata – 700 071, West Bengal, India **Tel: +91 33 2288 2425/26, 2226 8303** **Email:** bm0171@obc.co.in **Website:** www.obcindia.co.in **Contact person:** Pramod Dubey	**Punjab and Sind Bank** IBD, Kolkata, 14/15, Old Court House Street, Kolkata **Tel**: +91 33 22104357
Syndicate Bank Large Corporate Branch, LIC Building, Illaca House, 1, Brabourne Road, Kolkata – 700 001, West Bengal, India Tel: +91 33 2231 3676 **Fax:** +91 33 2231 3675 **Email:** large.corporate@yahoo.com, br.9531@syndicatebank.co.in **Contact person:** Rakesh Kumar	**UCO Bank** FCC India Ex. Place Branch (0002), 2, India Exchange Place Kolkata – 700 001, West Bengal, India **Tel**: +91 33 4455 7206/ 7211 **Fax:** +91 33 2213 0074 **Email:** calind@ucobank.co.in
Vijaya Bank No.125/1, A.G. Towers, Park Street Kolkata – 700 017, West Bengal, India **Tel**: +91 33 2217 1931 **Email**: vb7255@vijayabank.co.in **Website**: www.vijayabank.com	

Lead Brokers to the Issue

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 1019 E-mail: aumcapital@aumcap.com	**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	**Edelweiss Securities Limited** Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098 Tel No. +91 22 6747 1341/ 6747 1343 E-mail: amit.dalvi@edelweissfin.com/prakash.boricha@edelweissfin.com

Contact Person: Mr Aditya Vikram Choudhary	Sheth/Vinayak Ketkar	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: customercare@hdfcsec.com Contact Person: Mr. Deven Mhatre	**ICICI Securities Limited** ICICI Centre H.T. Parekh Marg Churchgate, Mumbai - 400 020 Tel: +91 22 2277 7626 E-mail: rajat.rawal@icicisecurities.com Contact Person: Mr. Rajat Rawal	**IDBI Capital Markets & Securities Limited** 6th Floor, IDBI Tower, WTC Complex, Colaba, Mumbai – 400 005 Tel: + 91 22 4322 1212/1202/1143 Fax: + 91 22 2285 0785 E-mail: tppdistribution@idbicapital.com Contact Person: Mr Dattaram Kamerkar
IIFL Securities Limited 6th & 7th Floor, Ackruti Center Point, Central Road, MIDC, Andheri (E), Mumbai - 400 093 Tel: + 91 22 3929 4000/4103 5000 Fax: + 91 22 2580 6654 E-mail: cs@iifl.com Contact Person: Mr Prasad Umarale	**Integrated Enterprises (India) Private Limited** 15, 1st Floor, Modern House, Dr. V. B. Gandhi Marg, Fort, Mumbai – 400 023 Tel: +91 22 4066 1800 Fax: +91 22 2287 4676 Email: krishnan@integratedindia.in Contact Person: Mr V Krishnan	**JM Financial Services Limited** 2,3 & 4, Kamanwala Chambers, Gr Floor, Sir. P M Road, Fort, Mumbai-400 001 Tel: +91 22 6136 3400 E-mail: surajit.misra@jmfl.com /deepak.vaidya@jmfl.com Contact Person: Mr Surajit Misra/ Mr. Deepak Vaidya/Mr. T N Kumar
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 3321 8029 E-mail: ksbldist@karvy.com Contact Person: Mr P.B. Ramapriyan	**Kotak Securities Limited** 4th Floor, 12BKC, 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, Indraprakash Building, Barakhamba Road, New Delhi – 110 001 Tel: +91 11 2335 4802 Fax: +91 11 2332 0671 E-mail: ipo@rrfcl.com Contact Person: Mr Jeetesh Kumar
SMC Global Securities Ltd. 17, Netaji Subhash Marg, Opp Golcha Cinema, Daryaganj, New Delhi-110 002 Tel: +91 9818620470 / 9810059041 Fax: +91 11 2326 3297 E-mail: mkg@smcindiaonline.com, neerajkhanna@smcindisonline.com Contact Person: Mr Mahesh Gupta/Mr. Neeraj Gupta	**SPA Securities Limited** 25, C Block Community Centre, Janakpuri, Delhi – 110 058 Tel: +91 11 2551 7371/4567 5500/4558 6600 Fax: +91 11 2557 2342 E-mail: cms@spacapital.com Contact Person: Ms Swati Maheshwari	**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
Trust Securities 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: avani.dalal@trustgroup.in Contact Person: Ms. Avani Dalal	**Tipsons Stock Brokers Private Limited** Sheraton House, 5th Floor Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 380 015 Tel: +91 79 6682 8000/8064/8019/8120/8029 Fax: +91 79 6682 8001 E-mail: suman.bhagdev@tipsons.com Contact Person: Suman Bhagdev	

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/ or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Applications submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com . The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

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"

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh million or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 20 lakh or with both.

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 Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e. ₹1,125 million, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

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 our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard.

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 December 11, 2018, 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 Prospectus in relation to the examination report dated October 12, 2018, Special Purpose Interim Condensed Financial Statements as at June 30, 2018 dated September 3, 2018, report dated November 15, 2018 relating to the Unaudited Interim Financial Results and statement of tax benefits dated October 12, 2018 included in the Draft Prospectus and Prospectus and such consent has not been withdrawn as on the date of this Prospectus. In this regard, the Statutory Auditors have given consent to be referred to as expert in this Prospectus only in accordance with the requirements of the Companies Act, 2013 and solely in the context of this Issue.
- Vide letters dated September 25, 2018 and September 22, 2018, our Company has received consents respectively from BRICKWORK and ACUITE to include their name as an expert under Section 26(5) of the Companies Act 2013 in the Draft Prospectus and this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.
- Our Company has received a written consent from Feedback dated September 24, 2018 to include its name in the Draft Prospectus and this Prospectus as an "expert" in terms of the Companies Act, 2013, in respect of the Feedback Reports.

Credit Ratings and Rationale

By its letter dated April 06, 2017 and revalidated by letters dated September 18, 2018, October 09, 2018 and December 03, 2018. ACUITE has assigned a rating of 'ACUITE AA+/Stable' (ACUITE double A plus/Stable)' for both Secured NCDs and Unsecured NCDs with stable Outlook.

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 - "*Credit Ratings and Rationale*" to this Prospectus.

Set out below is the disclaimer provided by ACUITE:

"*An ACUITE 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 dinancial adviser's or investor's independent assessment of whether to buy, sell or hold any security. ACUITE 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, ACUITE, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. ACUITE 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. ACUITE 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.acuite.in) for the latest information on any instrument rated by ACUITE, Acuite's rating scale and its definitions.*"

By its letter dated April 12, 2017 and revalidated by letters dated October 11, 2018 and November 28, 2018. BRICKWORK has assigned a rating of "BWR AA+" (BWR Double A Plus) (Outlook: Stable) for both Secured NCDs and Unsecured NCD for the Issue.

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 - "*Credit Ratings and Rationale*" 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.*"

Issue Programme

ISSUE OPENING DATE	**DECEMBER 19, 2018**
ISSUE CLOSING DATE	**JANUARY 18, 2019***

**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, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, 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, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations 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.

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. 307 and 21 of this Prospectus respectively.

(₹in million)

Particulars	As on/ For the three months ended June 30, 2018	As on/ For the year ended March 31, 2018	As on/ For the year ended March 31, 2017	As on/ For the year ended March 31, 2016
Net worth	27,902.40	27,043.20	24,622.80	23,218.70
Total Debt	203,031.30	1,88,193.00	129,318.40	118,537.10
of which - Non-current maturities of Long-Term Borrowings	71,999.70	59,683.10	42,325.90	27,788.40
- Short Term Borrowings	115,880.00	112,313.70	75,341.60	76,314.90
- Current Maturities of Long-Term Borrowings	15,151.60	16,196.20	11,650.90	14,433.80
Property Plant and Equipment	43,790.40	44,499.00	23,368.00	14,179.90
Non-Current Assets -other than Property Plant and Equipment (including non-current investment)	121,873.60	122,978.60	87,951.30	80,226.50
Cash & Cash Equivalents	7,889.20	6,378.10	3612.30	2,078.30
Current Investments	-	-	20.80	57.20
Current Assets (Excluding Current Investment and Cash & Cash Equivalents)	84,197.90	71,160.70	57,349.60	60,079.40
Current Liabilities (Excluding Short Term Borrowing and Current Maturities of Long-Term Borrowing)	17,323.80	20,362.70	13,153.90	10,705.10
Assets Under Management	316,809.40	300,727.70	212,318.10	185,977.80
Off Balance Sheet Assets (Securitized Portfolio)	59,058.30	55,711.30	40,016.10	29,356.50
Revenue from Operations	9,767.50	33,095.40	24,933.30	26,138.80
Finance Cost	4,741.90	15,947.10	13,324.00	14,177.10
Bad debts written off, provisions and contingencies	916.80	3.420.20	2,527.30	3,961.80
PAT	909.80	2,634.90	1,488.40	1,152.60
Gross NPA (%)	2.99	1.84	2.48	2.95
Net NPA (%)	2.41	1.30	1.76	1.99
Tier I Capital Adequacy Ratio (%)	10.43	10.68	13.71	14.65
Tier II Capital Adequacy Ratio (%)	4.79	5.26	4.95	4.97

A summary of our key operational and financial parameters as at and half year ended September 30, 2018 are as follows:

₹in million

Particulars	As at for half year ended September 30, 2018 (Unaudited)
Networth	27,502.40
Assets Under Management	334,151.10
Equity (Note 1)	27,604.70
Total Borrowing	222,630.4
-Debt Securities	*13,760.30*
-Borrowing (Other than debt securities)	*191,786.60*
-Subordinated Liabilities	*17,083.50*
Property, Plant & Equipment and Other Intangible assets	46,158.60
Loans	196,827.20
Financial assets (Note 2)	9,234.00
Non-financial assets (Note 3)	11,537.00
Cash and cash equivalents	2,343.90
Bank balances other than cash and cash equivalents	13,823.90
Financial liabilities (Note 4)	26,414.60
Non-financial liabilities (Note 5)	3274.90
Revenue from Operations	22,804.20
Finance Costs	10,256.60

Particulars	As at for half year ended September 30, 2018 (Unaudited)
Impairment on financial instruments	821.50
Loss/write-off on assets held for sale & Net loss on derecognition of financial instruments under amortised cost category	849.20
PAT	1,990.10
Gross Stage 3	3.27%
Net Stage 3	1.94%
CRAR-Tier I Capital Ratio (%)	10.00%
CRAR –Tier II Capital Ratio (%)	5.20%

The below notes are applicable to the key operational and financial parameters:

1. *"Equity" represents the aggregate of Equity share capital and other equity.*
2. *"Financial Assets" represents the aggregate of Derivative financial instruments, Receivables, Investments and Other financial assets.*
3. "*Non-financial assets" represents the aggregate of Current tax assets (net), and Other non-financial assets.*
4. *"Financial liabilities" represents the aggregate of Derivative financial instruments, Payables and Other financial liabilities*
5. *"Non-financial liabilities" represents the aggregate of Deferred tax liabilities (net), Provisions and Other non-financial liabilities.*

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	
500,000,000 Equity Shares	5,000
50,000,000 Preference Shares	5,000
Total	**10,000.00**
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**

There will be no change in the equity capital structure and securities premium account post the issue and allotment of the NCDs.

*Our Company has filed a Draft Red Herring Prospectus dated November 28, 2017 with SEBI, BSE and NSE for an Initial Public Offering of equity shares of face value of ₹10 each of our company comprising a fresh issue aggregating to ₹11,000 million and an offer for sale of upto 4,386,765 equity shares by our promoter ("**Offer**"). Our Company has received the Observation Letter from SEBI dated September 7, 2018 in regard to the Draft Red Herring Prospectus dated November 28, 2017 filed by the Company with SEBI.*

Our Board and Shareholders have authorised the Offer, pursuant to their resolutions dated October 25, 2017 and October 27, 2017, respectively.

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

Sl.	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.
5.	July 31, 2017	The authorized share capital of our Company was increased from ₹750.00 million divided into 75,000,000 Equity Shares of ₹10/- each to ₹10,000 million divided into 500,000,000 Equity Shares of ₹10/- each and 50,000,000 Preference Shares of ₹100/- 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 of equity shares	Number of Equity shares allotted	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of Consideration (cash or other than cash)	Reason for allotment	Cumulative		
						No. of Equity Shares	Equity share capital (₹)	Equity Share Premium (₹)
November 16, 2006	2,000,000	10	10	Cash	Subscribers to the MoA[1]	2,000,000	200,00,000	-
May 15, 2007	50,000	10	10	Cash	Preferential allotment[2]	2,050,000	20,500,000	-
April 2, 2008	22,950,000	10	10	Cash	Preferential allotment [3]	25,000,000	250,000,000	-
April 2, 2008	25,000,000	10	310	Cash	Preferential allotment[4]	50,000,000	500,000,000	750,00,00,000
June 27, 2011	3,220,000	10	310	Cash	Allotment pursuant to rights issue [5]	53,220,000	532,200,000	846,60,00,000

Date of Allotment of equity shares	Number of Equity shares allotted	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of Consideration (cash or other than cash)	Reason for allotment	Cumulative		
						No. of Equity Shares	Equity share capital (₹)	Equity Share Premium (₹)
August 31, 2012	3,220,000	10	310	Cash	Allotment pursuant to rights issue [6]	56,440,000	564,400,000	943,20,00,000
October 1, 2012	3,220,000	10	310	Cash	Allotment pursuant to rights issue [7]	59,660,000	596,600,000	1039,80,00,000

[1] *1,999,400 Equity Shares were allotted to SIFL and 100 Equity Shares each were allotted to Mr. Arun Kedia, Mr. Shashi Bhushan Tiwari, Mr. Bajrang Kumar Choudhary, Mr. Sandeep Lakhotia, Mr. Anthony Dilip Rozario and Mr. Manoj Kumar Beriwala who were holding the said 100 equity shares each as nominees of SIFL.*
[2] *Preferential Allotment of 50,000 Equity Shares to Mr. Hemant Kanoria.*
[3] *Preferential Allotment of 22,950,000 Equity Shares to SIFL pursuant to Shareholders Agreement dated May 31, 2007 executed between BPLG, SIFL, Mr. Hemant Kanoria, Mr. Sunil Kanoria and our Company.*
[4] *Preferential Allotment of 25,000,000 Equity Shares to BPLG pursuant to Shareholders Agreement dated May 31, 2007 executed between BPLG, SIFL, Mr. Hemant Kanoria, Mr. Sunil Kanoria and our Company.*
[5] *Allotment of 1,610,000 Equity Shares each, pursuant to the rights issue, to SIFL and BPLG.*
[6] *Allotment of 1,610,000 Equity Shares each, pursuant to the rights issue, to SIFL and BPLG pursuant to the circular resolution by the Board dated June 27, 2011.*
[7] *Allotment of 1,610,000 Equity Shares each, pursuant to the rights issue, to SIFL and BPLG pursuant to the circular resolution by the Board dated June 27, 2011.*

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

Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing 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

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

Details of Promoter's contribution in our Company:

Srei Infrastructure Finance Limited:

Sl. No.	Date of Acquisition	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ transfer Price (₹)	Nature of Consideration	% of share capital	Source of Funds
1.	November 16, 2006	Subscription to MOA	1,999,400	10	10	Cash	3.35	Own
2.	April 2, 2008	Preferential allotment [1]	22,950,000	10	10	Cash	38.47	Own
3.	October 29, 2008	Acquired from SIFL and Hemant Kanoria (as joint holders) [2]	50,000	10	10	Cash	0.08	Own
4.	October 29, 2008	Acquired from Shashi Bhushan Tiwari	100	10	10	Cash	Negligible	Own
5.	October 29, 2008	Acquired from Bajrang Kumar Choudhary	100	10	10	Cash	Negligible	Own
6.	October 29, 2008	Acquired from Sandeep Lakhotia	100	10	10	Cash	Negligible	Own
7.	October 29, 2008	Acquired from Anthony Dilip Rozario	100	10	10	Cash	Negligible	Own
8.	October 29, 2008	Acquired from Manoj Kumar Beriwala	100	10	10	Cash	Negligible	Own
9.	October 29, 2008	Acquired from Sanjay Kumar Chaurasia	100	10	10	Cash	Negligible	Own
10.	June 27, 2011	Allotment pursuant to rights issue [3]	1,610,000	10	310	Cash	2.70	Own

Sl. No.	Date of Acquisition	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ transfer Price (₹)	Nature of Consideration	% of share capital	Source of Funds
11.	August 31, 2012	Allotment pursuant to rights issue [4]	1,610,000	10	310	Cash	2.70	Own
12.	October 1, 2012	Allotment by way of rights issue [5]	1,610,000	10	310	Cash	2.70	Own
13.	October 15, 2013	Transfer to Hemant Kanoria	(1) [7]	10	10	Cash	Negligible	Not Applicable
14.	October 15, 2013	Transfer to Sunil Kanoria	(1) [7]	10	10	Cash	Negligible	Not Applicable
15.	October 15, 2013	Transfer to Sanjeev Sancheti	(1) [7]	10	10	Cash	Negligible	Not Applicable
16.	June 17, 2016	Acquired from BPLG [6]	29,830,000	10	50.36	Cash	50.00	Pursuant to Share Purchange Agreement
17.	June 17, 2016	Transfer to Shashi Bhushan Tiwari	(1) [7]	10	10	Cash	Negligible	Not Applicable
18.	June 17, 2016	Transfer to Sandeep Lakhotia	(1) [7]	10	10	Cash	Negligible	Not Applicable
19.	June 17, 2016	Transfer to Ganesh Prasad Bagree	(1) [7]	10	10	Cash	Negligible	Not Applicable
	Total		**59,659,994**					

[1] *Preferential Allotment of 22,950,000 Equity Shares to SIFL pursuant to Shareholders Agreement dated May 31, 2007 executed between BPLG, SIFL, Mr. Hemant Kanoria, Mr. Sunil Kanoria and our Company.*

[2] *50,000 Equity Shares were acquired by SIFL and Mr. Hemant Kanoria (as joint holders) from Mr. Hemant Kanoria on May 25, 2007.*

[3] *Allotment of 1,610,000 Equity Shares each on rights basis to SIFL pursuant to the Board resolution dated May 18, 2011.*

[4] *Allotment of 1,610,000 Equity Shares each on rights basis to SIFL pursuant to the circular resolution by the Board dated June 27, 2011.*

[5] *Allotment of 1,610,000 Equity Shares each on rights basis to SIFL pursuant to the circular resolution by the Board dated June 27, 2011*

[6] *Transferred from BPLG pursuant to the Share Purchase Agreement dated December 29, 2015 between our Company, BPLG, SIFL, Srei Growth Trust, Mr. Hemant Kanoria and Mr. Sunil Kanoria. For details, please see "Material Agreements" on page 151 of this Prospectus.*

[7] *Transferred to the nominees of SIFL.*

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 date of this Prospectus:

Sl. No.	Name of the Director	Total No. of Equity Shares	% of total number of Equity Shares
1	Hemant Kanoria*	1	Negligible
2	Sunil Kanoria*	1	Negligible

**As Nominee of SIFL*

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, 2018, 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: -

Category (I)	Category of shareholder (II)	Nos. of share holders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly Paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of Shares Underlying Outstanding convertible securities (including Warrants) (X)	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 (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								No of Voting Rights			Total as a % of (A+B+ C)			Num ber (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity	Class e.g.: Others	Total								
(A)	Promoter & Promoter Group	7*	59,660,000	-	-	59,660,000	100.00	59,660,000	-	**59,660,000**	100.00	-	-	-	-	-	-	59,660,000
(B)	Public	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**7***	**59,660,000**	**-**	**-**	**59,660,000**	**100.00**	**59,660,000**	**-**	**59,660,000**	**100.00**	**-**	**-**	**-**	**-**			**59,660,000**

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

Sl.	Name of the Shareholder	No. of Shares	Percentage of shareholding (%)
1	SIFL	59,659,994	99.99
2	Hemant Kanoria*	1	Negligible
3	Sunil Kanoria*	1	Negligible
4	Sanjeev Sancheti*	1	Negligible
5	Shashi Bhushan Tiwari*	1	Negligible
6	Ganesh Prasad Bagree*	1	Negligible
7	Sandeep Lakhotia*	1	Negligible
Total		**59,660,000**	**100.00**

**As a nominee of SIFL*

Top 10 holders of Debt instruments, as on September 30, 2018:

Please refer to page 193 of this Prospectus for top 10 Debenture Holders on cumulative basis for all outstanding Secured NCDs and top 10 Debenture Holders on cumulative basis for all outstanding Unsecured NCDs.

Debt–Equity Ratio:

The debt-equity ratio of our Company prior to this Issue is based on a total outstanding debt of ₹203,031.30 million and shareholder funds amounting to ₹ 28,644.50 million, which was 7.09 times, as on June 30, 2018. The term debt-equity ratio post the Issue (assuming subscription of ₹3,000 million) will be 7.19 times, assuming total outstanding debt of ₹206,031.30million and shareholders' fund of ₹28,644.50 million as on June 30, 2018.

(₹ In million)

Particulars	Pre-Issue as at June 30, 2018 (Audited)	Post Issue*
Debt		
Long term borrowings (refer note 1)	87,151.30	90,151.30
Short term borrowings (refer note 2)	115,880.00	115,880.00
Total Borrowing	**203,031.30**	**206,031.30**
Shareholder's Fund		
Share Capital	596.60	596.60
Special Reserve under section 45-IC of Reserve Bank of India Act, 1934	3,539.60	3,539.60
Income Tax Special Reserve	1,430.70	1,430.70
Capital Reserve	3.1	3.1
Securities Premium Account	10,398.00	10,398.00
Debenture Redemption Reserve	5,860.00	5,860.00
Surplus in Profit and Loss Account	6,816.50	6,816.50
Total Shareholders' Fund	**28,644.50**	**28,644.50**
Debt-Equity Ratio (refer note 3)	**7.09**	**7.19**

**The debt-equity ratio post the Issue is indicative on account of the assumed inflow of ₹ 3,000 million from the proposed Issue in the secured debt category as on June 30, 2018. 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. *Long term borrowings represent borrowings due after 12 months from the balance sheet date and also includes current maturities of long term borrowings*
2. *Short term borrowings represent borrowings due within 12 months from the balance sheet date*
3. *Total debt / equity has been computed as* $\frac{\textit{Total borrowings}}{\textit{Total shareholders' funds}}$
4. Our Company has not issued any debt securities issued for consideration other than cash, whether in whole or part, since its incorporation.
5. Save and except as disclosed herein this Prospectus, none of the Equity Shares of our Company are pledged or otherwise encumbered by our Promoter

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 of face value of ₹1,000/- each ("**Secured NCDs**") and Unsecured, Subordinated Redeemable Non-Convertible Debentures of face value of ₹1,000/- each ("**Unsecured NCDs**"), for an amount upto ₹1,500 million) ("**Base Issue Size**") with an option to retain over subscription for an amount upto ₹1,500 million, aggregating to ₹3,000 million ("**Overall Issue Size**"). The Unsecured NCDs will be in the nature of Subordinated Debt and will be eligible for inclusion as Tier II Capital.

The issue is being made pursuant to the provisions of the SEBI Debt Regulations, the Companies Act and rules made thereunder as amended to the extent notified. The details of the Net Proceeds are set forth in the following table:

(₹in million)

Sl.	Description	Amount
1	Gross proceeds of the Issue	3,000.00
2	Issue related expenses*	87.00
3	Net Proceeds of the Issue	2913.00

**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 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% 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 this Prospectus or objects for which this Prospectus is issued, except subject to the approval of, or except subject to an authority given 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 Debt 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 as 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 execution of Debenture Trust Deed, receipt of the listing and trading approval from the Stock Exchange(s) as stated in this Prospectus in the section titled "***Issue Structure***" beginning on page no. 196 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 ₹ 3,000 million (assuming the full subscription) are as follows:

(₹In million)

Activity	Expenses	% of Issue Size of ₹3,000 million
Fees paid to the Lead Managers, selling and brokerage commission & commission/processing fees to SCSBs*	75.00	2.50
Advertising and Marketing Expenses	6.00	0.20
Printing and Stationery	1.50	0.05
Others (Debenture Trustee Fees, Registrar Fee, Credit Rating Fee, Legal Fees, Stamp Duty & Registration expense etc.)	4.50	0.15
Total	87.00	2.90

**SCSBs would be* entitled *to a processing fee of ₹15/- per Application Form (exclusive of applicable taxes) 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 ifnterest 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, 2018, 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.

STATEMENT OF TAX BENEFITS

The Board of Directors
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 (the 'Act') presently in force in India. The benefits are dependent on Company and its debenture holders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its debenture holders may or may not choose to fulfill.

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

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

We accept 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 and Listing of Debt Securities) Regulations, 2008, as amended and is not to be used for any other purpose or to be distributed to any other parties or to be distributed to any other person without our written consent.

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

Shrenik Baid
Partner
Membership No.103884

Mumbai
Date: October 12, 2018

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 such as dividend, interest on securities, interest on sum given on interest, income from mutual fund units, withdrawal from National Savings Scheme, etc. 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. 5000 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 fourth 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 issued by the Government and sovereign gold bond issued by the RBI. Thus, long term capital gains arising out of listed debentures would be subject to tax at the rate of 10 % computed without indexation. In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

In addition to the aforesaid tax, a surcharge of 10% of such tax liability (if net income exceeds Rs. 5,000,000 and does not exceed Rs. 10,000,000) and 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 4% health and 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 will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

(b) As per section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I.T. Act in accordance with and subject to the provisions contained therein.

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

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

2. In accordance with and subject to the provisions of section 115I of the I.T. Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,

(a) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.

(b) Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act

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

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

4. The income tax deducted shall be increased by a surcharge as under:

(a) In the case of non-resident Indian surcharge at the rate of 10% of such tax liability (if net income exceeds Rs. 5,000,000 and does not exceed Rs. 10,000,000) and 15% of such tax liability (if net income exceeds Rs. 1,00,00,000) subject to deduction.

(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. 4% health and 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, 2020 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 Section54F of the I.T. Act**

1. 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)(x) of the I.T. Act, where any person receives debentures from any person on or after 1st April 2017:

(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;or

h) By any fund/trust/institution/university/other educational institution/any hospital or other medical institution referred to in sub-clause (iv)/(v)/(vi)/(via) of clause 23C of Section 10; or

i) By way of transaction not regarded as transfer under clause (i)/(vi)/(via)/(viaa)/(vib)/(vic)/(vica)/(vicb) /(vid)/(vii) of Section 47; or

j) From any individual by a trust created or established solely for the benefit of relative of the individual.

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 2019-20. 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

OUR INDUSTRY

Unless noted otherwise, the information in this section has been obtained or derived from the Feedback Reports as well as other industry sources and government publications. All information contained in the Feedback Reports has been obtained by Feedback from sources believed by it to be accurate and reliable. Although reasonable care has been taken by Feedback to ensure that the information in the Feedback Reports is true, such information is provided 'as is' without any warranty of any kind, and Feedback in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information and estimates contained herein must be construed solely as statements of opinion, and Feedback shall not be liable for any losses incurred by users from any use of this publication or its contents. None of the Company or any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

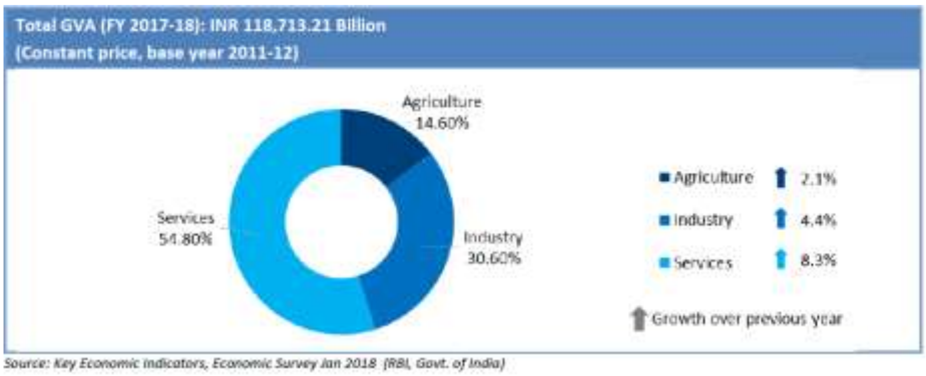
I. **Overview of the Indian Economy**

According to the Central Statistics Organisation, India ("CSO") and the International Monetary Fund ("IMF"), India has emerged as the fastest growing major economy in the world. Gross Domestic Product ("GDP") in Fiscal 2018 grew by 6.5% (Gross Value Added ("GVA") grew by 6.1%) from the previous year.

The improvement in the country's economy accelerated in 2015 with the combined impact of strong government reforms and the Reserve Bank of India's (RBI) focus on inflation, supported by benign global commodity prices. As per the Economic Survey 2017-18, the Indian economy is expected to grow between 7.00-7.5% during Fiscal 2019. India's GDP for Fiscal 2018 was ₹129,853.6 billion (first advance estimates). GVA for the same period was ₹118,713.21 billion. The estimates of GDP and GVA are at constant prices (base year 2011-2012).

The share of key sectors in total GVA is given in the chart below.

Figure 1 – Overview of Key Sectors in Total GVA



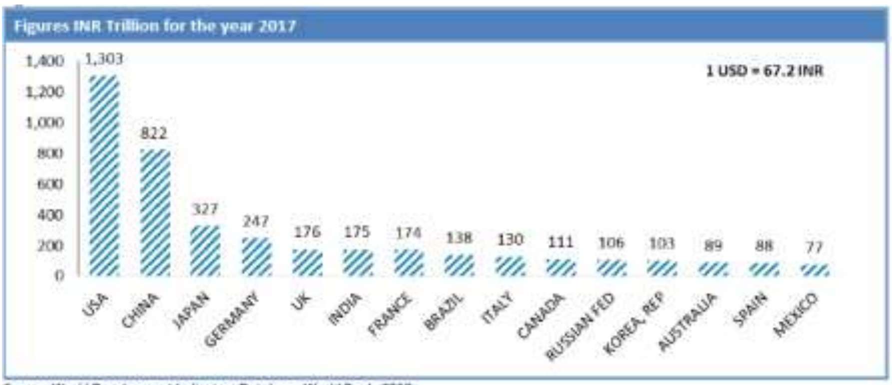
The following charts show the GDP trends in India.

Figure 2 – Overview of GDP Trends (Fiscal 2012-2020)

Source: Key Economic Indicators, Economic Survey Jan 2018 (RBI, Govt. of India)
** Source: Second Bi-monthly Monetary Policy Statement (11 Jun 2018)*
***Source: Global Economic Prospects Report, World Bank. Absolute numbers are calculated based on growth rates provided*

Comparison of Indian GDP with Other Countries

Figure 3 – Overview of Indian GDP and other Countries (2017)



Source: World Development Indicators Database, World Bank, 2018

According to the 2017 estimates by the World Bank, India is currently ranks sixth in the world in terms of GDP. India is likely to overtake Japan and Germany to become the third largest economy in the next ten years, but needs to be consistent in reforms. The country also needs to focus more on the social sector, ease of doing business and related aspects like contract enforcements. Demographics and macro stability are pointed out as key strengths for the country.

Economic Outlook for India in Fiscal 2019

According to the IMF' January 2018 World Economic Outlook, global growth is estimated to grow by 3.9% during 2018 as global activity continues to strengthen. The IMF expects India to grow at 7.4% during 2018 which could increase further to 7.8% during 2019 in contrast to the relatively lower rate of 6.7% in 2017. Currently, the economy appears to be on the path to recovery, with indicators of industrial production, stock market index, auto sales and exports having shown some increase.

The economic survey conducted in Fiscal 2018 mentioned that the impact of demonetisation and GST implementation has slowed down the economy, but it has recovered since then. In April 2018, the World Bank stated that Indian economy had bounced back and is expected to grow at 7.3% in 2018 and 7.5% in 2019.

The recent trade war between the United States and the major trading blocks, namely the European Union, China and India, may dampen the already sluggish exports (though better than last year) from India. Indian exports exhibited growth during February 2018 at 4.48% in dollar terms as compared to February 2017. Cumulative value of exports for the period of April 2017 to February 2018 was ₹17,745 billion. Domestically, GST promises to deliver positive outcomes as India becomes a single, more competitive market.

While IMF projects a 7.4 % GDP growth rate, higher global oil prices, further risk of a rate hike cycle from the RBI and the potential negative impact of the banking sector frauds or NPAs on credit and overall growth are some of the factors that pose downside risk to its baseline GDP estimate. Brent crude prices are currently hovering around USD75 a barrel, increased by 12% from the end of December 2017 levels. The other big challenges to India's growth in 2018 are increasing inflationary pressures, coupled with a higher fiscal deficit as well as an increasing debt burden.

II. Overview of the Indian Infrastructure Sector

Infrastructure in India

The Infrastructure sector is a key driver for the Indian economy and is largely responsible for propelling India's overall development. The government is focused on initiating policies to ensure the creation of a world class infrastructure in India.

From April 2000 to December 2017, according to the Department of Industrial Policy and Promotion ("DIPP"), Foreign Direct Investment ("FDI") received in the infrastructure development sector stood at ₹1,938 billion.

The overall budget allocation for infrastructure in India during Fiscal 2019 was ₹5,970 billion, as compared to ₹4,940 billion in Fiscal 2018. Out of the total capital expenditure for Fiscal 2019, the majority of the increased allocation is towards areas such as roads (increase by 9.4% year on year), railways (increase by 0.2% year on year), civil aviation (increase by 144.4%) and rural development (increase by 6.6% year on year). This increase is expected to have a positive impact the economy.

Figure 4 – Allocation Infrastructure Expenditure (Fiscal 2015-2019)

Infrastructure Expenditure

INR. Billion

Infrastructure Expenditure	2014 - 15	2015 - 16	2016 - 17	2017 – 18 (RE)	2018-19 (BE)
Rural Development	673.1	773.7	960.6	1,090.4	1,124.0
Road Transport & Highways	330.5	469.1	524.5	610.0	710.0
Railways	320.0	350.1	461.5	418.1	550.9
Housing & Urban Development	132.5	184.2	325.5	407.5	417.6
Power	132.0	77.3	104.8	149.1	150.4
Water Resources	54.8	68.6	47.6	76.6	88.6
Civil Aviation	66.3	41.7	34.5	27.1	66.0
Renewable Energy	5.1	2.3	43.6	40.8	51.4
Ports & Shipping	10.3	13.2	14.5	15.7	18.8
Mines	8.6	9.9	10.8	13.1	16.7
Coal	7.0	5.7	5.6	7.4	7.7
Total	**1,740.2**	**1,995.8**	**2,533.5**	**2,855.8**	**3,202.1**

Source: Annual Budget Document, Govt. of India *RE : Revised Estimates ; BE : Budget Estimates*

Roads

The Indian road network carries approximately 65% of total freight traffic, 80% of passenger traffic and plays a vital role in economic development. The country has one of the largest road networks comprising of expressways, national highways, state highways, major district roads and rural roads. According to the Indian Ministry of Road Transport and Highways' annual report of 2017-2018, the total road length was approximately 5.48 million kms, most of which comprises rural roads (61%) followed by major district roads (20%), urban roads (9%), project roads (6%), state highways (3%) and national highways (2%).

India's 12th five-year plan (2012-2017) set out an expenditure of ₹9,100 billion for the construction of roadways in the country, an increase of 125% over the last plan. Fiscals 2013 and 2014 reported slow growth in the construction of national highways, state highways and rural roads. To give an extra boost and to compensate for the slow performance of the sector in the past, the government in Fiscal 2015 rolled out several initiatives to rapidly revive and spur growth in roadways. In addition to this, the government has also identified 73 delayed projects to put them back on track. The total road length from these delayed projects is approximately 8,187 kms as of January 2018.

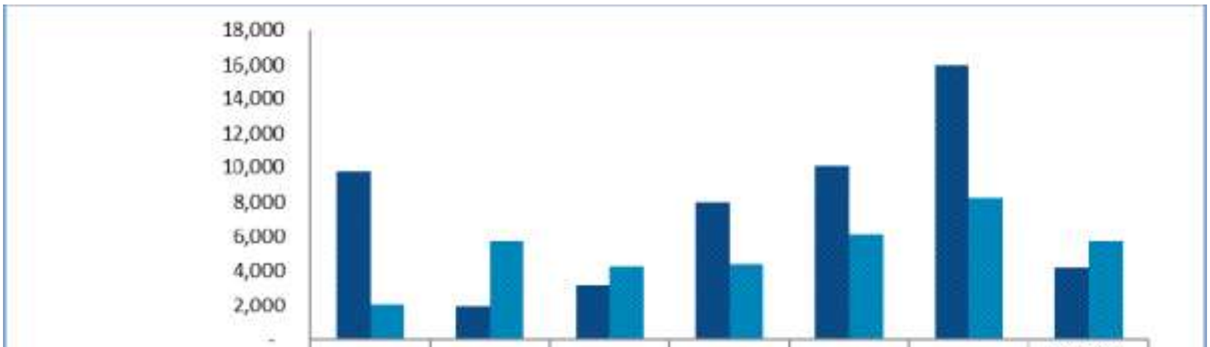
Until Fiscal 2022, the government is expected to be investing ₹6,920 billion to build 83,677 kms of road. This includes the flagship Bharatmala project which requires a construction of 34,800 kms of roads at an investment of ₹5,350 billion.

Figure 5 – Trends of National Highways and Rural Roads Construction (Km per day)

Source: Ministry of Road Transport & Highways for National Highways (Annual Report (FY 2017-18)), and for Rural Roads website of PMGSY (Online Management, Monitoring & Accounting Systems)

The below chart shows the road length awarded and constructed, in respect of national highways, during the last seven years.

Figure 6 – Road Length Awarded and Constructed (Fiscal 2012-2018)



	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18*
Awarded Length (km)	9,794	1,916	3,169	7,980	10,098	15,948	4,163
Constructed length (km)	2,013	5,732	4,260	4,410	6,061	8,231	5,680

* Data up to Dec 2017

Source: Annual Report (FY 2017-18), Ministry of Road Transport & Highways, Govt. of India

There were many impediments to the road construction activities when the new government took charge in the year 2014. Many new policies were framed to accelerate the road construction activities which have led to a faster turnaround of this sector. Such key policies include hybrid annuity model to help private contractors, requirement of minimum 80% acquisition of land to award projects and eased exit clauses.

Railways

Indian Railways are the third largest in terms of route length with a total track length of approximately 119,630 kms and a running track length of 92,081 kms. Considering India's size and the requirements of the economy, the expansion of the railway network has been inadequate. There are many areas such as the North East and Himalayan regions where there is limited connectivity.

The construction of railways has recorded significant growth, creating opportunities for contractors. One of the key enablers is 100% FDI for high speed rail, and railway lines from coal mines to ports, electrification and suburban corridors. From Fiscal 2017 to Fiscal 2022, it is estimated that a total investment of ₹9,088 billion will be made in development of rail infrastructure.

Strengthening railways network and enhancing railways carrying capacity has been a major focus of the government. Railways capital expenditure has been fixed at ₹1,485 billion for Fiscal 2019, a large part of which is devoted to capacity creation.

Dedicated Freight Corridor ("DFC")

A cost estimate of ₹814.59 billion has been approved by the Cabinet Committee on Economic Affairs for the Eastern and Western DFCs in June 2015, comprising construction cost of ₹733.92 billion and land cost of ₹80.67 billion. The cost for this project will be funded by a combination of debts from bilateral or multilateral agencies, equity from the Ministry of Railways and public-private partnership.

High-speed Rail

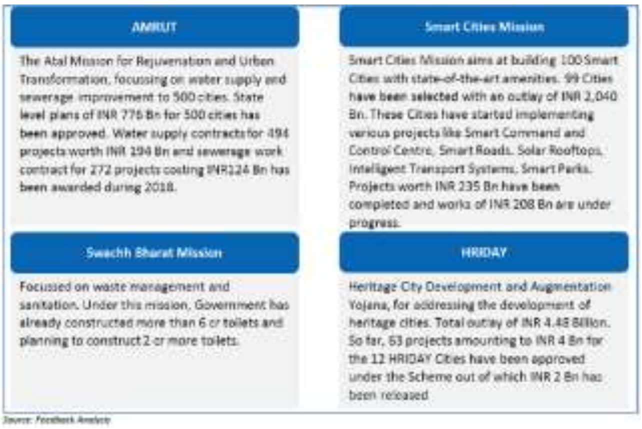
High Speed Rail Corporation of India Limited has been formed for the development and implementation of high-speed rail projects. In the proposed investment plan for the period 2015 to 2019, an allocation of ₹650 billion has been made for high speed rail and elevated corridor.

Urban Development

The urban development sector has reported high growth, especially during the 11th five-year plan (2007-2012), where achievement was more than 160% of the target.

The government understands the need for Urban Development. JNNURM was a pivotal program through which the centre invested close to ₹620 billion over a period of seven years. JNNURM was envisioned to cover a wide range of urban development components, with respective state governments listing their area of priority. One of the key programmes under the JNNURM is the smart cities mission which aimed to develop smart solutions for selected urban areas. The total outlay of the smart city mission is ₹2,040 billion. Four keys programmes under the JNNURM programmes are:

Figure 7 – Key Programmes under JNNURM Programmes



As per the last census, the number of towns developed in 2011 grew to 7,935 from 5,161 in 2001. In addition, urban population in India is one of the lowest in the world in terms of (%) shares, accounting for only 31% of the total population. FDI in the urban development sector has given further impetus for growth. As per the latest estimates of Niti Ayog, India's urbanisation rates are expected to reach 60% in the next 30 years.

The Construction Industry Development Board (CIDB) of Malaysia has proposed to invest ₹1,920 billion in urban developments and housing projects in India. Several Chinese companies have also shown interest in urban investment opportunities.

Irrigation and Water Supply

Irrigation projects in India are classified as major irrigation, medium irrigation and minor irrigation projects. Major irrigation projects have a cultivable area of more than 10,000 hectares, medium irrigation projects have a cultivable area of 2,000 – 10,000 hectares and small irrigation projects have cultivable area of less than 2,000 hectares. Irrigation projects can be classified in to canal lining and walls, irrigation barrages, irrigational check dams, aqueducts, tube wells and wells.

The river inter-linking project is estimated to cost approximately ₹5,655 billion, of which 77% is outlined for the linking of Himalayan Rivers and the remaining 23% for the linking of the peninsular rivers. The inter-linking is expected to result in a multi-fold drive to the growth of economy, including an increase in food grain production and growth of the cement, construction and banking sector etc.

Mining

Coal Mining

India has coal reserves of approximately 315.15 billion tonnes. More than 90% of the coal produced in India is by government owned companies. Coal India Ltd is the largest firm in India, producing coal accounting for 84% of the total coal produced. The role played by private companies is limited, mines are owned for captive use. Companies involved in the manufacture of steel, cement, fertiliser and power generation mostly have captive mines, with power being one of the sectors that is heavily dependent on coal. Mining equipment is extensively used by all companies across regions.

Despite India's large coal reserve, some companies in India are importing coal. Approximately 20-25% of the coal demand is met through imports. Over the last five years (Fiscal 2014-2018), coal imports have decreased at a CAGR of 5.7% (for Fiscal 2018, data available until December 2017). The imports of coal continued due to slow domestic coal production and better quality of imported coal. However, Fiscal 2018 (data available until December 2017) saw a decrease of 29% to 137 million tonnes imported compared to the previous year. The government has set a target of 1.6 billion tonnes of coal production by Fiscal 2020, which will be met through increase in the number of mines set up and reallocation of existing mines. The government, however, mentioned in April 2018 that this target will be revised to less than one billion tonnes.

Figure 8 – Coal Domestic Production and Import

Source: Annual Report (2017-18), Coal India Ltd, Govt. of India *Note : FY 2018-19 target is for Coal India alone*

Iron Ore

The Indian iron ore industry was once the third largest exporter globally, but is currently under pressure to fulfil domestic demand. Illegal mining and environmental degradation has led to a blanket ban of iron ore mining and exportation in several states such as Karnataka and Goa. Imports were small until last year, but increased to 15 million tonnes in Fiscal 2015 to bridge the supply-demand gap as there were no signs of the recovery of the domestic iron ore production. The following years saw an increase in production post the lifting of ban against iron ore mining. Imports also reduced gradually as a result of higher production and the commissioning of new mines.

Figure 9 – Iron Ore Production and Import

Source: Ministry of Mines (Annual report 2017-18), Govt. of India

From Fiscal 2017 onwards, several state governments planned and increased their focus on iron ore production. Odisha contributed nearly 143 million tonnes during Fiscal 2018. The government of Odisha has planned to auction around 10-12 large mines to boost supply. Demand from real estate and automotive sectors, along with an increase in infrastructure projects is expected to aid growth of steel production. The steel industry is likely to have a total installed capacity of 300 million tonnes by 2025.

Government investment in the mining sector was increased by 79% in the 12th five year plan (2012-2017) as compared to the previous plan, amounting to ₹1,631.5 Billion. It provided fresh impetus to the domestic mining sector.

Ports

India has a coastline of 7,517 kms which is shared amongst nine states. Approximately 95% of India’s trade by volume, and 68% by value, is moved through maritime transport.

Ports in India can be divided into two types; major ports and minor ports. At present, there are 13 major ports in India which are under the scope of central government through the Ministry of Shipping. There are approximately 200 minor ports, however only 70 of these are in operation. All of the minor ports are administered by their respective state governments.

Currently the handling capacity at major ports is 1,451 million tonnes (as of Fiscal 2018). The capacity addition at the major ports in Fiscal 2018 over previous year was approximately 44%. The traffic handled at Indian major ports and non-major ports are shown in the graph below:

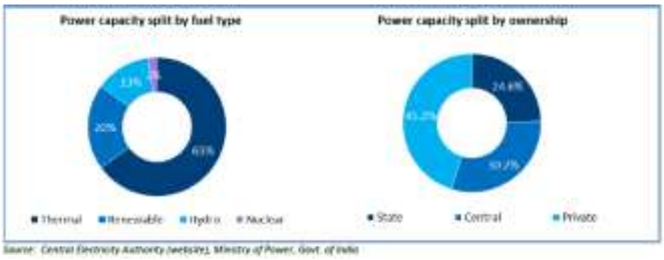
Figure 10 – Traffic Handling Trend at Indian Ports (million tonnes)

The government has initiated the ‘Sagarmala Programme’ to promote port-led development in the country. There are 577 projects worth ₹8,762 billion in the Sagarmala Programme, which expected to mobilise more than ₹12,000 billion of infrastructure investment, generate logistic cost saving of ₹350 to ₹400 billion per annum, drive merchandise export by ₹7,392 billion and enable creation of 10 million new jobs (including four million direct jobs in the next ten years).

Power

The power sector comprises three main areas; generation, transmission and distribution. India is the third largest producer and the fourth largest consumer of power in the world with an installed capacity of 344 GW as of April 30, 2018. The breakup of capacity by type of fuel and ownership is provided in the chart below.

Figure 11 – Power Capacity Split by Fuel Type and Ownership



Within thermal (223 GW), power generation by coal based plants accounts for 88% (approximately 59% of the all India capacity) followed by gas based which accounts for 11.5% (approximately 7.5% of the all India capacity) and oil-fired plants which account for 0.4%. India's total power generation capacity has increased at a CAGR of 9.16% in the last 10 years (Fiscal 2008-2018).

Figure 12 – Power Generation Capacity and Growth (Fiscal 2005-2018)

The current government is working towards major goals which are directed at transforming the power industry. For example, the government is targeting to increase installed capacity of renewable energy-based power generation to 175 GW by the year 2022.

To help attain these targets, the government is seeking extensive support from the private sector and gradually reducing the public-sector spending. FDI up to 100% is permitted under the automatic route in this sector.

Civil Aviation

There are 464 airports and airstrips in India at present, with Airports Authority of India ("AAI") (established in 1994) as the responsible body for developing, financing, operating and maintaining all government airports. Various types of airports that are operational as of Fiscal 2017 are shown below.

Figure 13 – Types of Operational Airports (Fiscal 2017)

The tables below show passenger traffic and freight traffic from Fiscal 2006 to Fiscal 2018.

Figure 14 – Passenger Traffic (million)

Figure 15 – Freight Traffic (million tonnes)

Source – Traffic News, Airports Authority of India (Ministry of Civil Aviation, Govt. of India)

The union budget 2018 proposed to expand the airport capacity more than five times to handle a billion trips a year under a new initiative, NABH (NextGen Airports for Bharat) Nirman.

In the last three years, the domestic air passenger traffic grew at 18% per annum and airline companies have placed orders for more than 900 aircrafts. The government's last year initiative, Ude Desh ka Aam Nagrik (UDAN), shall connect 56 unserved airports and 31 unserved helipads across India. For this initiative, there has been a significant increase in budet allocation from ₹2 billion during the last fiscal to approximately ₹10.14 billion for Fiscal 2019.

The government currently focuses in a plan to connect all towns by using 400 closed airstrips and an effort to reduce the cost of flying between small town to ₹2,500 per hour.

III **Overview of the Indian Equipment Market**

Market Assessment of the Construction, Mining and Allied Equipment (CME) Segment in India

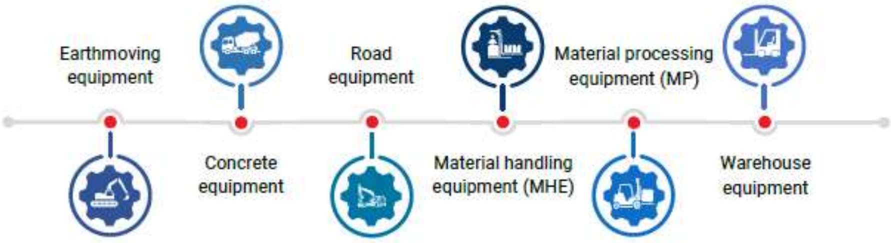
Infrastructure Equipment

The CME industry in India can be classified into different categories based on the type of projects for which it is used. These categories are:

- Earthmoving equipment;
- Concrete equipment;
- Road equipment;
- Material handling equipment;
- Material processing equipment; and

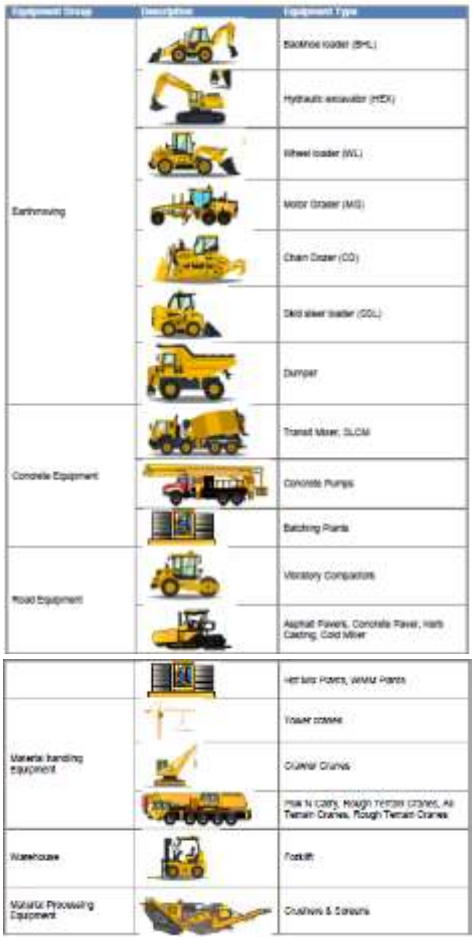
- Warehouse equipment.

Figure 16 – Categories of CME based on Project Use



Descriptions of equipment group under the CME are:

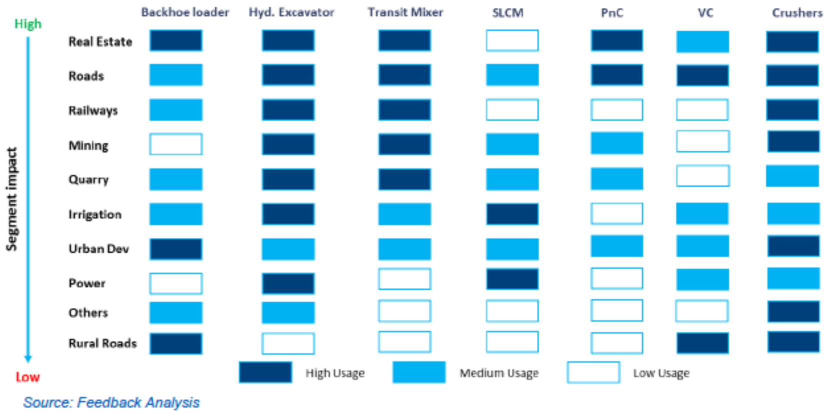
Figure 17 – Types of CME Equipment



Equipment Group	Description	Equipment Type
Earthmoving		Backhoe loader (BHL)
		Hydraulic excavator (HEX)
		Wheel loader (WL)
		Motor Grader (MG)
		Chain Dozer (CD)
		Skid steer loader (SSL)
		Dumper
Concrete Equipment		Transit Mixer, SLCM
		Concrete Pumps
		Batching Plants
Road Equipment		Vibratory Compactors
		Asphalt Pavers, Concrete Paver, Kerb Casting, Cold Miller
		Hot Mix Plants, WMM Plants
Material handling Equipment		Tower cranes
		Crawler Cranes
		Pick N Carry, Rough Terrain cranes, All Terrain Cranes, Rough Terrain Cranes
Warehouse		Forklift
Material Processing Equipment		Crushers & Screens

Multi-usage of equipment has been a key trend seen in the construction equipment industry. Examples of common usage across industries are shown in the chart below.

Figure 18 – Multi-usage of Equipment across Segments

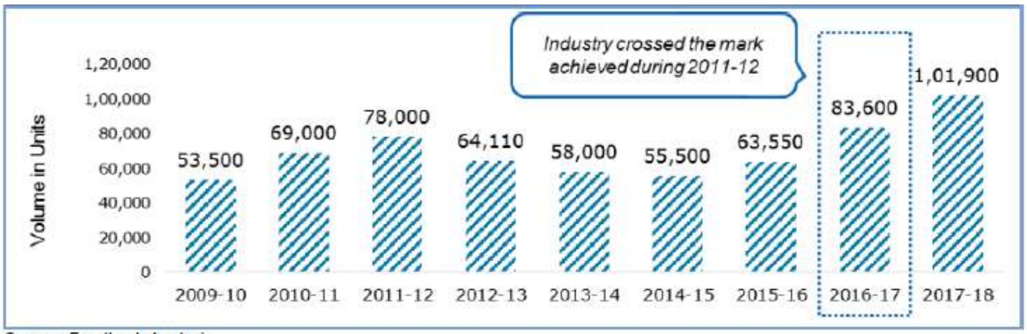


Review of the CME market (over the last 7-8 years)

The overall Indian CME industry grew by 22% in terms of volume during Fiscal 2018, giving a boost to the sector which for the first time crossed over 100,000 units. This demand continued to grow mainly due to the increase in infrastructure spends. Industry growth during 2017-18 was strong despite temporarily affected by emission related ambiguity and GST during April 2017 and July 2017, respectively.

The CME sector experienced a period of de-growth from Fiscal 2013 until September 2015. During October to December 2015 there was a period of flat growth, however sales increased from January 2016 and continues to grow till date. The impact of demonetisation had very little / negligible affect on the industry growth.

Figure 19 – Sales of CME Equipment (Fiscal 2010-2018)



Source: Feedback Analysis

The industry has witnessed a good revival from Fiscal 2016 following the previous three year decline. During Fiscal 2018, 101,900 units were sold, of which 64,650 units (63%) were earthmoving and mining machines.

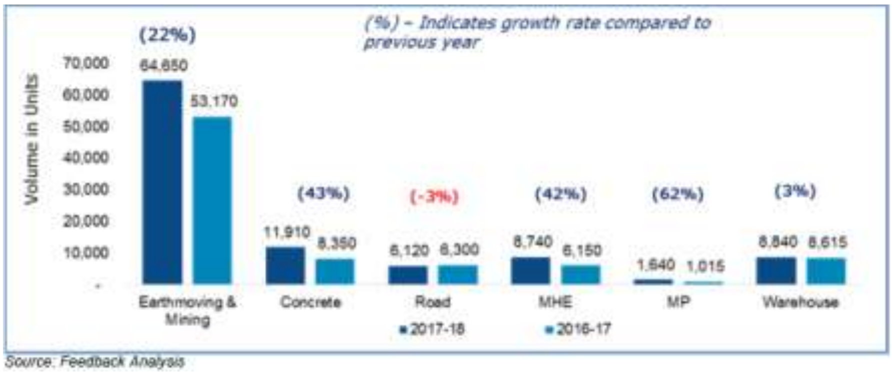
The Indian CME industry continues to be sensitive to the demand for backhoe loaders and hydraulic excavators. Backhoe loaders, which contribute 37% of the overall sales by volume during Fiscal 2018, are an India specific phenomenon. Backhoe loaders in China account for hardly 0.5% of overall construction equipment sales while in North America it accounts for 8.5% sales of their construction equipment respectively. The hydraulic excavator is usually considered as an upgrade to backhoe loaders by customers. The trend witnessed across most customers is that they buy a hydraulic excavator within the first 5-6 years of the purchase of a backhoe loader.

Figure 20 – Sale Volumes in Fiscal 2017 and Fiscal 2018

Source: Feedback Analysis

The equipment growth in Fiscal 2018 came largely from material handling equipment, concrete, material processing equipment and earthmoving and mining equipment categories.

Figure 21 –Equipment Growth across Categories



Source: Feedback Analysis

Earthmoving and Mining Equipment

Demand for earthmoving and mining equipment during Fiscal 2018 was significant with a growth of 22% compared to Fiscal 2017. Within earthmoving, backhoe loader sales crossed the 37,000 units mark, grew by 22% as compared to the 30,710 units sold during Fiscal 2017. The hydraulic excavator sector saw its' highest ever sales to date with the volume reaching 22,550 units in Fiscal 2018, grew by 24% from Fiscal 2017.

Figure 22 – Sales of Earthmoving and Mining Equipment

Equipment	Sales during FY 2017-18 (Vol Units)	% Change from same period FY 2016-17
Backhoe loader (BHL)	37,345	22%
Hydraulic excavator (HEX)	22,550	24%
Wheel loader (WL)	2,600	30%
Motor Grader (MG)	980	13%
Chain Dozer (CD)	375	-33%
Skid steer loader (SSL)	450	5%
Dumper	350	-15%

Source: Feedback Analysis

The earthmoving equipment market by volumes sold is divided between backhoe loaders (57.8%), hydraulic excavators (34.9%), wheel loaders (4.0%), motor graders (1.5%), skid steer loaders (0.7%), chain dozers (0.6%) and dumpers (0.5%) of the total 64,650 units.

During Fiscal 2018, the segmental share of equipment with earthmoving can be summarised as: (i) approximately 39% of the earthmoving equipment sales was from all type of roads, including sale to quarries which largely supply to road projects, (ii) 14% sales was from the irrigation and railways segment, (iii) 17% sales was from general construction and real estate projects and (iv) 20% sales was to rural and other segments. Mining segment accounted for 7% of the overall earthmoving and mining equipment sales. During Fiscal 2018 close to 60-65% of the backhoe loader sales and 33-35% of the hydraulic excavator sales were towards the rental/hirer segment. Other earthmoving equipment accounted for less than 15% of their sales to the hirer category.

Spares Market for Earthmoving Equipment

The current installed base of earthmoving and mining equipment as of March 2018 was estimated to be approximately 0.5 to 0.53 million units in India. In Fiscal 2018, the spares market for earthmoving and mining equipment was valued at ₹55 – 60 billion, with backhoe loader accounting for 47% and hydraulic excavator approximately 34% of the spares market.

Revenue from Rental Business

The total revenue from the earthmoving equipment rental business is approximately ₹190 – 196 billion for Fiscal 2018, of which backhoe and excavators account for 92% of the rental market.

Concrete Equipment

The current Indian concrete equipment market for Fiscal 2018 was at 11,910 units. Demand for concrete equipment during Fiscal 2018 grew by 43% compared to Fiscal 2017. Transit mixers, self-loading concrete mixers and batching plants grew by 42%, 54% and 57%, respectively.

Figure 23 – Sales of Concrete Equipment

Equipment	Sales during FY 2017-18 (Vol Units)	% Change from same period FY 2016-17
Transit Mixer	5,180	42%
SLCM	3,590	54%
Concrete Pumps	1,470	18%
Batching Plants	1,335	57%
Boom pumps	215	19%
Placer booms	85	13%
Recycling plants	35	17%

Source: Feedback Analysis

The concrete equipment market by volume of units sold during Fiscal 2018 is divided between transit mixers (43.5%), self-loading concrete mixers (30.1%), concrete pumps (12.3%), and batching plants (11.2%). The current market is valued at approximately ₹36.84 billion, with batching plants and SLCM accounting for approximately 70% of the market by value.

Spares Market of Concrete Equipment

The current installed base of concrete equipment in India is estimated at approximately 70,000-75,000 units as of March 2018. The current spares market for concrete equipment is valued at approximately ₹10-10.5 billion, with batching plants accounting for 44%, concrete pumps for approximately 27%, SLCM for 24% and transit mixer and other equipment for 5% of the spares market. The current share of OEMs spares in the overall business accounts for approximately 40-45% of the overall business value.

Revenue from Rental Business

The total revenue from the concrete equipment rental business is ₹18-20 billion during Fiscal 2018, of which, transit mixers account for 57%, concrete pumps for 15% and SLCM for 12%, batching plant for 12% of the rental market.

Road Equipment

The current Indian road equipment market for Fiscal 2018 is estimated at 6,120 units. Demand for road equipment during Fiscal 2018 decreased by 3% compared to Fiscal 2017.

Figure 24 – Sales of Road Equipment

Equipment	Sales during FY 2017-18 (Vol Units)	% Change from same period FY 2016-17
Vibratory Compactors	4,100	14%
Asphalt Pavers	865	-33%
Hot Mix Plants	550	-15%
WMM Plants	200	-60%
Concrete Pavers	170	55%
Kerb Casting & Bitumen sprayers	180	64%
Cold Miller	55	38%

Source: Feedback Analysis

The road equipment market by volume of units sold during Fiscal 2018 is divided by vibratory compactors (67%), asphalt pavers (14%), hot mix plants (9%), WMM plants (3%), and concrete pavers, kerb casting machines and cold millers accounting for 7%. Vibratory compactors consisting of soil compactors (56%), tandem rollers (40%) and static and pneumatic rollers (4%), hold a major share of the road equipment industry. Kerb pavers, WMM plants and others constitute a significant portion of the market.The current market is valued at approximately ₹27.54 billion during Fiscal 2018. Vibratory compactors, asphalt pavers and concrete pavers account for approximately 85% of the market by value.

Feedback Reports estimates the road equipment industry to grow at a CAGR of 11-13% per annum from Fiscal 2017 to Fiscal 2020.

Used Equipment Market

There is a thriving used equipment market for these products in India. Some of the preferred used equipment includes soil and asphalt compactors. Typically, equipment is used across four to five projects before it is disposed of.

Spares Market for Road Equipment

The total revenue from road equipment rental business is ₹11.5-11.7 billion during Fiscal 2018, of which, asphalt pavers account for 59%, vibratory compactors for 35% and other equipment such as cold millers, hot mix plants and bitumen sprayers accounted for the remaining balance.

Material Handling Equipment

The current material handling equipment market for Fiscal 2018 is estimated at 8,740 units. Demand for material handling equipment during Fiscal 2018 grew by 42% compared to Fiscal 2017. The material handling equipment industry has a wide array of products on offer, depending on the needs of the specific user industry. Pick and carry cranes, tower cranes, crawler cranes and truck mounted cranes (such as all-terrain, rough terrain and truck cranes), are the key products used in the construction industry

Figure 25 – Sales of Material Handling Equipment

Equipment	Sales during FY 2017-18 (Vol Units)	% Change from same period FY 2016-17
Pick and Carry Cranes	8,100	54%
Tower Cranes	345	-14%
Truck Cranes	115	-36%
Crawler Cranes	115	-23%
Rough Terrain Cranes	46	-52%
All Terrain Cranes	17	-69%

Source: Feedback Analysis

Pick and carry cranes (92.7%), tower cranes (3.9%), truck cranes (1.3%), crawler cranes (1.3%), rough terrain cranes (0.5%) and all terrain cranes (0.2%) constitute the total 8,740 units. The current market is valued at approximately ₹24.14 billion. Pick and carry cranes account for 84% of the market by value, while tower cranes and truck mounted cranes account for 7% and 2% of the market by value, respectively. All terrain and hydraulic truck cranes constitute a large portion of the used imported equipment market.

Spares Market for Material Handling Equipment

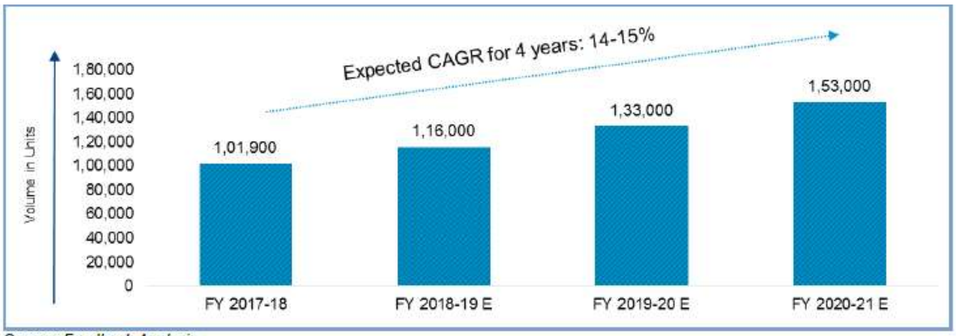
The current spares market for material handling equipment is valued at ₹4.8-5 billion during Fiscal 2018. Pick and carry cranes alone account for 75% of the spares market.

Revenue from Rental Business

The total revenue from the material handling equipment rental business is ₹63-65 billion during Fiscal 2018, of which, pick and carry cranes account for 75%.

Outlook on the CME Market for the next three years

Figure 26 – Growth in the CME market for Fiscal 2018 to Fiscal 2021



Source: Feedback Analysis

The CME industry is expected to grow at a CAGR of 14-15% for next three years until Fiscal 2021 to reach a volume of 153,000 units and at a CAGR of 19-20% by value to reach a value of ₹670 billion. Previously, a trend has been observed whereby the industry growth rate will slow during the central election period, when spending will be more focused on populist measures, rather than on infrastructure development. However, as most awarded projects since 2017 have not yet started, the spending on these projects will continue and these projects will drive the industry during next two to three years.

Overview of the Competitive Scenario of the Industry and Market Shares

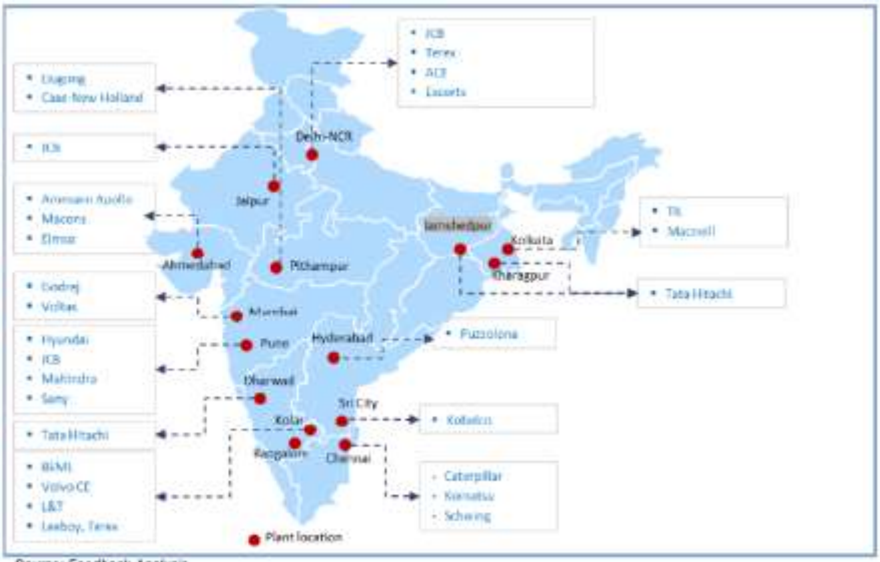
A majority of the companies operating in the Indian construction equipment industry are MNCs who have set up their facilities in India.

Figure 27 –Companies in Indian Construction Equipment

Equipment	Total Companies	Indian Domestic	Indian JV	MNC
Earth Moving	35-40	8-10	2	25
Material Handling	17-20	5	1	12
Concrete	12-15	7-8	1	6
Road	10-12	8-10	-	3
Material Preparation	10	6	-	4

Source: Feedback Analysis

Figure 28 – Region-wise clusters



Source: Feedback Analysis

Earthmoving Equipment

Around 40 key companies address the earthmoving equipment category. In the earthmoving equipment category JCB and Tata Hitachi are the key Original Equipment Manufacturers ("OEMs"), JCB accounts for 47-48% of the market share by volume for Fiscal 2018 followed by Tata Hitachi with 12-13%. JCB's sales largely consist of backhoe loaders, while Tata Hitachi has a major market share from the hydraulic excavator segment. Other key companies in this category include Hyundai, Komatsu India, Case India, Caterpillar, Kobelco and Liugong.

Concrete Equipment

Around 12 key companies address the concrete equipment category. Schwing Stetter and Ajax (both MNCs) are the two largest players with an overall market share of 76% in the concrete equipment segment. Schwing accounts for 49% of the market share. Other domestic companies in the category are Macon's, Universal, Apollo, Venus and Aquarius.

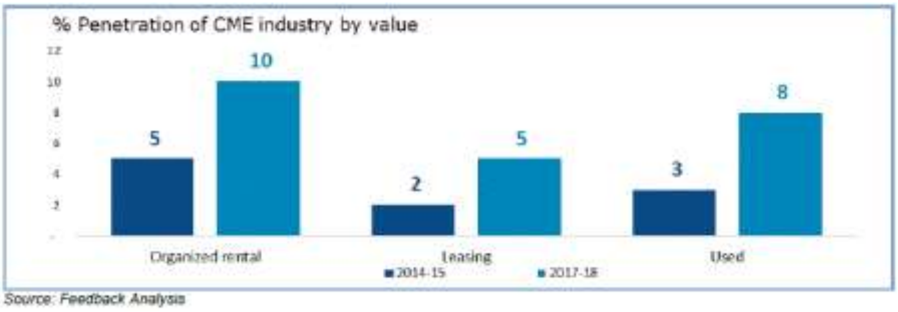
Road Equipment

Around 10 key companies address the road equipment category. Four companies, namely Ammann Apollo, Case India, Wirtgen India and JCB account for 65% of road equipment market. The top four companies are dominated by the MNCs. Other key companies in the segment are Escorts Volvo India and L&T Construction Equipment.

Key Growth Drivers and Risk Factors for the Industry

Traditionally, India has been an outright equipment purchase market for project requirements. However, this could change. Large contractors who previously outsourced only earthwork and other non-essential activity have begun subcontracting more activities and modules. Consequently, leasing options with their associated tax benefit opportunities are becoming more attractive. There are signs among finance companies that the market is becoming more receptive to alternate financing options.

Figure 29 – Percentage of CME Industry by Value (%)



Source: Feedback Analysis

Increasing Use of Equipment across Segments

Going forward, there may be some disruptions in the industry both from a product and service perspective. Some likely developments include:

Growth in Pre-fabricated Concrete Business

This could lead to reduced use of concrete equipment like transit mixers, concrete pumps and boom placers.

Concrete equipment like batching plants could see an increase in sales.

Increase Usage of Specialised Equipment

A movement towards more specialised equipment may have a minor impact on the backhoe loaders business through competition from excavators under 14 tonne capacity and wheel loaders under three tonne payload capacity.

Rising Manual Labour Costs

Despite considerable mechanisation across key infrastructure project segments (for example real estate, and rural roads), there will be a considerable need for manual labour. Projects will face inflationary pressures due to rising labour costs.

The stagnant or low volume sales of products, for example of the skid steer loader, could see increased demand due to increasing manual labour costs.

Digital Drive

Higher penetration of e-commerce is increasing acceptance among customers. This in turn is slowly penetrating the construction industry. In addition, there are e-commerce portals providing men and material for the construction industry.

According to Feedback analysis, an exclusive equipment financing institution which caters to the need of the entire ecosystem may emerge.

Impact of Goods and Service Tax on the CE Industry

Implementation of the Goods and Services Tax ("**GST**") is a great step forward from the viewpoint of tax reforms. However, classification of most of the CME industry under the 28% slab had set back the industry sales during the month of July and August 2017. While under the pre-GST (VAT) regime, the aggregate indirect tax incidence for CME ranged between 14.75% to 27% across various states in India, the move to impose 28% GST had been received negatively by the industry.

In November 2017, the Central government revisited most products in the 28% slab category, considering concerns from various industries and consumers. On November 10, 2017, the government announced a revisited list of GST slabs, under which most of the products covered under the CME section were categorised under the reduced slab of 18% GST.

The GST regime which brings one tax across all the states creates a positive impact on the industry and boost the volume growth. GST reduction leading to lower prices will encourage component manufacturing industry and help component manufacturers to work closely with OEMs. Implementation of GST is expected to benefit the finance institutions in the equipment leasing space and the market is expected to reach ₹50 billion by Fiscal 2020, growing at a CAGR of 26%.

Key Challenges Faced by CME Industry

Construction, Earth Moving, Material Handling and Mining Equipment Act ("CEMM Act")

The current vision of CEMM Act is to achieve zero death or injury, promote safety in the construction, earthmoving and mining equipment sectors, to promote domestic manufacturing and export industries and to promote vocational skill development. Though the CEMM Act has been proposed, there is no clear roadmap for implementing it in the next two-three years horizon.

Earnings Volatility

The equipment finance industry is cyclical in nature and has strong links to the investment cycle which has been severely impacted in recent few years. The challenging macroeconomic environment and delays in the execution of infrastructure projects, has adversely affected the cash flow of borrowers. The cyclicality leads to high volatility in asset quality of financiers which impacts their profitability.

Funding Availability

Bank funding is the primary source of funds for NBFCs. As of Fiscal 2018, banks accounted for more than 75-80% of total borrowings. NBFCs' dependence on bank funding increased after the Reserve Bank of India ("RBI") issued guidelines in August 2012, restricting the amount of funds raised via securitisation (which seen as cost-effective source of funds). The RBI guidelines introduced allowed originating NBFCs to securitise loans only after holding them for a minimum period. It also stipulated that a minimum retention requirement (MRR) would ensure that originating NBFCs held a stake in the performance of the securitised assets.

Asset quality

Good rentals and buoyant demand allows owners of construction equipment to recover costs faster and, as a result, improves their repayment capacity.

Equipment Spares, Refurbished Equipment and Used Equipment Market

During Fiscal 2018, the total equipment spares market for CME was estimated at ₹80-85 billion in India. The refurbished industry carried out by OEMs is very small and values are negligible. During Fiscal 2018, the Indian used equipment industry was estimated to be ₹150-165 billion. During the same period, organised used equipment industry in India was estimated to be ₹60-65 billion. Going forward the used equipment industry is expected to increase with further financiers focusing on the finance market for used machines.

Finance on spares and service is a new offering in the industry and customers are still evaluating this. Going forward, customers are looking for additional value added services and good opportunities to avail of finance for asset management.

Organised vs. Unorganised segments

The Indian infrastructure and construction equipment industry is largely dominated by the organised segment with unorganised companies largely present in the concrete equipment and road equipment categories. Within the concrete equipment category, most of the OEMs have mid and small scale manufacturing facilities located in Pune, Ahmedabad and Mumbai. A small number of companies are also located in the Hyderabad and Chennai regions.

The unorganised segment largely caters to regional customers and provides price conscious customers with equipment such as mini mobile batching plants, stationery concrete pumps and other concrete equipment used for miscellaneous activities within the project. The unorganised segment in the road equipment category manufactures equipment such as wet mix plants, hot mix plants, kerb pavers and other light road compaction equipment.

Seasonality of the Business

Unlike agriculture equipment, seasonal demand for construction and infrastructure equipment fluctuates less. Nevertheless, in some parts of the country such as North East states, the monsoon occurs for six months and work is executed only for a period of five to six months, increasing the idle time of machines.

End Customers of Construction Equipment – Equipment idle time and Business during the Monsoon period

For large hirers, the average usage hours of backhoe loaders during 2017 were 180-230 hours per month, catering primarily to construction companies and government contractors. Their equipment idle time was estimated at 25-30% during 2016 and 2017.

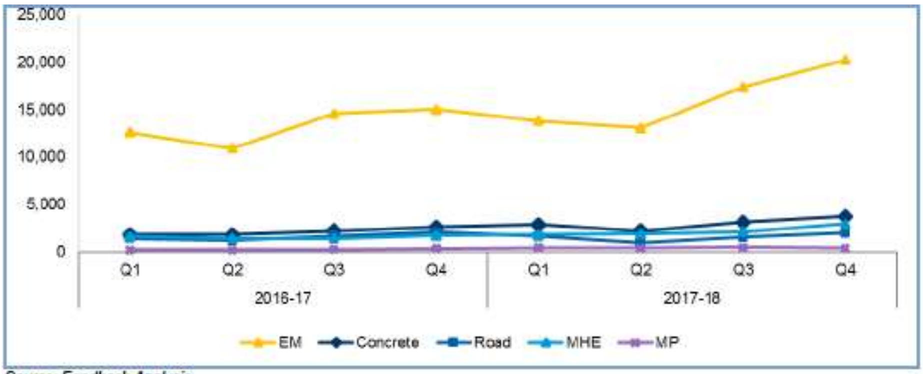
For medium hirers, the average usage hours of backhoe loaders during 2017 were 200-250 hours per month utilising most of their machines. Their customer base typically consists of sub-contractors, builders and contractors.

For small hirers, typically proprietorship firms with a presence restricted to a specific city, fleet size can vary from two to 10 machines, 50% of which are backhoe loaders. Average equipment usage was 100-120 hours per month during last year, catering primarily to the needs of builders and contractors. In the last two to three years, 8-10% of these firms exited the business due to heavy competition from medium-sized hirers and bad financial conditions.

The demand during the monsoon period for rental business is expected to go down by 50-80% compared to non-monsoon period across regions.

Construction equipment sales by each quarter

Figure 30 –Construction Equipment Sales by Each Quarter (Fiscal 2017 and Fiscal 2018)



Source: Feedback Analysis

Source: Feedback Analysis

The seasonal demand fluctuation is largely seen in earthmoving equipment category. For other categories, there is slight marginal growth in the concrete and road equipment category during the third and fourth quarters, and negligible variance for material handling and material processing equipment.

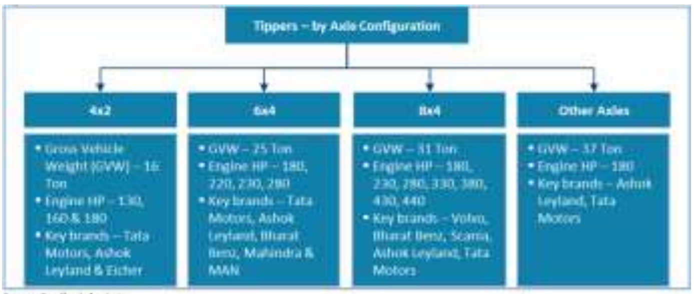
Tippers

Overview of the Tipper Industry in India

Tippers are classified under the medium and heavy commercial vehicles category in the Indian commercial vehicles segment. Tippers are used for transporting material (such as sand, gravel or demolition waste), overburden and mined minerals, and crushed aggregates for construction and infrastructure projects. Tippers used in India can be categorised based on the following parameters: based on gross vehicle weight of the tipper; based on the axle configuration, and; based on the engine horse power of the tipper.

In the Indian market, Tippers are commonly classified by axle configuration in the industry. The various axle congfigurations include: 4x2, 6x4, 8x4 and other axles. Within each axle range tippers can be classified as low range tippers (130-180 HP), mid-range tippers (230-299 HP) and high range tippers (300 HP and above).

Figure 31 – Tippers by Axle Configuration



Source: Feedback Analysis

Segment-wise breakup of the market in Fiscal 2018 is shown in the chart below.

Figure 32 – Tippers Split by Segment (62,300 units)

Source: Feedback Analysis

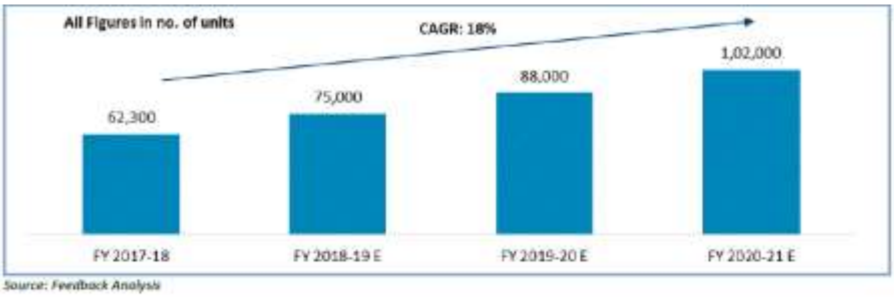
Market Size

With the downturn in the real estate industry, tipper sales to the general construction segment have reduced over the years. Over the last three years, tippers sales have been largely driven by roads, irrigation and the quarry segments. In addition, sales of mid-range tippers have been boosted as a result of the lifting of the ban on certain mines in East and South India.

Figure 33 –Growth of Tipper Market (Fiscal 2013-2018)

Source: Feedback Analysis

Figure 34 – Outlook for Growth of Tipper Market (Fiscal 2018-2021)



Outlook for Growth of the Tipper Market over the Next Three Years

The overall tipper market is expected to grow at a CAGR of 18% for the next three years. The 6x4 axle tipper market is expected to grow at 18-20%, while the 8x4 and multi axle market is expected to grow at 25-28%. The 4x2 axle market is expected to grow at 19-21% with real estate market to return from a period of decline, and urban development, economic housing and smart city projects are expected the drive the growth of 4x2 axle tippers for the next three years.

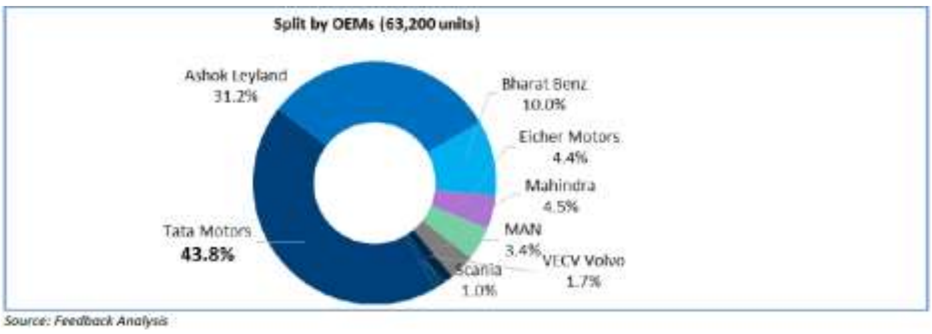
The 130-180 HP tipper segment is expected to grow at 12-15% CAGR and the demand for higher HP tippers with 230-280 HP is expected to surge with a growth of 22-25% for the next three years. High range tippers (300 HP and above) are expected to grow by 15-18% with major demand expected from the coal and iron ore mining segment. It is expected that irrigation will contribute marginally to the growth of tippers 300 HP and above.

Overview of the Competitive Scenario for the Market Shares of the Industry

The Indian tipper market consists of domestic and multinational companies. All tippers sold are manufactured in India. The high-range tippers (400 HP and above) largely sold by Volvo and Scania are locally manufactured in India. Volvo and Scania sell only 400 HP and above category tippers. There are approximately eight key tipper OEMs in India active in the tipper market. Tata Motors and Ashok Leyland are the oldest entrants in the market and still occupy the first and second position in the tipper market, respectively.

European manufacturer Daimler's Bharat Benz tippers have completely localised the product and have been very price competitive. Bharat Benz tippers lead the mid-range (230-280 HP) category of the tipper industry. Other prominent OEMs in the industry include Mahindra, MAN and Eicher Motors.

Figure 35 – Market Share by OEMs (Fiscal 2018)



Tata Motors dominates market share in the low range segment; Bharat Benz leads the tipper market in the mid-range segment and Volvo in the high range tippers segment. Bharat Benz operates only in the mid-range and high range category. Tata Motors has a marginal presence in the high range tipper segment; they are only OEM to have presence in all three tipper ranges.

Trends Expected Going Forward

Customers will become more discerning in evaluating product value with fuel efficiency, operating economics and low cost of ownership apart from product brand and the suppliers' network strength. Challenges including the availability of trained operators, increasing fuel costs and maintenance costs, are putting the focus on efficient fleet management. Customers increasingly understand the need for higher capacity tippers to reduce fleet size as well as minimise the risk of operator non-availability and ensuring the higher carriage of material within a given time.

Figure 36 – Price Trends for Fiscal 2018

Tipper Range	Min Cost - INR	Max Cost - INR
4x2; 16 T; 180 HP	18,00,000	21,00,000
4x2; 16 T; 130 HP	12,00,000	16,00,000
6x4; 25 T; 180 HP	27,00,000	30,00,000
6x4; 25 T; 230 HP	31,00,000	35,00,000
6x4; 25 T; 280 HP	35,00,000	37,00,000
8x4; 31 T; 280 HP	45,00,000	48,00,000
8x4; 31 T; > 300 HP	67,00,000	1,18,00,000

Source: Feedback Analysis

Technological Trends

Some of the technologies being introduced in the tipper segment include:

Fuel Smart Technology: Delivering higher levels of fuel efficiency with a higher capability to perform in combined mode applications. The attribute of the engine is the multimode drive feature. The modes are turbo, heavy and light which can be switched by the driver as per the load and road conditions. This will enable higher fuel efficiency to be delivered and enable the truck to be used in combined mode applications (a truck could be used for quarry operations and transportation), resulting in maximum utilisation.

Automatic Transmission: Automatic gears technology contributes towards reducing fatigue, making the activity more productive. In addition it provides the trucks with high levels of traction in the poor underfoot conditions at the mining site.

Retractable Rear Wheels: For better traction and fuel efficiency.

Increase in Fuel Efficiency by Making the Engines IT Enabled: This option helps the driver to change the power of the engine from power mode to economy mode, thereby saving significantly on fuel.

Telematics: This feature enables fleet operators to have a more connected experience and better manage their transport business in terms of optimum utilisation and fuel management.

Key Growth Drivers for the Industry

The demand for tippers is driven by investments in large infrastructure and industrial projects, steel and power plants. The investments for such projects are dependent on FDI inflow and government spending which is a potential risk in the event of slow-downs.

Based on the union budget estimates, total expenditure on infrastructure for Fiscal 2019 is expected to be ₹5,970 billion, 21% higher as compared to ₹4,940 billion for Fiscal 2018. A substantial part of the allocation will fund the Bharatmala road project, which aims to link approximately 75% India’s districts through a network of highways.

The national highways segment is expected to build 115,000 km in the next four years.

Roads: The Road Transport and Highways Ministry has set an ambitious target of building over 45 km of roads per day in Fiscal 2019, increased from approximately 27 km per day built during the last year. While the construction target is 16,420 km for Fiscal 2019, only 9,700 km will be constructed by the Road Transport Ministry. In addition, the government has fixed a target of awarding works of approximately 20,000 km length of national highways during Fiscal 2019, approximately 25% higher than the 17,055 km awarded in Fiscal 2018. During Fiscal 2019, an investment of ₹190 billion is expected for building roads.

Railways: In addition to the proposed investments in mainline and metro rail, there are significant opportunities in segments such as electrification, civil, signalling and wagons.

Ports: The "Sagarmala Project" has been launched with an objective of modernising the ports along India's coastline and achieving rapid expansion of port capacity and development of inland and coastal navigation. The Ministry of Shipping expects to make an investment target of ₹3,000 billion under the "Sagarmala Project", completing projects worth ₹300 billion during Fiscal 2019, as compared to ₹1,060 billion worth projects in Fiscal 2018.

Airports: The government has asked state governments to highlight plans for improving local air connectivity. There is a plan to restart 400 unserved airstrips of the existing 476 in order to boost connectivity. The estimated investments are in the range of ₹500-1,000 million per airport.

Industry Risk Factors

The growth of tipper industry is completely dependent on the growth of the infrastructure, real estate and mining industries. Decline in any of these segments directly affects the industry.

In connection with irrigation projects, a longer gestation period due to time-consuming environmental and land acquisition issues is also a potential risk.

IT Equipment

Overview of IT Equipment Industry in India

In the last decade, India has witnessed a significant rise in the use of IT equipment, due to rising disposable incomes and reduced prices due to rapid innovation in technology. Growth is expected to continue due to economic development and household income growth, which will result in a large expansion of the retail hardware market.

Indian IT Equipment is categorised into these major segments:

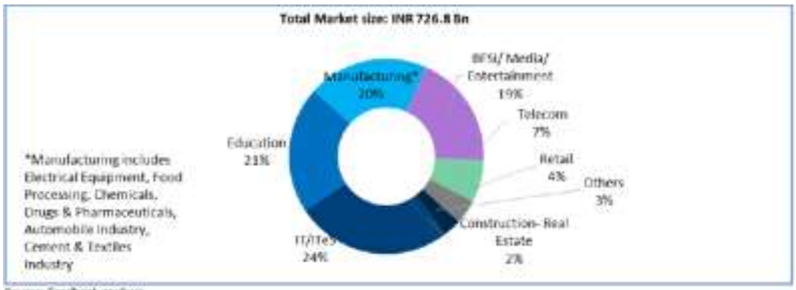
Figure 37 – Categories of IT Equipment by Segment

Indian IT Equipment Industry	
Key Segment	**Major Products**
PC (Personal computers)	This segment includes desk-top computers, laptop & notebook
Servers	This segment includes servers x86 and non-x86 server versions
Storage	This segment includes hard disks (internal and external) and SSD (solid state drive)
Enterprise Networking	This segment includes switches, routers and wlan

Source: Feedback analysis

End use segments of IT equipment industry are shown in the chart below.

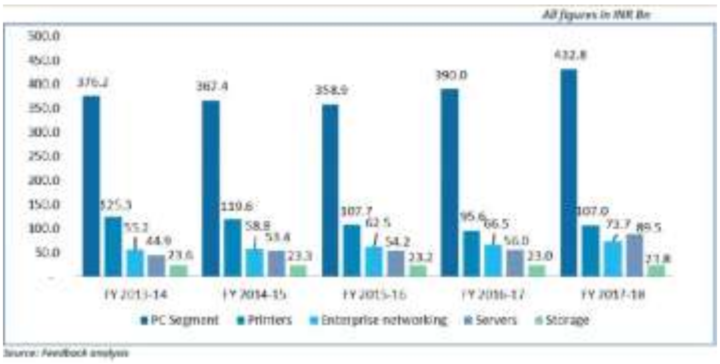
Figure 38 – IT Equipment Industry by Use Segment (FY 2018)



Source: Feedback analysis

The chart below shows the breakdown of the market by segment.

Figure 39 – Revenue by Market Segment

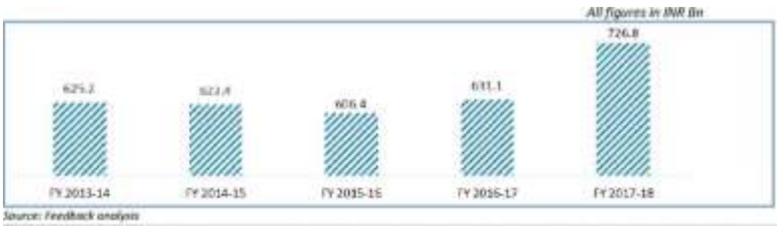


Review of the IT Equipment Industry for the Past Five Years (Fiscal 2014-2018)

The total market size by revenue for Fiscal 2018 was estimated at ₹726.8 billion. The market has grown at a CAGR of approximately 3.8% over the last five years.

The chart below shows the growth of the IT equipment market from Fiscal 2014 to Fiscal 2018.

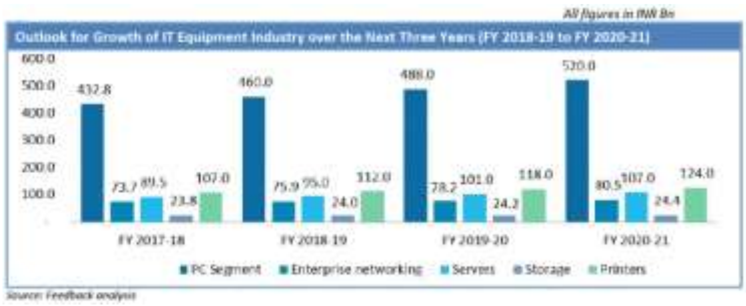
Figure 40 – Growth of IT Equipment Market (Fiscal 2013-2018)



In Fiscal 2016, slowdown in GDP growth was a reflection of the negative investment growth and slowing private consumption. The demonetisation drive announced on November 8, 2016 resulted in weak consumption and low expenditure growth. As a result, the overall IT equipment industry in the retail segment was adversely impacted.

Outlook for Growth of IT Equipment Industry over the Next Three Years (Fiscal 2019 to Fiscal 2021)

Figure 41 – Outlook for Growth of IT Equipment Market (Fiscal 2018-2021)

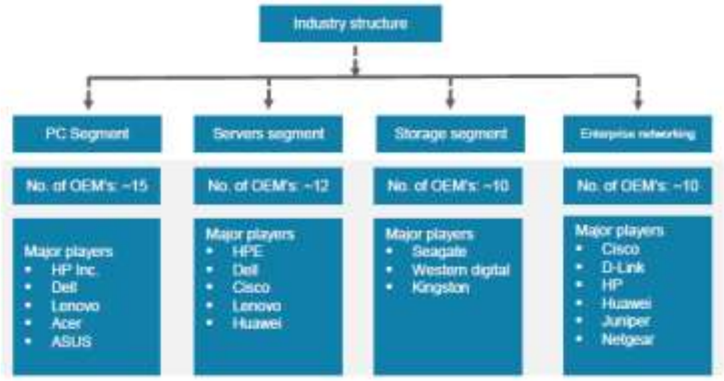


The IT equipment market is expected to grow at a CAGR of approximately 5.6% over the forecast period from Fiscal 2018 to Fiscal 2021 and valued at ₹855.9 billion in terms of revenue in Fiscal 2021.

Overview of the Competitive Scenario for the Industry

The below chart sets out the major companies in the industry by segment.

Figure 42 – Major Companies in the IT Industry by Segment



Major Trends Witnessed in the Industry and Expected to be Witnessed

Government Initiative and Investments: Government initiatives towards technological innovations, such as the introduction of the 'Digital India' initiative, are creating new opportunities for data storage companies across the country. The government's upcoming 'Start Up India' initiative is also expected to boost the technology industry.

The Penetration Rate of Laptops: In India, the penetration rate of laptop has increased from 4% in Fiscal 2015 to 17% in Fiscal 2016; however this is significantly lower than in other Asian countries. Market for laptops in India are still in the growth phase and an increase in laptop sales is expected.

Shift to External Storage: Under current business models, each enterprise maintains a large quantity of data generated. Much of this is sensitive data which requires retention of control; to overcome this challenge most enterprises are adopting hybrid technology which makes it easier to access data stored on public cloud infrastructure.

Decline in Server Prices: As many enterprises move to the cloud for their business operations, the increased use of analytics has led to several innovations in the market, namely, mission-critical and density-optimised servers. The competition has also prompted vendors to offer small-scale high-performance infrastructure at lower costs.

Growth in the Router Market in India: Due to the expansion of India's IT infrastructure, the Indian router market has witnessed significant growth. The manufacturing, banking financial services and insurance sectors are the largest contributors to this industry. In addition, substantial government investments in projects such as the National Optical Fibre Network and National Fibre Spectrum are pushing the market towards a higher growth trajectory.

Key Growth Drivers and Risk Factors for the Industry

Key growth drivers include cloud computing, urbanisation, increase in the spending by the IT services industry, the government's focus on digital education, telecom infrastructure, increase in the sale of PCs and increase in disposable income and falling price of laptops.

Industry Risk Factors

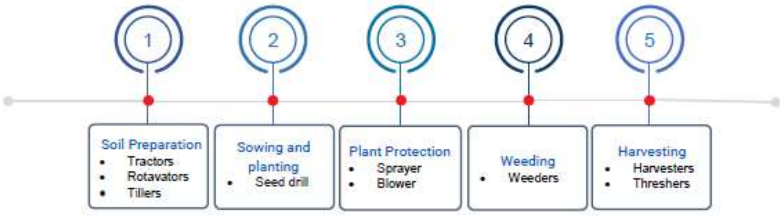
Industry risk factors include lifespan of servers, new GST rates, issues in the server management, inadequate infrastructure or logistic and low broadband penetration.

Farm Equipment

Overview of the Farm Equipment Industry in India

India's farm equipment industry has a diverse product portfolio which can be segmented as:

Figure 43 – Product Portfolio in Indian Farm equipment

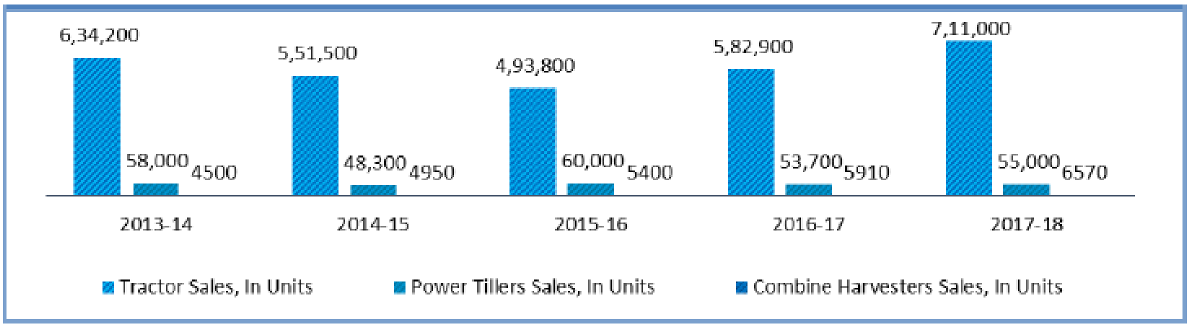


Tractors have the major share of the farm mechanisation market in India. However, the density of tractors in India is lesser than the world average (specifically with respect to developed countries). Hence, there is room for sufficient growth with India being an agriculture-based economy. Power tillers are in demand for paddy cultivation of small land holdings.

Overview of the Farm Equipment Industry for the Past Five Years

In Fiscal 2018, the total market size by volume of farm equipment is estimated at 772,570 units. The sales of tractor were 711,000 units, power tillers were 55,000 units and combine harvesters were 6,570 units. In the last five years the power tillers market has seen a decline of approximately 1.3%, while the tractor and combine harvester markets have grown by 2.9% and 9.9%, respectively.

Figure 44 – Market Size of Farm Equipment by Volume



Source: Feedback Analysis

Outlook for Growth in Farm Equipment Industry for the Next Three Years (Fiscal 2019 to Fiscal 2021)

Figure 45 – Outlook for Growth of Farm Equipment Industry (Fiscal 2018-2021)

Source: Feedback Analysis

Increasing tractor penetration in small and marginal farmers and decreasing ownership cost of less than 20 HP tractors is likely to drive the demand. Sales of small HP tractors (less than 30 HP and 31 to 40 HP), which are primarily meant for agricultural activities, will grow at 10-11% during the forecast period. The 41 to 50 HP tractors segment is likely to grow by 9-10%. While the government is providing an impetus for increased farm mechanisation by subsidising tractor prices which is expected to enhance sales in the less than 30 HP segment, the shift in increased usage of several agricultural implements will probably lead to further increase in market size for high HP tractors in the long term.

Further, government initiatives such as National Rural Employment Guarantee Act (NREGA) and increased usage of tractor in industrial activities such as haulage in construction and infrastructure projects will further increase demand of tractors. Long-term drivers of the tractor industry look positive and the industry is expected to grow at a volume CAGR of 9-10% in the medium term.

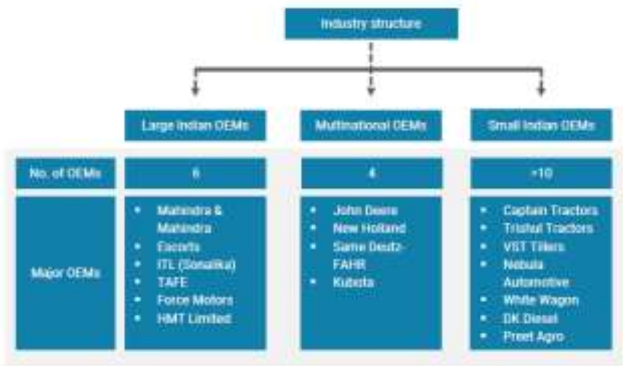
Following the increasing support for farm mechanisation and subsidies by the government and reduction in the conventional practices for crop sowing and reaping, the combine harvester is projected to grow at a CAGR of 6-7% in Fiscal 2019-2021 period and expected to reach an annual sales volume of 7,900 units. The power tillage is expected to grow at CAGR of 7% reaching the sales volume of 68,000 units.

Overview of the Competitive Scenario for the Industry

Tractors:

The Indian tractor industry can be classified based on engine power categories, namely below 30 HP, 31-40 HP, 41-50 HP and above 50 HP.

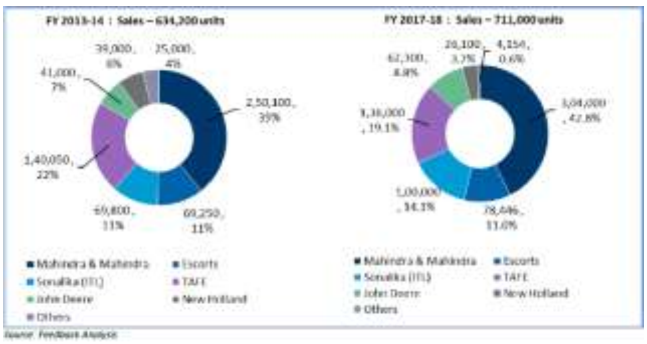
Figure 46 – Major Companies in Tractor Segment



The top six companies in the tractor market in India have a combined 99.4% share of the market in Fiscal 2018 and 96% in Fiscal 2014. Among the top six companies, Indian manufacturers dominate the market with a combined share of 83% in Fiscal 2014 and 87% in Fiscal 2018. The share of major multinational companies was 13% in Fiscal 2014 and 12.4% in Fiscal 2018.

Mahindra & Mahindra Limited had the greatest market share in Fiscal 2018, constituting 42.8% of total domestic industry volumes. India's second biggest tractor manufacturer TAFE has seen softening demand over the past two years.

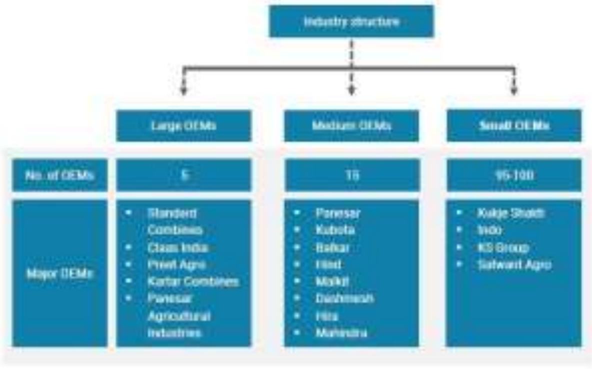
Figure 47 – Market Share in Tractor Segment



Combine Harvesters:

Combined harvesters can be segmented based on engine power capacity, namely 30-50 HP, 60-91 HP and above 100 HP.

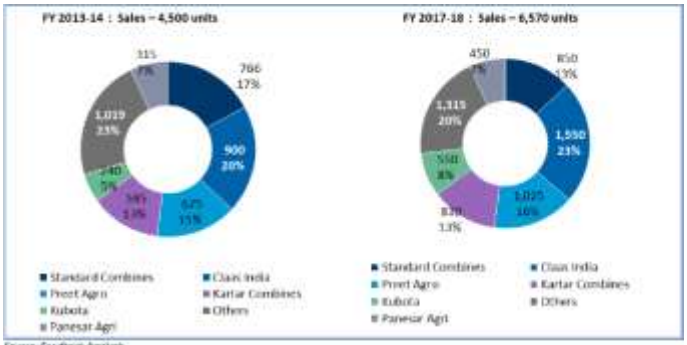
Figure 48 – Major Companies in Combine Harvesters Segment



Source: Feedback Analysis

The combine harvester market in India is dominated by six companies, holding approximately 80% of the market share. Domestic companies cover a major part of the market with Claas India as the largest combine harvester selling manufacturer in Indian market.

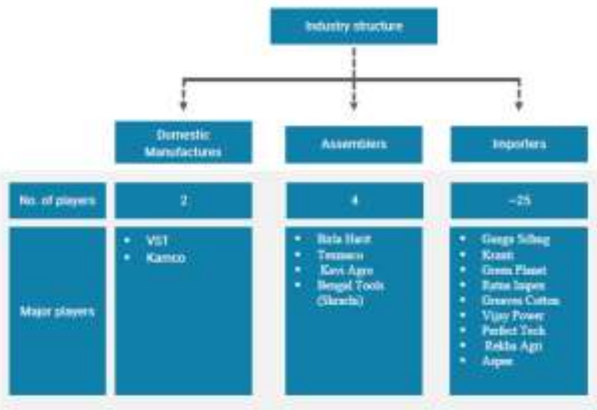
Figure 49 – Market Share in Combine Harvesters Segment



Source: Feedback Analysis

Power Tillers

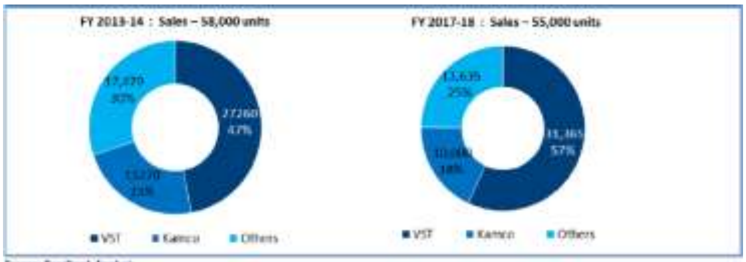
Figure 50 – Major Companies in Power Tillers Segment



Source: Feedback Analysis

The power tillers market in India is dominated mainly by two companies, VST Tillers Tractors Limited, Bangalore and Kerala Agro Machinery Corporation, holding 57% and 18% of the market share, respectively. In the recent years, there is a major competition from imported power tillers from China, holding 25% of the market share.

Figure 51 – Market Share in Power Tillers Segment



Source: Feedback Analysis

Major Trends Expected to be Witnessed

<u>'Make in India' support for farm implements:</u> Government of India has launched the 'Make in India' initiative to support the production of inputs and farm implements which are currently being imported and leading to increased cost of capital.

<u>Alternate route for farm subsidies:</u> Re-routing the subsidy amount can ensure that interest rates on financing are lowered and will provide a longer settlement period for farmers. This will also encourage commercial banks to participate and offer loans to farmers for farm equipment purchases.

<u>CSR funds with a purpose:</u> Companies in the farm equipment industry are yet to implement corporate social activities such as 'Adopt a Village' and promote practices such as precision agriculture, skill development and micro irrigation to ensure the sustainable agricultural eco system. Companies are showing an interest in CSR funds, promoting farm mechanisation and infrastructure creation to develop required skills and establish Custom Hiring Centres.

Mega Trends by Technology to Enhance Farm Productivity

<u>Automated grain-off loading:</u> Navigation systems that automatically guide grain carts alongside combine harvesters to improve on-the-go cart filling may be imminent. Approximately 10-15% improvement in harvest efficiency, through improved off-loading, can be achieved.

<u>Farming 3.0:</u> Farming 3.0 is a new era defined by the increased use of technology and innovation in farming and greater professionalism within the farming ecosystem to provide higher-quality farm products.

<u>Pervasive automation:</u> Automation is expected to largely take over operation of equipment in the future. The new automated features allow operators to do more jobs with less strain and more accuracy, as human error is reduced.

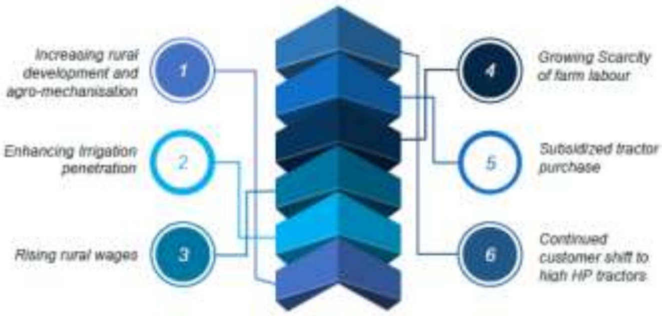
<u>Electric-drive systems:</u> It is expected that tractors, sprayers and other farm vehicles would be powered by electric power to run auxiliaries and attachments to be less dependent on fossil fuel.

<u>Telecom/IoT:</u> The increased penetration of mobile networks and internet connectivity is expected to help farmers using sensors, which allow information exchange and supported with applications of Internet of Things ("IoT") to improve farming and irrigation aspects.

Key Growth Drivers

The Indian farm equipment industry has witnessed a relative recovery in domestic demand since the first quarter of Fiscal 2017 and will continue to grow at moderate pace. Recently, the demand for tractors has come from both agricultural and non-agricultural activities (such as haulage). 10% of the utilisation of tractors in India is for non-agricultural purposes, such as sand mines, brick kilns, road making, ferrying passengers, etc. Long-term agricultural growth drivers are as follows:

Figure 52 – Key Growth Driver in Farm Equipment Industry



Source: Feedback Analysis

Key growth drivers include sustained demand at a Pan-India level, healthy southwest monsoons and increased crop yield, and government initiatives and support programmes.

Risk Factors for the Industry

Key risk factors for the industry include small and scattered land holdings, financing of farm equipment, equipment cost and poor after-sale services, improper implementation of policies and increasingly erratic weather pattern.

Medical Equipment

Overview of the Medical Equipment Industry in India

Whilst accessibility to healthcare has improved significantly during the past decade, quality and specialised healthcare is still confined to large cities. Many parts of rural India are still living without access to primary healthcare needs.

India is among the top 20 markets for medical devices. The market is still at a nascent stage since majority of equipment is imported and local manufacturers focussed primarily on consumables or equipment in the lower end of technology value chain.

The National Health Policy 2017 approved by the government includes the commitment to increase the public health expenditure to 2.5% of the GDP, which is expected to provide a boost to the healthcare sector.

Figure 53 – Healthcare Spend in India

Source: Feedback Analysis

The Indian medical equipment industry is dominated by multinational companies through large scale imports. Approximately 70-75% of medical equipment is imported, with the remainder approximately 25% manufactured in India by domestic companies. The medical equipment sector constitutes 6% of the total healthcare market in India. The medical equipment sector accounts for the 25% of the total medical devices market.

Review of Medical Equipment Market for the past six years

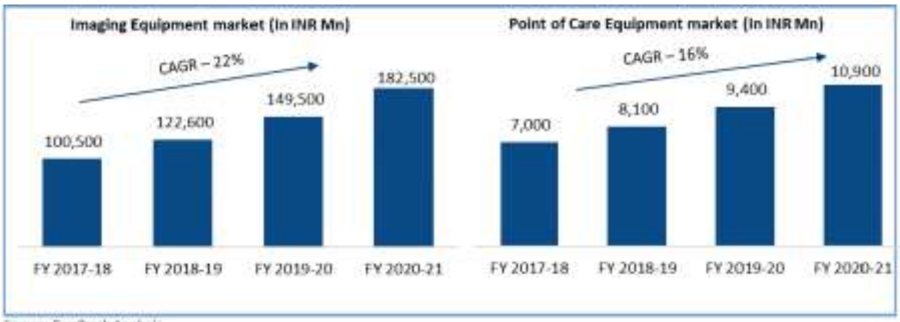
The medical equipment market size in India has grown at CAGR of approximately 20% from ₹44.6 billion in Fiscal 2013 to ₹107.5 billion in Fiscal 2018.

Figure 54 – Medical Equipment Market (Fiscal 2013-2018)

Source: Feedback Analysis

Outlook for Growth of Indian Medical Equipment Market for the Next Three Years

Figure 55 – Outlook for Growth of Indian Medical Equipment Market (Fiscal 2018-2021)



Source: Feedback Analysis

The market size of medical equipment market in India is projected to reach ₹193.4 billion by Fiscal 2021 at a CAGR of 22% during the forecast period of three years. The growth of medical equipment market will be led by increased healthcare spending, increased density of doctors, potential for insurance coverage and foreign direct investment by MNCs.

Overview of the Competitive Scenario for the Industry and Market Shares (%)

The Indian medical equipment is dominated by international players. Domestic companies only manufacture small and low-technology medical equipment in the country. High-end medical equipment are being supplied by international players present in India. In recent years, there have been some strategic acquisitions by international players to strengthen their presence.

Figure 56 – Market Share in Medical Equipment by Product

Product	Siemens	GE	Phillips	Allengers	Samsung	Aloka Trivitron	Others	Total (INR Mn)
MRI	42%	22%	30%				6%	21,500
Ultrasound	18%	33%	18%		12%	12%	8%	16,800
CT Scan	39%	22%	29%				10%	15,200
Radiography (X-Ray)	33%		17%	33%				6,000
Nuclear Imaging	36%	44%	20%				17%	5,500

Source: Feedback Analysis

Key Companies in the Medical Equipment Market

Key companies in the medical equipment market include GE Healthcare, Siemens, Philips India Ltd, Baxter International and Johnson & Johnson.

Trends

Price Trends

The price of medical equipment is likely to decrease in future because of competition from the many companies entering the market, who are keen to provide technologically advanced products. The introduction of supportive government policies is likely to improve investment in the sector, which may boost local manufacturing and lead to further decreases in equipment prices.

Figure 57 – Price in Medical Equipment by Product

Product	Minimum Price (INR Mn)	Maximum Price (INR Mn)
PET/CT	9	15
Angiography system	8	12
Digital Mammogram	2	3.5
Cardiac Mapping	1	2.5
MRI	8	12
Digital X-Ray	1	2
CT Scanner	5	8

Source: Feedback Analysis

Technological Trends

Internet of Things ("IoT"): IoT application is increasing in many areas, including in medical equipment. This will result in smarter and more predictive equipment which will improve patient care, including remote monitoring.

Increase in R&D Spending: Innovation is one of the major factors that will drive the medical equipment market. Medical equipment OEMs spend an average of 6-12%% of their revenue for R&D purpose, which is more than most other industries.

3D Medical Printing: 3D medical printing technology is expected play a larger role in the development of innovative new devices, including applications for surgical planning and biomaterials.

Major Development in the Industry

CDSCO incorporated eight more categories of medical products as 'drugs', which include implantable medical products, MRI tools, CT scan tools, defibrillators, dialysis equipment, PET tools, X-ray equipment and bone marrow cell separator.

At present, a few of medical equipment are notified and regulated. The Indian government is in the process of strengthening the regulatory and policy framework, infrastructure, research and development and skill development. These changes are expected to increase opportunities for both domestic as well as international players.

In September 2014, the Indian government launched the 'Make in India' campaign with the objective of making India a global manufacturing hub to bring foreign technology and capital into the country. Medical equipment is one of the 25 focused sectors identified by the Indian government as part of this campaign.

In addition, a task force was formed to address industry issues and make recommendations on ways to assist the industry. This task force studied and analysed the sector in detail and sourced comments from stakeholders. It recommended a host of policy, infrastructural and regulatory measures. The recommendations will aim at developing a complete ecosystem to support the medical equipment sector in India.

Key Growth Drivers for the Industry

Key growth drivers for the industry include rise in population, income levels and awareness, growth in personal healthcare expenditure, the pressing need to improve healthcare delivery and capacity and India's changing patient profile.

Key Challenges for the Industry

Key challenges for the industry include increased R&D expenditure and regulatory challenges relating to medical equipment.

IV. Indian Equipment Financing Industry

CME Financing

Overview of the CME Financing Segment in India

CME finance caters to all types of earthmoving and mining, concrete, material handling, road construction, material preparation, and warehousing equipment. CME finance in India is offered mainly by NBFCs, banks and captive or private financiers.

As the segment requires large capital expenditure, financing accounts for approximately 80-85% of the total equipment sold in India. Most financing is procured through loans while leasing is the second most common mode of financing. Within equipment category, 80-85% of earthmoving construction equipment users who opt for finance are Micro, Small and Medium Enterprises ("MSMEs") with transaction sizes varying from ₹2 million for a backhoe loader to ₹4.2 million for a hydraulic excavator. Though the cost of construction equipment is typically approximately 10%-30% of the project cost, the presence of CME financiers is critical in helping to execute projects with the right and productive equipment.

Review of Trends in Disbursements in CME Financing in Last Six Years

The total CME finance disbursement for Fiscal 2018 was estimated to be approximately ₹374 billion. Over the last six years, disbursements to the sector have grown at a CAGR of 10.9%. During the recovery period of Fiscal 2015 onwards the industry grew at a rate of 24.4%.

Figure 58 – Disbursement Trend in CME Financing

Source: Feedback Analysis

Of the total amount disbursed to the CME segment, earthmoving and mining equipment contributed 68% of the overall amount. Concrete equipment accounted 10%, road construction equipment accounted for 7%, material processing/preparation equipment for 6%, material handling equipment accounted for 6% and warehousing equipment accounted for 3% of the overall CME finance market for Fiscal 2018. Compared to Fiscal 2017, the disbursements to the earthmoving and mining equipment sectors increased by 34% and the disbursements to the concrete equipment by increased by 144%.

Over the last five years, the disbursements to the earthmoving and mining equipment industry have grown by 14.8%, concrete equipment by 32% and road construction equipment by 22%.

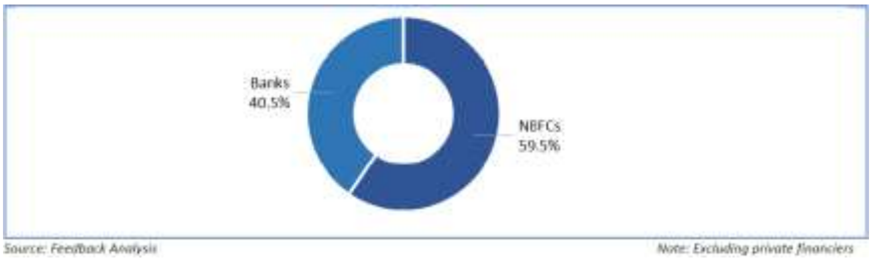
The government's initiative to improve infrastructure in India has caused a surge in demand for road construction equipment, thereby increasing the disbursement to the segment. Government focus on building concrete roads (on national and state highways) has boosted the demand for concrete and material processing equipment. These earlier were mainly driven by the real estate sector.

Market Breakdown by Lender Category

The lender category consists of Banks, NBFCs and captive/private financiers. Data for private financiers is not recorded and therefore is not publicly available. Analysis is limited to Banks and NBFCs participating in the industry. Private financiers are estimated to account for approximately ₹70-80 billion of the total disbursements.

Among the NBFCs and Banks, NBFCs account for 59.5% of the overall CME finance market. Though the share of NBFCs has declined over the last few years, market leaders like SEFL benefitted by increasing their presence in the industry. NBFCs who had exited during the market downturn are now re-entering the segment due to the revival of the construction equipment segment.

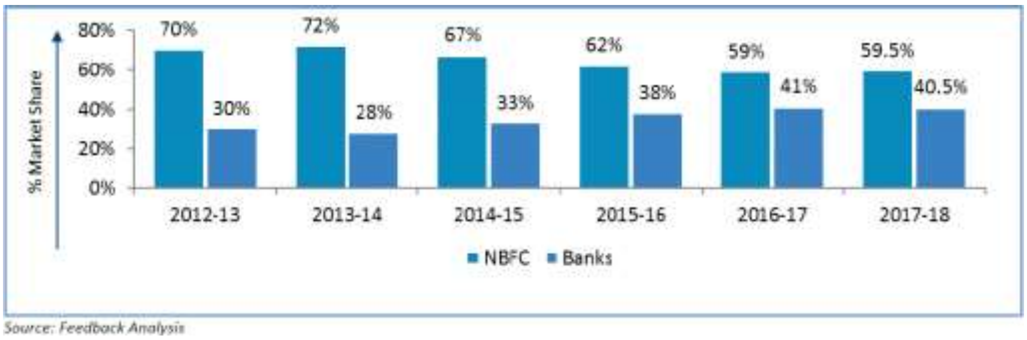
Figure 59 – Market Breakdown by Lender (Banks and NBFCs)



NBFCs currently have the majority of the market share. Historically banks have tended to cater for the needs of large companies and have started to focus on the retail segment as well, whereas NBFCs fulfil the fund requirements across all the market. NBFC like SEFL is competing with banks and also providing additional offerings like retail leasing to RSME customers.

During the period 2000-2012, most projects were handled by large construction companies with access to a pool of sub-contractors. A slump in construction activity, high interest rates, outsourcing of job and higher project costs caused these large contractors' operations to become unviable. In turn, this led to the growth of many medium sized contractors, who had bankable profiles and who opted to finance with banks offering lower interest rates compared to NBFCs. This helped the private and public-sector banks to increase their exposure to the CME financing sector.

Figure 60 – Market Share by Lender Category (Fiscal 2013-2018)



The market share of NBFCs reduced from 70% in Fiscal 2013 to 59.5% in Fiscal 2018, however, this market share grew by 0.5% as compared to Fiscal 2017. NBFCs, apart from regular financing for contractors and medium companies, are more active in segments like FTBs and FTUs for equipment such as backhoe loaders, hydraulic excavators, and pick and carry cranes, which remain traditionally underserved by banks.

During the cyclical stages of the CME finance industry, only SEFL has been able to retain the number one position in the CME finance segment and their disbursement has grown at a CAGR of 17.3% in Fiscals 2015-2018.

NBFCs like Sundaram Finance, Cholamandalam and Shriram Finance are more active in the retail segment. Companies like Tata Capital, HDB and Reliance focus both on institutional and retail sales.

Interest rates, turnaround time and product innovations like retail lease, are critical factors considered by retail and Small to Medium Enterprises ("SMEs") customers which are largely catered for by NBFCs.

NBFCs

NBFCs are financial institutions that provide certain types of banking services but do not hold a banking license. NBFCs offer services such as loans and credit facilities, money markets, underwriting and merger activities. Companies in the construction equipment finance segment are either asset finance companies or infrastructure finance companies or both. Approximately 12-15 NBFC companies operate in the CME finance sector in India.

CME finance industry is highly organised with the top five NBFCs accounting for 51.3% of the overall market in India. Indian construction industry has a good presence of SME contractors who undertake small and medium projects, and also act as sub-contractors for many large contractors or construction companies. As most banks only willing to finance construction companies, these sub-contractors turn to NBFCs for financing. The NBFCs not only look at customer profile, but also look at job orders at hand and the reputation of these sub-contractors in the market. As a result of this, these NBFCs enjoy a good share in the CME finance sector

Key NBFCs offering finance solutions for construction equipment are:

- Cholamandalam Finance;
- HDB Financial Services;
- Srei Equipment Finance Limited;
- Sundaram Finance; and
- Tata Capital

Banks

Historically, Public Sector Undertakings ("PSUs") and private banks have been present in this segment since its inception. Their focus on this segment has also been limited. Since the announcement of the government's plan to increase infrastructure in 2010, banks have started to increase their focus on the CME segment.

The key banks active in lending finance to the construction equipment segment:

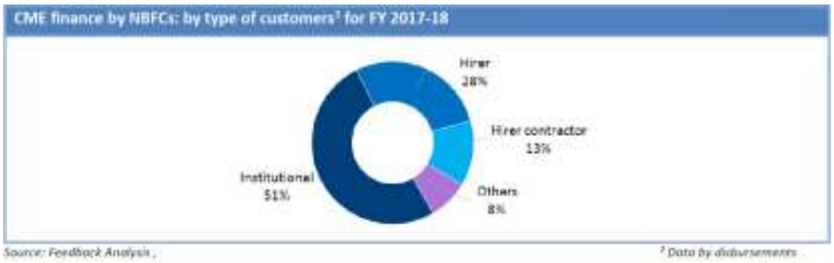
- Axis Bank;
- Citi Bank;
- HDFC Bank;
- ICICI Bank;
- IndusInd Bank; and
- Kotak Mahindra Bank

Private Financiers

These include both the OEMs and the regional money lenders. OEM penetration is limited currently and extends financial assistance only in specific cases. Conversely, money lenders (more unorganised) work with individuals who are entering the construction equipment space for the first time and do not have a track record in the construction industry.

NBFCs Customer Breakdown

Figure 61 – NBFCs Customer Breakdown (Fiscal 2018)



The hirer category includes small, medium and large rental companies. The hirer contractor category includes FTBs and FTUs. Hirer contractor category includes medium and small contractors who rent out equipment during non-peak season. The institutional segment includes customers such as large contractors, developers and fleet owners. Others include SMEs and aggregate producers, ready-mix concrete manufacturers and industrial users.

Segments in the equipment finance can be classified as: (i) value-focused customers consisting of large corporate or institutional firms and (ii) mid-size captive users of construction equipment, which also consist of contractors and hirers who are price-focused customers and account for majority of the construction equipment finance business.

50% of the finance market in the earthmoving and mining equipment category is contributed to by the hirer and the hirer contractor category, similarly this category accounts for 60-65% in the material handling equipment segment. Finance for concrete, material processing, road construction and warehousing equipment is largely for the institutional segment. The hirer and hirer-contractor category is predominantly located in South and West India with Karnataka, Tamil Nadu, Telangana, Andhra, Gujarat and Maharashtra being the key states. Preference for various types of finance varies by customer segment and geographical region. Delhi NCR is the only key market in the North.

Criticality of equipment finance

In India, approximately 25% of the construction equipment buyers consider equipment financing as the most critical factor in making a final purchase decision. Interest rates and faster turn-around times are the main reasons for making a final decision to engage with an equipment financing firm.

Recommendations from OEMs and dealers are not usually considered by institutional and large customers.In the retail segment, however, customers approach dealers for finance suggestions or assistance. Banks prefer repeat customers and existing account holders with a long-term relationship to offer loan.

Key Success Factors for NBFCs in the Construction Equipment Financing Industry

NBFCs comprise of heterogeneous, privately-owned financial intermediaries offering various services that include equipment leasing, hire purchase, loans and investments.

In infrastructure projects, the big developers usually sub-contract part of the project to the small and medium scale entrepreneurs who make up the bottom of the infrastructure pyramid. However, these companies do not enjoy access to institutional financing such as banks. Therefore, NBFCs cater for credit needs of such companies. The NBFCs have knowledge of the credit needs of these companies and have a good idea of their capabilities. NBFCs make a call on extending credit to these companies based on their track record, order books, and cash flow.

Credit intermediation has been the most preferred route for credit expansion and NBFCs have offered this service for 30 years. NBFCs' decision making process is also faster vis-à-vis the banks.

Though banks have branches across the country, for construction equipment finance, most customers prefer NBFCs for the following reasons:

- NBFCs have better reach in certain states;
- NBFCs offer faster turn-around-time and doorstep services;
- Tailor made schemes to suit the requirements;
- Higher loan to value which is 5-6% more compared to banks;
- Simple documentation process;
- Easy finance options for FTUs/ FTBs;
- Flexible terms and conditions;
- Innovative financing instruments;
- Infrastructure facility like equipment yards; and
- Differentiated relationships management.

A combination of these services makes the NBFCs the preferred financing option in this segment.

Overview of leasing in CME financing

Overview

In India, construction equipment leasing is still at a nascent stage accounting for 8-10% of the overall construction equipment market as of Fiscal 2018, whereas the global average for leasing is 50-60% of the overall construction equipment business.

Leases are gaining popularity because of tax benefits. The bulk of MSMEs are recently opting to finance their equipment.

Market Size

The market for organised used equipment leasing is estimated at approximately 8%-10% of the overall disbursements of finance companies in the CME segment. The current value of the organised leasing construction equipment market accounts for roughly ₹30-37.5 billion in Fiscal 2018. The market is largely dominated by leasing for heavy equipment such as hydraulic excavators, motor graders, wheel loaders, dozers, self-loading concrete mixers, concrete pumps, tower cranes, all-terrain cranes, rough terrain cranes, truck cranes and pavers.

Key companies in the equipment leasing sector include SEFL, IL&FS, Tata Capital, Orix India and First leasing company of India Limited.

The implementation of GST during 2017 in India is expected to benefit the finance institutions in the equipment leasing segment and the market is expected to reach ₹40-50 billion at a CAGR of 15-16% by Fiscal 2020. Before the implementation of GST, there was lack of clarity on leasing businesses and the tax structure was not defined which curbed the efficiency of the equipment leasing industry. Further, the GST rate was reduced to 18% from initially 28%, which is now reasonable as many taxes like VAT, excise duty and entry tax has been subsumed and credit of entire GST is available. Going forward, this is expected to encourage the leasing industry.

Key Benefits of Leasing in CME Financing

With the current government's focus on infrastructure of the country, there was a fresh infusion of funds towards the road sector in 2017. The Indian government approved a total of 83,677 kms of roads to be constructed in the next five years. This creates requirement of capital goods on a large scale and increase in the number of contractors executing these projects.

Most of the actual implementation of project work is carried by SMEs to whom the work gets sub-contracted. They require high-value assets (such as earth-moving, road, concrete and material handling equipment) and purchasing these assets would impact cash flows of SME's. Leasing options help the SMEs to access these assets as it provides more cost-effective solution vis-à-vis owning.

The penetration of leasing and equipment rental is fairly high globally. Compared to countries like the U.S., China and Japan, India's leasing and rental business is still at a nascent stage. Unfavourable tax treatment of leasing in India has been a key reason for such condition. The introduction of GST is expected to clarify the ambiguity on the tax front. The market sets to become more organised. Another major advantage of GST will be the enhanced mobility of the asset. Interstate movement of such assets and re-deployment at multiple locations on multiple projects will be easier and thereby ensuring optimal utilisation of the asset over its economic life. Leasing, as a financial tool will be key for the infrastructure growth of the country

Used Equipment Financing

Overview

The market for used equipment is highly unorganised. New projects have attracted the interest of construction business owners wishing to purchase new or used equipment and who seek to be compliant with the government requirements for project tenders.

Market Size

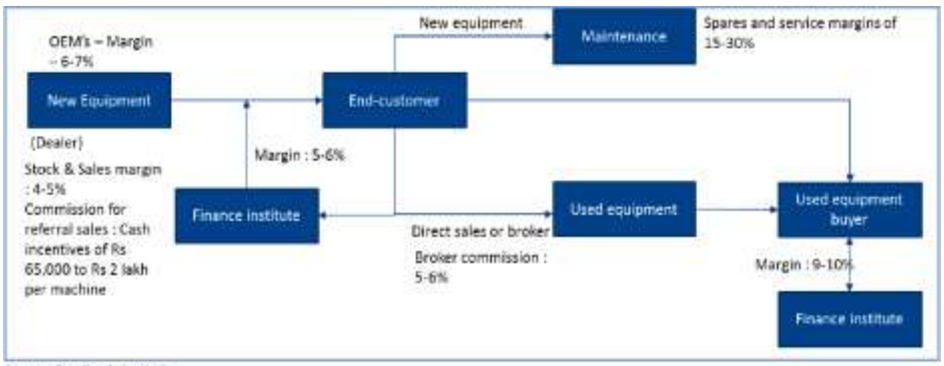
In Fiscal 2018, the market for organised used equipment financing is estimated to be approximately 9-10% of the overall disbursements by finance companies in the CME segment. This figure does not account for cash transactions and the market catered for by private financiers (which are mostly unorganised). In Fiscal 2018, the current value of the organised used equipment financing accounts for roughly ₹35-40 billion. The unorganised component or finance could account for an additional ₹10-15 billion. The market is dominated by products such as backhoe loaders, hydraulic excavators, pick and carry cranes, accounting for more than 70% of the used equipment market. Companies have also engaged in the direct import of equipment from countries such as China and Japan. However, OEMs have urged the government to regulate the import of used equipment.

Growth Opportunities

Growth opportunities for the used equipment include increasing awareness among customers on the value of 'used equipment' to reduce capital expenditure investments, online portal which helps facilitate used equipment business, technology intervention like telematics which helps in identifying the accurate working and operation conditions of the machine and financiers can come up with lease products in used CME with resale valuation framework developed by industry body and with good service support from the OEM/dealer.

Review of Margin Profile of the Industry

Figure 62 – Margin Profile of CME Equipment Financing (Fiscal 2018)



Source: Feedback Analysis

Note: At the time of preparing the Feedback Reports, NIM information was not available for Fiscal 2018 (annual reports of companies are yet to be published). The NIM referred below are for Fiscal 2017.

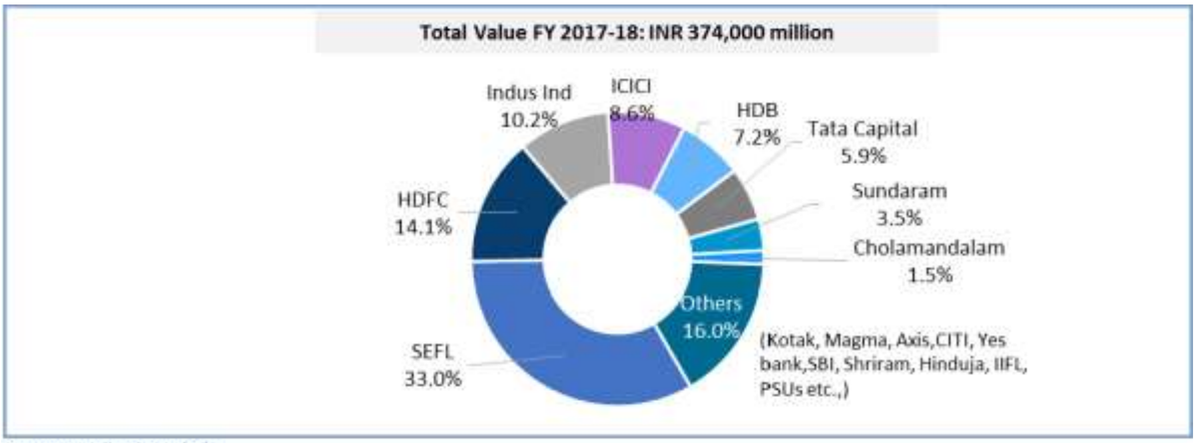
Most NBFCs offering loans in infrastructure or construction equipment segment have Net Interest Margins ("NIM") of 5-6% for new equipment and 9-10% for used equipment. Banks have slightly lower interest margins by 0.5 to 2% as compared to NBFCs. Used equipment enjoys higher margins than new equipment.

Overview of Competition in the Industry

Currently the equipment finance industry has approximately 20-25 organised companies (NBFCs and banks) offering various products and services for the CME segment.

The top five companies account for approximately 73.1% of the overall CME finance market. Among the top five companies, three are private banks and two are NBFCs.

Figure 63 – Market Share in CME Equipment Finance Market



Source: Feedback Analysis

SEFL leads the construction equipment finance market with a market share of approximately 33% in Fiscal 2018 followed by HDFC. Over the years, the market share of banks such as HDFC and Indus Ind in the retail finance segment has increased. The market share of HDFC bank has increased from 10% in Fiscal 2014 to 14.1% in Fiscal 2018.

IndusInd focuses largely on retail customers for backhoe loaders, hydraulic excavators and pick and carry cranes, and their share has increased from 4.1% in Fiscal 2017 to 10.2% in Fiscal 2018. They are offering better interest rates than NBFCs and are core competitors in the retail segment. After SEFL, HDFC is the second largest finance institute in the retail industry.

Currently, SEFL is the only end-to-end solution provider across the entire CME value chain, from asset acquisition through to deployment, management and resale of the asset, and managing the customer relations across the entire asset life cycle. SEFL offers customised financial solutions to their customers and has partnerships with OEMs and dealers. SEFL has demonstrated clear market differentiation through its holistic approach to providing equipment financing solutions.

Total disbursement of SEFL during Fiscal 2018 was ₹123.55 billion to the CME segement, increased by 35% as compared to ₹91.59 billion in Fiscal 2017. In Fiscal 2018, 97% of SEFL's business were from new equipment financing, with 66% disbursements were to the strategic segment (includeing institutional segment and corporate customer). Disbursement to strategic segment during Fiscal 2018 grew by 40% as compared to Fiscal 2017.

A study conducted among various customers across key states of India revealed that faster turnaround time, less paper work and one point stop for all equipment financing needs, attractive schemes offered and innovative solutions to customers to clear bad debts are the key positives of SEFL. SEFL offers innovative financing solutions to equipment purchasers under these arrangements, which are relatively new to the Indian equipment financing market.

Competitive Landscape

Since Fiscal 2011, the CME financing industry was dominated by NBFCs and select banks with minimal focus on the CME segment. Many companies entered the industry between 2010 and 2012 due to the boom in the construction equipment industry. De-growth in the sector started in Fiscal 2013 and continued until September 2015, post which the industry has seen a huge surge in demand.

The government focus towards developing infrastructure has attracted many NBFCs and banks which have diluted their attention to relook at the CME financing industry. Companies such as Magma, Kotak and Citi bank have started to focus more on the CME finance segment. HDFC bank and its sister concern company HDB Financial Services have been able to tap in to the CME finance segment and together have captured a market share of 21.3% in the CME finance in Fiscal 2018.

Benchmarking on Key Parameters Vis-À-Vis Peers

It is difficult to understand the key parameters of peers as they operate in different industries and their exposure to each segment varies. The overall company information for each competition, and not specific to the CME equipment, is set out in the table below.

Figure 64 – Peer Comparison

Parameters	Disbursement – INR Mn for CME Segment- 2017-18	Asset Quality – Net NPA[1]	Asset Quality– GNPA[1]	Capitalization - Capital Adequacy Ratio[1]	Profitability – ROA[1]	Profitability – ROE[1]
SEFL[2]	123,546	1.3%	1.8%	15.9%	1.3%	10.2%
Tata Capital	22,000	0.9%	3.4%	43%	0.6%	6.7%
HDB	27,000	0.84%	1.45%	20.79%	2.34%	NA
Sundaram	13,000	0.55%	1.54%	17.8%	2.1%	13.9%
Cholamandalam	5,700	3.2%	4.7%	18.6%	3.9%	18%

[1]Overall industry level data, not specific to CME

[2]Only for SEFL, data is for FY 2017-18

Ratios are as per company disclosure

Source: Feedback Analysis

Note: The disbursement given is for Fiscal 2018, but other parameters like NPA, GNPA, Capital Adequacy ratio, ROA & ROE are for Fiscal 2017 except for SEFL since data is not available for Fiscal 2018 for other companies.

Disbursements of SEFL are the highest among the top five CME finance companies, with a healthy growth in disbursements and an increase in advance outstanding. SEFL has moderate asset quality, however there was improvement during Fiscal 2017. HDFC bank has healthy gross and net non-performing assets ("NPAs") compared to their peers in the segment. NBFCs also performed better in terms of asset quality. The gross non-performing assets ("GNPA") ratio for the NBFC sector declined to 4.6% of total advances in March 2016 from 5.1% in September 2015

Lifecycle Financing Opportunities

Figure 65 – Lifecycle of Assets

The finance industry currently offers loans, advances and other services such as leases and equipment rentals during the acquisition stage.

Finance companies can become involved at the asset deployment stage by reducing downtime by leveraging relationships across stakeholders in the industry.

Asset maintenance through captive stockyards to improve residual value of assets.

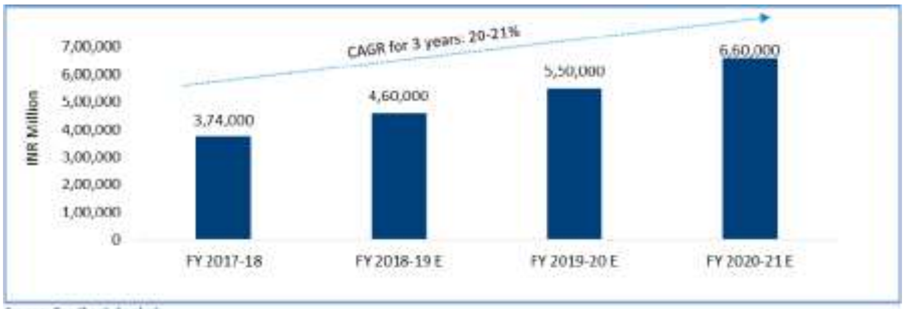
Equipment refurbishment and offering various types of financing assistance for machine service, spare parts, AMC, secondary leases and repossession asset management.

At the last stage, finance is also offered for used equipment by valuation and inspection, auctioning services and disposal services, for example. Currently this stage faces challenges regarding the disposal of the equipment, as a result finance institutions can advise on asset disposal and on various resale options.

Outlook on the Growth in Disbursements under Construction Equipment Financing over the Next Three Years (Fiscal 2019 to Fiscal 2021)

Growth in disbursements under construction equipment financing

Figure 66 – Outlook for Growth in CME Disbursement (Fiscal 2018-2021)



Source: Feedback Analysis

The construction equipment finance industry is expected to grow at a CAGR of 20-21% for the next three years. The overall construction equipment industry is expected to reach 153,000 units by Fiscal 2021 and the market for new equipment finance will continue to have a share between 85-87% for the next three years. With the current announced projects which mostly have started from the third quarter of Fiscal 2018, demand will continue for the earthmoving equipment industry, which will have a share between 65-70% of the overall CME finance market. Banks and NBFCs are expected to have an equal share in the CME finance industry for the next one to two years with the equipment leasing industry expected to grow at a CAGR of 15-16% until Fiscal 2020.

Major Trends in the Financing Industry

Going forward, revolutionary trends appear to be emerging in the equipment financing sector. These include:

Integrated offerings: Dealers and OEM's are expected to offer customers integrated choice which will include the equipment finance (and could also cover the life cycle financing of the equipment).

Automation of process: Current equipment financing takes anywhere between 5-30 days before the machine is handed over to the customer. Equipment financing companies to need to move to the automation route, to sustain and survive in this technology-led market. A major differentiator could be transparency with a process to manage documentation, including, for example, EMI payments.

Platform-based offering: Currently, there are few companies which provide a platform for equipment owners and customers to interact and avail of equipment services. This is more like the "Uberisation" of the equipment industry. This could be a good opportunity for finance companies to participate and ensure that all finance needs are met.

Managed services: Customer demand for greater flexibility and convenience will augment the use of non-standard financing agreements. Shifts in customer preference for managed services (bundling equipment, services, supplies and software), pay-per-use leases and alternative financing will encourage equipment finance companies to find innovative ways to meet the demand.

Advantage of OEM Tie-ups

Another trend worth noticing is the collaboration of construction equipment majors with banks and non-banking financial institutions exclusively for their customers. This arrangement helps the OEMs to meet the level of financing support expected by their customers. Preferred financiers collaborate with OEMs and their dealers to offer enhanced quote and credit approval turnaround, allied with competitive financial solutions. The OEM and financier tie-up can be exclusive alliance or preferred financier tie-ups with the OEMs largely for risk/loss pool arrangement, loss sharing arrangements, subvention and credit days.

For instance, SEFL has tie-up arrangement with a range of construction equipment manufacturers consisting of JCB, Tata Hitachi, Volvo, Wirtgen, Schwing Stetter, Hyundai, Kobelco, Sany, Puzzolana, Komatsu to name a few and have tied up with more than 50 manufacturers for being financier of their equipment. Through the tie-ups with construction equipment manufacturers, SEFL provides comprehensive equipment support to construction companies based on their requirement.

Key Challenges of the CME Financing Industry

The construction equipment financing market in India is still in its development stage and continues to face various issues which act as a deterrent to growth including lack of access to finance, unfavourable regulations and higher NPAs among lenders.

Lack of access to finance - Most equipment manufacturers do not have captive financing arms and engage in short term tie ups with banks and NBFCs. FTBs are prone to high margin requirements (nearly 20-30%) and shorter payback periods.

Unfavourable regulations - Most finance users are MSMEs that depend on third party payments to make financing repayments which in turn leads to delay in collection and defaults. Further, most finance business comes from NBFCs who experience poor collection penetration due to lack of regulation. Further the depreciation allowable on the equipment is 15% which is low in comparison to the decreasing asset life-cycle caused by ongoing technological advances.

Lower rental penetration - Rental penetration in India was as low as 8% in Fiscal 2017. Used equipment and secondary sales are also unpopular in India because of lack of established trading platforms and buyback schemes from OEMs. The preference for ownership of assets also leads to lower penetration for rentals in India.

Repossession of the equipment in the case of customer defaults - Tracking of equipment movement is a challenge currently faced by the finance industry. Though initiatives have been taken by some OEMs such as Caterpillar, Volvo, Kobelco, Komatsu, tracking the retail customer segments like contractors and hirers which account for a substantial portion of the market, is a key challenge currently faced by CME financiers. Therefore, OEMs should share location information through their service channel and assist financiers in repossession, if required.

There is also a need for a proper registration process for all construction equipment (off-road equipment included) which will help to develop and sustain the organised used equipment market and assist with calculation of the residual value of equipment on resale.

Tipper Financing

Overview of the Tipper Financing Segment in India

Amongst most banks and NBFCs, the tipper finance segment is a part of commercial vehicle or vehicle financing. Tipper financing sees the participation of both organised and unorganised financiers. Tipper financing in India can be broadly categorised in to two categories, new tipper finance and used tipper finance.

Review of the Trend in Disbursements under Tipper Financing for the past Five Years (2012-13 to 2017-18)

Disbursement trends for tipper

Overall, the Tipper finance market is estimated to be in the range of ₹180-185 billion for Fiscal 2018. The disbursement to the new tipper segment has seen substantial growth since Fiscal 2015 due to an increase in sales of tippers to the road infrastructure, irrigation, mining and quarry segments. The new tipper finance market grew by 26% during Fiscal 2018. The used tipper finance market accounted for 27% of disbursements in Fiscal 2018 down from 40% in Fiscal 2015.

Typically, a tipper changes hands at least 3-4 times before it is scrapped. Up to 85-90% of pre-owned tipper sales are aided by loans. Large contractors and quarry operators typically sell tippers off to small contractors operating in real estate and general construction works when their finance has been cleared.

Figure 67 – Growth in Tipper Disbursement (Fiscal 2013- 2018)

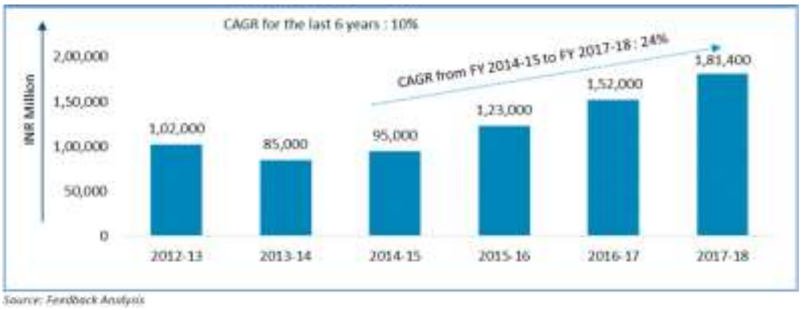
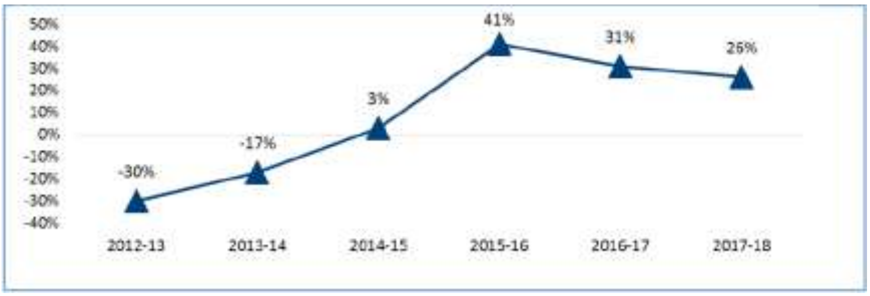
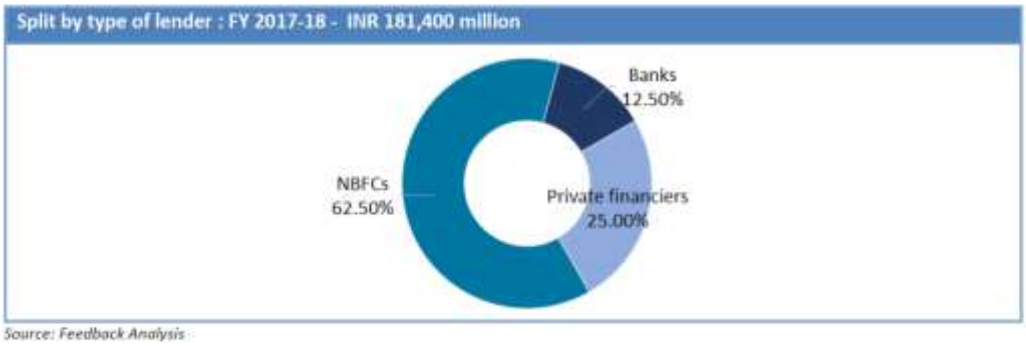


Figure 68 – Growth in New Tipper Finance Market (%)



Key Success Factors for NBFCS in Tipper Financing Industry

Figure 69 – Market Share in Tipper Financing by Lender



NBFCs accounted to approximately 63% of the overall finance market in Fiscal 2018. The advantages of NBFCs compared to banks or private financiers include:

- Better reach and proximity to customers.
- Advantage of referral based lending.
- Focus and knowledge-based approach.
- Continuous monitoring and door-step lending.

- Superior product knowledge and ability to assess the value of pre-owned tippers.
- Ability to dispose of re-possessed tippers.
- Offering flexible payment options.
- Competitive interest rates compared to banks.
- More aggressive in retail finance than banks.
- Interest rates offered are competitive compared to banks.

NBFCs such as Tata Motor Finance, Hinduja Leyland Finance and Volvo Eicher finance are subsidiaries of their parent companies who sell tippers in India. They can pass on better offers and schemes to their customers.

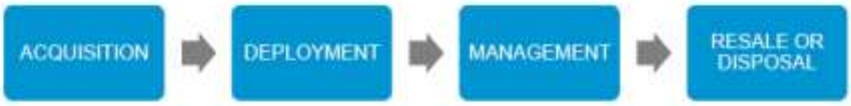
OEM Tie-ups

OEM tie-up with the finance institution helps in faster processing and disbursements, and easy approvals for the models offered by OEMs. Most of the leading Tippers OEMs in India like Tata Motors and Ashok Leyland have their own finance wings like Tata Motors Finance Limited and Hinduja Leyland Finance, respectively, which help the customers fulfilling their finance requirements in a faster manner. SEFL and Tata Motors have recently signed a memorandum of understanding to finance Tata motor commercial vehicles with a special focus on construction and mining tippers.

Lifecycle Financing Opportunities

The tipper finance market can be categorised as follows:

Figure 70 – Categories of Tipper Finance Market

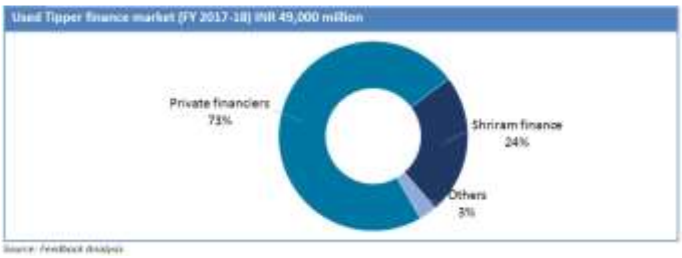


Currently, the acquisition stage is well organised with the market dominated by large NBFCs and banks. Asset deployment and management is an area which is currently untapped by most financiers due to a lack of clarity and the risks involved in the market lifecycle. SEFL is offering finance services across all four stages of the tipper lifecycle.

Going forward, there is an opportunity in pre-owned or used tipper finance with approximately 70-75% of the market being catered to by unorganised private or captive financiers. Currently, used equipment accounts for 27% of the overall tipper finance market and considering the benefits of high NIM and lower LTV, there are opportunities for organised players in the industry to focus on this segment.

Used Equipment Finance

Figure 71 – Market Share in Used Equipment Finance



The used Tipper finance market is currently valued at ₹49 billion (Fiscal 2018). Shriram Finance is a key player in the used tipper finance market. Other companies include Sundaram Finance, Cholamandalam Finance, Mahindra Finance and Kotak Bank. Though NBFCs like Tata Motors Finance Limited, Hinduja Finance, SEFL and banks such as HDFC, ICICI and Axis have a limited presence in the used tipper segment, but largely focus on the new tipper finance.

Competitive Scenario for the Industry and Market

Figure 72 – Market Shares of Financiers (Fiscal 2018)

Outlook on the Growth in Disbursements under Tipper Financing over the Next Three Years

Figure 73 – Outlook for Disbursement Growth in Tipper Financing (Fiscal 2018-2021)

Overall, the tipper finance market is estimated to grow at a CAGR of 27% over the next three years. The new tipper finance market is estimated to grow at a CAGR of 28% and used tipper finance market is estimated to grow at a CAGR of 22% over the next three years.

Key Challenges for the Industry

- Economic downturn results in increased defaults by customers with 30-35% of those defaulting customers being FTBs and FTUs. Consequently, NBFCs will be under pressure during downturns with their dependency on the retail and rural segments.

- In pre-owned equipment finance, the cost of operations will be high and creates limited growth opportunities as its focus is on volumes. The used tipper segment also targets relatively weak credit profile of potential customers.

- With increased competition and penetration of unorganised finance companies in the used tipper finance market, it will be challenging for organised NBFC and banks to maintain their growth rates or gain market share.

- A major challenge faced by the financiers of used tippers is lack of established platforms for trading proper asset valuation norms. This increases the level of risk for financiers given the lack of transparency in pricing.

- Approximately 60-70% of repayments in the used tipper finance market are made in cash. Monitoring of cash collection as well as the asset and owner is therefore difficult.

IT Equipment Financing

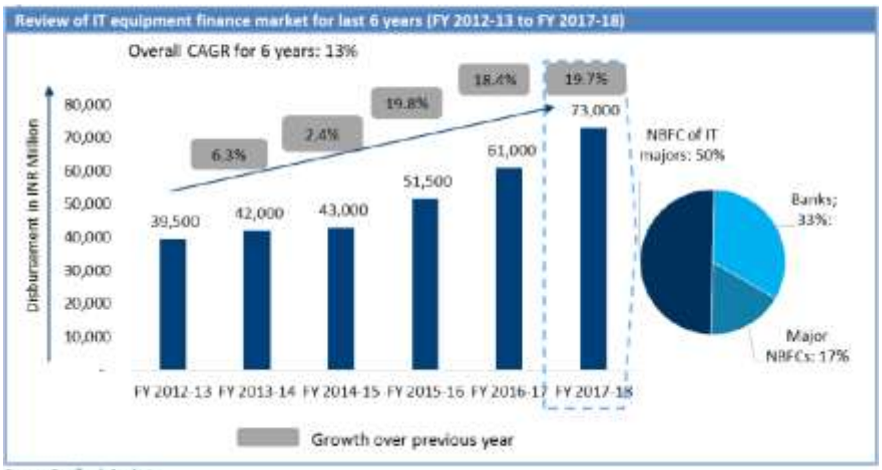
Overview of the IT Equipment Financing Segment in India

Currently in India, only a few finance institutes offer loans to set up IT infrastructure and only a few global IT product organisations have their own departments that offer finance solutions. Finance services offered for IT products, equipment and infrastructure can include full pay-out lease and loan.

Most of the banks offering finance for the IT equipment sector do not have a dedicated department for the division but services are offered on a need basis, based on customer enquiries.

Review of the IT Finance Market for the Last Five Years

Figure 74 – Disbursement and Financier Breakdown in IT Finance Market



Source: Feedback Analysis

Type of Companies Operating in the IT Equipment Finance Segment in India

Financing of the IT sector is typically provided by banks and NBFCs. Banks usually offer loans for IT equipment and infrastructure in tier 1 and 2 cities. There are select NBFCs which are subsidiaries of the major IT companies such as Hewlett Packard, IBM and Cisco. These companies primarily help customers to finance their own products and only finance third party products in limited cases.

Key Success Factors for NBFCs in the IT Equipment Finance Industry

NBFCs who are sub-divisions of their parent company manufacturing IT equipment have the advantage of catering to their own customers where the loan disbursement process is simpler compared to banks.

SEFL is the only large NBFC who has formed a separate IT finance division to focus on the opportunities available in the finance sector.

Going forward, more NBFCs are expected to focus on the IT finance sector.

Margin Profile

NBFCs have a net interest margin of 5-7% in respect of the IT finance solutions offered for the industry. Finance is not provided on the equipment, but in most cases for the IT infrastructure and solutions.

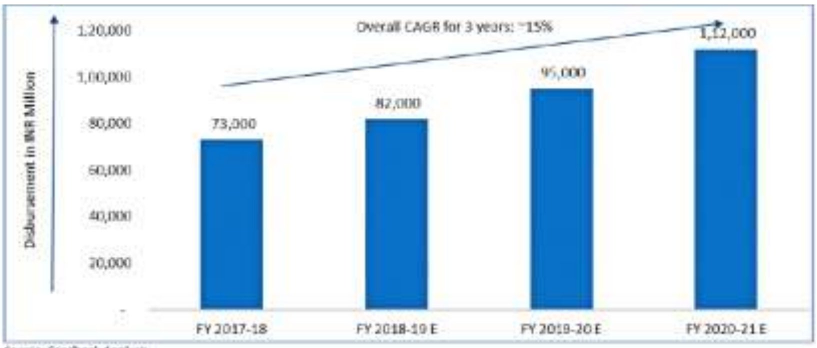
Overview of the Competitive Scenario for the Industry

Key financiers catering to IT equipment finance include companies like Cisco Capital, HP Financial, IBM Global Financing, Dell Financial & Tata Capital together account for 55-60% of the market. SEFL accounts for 16% of IT equipment finance market. Others include PSUs, banks and other NBFCs.

Outlook on the Growth in Disbursement under IT Equipment Financing over the Next Three Years

SMEs rely on the financing for IT equipment. It is estimated that 90% is obtained through loans in the segment. IT equipment finance is likely to grow at 15% CAGR for the next three years. The Digital India initiative seeks to place emphasis on e-governance and transform India into a digitally empowered society. The program is projected at ₹1,130 billion, which will prepare the country for technology transformation. This will bring increased investment and organisations including SMEs, which will drive the need for institutional financing.

Figure 76 – Outlook for Disbursement Growth in IT Equipment Financing (Fiscal 2018-2021)



Source: Feedback Analysis

Key Challenges for the IT Finance Industry

The Indian IT industry has shown in the downward growth since the past few years as there is a large dependency on export business, the variations in global economy, increased protectionism and emergence of low cost outsourcing centres like Philippines.

Farm Equipment Financing

Historical Disbursements in the Last Four Years

In the past four years, farm equipment finance has grown at a CAGR of 13.2%. The growth in the farm equipment finance market is directly correlated to tractor sales, primarily due to the major share of tractors in the overall market.

Figure 77 – Disbursement and Financier Breakdown in Farm Equipment Finance Market

Source: Feedback Analysis

Market Size

Farm equipment loans finance both new and used farm equipment such as tractors, harvesters, power tillers and implements (including rotavators, cultivators and threshers, among others). The approximate market values for farm equipment in Fiscal 2018 are as follows:

Figure 78 – Market Size of Farm Equipment (Fiscal 2017)

Tractors form a major component within farm equipment by value and volume. Approximately 92-95% of the tractors sold (within the agri segment, i.e., 640,000 units) are obtained by finance while the remaining 5-8% of tractors are purchased using own funds.

Competitive Landscape of Farm Equipment Financing in India

Financing of tractors is typically provided by both NBFCs and banks.

NBFCs are currently dominant in the market with 8-10 major companies. A number of companies have started providing farm equipment finance (specific to tractors) in the last five to six years, following a slowdown in the commercial vehicles market, and have grown a sizeable portfolio of tractor finance. It is estimated that there are approximately 30-40 companies operating in this segment. Among the NBFCs currently present there are some OEMs (such as Mahindra, John Deere and Claas) who manufacture and provide finance for tractors. These OEMs provide finance for both their own equipment and competitors' products. NBFCs account for approximately 90-95% of the farm equipment finance market in India (₹220 billion), with major NBFCs accounting for almost 82% of the overall farm equipment finance market.

Banks (public and private sector) currently have a small share in the farm equipment financing business, estimates to be approximately 7% of the farm equipment financing market (₹220 billion). Leading banks operating in this market include the State Bank of India, HDFC Bank, ICICI Bank, Axis Bank, Dena Bank and Kotak Mahindra.

The loan to value ("LTV") for a tractor can range from 60% to 95% of the value of the asset depending on various factors including the farmer's income, frequency of income, crops grown and seasonality. NBFCs charge interest in the range of 16% to 24%, while banks charge interest in the range of 11% to 15%.

Success Factors of NBFCs

Though banks offer lower interest rates than NBFCs there are certain hurdles faced by customers which make availing of finance via NBFCs more attractive. These hurdles include:

- Bank loans are secured against farmers' land and tractors;
- High levels of bureaucracy and longer processing periods (45-60 days);
- Minimum land requirements;
- Limited repayment flexibility.

The majority of NBFCs and private banks have started to adopt unconventional methods to acquire customers such as higher LTV, no requirements for customers to provide land and equipment as collateral, doorstep facilities, limited paperwork and flexible repayment arrangements. It is estimated that NBFCs typically take one-fifth or one-sixth time for disbursal of loans to the customer compared to public-sector banks. One of the other key reasons for the dominance of NBFCs in the farm equipment finance market has been loan waiver schemes in which banks have had to write-off loans. Consequently, many public-sector banks take a cautious approach to farm equipment finance.

Margin Profile

Most NBFCs offering loans to the farm equipment segment have a NIM of 4-7% for new equipment and 8-10% for used equipment. Banks have slightly lower interest margins by 0.5 to 1.5%.

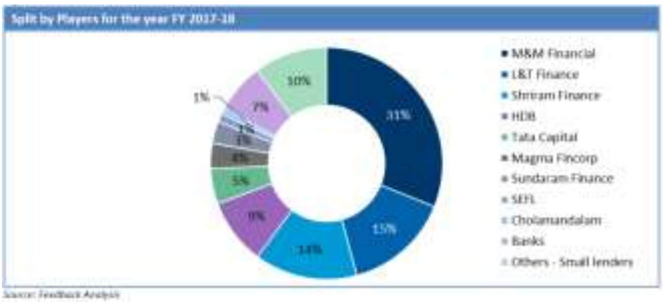
Advantage of OEM Tie-ups

Some financier companies have tie-ups with tractor OEMs. For example, L&T Finance and De Lage Landen Finance Services have tied-up with Sonalika and Escorts, respectively. The customers of these tractor OEMs availing finance from the tie-up companies are offered with attractive schemes like lower interest rates and waiver on processing fees. However, the customers have a right to select the finance companies and not typically locked-in.

Major Financiers and Market Share

The top three companies in the industry account for 60% of the total market of ₹220 billion. All finance companies operating in this segment also cater to other segments which include commercial vehicles, passenger vehicles, two and three-wheeler vehicles, home loans, SME loans among others. The farm equipment portfolio among the various finance companies varies between 2% to 17% of their total disbursements.

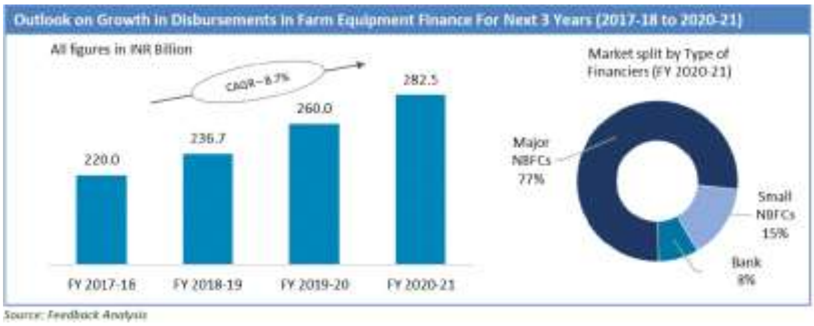
Figure 79 – Market Share in Farm Equipment Financing (Fiscal 2018)



Disbursements Forecast (Fiscals 2018-2021)

Farmers' dependence on finance for farm equipment, which is currently over 90%, is likely to continue given lower income levels. The farm equipment finance market is estimated to grow at 8.7% CAGR for the next three years. The share amongst the small NBFCs is likely to grow by 4% to reach 15% of the market by Fiscal 2021 (₹282 billion).

Figure 80 – Outlook on Growth in Disbursement in Farm Equipment Financing



Medical Equipment Financing

Overview of Financing in the Medical Equipment Space

Finance in healthcare is typically provided when healthcare centres, such as a clinic, polyclinic, nursing home, diagnostic centre or hospital is being set up, or when medical equipment is being purchased during expansion.

Historic Disbursement Trends in Medical Equipment Financing

The market for finance for medical equipment has been growing at a CAGR of 20% which is almost in line with the medical equipment market. Banks and NBFCs have an almost equal share of the overall market, 49% and 51% respectively. Until 2009-2010, only banks catered to medical equipment financing and NBFCs have grownmultifold since then. The following chart shows the disbursement trends for the past four years and the share of banks and NBFCs in the overall market:

Figure 81 – Disbursement and Financier Breakdown in Medical Equipment Finance Market

Source: Feedback Analysis

NFBCs vs. Banks

The majority of financing companies present in the medical equipment industry belong to the large and organised category. These companies provide finance for healthcare centre set up or acquisition of medical equipment. Key financing companies present in the industry include Clix Capital, Siemens Financial Services, HDFC Bank, State Bank of India, Dena Bank, Yes Bank, Reliance Capital and SEFL, among others. Other NBFCs include Hero FinCorp, Intec Capital, KFI, DHFL, India Infoline and Tata Capital.

Key Success Factors for NBFCs

Siemens Financial Services currently is the only lender making good inroads in the business since it requires a good understanding of usage of medical equipment, life and technology. Tying up with medical equipment manufacturers is one of the key business drivers for financial institutions. Most financial institutions (like HDFC Bank, Dena Bank, Reliance Capital, etc.) in the last 3-4 years have created dedicated verticals. Some financial institutions are also involved in the buying back of ME after usage for a certain period and providing finance to the customer (from whom the ME was bought back) for new equipment.

One of the areas which currently very few financial institutions (mostly NBFCs) are focussing on is the finance of small equipment where the ticket size is less than ₹1 Million. Currently, most institutions provide finance for equipment over ₹5 Million or ₹10 Million.

Margin Profile

The margins earned by financial institutions vary between 6% to 10%.

Key financiers in the industry are Siemens Financial Services, Aion Capital, SBI, ICICI bank, HDFC bank, Dena Bank, Yes Bank and Reliance Capital who together account for 65-70% of the market share. SEFL has a market share of 3.7% in medical equipment finance. Most finance companies operating in this segment also cater to other segments such as commercial vehicles, passenger vehicles, 2 & 3 wheelers, home loans, SME and others. The medical equipment portfolio among the various finance companies vary between 2% to 5%.

Outlook on the Growth of Disbursements for Medical Equipment Financing

The size of the medical equipment market in India has grown at CAGR of 20% from ₹44.6 billion in Fiscal 2013 to ₹107.5 billion in Fiscal 2018.

The demand is driven by the following segments:

- many doctors and individuals aspiring to be entrepreneurs are having limited funds;
- under penetrated, growing needs of healthcare facilities specific to semi-urban and rural areas;
- flexibilities offered in providing credit the firms or individual.

Increased focus on the segment by most financial institutions by creating a dedicated vertical or business unit, under penetrated healthcare services in the country and medical tourism.

Figure 83 – Outlook for Disbursement Growth in Medical Equipment Financing (Fiscal 2018-2021)

OUR BUSINESS

*Some of the information in the following section, especially information with respect to our plans and strategies, contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections "**Forward Looking Statements**", "**Risk Factors**", and "**Financial Information**" on pages 17, 21, and 307, respectively, of this Prospectus. Our Reformatted Financial Information for the three-month period ended June 30, 2018 and for the Fiscals 2018, 2017, 2016, 2015 and 2014 included in this Prospectus have been prepared in accordance with Indian GAAP and the SEBI Debt Regulations. Our fiscal year ends on March 31 of each year and references to a particular fiscal year are to the twelve months ended March 31 of that year. Reference to period for June 2018 means the three months ended June 30, 2018.*

*Unless otherwise indicated, industry and statistics used in this section are extracted from Feedback Reports prepared and issued by Feedback. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Feedback Reports (extracts of which have been appropriately incorporated as part of the section titled "**Industry**" on page 76 of this Prospectus) and included herein with respect to any particular year refers to such information for the relevant fiscal year and for further details, see "**Risk Factors**" on page 21 of this Prospectus. We have relied on third party industry reports which have been used for industry related data in this Prospectus and such data have not been independently verified by us.*

Unless stated otherwise, the financial data used in this chapter, as at and for the half year ended September 30, 2018 is as per Unaudited Interim Financial Results, which is prepraed in accordance with IndAS, applicable standards and guidance note specified by the ICAI, accounting standards prescribed by the Institute of Chartered Accountants of India, Companies Act and other applicable statutory and/or regulatory requirements.

Overview

We are the leading financier in the Construction, Mining and allied Equipment ("**CME**") sector in India, with an approximately 33.00% market share in Fiscal 2018 (Source: Feedback Reports). This sector primarily consists of equipment used for earthmoving and mining, concreting, road building, material handling, material processing and allied activities. Our product offerings include loans, for new and used equipment, and leases.

In more than 27 years of our Group's operations, we have demonstrated clear market differentiation through our holistic approach to providing equipment financing solutions (Source: Feedback Reports). This approach covers the value chain in the equipment life cycle by providing financing to and sustaining continuous engagement with customers across equipment procurement, deployment, maintenance and exit stages. The equipment-centric services we provide include preferred financing schemes offered by us in conjunction with Original Equipment Manufacturers ("**OEMs**"), equipment deployment assistance during project downtime, spare parts financing, exchange programme financing and used equipment financing.

Our partnerships with OEMs are key to our equipment-centric business model. These include various arrangements such as general associations, preferred financier associations (with or without risk-sharing arrangements) and private label associations. We offer innovative financing solutions to equipment purchasers under these arrangements, which we believe are relatively new to the Indian equipment financing market (Source: Feedback Reports). As of September 30, 2018, we had 270 OEM partnerships. We believe we are well positioned to sustain and develop OEM partnerships due to our significant CME market share, pan-India presence and continuous customer engagement approach.

We believe that our customer-focussed approach also has contributed to our success. As of September 30, 2018, we had more than 68,000 current customers. We cater to a wide range of customers, from 'First Time Users' ("**FTUs**") and 'First Time Buyers' ("**FTBs**") to fleet owners and mid-size contractors to large corporations and project owners. Supported by our holistic equipment financing solutions approach, our customer-focussed approach has helped us retain our customers as their business has grown in size as well as expand our customer base through their referrals. In Fiscals 2018, 2017 and 2016, over 60% of our total disbursements were to our repeat customers.

Our exclusive distribution partners, Srei Entrepreneur Partners ("**SEPs**"), help us in sourcing customers and ensuring regular repayment. An SEP's local risk insight and on the ground presence facilitates our customer acquisition, screening and access and broadens our market coverage. Our training also benefits the SEPs by helping them to diversify and broaden their business operations. As of September 30, 2018, we had 118 SEPs across India.

Our years of experience in the equipment financing business have provided us with deep insight into various equipment categories, diverse geographies and multiple customer segments. Our risk assessment framework and credit appraisal policies are an outcome of this experience, which we have progressively institutionalised. As we continue to diversify our customer exposures, we are scaling up our asset-centric risk approach to cover multi-dimensional risks. We increasingly are managing risk by deploying technology including real time equipment location identification through GPS/GPRS devices, use of handheld devices by field personnel, customer service through online portals, mobile applications and customised risk prognosis tools.

Our widespread network of branches demonstrates our strength across India to cater to the needs of our stakeholders including our customers, OEMs, SEPs, dealers, local industry bodies and regulatory agencies. As of September 30, 2018, we were present in 21 states through our 90 branches and four offices including our head office in Kolkata, India. We also cater to 77 satellite locations where our employees service customers directly using technology without a physical branch office. In addition, as of September 30, 2018, we had 82 stockyards for equipment maintenance helping us to preserve the repossessed equipment quality for potential redeployment or resale.

We believe that our human resources have played an important part in our success. Our senior and mid-level management include professionals from financial services and OEM background. We develop our employees' functional and leadership competencies through structured training initiatives focussed on consistently meeting customer expectations. Our customer relationship managers provide personalised customer service helping us enhance our brand.

In addition to CME, we have also diversified into financing of Tippers, IT and allied equipment, Medical and allied equipment, Farm equipment and Other assets. As of June 30, 2018, our total Gross Earning Assets were ₹309,355.80 million comprising ₹231,136.52 million in CME, ₹30,671.15 million in Tippers, ₹16,008.62 million in IT and allied equipment, ₹3,164.08 million in Medical and allied equipment, ₹6,391.75 million in Farm equipment and ₹21,983.68 million in Other assets.

We have access to multiple sources of liquidity. Our sources of funding comprise unsecured subordinated non-convertible debentures, secured redeemable non-convertible debentures, subordinated loans, term loans (Rupee loans and foreign currency loans) from banks and financial institutions, external commercial borrowings, working capital facilities and commercial paper. As of June 30, 2018, and March 31, 2018, 2017 and 2016, our total borrowings were ₹203,031.30 million, ₹188,193.00 million, ₹129,318.40 million and ₹118,537.10 million, respectively, and our Cost of Borrowings was 9.30%, 9.32%, 10.17% and 10.45% for these periods. As at September 30, 2018 the total borrowing (includes the debt securities, borrowing other than debt securities and subordinated liabilities) of the Company is ₹222,630.40, which is as per Unaudited Interim Financial Results. Our current long-term credit ratings include CARE AA; Stable, CARE AA-; Stable and CARE A+; Stable, from CARE, BWR AA+/Stable from Brickwork and ACUITE AA+/Stable from Acuité Ratings & Research Limited (erstwhile SMERA Ratings Limited). In relation to our short-term credit ratings, our current credit ratings include ICRA A1+ from ICRA Limited and CARE A1+ from CARE.

We are a wholly owned subsidiary of SIFL, a well-established name in the Indian infrastructure financing business.

We have an established track record of consistent financial performance and growth. As of June 30, 2018, our Net Worth was ₹27,902.40 million. For the three months ended June 30, 2018 and for Fiscals 2018, 2017 and 2016:

- Our AUM were ₹316,809.40 million, ₹300,727.70 million, ₹212,318.10 million and ₹185,977.80 million, respectively;
- Our PAT was ₹909.80 million, ₹2,634.90 million, ₹1,488.40 million and ₹1,152.60 million, respectively;
- Our Gross NPAs were ₹7,482.00 million, ₹4,380.60 million, ₹4,198.60 million and ₹4,544.00 million, respectively;
- Our Revenue from Operations was ₹9,767.50 million, ₹33,095.40 million, ₹24,933.30 million and ₹26,138.80 million, respectively; and
  Our Disbursements were ₹40,607.08 million, ₹169,895.70 million, ₹117,148.76 million and ₹91,588.78 million, respectively.

As of September 30, 2018, our Networth under IndAS was ₹ 27,502.40 million and our total AUM as per IndAS was ₹334,151.10 million. For the half year ended September 30, 2018, the total revenue from operation and profit for the period of the Company are ₹22,804.20 million and ₹1,990.10 million respectively.

Our Strengths

We believe we benefit from a number of strengths that together differentiate us from our competitors:

Market leading CME financier in India with a wide distribution network and strong brand name, making us well positioned to access customers in the growing Indian infrastructure financing sector

According to Feedback's report titled "Market Assessment of the Construction, Mining and Allied Equipment (CME) Financing Segment" dated July 10,2018, we are the leading financier in the CME sector in India in Fiscal 2018 with an approximately 33% market share in the CME vertical. We believe the larger market opportunity also will lead to significant demand for new and more advanced equipment for longer-term projects.

Since our inception, we have been CME financiers. Our long track record in this vertical has helped us develop deep infrastructure sector knowledge, understanding of equipment life cycle and strong relationships with borrowers. This helps us access new potential borrowers, provide customised solutions and manage asset risks prudently. The GoI has announced an increased infrastructure budget allocation for Fiscal 2019, the majority of which is towards segments such as roads (increased by 9.4% year-on-year), railways (increased by 0.2% year-on-year), civil aviation (increase by 144.4% year-on-year) and rural development (increase by 6.6% year-on- year) (Source: Feedback's report titled "Infrastructure Segment" dated July 10, 2018). This provides us with attractive opportunities to offer financing for equipment required for such projects.

As of September 30, 2018, we were present in 21 states through our 90 branches and four offices including our head office in Kolkata and 77 satellite locations across India, serving more than 68,000 current customers. In addition, as of September 30, 2018, we had 82 stockyards. Our pan-India presence allows us to cater to a large customer base across industry segments from proximate locations, enabling customers easy access to our services.

We have developed a wide relationship-based distribution network that has helped us achieve a better market understanding and reach in several regional markets. Through our distribution network, we have developed long-term relationships with our customers at various stages of the financing cycle including customer origination, loan administration and monitoring as well as loan recovery. Our customer relationships provide us opportunities for repeat business and to cross-sell our other products as well as to receive new customer referrals. We believe we have a strong brand name and market recognition due in large part to our deep and long-standing customer relationships.

Equipment-centric robust and disciplined business model across diverse business verticals

We operate a holistic business model providing end-to-end solutions across the equipment lifecycle beginning from the equipment's acquisition to its refinancing or resale. We are able to leverage our capabilities and relationships to be present across the entire equipment value chain, support customer requirements across the equipment life cycle and reinforce customer loyalty. Our market leading position in the CME sector and brand name has helped us to expand to other sectors such as Tippers, IT and allied equipment, Medical and allied equipment, Farm equipment and Other assets, which present both greenfield and brownfield opportunities.

Our offerings at different stages of the equipment life cycle include:

- Equipment Acquisition: At this stage, we provide assistance in equipment procurement through customised solutions comprising loans and leases (where we benefit from our OEM relationships).

- Equipment Deployment: During this stage, if a customer requires, we help in allocating equipment financed by us to projects/jobs to allow efficient deployment of idle assets.

- Equipment Maintenance: During this stage, we provide equipment maintenance assistance through spare parts financing and enable our customers to access our strong OEM and dealer relationships for maintenance support.

- Second Life Financing: We have also introduced branded refurbished equipment solutions for our customers. During this stage, we help our customers in acquiring branded refurbished equipment in conjunction with our OEMs partners. For instance, we have recently partnered with JCB to offer the 'JCB select' range of refurbished equipment.

- Equipment Exit: At this stage, we facilitate various services including equipment valuation and inspection, auctioning and other equipment disposal services. Our 81 stockyards across the country are important to our ability to offer these exit services efficiently. Our used equipment financing, refurbishment programmes and exchange programmes assist customers to dispose of their old equipment.

Strong partnerships with OEMs and SEPs with access to diversified and cost effective funding sources

We believe we have a strong relationship network through partnerships with OEMs and vendors that have enabled us to maintain sustainable growth and market leadership over the years. As of September 30, 2018, we were partnered with 270 OEMs. We have long-standing relationships with leading OEMs such as Tata Hitachi, JCB, Volvo, Hyundai, Putzmeister, Komatsu, Kobelco, Bharat Benz (DICVPL), TEREX and Sany. These partnerships provide us with deep knowledge on the diverse range of equipment used in our various verticals, which ultimately enables us not only to offer financing solutions to our customers but also to understand and meet their future project requirements.

We have also strategically expanded our distribution and marketing network and operations through partnerships with SEPs, our exclusive channel partners. As of September 30, 2018, we were partnered with 118 SEPs. The SEPs combine their knowledge of the local market requirements with our business needs to deliver new accounts. They also facilitate in acquisition of new customers independent of OEMs referrals.

We have access to multiple sources of credit and liquidity to finance our business and operations. At present, we meet our funding requirements from unsecured subordinated non-convertible debentures, secured redeemable non-convertible debentures, subordinated loans, term loans (Rupee loans and foreign currency loans) from banks and financial institutions, external commercial borrowings, working capital facilities and commercial paper. As on September 30, 2018, our lenders included 41 banks and financial institutions, both domestic and international. We believe our strong relationships and past credit record with nationalised banks and private sector banks enables us to access cost effective funds. We also undertake securitisation and assignment transactions to maintain and balance our overall borrowing costs.

Effective equipment risk management framework

We believe that our industry knowledge, understanding of equipment and long track record have helped us develop an effective risk management framework which categorise risk based on our understanding of customer segments, equipment realisations and geographies. This helps us in evaluating and approving equipment financing proposals. As of June 30, 2018, and March 31, 2018, 2017 and 2016, our Gross NPAs to Earning Assets ratios were 2.99%, 1.84%, 2.48% and 2.95%, respectively while our Net NPAs to Earning Assets ratios were 2.41%, 1.30%, 1.76% and 1.99%, respectively.

We believe our approach to credit and equipment risk management is a key differentiator. Our processes are focussed on preserving equipment value and can be broadly classified as follows:

- Receivable Management: Assessment of receipt of all appropriate transaction documents, confirmation of security creation and delivery of the equipment.

- Relationship Management: Active follow-up and dialogue with a customer in case of a payment default or if there is a likelihood of such a default. For example, if a customer requires, we help in matching equipment financed by us to projects or jobs to allow efficient deployment of idle assets. Our relationship management team enables this process.

- Equipment Management: Ongoing assessment of the equipment's location, condition and steps required to ensure its safety or movement back to our stockyard. Assessment and maintenance of the re-possessed equipment's condition, upkeep and reconditioning of the equipment and facilitating options available for refinancing or resale.

- Legal Recourse: Assessment of legal recourse options are available to us if the security available is not sufficient, if the equipment's refinancing or resale will not suffice or if we have failed to repossess the equipment. We also seek legal recourse in circumstances of default, fraud and similar egregious circumstances.

While approving a disbursement, we focus on potential cash flows in the future from the proposed project rather than making a decision solely based on past cash flows or profit track record of the customer. We also use a range of quantitative as well as qualitative parameters as a part of the appraisal process to assess the extent of the underlying credit risk in a project. As of September 30, 2018, our credit underwriting and risk team included 50 professionals.

Strong parentage aided by an experienced Board and management team

We are a wholly-owned subsidiary of SIFL. SIFL is a well-established brand domestically in the infrastructure financing business. We believe this provides us with a significant competitive advantage, 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 customers in a comprehensive manner and access funds at competitive rates from a wide variety of market participants.

Our Board consists of five directors, two of whom are executive directors and the remaining three of whom are independent directors with banking and financial services expertise. Our executive directors bring extensive experience in equipment financing, lending, portfolio management, operational and managerial areas and have been with our Group for more than 27 years. Our senior management team comprises personnel with significant experience in the financial services sector and particularly in the financing industry. Our CEO and CFO have been with our Group for more than 20 years.

Our mid-level management team, which includes the heads of our business departments, has experience in the financial and leasing sectors. These employees lead the formulation and implementation of our business models and are instrumental in the sustainable development of our business and the improvement of our customer services and offerings.

We believe that the in-depth industry knowledge and commitment of our management and professionals at Board, senior and middle levels provide us with a distinct competitive advantage. We have been able to retain a majority of the members of our senior management.

Our Business Strategies

Our key strategic priorities are as follows:

Continue to maintain our strong market position through our end-to-end equipment lifecycle business model to leverage growth opportunities in the Indian equipment financing market

The enhanced focus of the GoI on the development of infrastructure creates a strategic opportunity for the equipment financing and leasing industry. Owing to the GoI's continued allocation to infrastructure projects, we believe that the Indian infrastructure equipment sales will continue to increase in turn ensuring the continued growth of the equipment financing industry.

According to Feedback's Report titled "Market Assessment of the Construction Mining & Allied Equipment (CME) Segment in India" dated July 10, 2018 Indian CME sector is expected to grow at a CAGR of 14-15% for the next three years to reach a volume of approximately 153,000 units in Fiscal 2021 from 101,900 units in Fiscal 2018 and at a CAGR of 19-20% by value to reach a value of ₹670 billion in Fiscal 2021. The disbursements in CME segment is expected to grow at a CAGR of 20-21% to reach a value of ₹660 billion in Fiscal 2021.

In healthcare, according to Feedback's Report titled "Medical Device Market in India" dated July 10, 2018, the medical equipment market in India is estimated to be ₹107.5 billion in Fiscal 2018 and projected to reach ₹193.4 billion in Fiscal 2021 at a CAGR of 22% during the three years period.

According to Feedback's Report titled "Market Assessment of the Construction Mining & Allied Equipment (CME) Segment in India" dated July 10, 2018, our market share in the Indian CME market was approximately 33% in Fiscal 2018. We believe that due to our experience in the CME vertical, our robust business model, equipment-centric risk model, our pan-India distribution network and our strong customer relationships supported by repeat business, we are well positioned to maintain our market leading position and to capitalise on the growth opportunities in the infrastructure sector generally. In addition, we believe our presence in diversified verticals also allows us to better manage our risk exposures across industry sectors and provides larger growth opportunities.

Enter into partnerships with new OEMs and vendors and expand in equipment categories and business verticals with attractive growth opportunities

In more than 27 years of our Group's operation, we believe we have developed long-term relationships with our customers by addressing their equipment lifecycle requirements. We intend to continue to leverage our experience in CME financing and expand our business by further developing and growing relatively new lines of business such as financing of certain CME equipment categories such as Tippers, Material Handling Equipment ("**MHE**"), and expanding certain verticals such as Used equipment (within CME), IT and allied equipment, Medical equipment, Farming equipment and Other assets.

To improve our market share and cater to the growing demand in these relatively newer verticals and equipment categories, we plan to enter into new partnerships with leading OEMs and vendors with whom we are looking to build new relationships. We will also continue to leverage our existing customer and OEM relationships in our target equipment categories and verticals. Some of the attractive growth opportunities in equipment categories and verticals that we intend to focus on include:

- Tippers: We intend to build market share in the multi-axle tipper equipment category, focussing on tipper trucks. Tippers form an integral part of earth moving equipment with excavators and together they are often a bundled requirement of customers.

- MHE: We aim to build our portfolio in MHE through focused coverage of our target equipment categories, including truck cranes, mobile cranes, crawler cranes, forklifts and reach stackers.

- Used equipment: We have been providing financing for used equipment to our Retail and SME customers. Used equipment financing is provided for a wide range of CME equipment. We aim to create a portfolio of attractive business and add to our existing customer base. This will also help us in enabling our existing customers to exit specific equipment and thereby delivering our holistic equipment lifecycle model. We also plan to partner with OEMs and dealers for financing refurbished assets.

- Spare parts: We have been providing spare parts financing to our customers as a part of our equipment life cycle strategy. We aim to strengthen our relationships with OEMs by increasing original spare part sales. This will also help in the upkeep of our funded equipment.

- Medical and allied equipment: With the classification of the healthcare sector as infrastructure for both diagnostic centres and hospitals (Source: RBI circular no. RBI/2013-14/378 DBOD.BP.BC.No.66 / 08.12.014 / 2013-14 dated November 25, 2013), we believe we have an opportunity to provide financing to such businesses for their medical equipment requirements.

- Other assets: We seek to acquire new customers and increase our market share in this segment to diversify our portfolio.

We aim to continue partnering with leading OEMs, improve market share and yield, and prudently manage our risk exposure. Through digitisation, we intend to improve our reach and Turn Around Time ("TAT"), making it seamless and user friendly for our customers while at the same time reinforcing our risk appraisal and risk management capabilities.

We are also considering entering into partnerships with banks for offering banking products (not offered directly by us due to regulatory restrictions) to give our customers a wider range of financial services. In addition, we will evaluate our offerings to customise our products to the geographically localised needs and demands of our customers and correspondingly refine our delivery capability in the relevant territories.

Endeavour to optimise 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 banking channels for products such as external commercial borrowings and retail debt instruments. Our specific strategies include:

- expanding financing channels through the issue of domestic non-convertible debentures;

- raising our profile in the international capital markets and establishing reliable overseas bond issue channels to support development of our business, following the strengthening of our capital base pursuant to the Offer;

- strengthening our cooperation with a range of Indian and global financial institutions and utilising more diversified financial instruments, such as export credit agency financing, tax structured financing and asset securitisation; and

- improving the management of our financing costs by closely monitoring and forecasting domestic and global interest rate trends.

We also intend to develop and maintain a liability base with an appropriate mix of equity and debt financing and to increase the proportion of long-term debt in our debt-financing portfolio, which we believe will enable us to further improve our credit ratings and result in a lower cost of funds.

Adopt newer technologies to achieve greater operational efficiency and advanced risk management processes

Our main technology endeavour is to connect equipment, customers, OEMs, SEPs and our human resources across an integrated technology platform. We intend to continue to invest in our technology to improve our operational efficiency and functionality, reduce errors and improve our productivity through well-defined processes and systems. As we continue to expand our geographic reach and scale of operations, we intend to further develop and integrate our technology to support growth and improve the quality of our services. We intend to continue to upgrade our existing technology systems with automated, digitised and other technology-enabled platforms and tools to strengthen our financing initiatives and derive greater operational cost and management efficiencies.

We have already digitised many of our process flows and will 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. We seek to provide a differentiated technology framework, enhancing convenience for our customers and reducing operational expenditure at our branches.

Certain key processes that we continue to digitalise include:

- CRM: We are developing an integrated information system designed to optimise customer interaction, manage customer relationships, provide insights for customer strategy development by analysing customer data and behaviour, and implementing customer-centric business processes.

- Digital Platform: We are developing a channel to connect stakeholders in our business (customers, dealers, vendors/OEMs, SEPs, employees, equipment and banks) by means of an online portal and mobile applications.

- Prescriptive Risk Management Tool: We are developing an analytics and Business Intelligence ("BI") tool to manage portfolio risk (both customer and equipment) by automating risk evaluation with data analytics and risk prognosis through algorithms.

- Cash Credit App: We are developing an application to manage our multiple cash credit lines with various banks, status (sanctioned limit, tied up limit, limit on hold), drawing limit management and daily account management. This application will ensure fund management with dynamic reporting to ensure effective utilisation of funds in a cost-efficient manner.

- Customer Portal/App: We have developed and will continue to upgrade our customer portal/app facilitates as a single channel for accessing account information, accessing document details, raise queries and post complaints by our customers. This portal serves as the digital gateway for our customer relationships and has a wide range of seamless service options. Through this portal, our customers can easily gain continuous access to a host of our services from their respective locations. Services offered by us include view and download features such as statement of accounts, view money receipts, amortisation schedule, loan agreement, interest certificates, money receipts, rental invoices, letters and notices. We also offer the option of online payment.

As our business and our organisation continue to grow, we intend to remain committed to technological and digital innovation to ensure our ability to respond to our increasingly competitive market and to proactively mitigate the risks we face. This will also help enable us to be more efficient and customer friendly.

Continue to build capability through skill development and training

We recognise that our business is largely dependent on skilled human resources. We aim to provide continuous functional, behavioural and technical training to our employees, including for reskilling and upskilling. We follow a blended approach to skill development by using e-learnings and offline workshops. Role-based training programmes have been devised for all customer-facing roles, including customer relationship managers, collection managers and branch heads. Key modules include credit appraisals, risk processes, operational risk, people management, customer relationship management, negotiations personal effectiveness and time management.

Leadership development activities have been carried out at various levels including emerging leaders, mid-managers and the senior leadership team. These efforts focus on building strategic, problem solving, scenario planning and people management skills. We are also running a development centre with an independent third party to perform organisational diagnosis assessment, mapping of a leadership competency framework and individual assessments based on the respective employee's development plan.

We will continue to monitor and reward employee performance and take a proactive approach towards 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 from banks and NBFCs with expertise in credit collection, risk management, treasury, technology and marketing, and we will continue to capitalise on our strengths in the area of recruiting and retention.

We believe that over the last few decades of our Group's operations we have been able to foster a professional entrepreneurial culture that enables our employees to make better business and customer relationship decisions. We intend to continue this approach, reinforced through continuous employee development and training programmes. We will also consider movement of our talented employees across other business verticals and functions to increase their exposure and skill levels and maintain our reputation as a dynamic employer focussed on employee career development.

Products

Our financing products comprise loans and leases.

Loans

We are engaged in lending for the purchase of equipment in the CME (including Used equipment), Tippers, IT and allied equipment, Medical and allied equipment, Farm equipment and Other assets verticals. Our loans have varying tenors depending on the business vertical. Typically, we take security in the form of a charge on the equipment we have financed. For the three months ended June 30, 2018, our total loans disbursed amounted to ₹37,578.60 million, which represented 92.54% of our total disbursements as of this date.

Leases

We are also engaged in providing equipment on leases as and when required by our customers across our business verticals. The term of our lease agreements with customers typically range from four to eight years. For the three months ended June 30, 2018, assets given on lease amounted to ₹3,028.48 million, which represented 7.46% of our total disbursements as of this date.

The following table sets forth certain key financial and operational information for the periods indicated:

Particular	Three months ended June 30, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016
Disbursements(1) (₹ in million)	40,607.08	169,895.70	117,148.76	91,588.78
AUM(2) (₹ in million)	316,809.40	300,727.70	212,318.10	185,977.80
Total Borrowings(3) (₹ in million)	203,031.30	188,193.00	129,318.40	118,537.10
Net Interest Income(4) (₹ in million)	3,158.50	11,098.90	7,960.00	8,671.00

Particular	Three months ended June 30, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016
PAT[5] (₹ in million)	909.80	2,634.90	1,488.40	1,152.60
Net Interest Margin [6] (%)	5.17	5.44	4.92	5.53
Return on Average Earning Assets[7] (%)	1.49	1.29	0.92	0.73
Return on Average Net Worth[8] (%)	13.25	10.20	6.22	5.09
Gross NPAs/Earning Assets[9] (%)	2.99	1.84	2.48	2.95
Net NPAs/Earning Assets[10] (%)	2.41	1.30	1.76	1.99
CRAR (%)	15.22	15.94	18.66	19.62

Figures disclosed in the above table, except "Total Borrowings" and "PAT" are not measures of financial position, financial performance or cash flows defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

Note:
[1]Disbursements represent the aggregate of loans and leases (both operating & finance lease) extended to our customers for the relevant year/period.
[2]AUM as of the last day of the relevant year/period represents aggregate of Total Assets and assets derecognised by way of securitisation and assignment of receivables outstanding as of the last day of the relevant year/period as per the Reformatted Financial Information.
[3]Total Borrowings as of the last day of the relevant year/period represents aggregate of Long-Term Borrowings (including Current Maturities of Long-Term Borrowings) and Short-Term Borrowings as per the Reformatted Financial Information.
[4]Net Interest Income represents Revenue from operations in the relevant year/period as reduced by Finance costs, Depreciation, amortisation and impairment expenses on Assets given on Operating lease and Assets for Own Use (Plant and Machinery), Brokerage and service charges and (Profit)/loss on sale of fixed assets (net) in such year/period as per the Reformatted Financial Information.
[5]PAT represents PAT for the relevant year/period as per the Reformatted Financial Information.
[6]Net Interest Margin (%) represents Net Interest Income for the relevant year/period as a percentage of Average Earning Assets for such year/period.
[7]Return on Average Earning Assets (%) is calculated as PAT for the relevant year/period as a percentage of Average Earning Assets for such year/period. Return on Average Earning Assets has been annualised for June 30, 2018.
[8]Return on Average Net Worth (%) is calculated as PAT for the relevant year/period as a percentage of Average Net Worth for such year/period. Return of Average NetWorth has been annualised for June 30, 2018.
[9]Gross NPAs/Earning Assets(%) represents Gross NPAs as of the last day of the relevant year/period as a percentage of Earning Assets as of the last day of the relevant year/period.
[10]Net NPAs/Earning Assets(%) represents Net NPAs as of the last day of the relevant year/period as a percentage of Earning Assets as of the last day of the relevant year/period.

Our presence

As of September 30, 2018, we were present in 21 states through 90 branches, four offices including our head office in Kolkata, and 77 satellite locations across India. Our regional presence is illustrated below:

Zone	Number of Branches	Disbursements as of June 30, 2018 (%)
North	21	22.66%
East	22	24.18%
West	18	27.87%
South	29	25.29%
Total	**90**	**100.00**

Our Business Verticals

Business Vertical					
CME (including used equipment)	**Tippers**	**IT and allied equipment**	**Medical and allied equipment**	**Farm equipment**	**Other assets**
(Finance/lease for procurement of infrastructure equipment including used CME)	(Finance/lease for procurement of tipper trucks)	(Finance/lease for purchase of hardware, software and office equipment)	(Finance/lease for major medical equipment)	(Finance for purchase of major agricultural and farming equipment)	(Finance/lease of industrial and other non-CME equipment)

Some of the equipment categories in these verticals are:

Vertical	Equipment Category
CME (including used equipment)	Earthmoving, material handling, concreting, road, material preparation and mining, backhoe loaders, excavators, cranes, forklifts and reach-stackers, crusher, motor graders and transit mixers
Tippers	Tipper trucks
IT and allied equipment	Hardware/ software
Medical and allied equipment	Medical equipment
Farm equipment	Tractors and harvesters
Other assets	Industrial, renewable energy equipment and real estate

Our Disbursements across various verticals in recent fiscals/period are set out below:

(₹ in million, except for percentages)

Vertical	Three months ended June 30, 2018		Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Disbursement	(%)	Disbursement	(%)	Disbursement	(%)	Disbursement	(%)
CME (including used equipment)	28,307.62	69.71%	123,545.74	72.72%	91,590.02	78.18%	68,781.16	75.10%
Tippers	6,563.50	16.16%	18,127.36	10.67%	10,215.63	8.72%	8,182.46	8.93%
IT and allied equipment	3,643.96	8.98%	11,910.52	7.01%	6,479.26	5.53%	5,879.90	6.42%
Medical and allied equipment	354.76	0.87%	1,174.90	0.69%	1,616.96	1.38%	1,435.59	1.57%
Farm equipment	1,561.37	3.85%	2,638.18	1.55%	2,710.96	2.32%	2,279.79	2.49%
Other assets	175.87	0.43%	12,499.00	7.36%	4,535.93	3.87%	5,029.88	5.49%
Total	**40,607.08**	**100.00%**	**169,895.70**	**100.00%**	**117,148.76**	**100.00%**	**91,588.78**	**100.00%**

As of September 30, 2018, we had over 68,000 current customers across various verticals and markets. Our Revenue from Operations across various verticals in recent fiscals/period are set out below:

(₹ in million, except for percentage)

Vertical	Three months ended June 30, 2018		Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Revenue from operations	(%)	Revenue from operations	(%)	Revenue from operations	(%)	Revenue from operations	(%)
CME (including used equipment)	7,085.90	72.55%	23,989.30	72.49%	18,756.40	75.23%	21,640.14	82.79%
Tippers	1,058.19	10.83%	3,740.66	11.30%	2,188.69	8.78%	1,638.30	6.27%
IT and allied equipment	596.64	6.11%	1,767.76	5.34%	1,388.75	5.57%	1,227.22	4.69%
Medical and allied equipment	79.19	0.81%	271.67	0.82%	276.14	1.11%	244.78	0.94%
Farm equipment	117.45	1.20%	849.44	2.57%	612.12	2.45%	610.47	2.33%
Other assets	830.13	8.50%	2,476.57	7.48%	1,711.20	6.86%	777.89	2.98%
Total	**9,767.50**	**100.00%**	**33,095.40**	**100.00%**	**24,933.30**	**100.00**	**26,138.80**	**100.00%**

Our Gross Earning Assets across various verticals in recent fiscals/period are set out below:

(₹ in million, except for percentages)

Vertical	Three months ended June 30, 2018		Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Gross Earning Assets	(%)	Gross Earning Assets	(%)	Gross Earning Assets	(%)	Gross Earning Assets	(%)
CME (including used equipment)	231,136.52	74.72%	220,780.85	75.09%	161,282.45	77.00%	150,502.04	81.95%
Tippers	30,671.15	9.91%	26,483.64	9.01%	15,951.64	7.61%	11,394.80	6.20%
IT and allied equipment	16,008.62	5.17%	14,141.20	4.81%	9,192.93	4.39%	7,190.47	3.92%
Medical and allied equipment	3,164.08	1.02%	2,987.09	1.01%	2,808.20	1.34%	2,438.74	1.33%
Farm equipment	6,391.75	2.07%	5,485.55	1.86%	4,894.48	2.34%	3,703.79	2.02%
Other assets	21,983.68	7.11%	24,159.17	8.22%	15,329.80	7.32%	8,412.86	4.58%
Total	**309,355.80**	**100.00%**	**294,037.50**	**100.00%**	**209,459.50**	**100.00%**	**183,642.70**	**100.00%**

CME

We are principally engaged in the business of providing financing for the purchase of infrastructure equipment that is used in the construction, roads, mining, railways, port and other infrastructure sectors. We provide financing for a wide range of CME including earthmoving equipment, MHE, road construction equipment, concreting equipment and material preparation equipment. We also provide leasing solutions to our customers. We have partnered with leading domestic and international OEMs, including JCB, Tata Hitachi, Hyundai, Komatsu, Escorts, Sany and Volvo.

The tenor of a CME loan typically varies between 36 and 45 months. We typically create a charge on the relevant equipment in our favour as security for the loan. For the three months ended June 30, 2018, our total disbursements in the CME vertical were ₹28,307.62 million, which accounted for 69.71% of our total disbursements for this period.

Used equipment

In this sub-vertical, we provide financing for a wide range of used CME to various Retail and SME customers. The tenor of the loan provided to the customers in this vertical typically varies between 30 to 35 months. We create a charge on the equipment in our favour as security for the loan.

Tippers

In this vertical, we provide financing for all segments of our customers. The tenor of the loan provided to the customers in this vertical typically varies between 35 to 42 months. We create a charge on the equipment in our favour as security for the loan. Our OEM partners in this vertical include Tata Motors, Volvo and Bharat Benz (DICVPL). For the three months ended June 30, 2018, our total disbursements in this vertical were ₹6,563.50 million, which accounted for 16.16% of our total disbursements for this period.

IT and allied equipment

In this vertical, we principally provide financing for the purchase of hardware and software including laptops, servers, scanners, printers and communication equipment (routers, network hubs and modems) to cater to the needs of various institutional and corporate customers. In addition, we also offer financing for the associated implementation costs for the equipment. The tenor of the loan in this vertical typically varies between 50 and 60 months. We also provide leasing solution to our customers in this vertical. For the three months ended June 30, 2018, our total disbursements in this vertical were ₹3,643.96 million, which accounted for 8.98% of our total disbursements for this period.

Farm equipment

In this vertical, we provide financing for a range of agriculture, farming and allied equipment, including tractors, which are used for sowing, tilling, irrigation and for other agricultural purposes. Our customers in this vertical include contract farmers and tractor owners. Our OEM partners in this vertical include International Tractors. The tenor of the loan provided to the customers in this vertical typically varies between 45 to 55 months. We create a charge on the related agriculture and farming equipment in our favour as security for the loan. For the three months ended June 30, 2018, our total disbursements in this vertical were ₹1,561.37 million, which accounted for 3.85% of our total disbursements for this period.

Medical and allied equipment

In this vertical, we provide financing for the purchase of diagnostics and surgical equipment, including x- ray machines, sonography equipment, CT and MRI scanners. Our typical customers in this vertical range from large hospitals to standalone diagnostic centres in Tier-I and Tier-II cities in India. The tenor of the loan provided to the customers in this vertical typically varies between 50 to 60 months. We create a charge on the related healthcare equipment in our favour as security for the loan. We also provide leasing solution to our customers in this vertical. For the three months ended June 30, 2018, our total disbursements in this vertical were ₹354.76 million, which accounted for 0.87% of our total disbursements for this period.

Other assets

In this vertical, we primarily provide financing and leasing solutions for a wide range of productive and income generating non-CME assets comprising industrial and other assets. These include industrial assets, renewable energy assets and real estate assets. Our exposures on these assets are arrived at after evaluating the customer's credentials and business, along with an in-depth analysis of the asset. Our extensive knowledge in the CME vertical helps us to expand into non-CME assets to acquire new customers and is part of our strategy to reduce our present concentration on CME assets. The tenor of the loan or lease provided to the customers in this vertical varies depending on the asset or the business. We create a charge on the related asset in our favour as security for repayment of the loan or take ownership of the asset and provide it on lease. For the three months ended June 30, 2018, our total disbursements in this vertical were ₹175.87 million, which accounted for 0.43% of our total disbursements for this period.

Our Operations

Our business operations include the following four major sections:

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

Customer origination and relationship

Our team of customer relationship managers, SEPs network, vendor relationships and referrals from existing customers facilitate our customer origination efforts.

Customer Base

Our customer base includes Retail, SME and Strategic customers. These five customer segments are classified as: (i) Retail segment, where the aggregate exposure on the customer does not exceed approximately ₹ 10 million; (ii) SME segment, where the aggregate exposure on the customer does not exceed approximately ₹ 50 million and (v) Strategic segment (including institutional and corporate customers), where the aggregate exposure on the customers is above 50 million. Our customer base also consists of lessee customers who use assets or equipment owned by us under lease agreements.

Our approach to the financing market is to build relationships directly with the customers, dealers and OEMs of construction machinery and equipment. Our aim is to generate repeat business and widen our business opportunities in the addressable market.

Our customers usually provide 10% to 20% margin on CME and Tippers financing, 10% to 15% margin on IT and allied equipment financing, 10% to 20% on medical and allied equipment financing, 30% to 40% on Farm equipment financing and 20% to 30% on used equipment financing. Our loans are typically secured by a hypothecation of or charge on the equipment financed and in certain cases supported by collateral.

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

Partnership with OEMs

We have also expanded our distribution and marketing network by entering into memoranda of understanding with OEMs in order to become preferred financiers for their customers. As of September 30, 2018, we had entered into arrangements with 270 Indian and multinational OEMs across various business segments, including CME, Tippers, IT and allied equipment, Medical and allied equipment, Farm equipment and used equipment. Please see "*Strong partnership with OEMs and SEPs with access to diversified and cost-effective funding sources*" above for some of our key OEM partners in various verticals.

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 organise a Dutch auction for interest rates, in several major states in India, from time to time, and launch seasonal marketing schemes. Some of our other major marketing

schemes include “Srei Partnership Week”, “Asset Power” and “Money Power” and we involve OEMs to jointly create financing and leasing solutions with a distinctive customer proposition.
These marketing schemes and events enable us to develop and sustain relationships with repeat customers and provide us with opportunities to generate new business. They also provide us a platform to increase our brand awareness, aid in increasing customer loyalty and customer referrals and enable us to promote our financing and leasing solutions.

Branding/ Advertising

We believe our brand is well recognised in India given its association with the brand of our promoter SIFL and our own brand promotion efforts. We have launched various publicity campaigns through print and other media to create awareness of our product features, including our efficient loan approval process. We also participate in trade shows and industry events. We believe that our emphasis on brand promotion is an important aspect of our business performance.

Customer Evaluation and Credit Appraisal

Customer Evaluation

We follow stringent procedures to evaluate the creditworthiness of our potential borrowers and classify such customers into three segments, Retail, SME and Strategic. Once the customer is identified, our customer relationship manager gathers basic information regarding the customer and submits an initial report after due diligence and completes customer KYC procedures. The customer relationship manager also performs a first level of credit evaluation.

While carrying out the evaluation of the customer proposal, the customer relationship manager focuses on the:

i. Customer – creditworthiness and track record
ii. Equipment – quality and saleability (if repossessed)
iii. Cash flow – which the equipment would generate and availability of subsequent funds in the hands of customer
iv. Geography – location of the customers and areas where business is restricted us.

Credit Appraisal and Approval

Our credit appraisal process consists of the customer profile analysis, equipment evaluation, risk mitigants, profitability measurement, exit evaluation, purchase terms and conditions, due diligence and approval.

Our credit policy is in conformity with our corporate business plan emphasising suitable risk-return evaluation. We carry out credit appraisal of every application as per our organisational and credit policies and the credit assessment and evaluation is conducted in accordance with our Company’s terms and conditions. We have implemented certain benchmark parameters for monitoring the health of individual accounts. We provide approvals based on risk analysis, desirable terms and adequate due diligence. We also appraise whether credit proposals comply with regulatory guidelines and norms issued by regulatory authorities such as the RBI. We have a detailed credit analysis procedure based on information furnished by the applicant or customer including personal details, financial statements, facility proposed to be extended and publicly available information such as credit histories. Our marketing and sales team(s) facilitate in preparing a Credit Appraisal Memorandum (“**CAM**”), comprising credit appraisal, due diligence and credit approval information of our customers.

Equipment Evaluation

We conduct equipment evaluation taking into consideration the type of equipment and perform certain tests to analyse the equipment quality and title. In order to mitigate risk, we have set margins for different equipment that seek to cover the entire residual risk in the event of customer default.

Environmental and Social Risk Evaluation

Environmental and Social Management System (“**ESMS**”) is an integral part of our credit and risk management practices. The main purpose of the ESMS practice is to control and mitigate Environmental and Social (“**E&S**”) risks in equipment financing and leasing business and adopt appropriate action plans against the identified E&S

risks, if any, which are irreversible in nature. Since we are a subsidiary of SIFL, we are guided by the existing ESMS policy of SIFL.

Due Diligence

We have laid down a robust framework for carrying out due diligence on customers in our Retail, SME and Strategic segments. Our due diligence procedure consists of the following levels:

i. validation of documentation and proposal;
ii. vetting terms and conditions; and
iii. ensuring compliance with the credit policy.

Credit Approval Authority and Process

On an organisational level we have a formal and detailed credit policy and 'Delegation of Authority' (DOA) which is reviewed and revised periodically and approved by the Credit and Investment Committee, a Board level committee We have adopted a credit approval process based upon several factors such as customer credit worthiness, equipment quality, equipment deployment, collateral quality, cash flow analysis to assess repayment capacity and stress test and scenario analysis on a conservative basis. Our credit department generally assigns different lending limits to different borrowers. Each credit proposal needs to meet several parameters and fulfil the conditions stipulated in our credit policies.

We follow stringent 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 a sound credit management system, dealing with various areas of credit risk that cover the entire chain of credit origination, credit processing, credit enhancement, credit decision, credit delivery, credit management and maintaining credit risk exposures. Our credit policy and strategy is periodically reviewed by our board level Committee ("**Credit and Investment Committee**"), depending upon various factors including pre-defined credit schedules, market dynamics, portfolio analysis and the business environment.

Approval and Disbursements

Approval Process

Approval of a loan proposal is based upon factors such as the competitive business scenario, our business growth objectives, existing risk covenants in the proposal, compliance with our credit policy, the proposal satisfying all the set benchmarks, income sources, guarantees provided as well as the valuation of the asset to be secured for the loan. Our approval process consists of several stages, namely, recommending and sanctioning, preparing pre-disbursement checklist for compliance and communicating to the customers. Approval is generally accorded to our Retail customers and SMEs after approval from our branch credit quality manager, whereas approval to our Large and Strategic customers is accorded once the credit approving authority or the Credit and Investment Committee approves the credit facility. Apart from the Credit and Investment Committee, we also have a mechanism for consideration and approval of credit proposals of lower amounts based on the quantum of the credit facility applied for.

In addition, our branch credit quality management team further checks and confirms 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 approval to the relevant customers apart from our welcome calling process.

Disbursements

The objective of this process is to ensure that the financing contract is accurately booked in our systems. In this stage, the contract is booked in the system based on the details received from the customer relationship manager. We ensure that KYC documents and the applicant's acceptance of all terms and conditions of the loan have been completed. Margin money and other charges are collected prior to loan disbursement. Disbursement activity is carried out by our contract booking officers. Contract booking activity takes place after carrying out necessary quality assessment checks on the basis of customer files, authorised compliance notes and statements of account.

Loan administration and monitoring

Each borrower is provided with the loan repayment schedule along with a copy of the executed loan document. Repayments are made based on the loan terms and conditions. We monitor the repayment schedule on a regular basis. A centralised team regularly provides the payment record of each borrower to enable better monitoring of the loan.

All borrower accounts are reviewed and monitored on a continuous basis, with a higher frequency for the larger exposures and delinquent borrowers. Close monitoring of debt servicing efficiency enables us to maintain better recovery ratios.

Our customer relationship managers in conjunction with our collection managers are responsible for day-to-day collection of instalments from the respective customers. The relationship and collection managers review collections regularly using their hand-held devices and are in constant contact with the borrowers.

Collection and recovery

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

Our branch and regional level recovery teams are responsible for the collection and recovery of equipment when payment is overdue in a particular account. Our standard procedures include telephone calls a few days prior to the payment due date to remind our customers.

Our recovery team initiates the process of collection by analysing certain factors including criticality of the account, nature of the account, circumstances under which the default has occurred such as wilful default, default due to financial problems of the customer, age of the equipment and collateral from the customer. Our regional recovery head allocates the accounts of the defaulting customers 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 Retail, SMEs and Strategic customers, as follows:

a) Retail and SME customers

   The collection period commences from the day the payment becomes due. In the event of a default by a Retail or SME customer, our customer relationship manager approaches the customer to arrive at payment solutions by assisting in deployment, maintenance or facilitating customers' outstanding payment. If no solution is agreed, our recovery officer is required to visit the assets and assess the safety and security of the equipment. In the event of delay in payment beyond 30 days, our collection officer initiates appropriate legal action, including arbitration, subject to receiving an approval as per our 'Delegation of Authority' policy. While considering the option of equipment recovery, our collection officer also assesses the customers' ability to repay their loans. Equipment repossession is only considered if the customers are not able to repay their outstanding dues within 60 days of the due date for repayment and after issue of a final request letter.

b) Strategic customers and customers in the IT and allied equipment and Medical and allied equipment verticals

   An internal receivable management committee manages strategic accounts as these accounts are relatively larger exposures to our Company. Our customer relationship managers in strategic accounts monitor the customer's financial condition and track any potential stress situations that such customers may face including situations such as possible environmental issues, closure of mines, new government regulations and policies and political uncertainties which may have an adverse impact on their business and operations. In case of overdue payment by a Strategic customer, the customer relationship manager and the recovery head at the relevant zone initiate a discussion with the customer to ascertain the reason of non-payment of the dues. Our customer relationship manager along with the zonal recovery head analyse the project status and suggest remedial actions to the customer depending upon the crisis level.

In addition, site inspections are also conducted on a regular basis. Reminder letters, demand notices, legal action including arbitration and other actions are taken with these customers on a case by case basis after prior internal consultation. Timeline for initiating a legal action may vary depending on the criticality of the transaction and customer cooperation level.

Repossession and resale of equipment

Our head of strategic collection and the zonal head in consultation with the central ARM are responsible for repossession decision. We undertake repossession: (a) internally, through our Company in case of straight forward repossession, (b) through external repossession agents in case the equipment is not easily available or located, or (c) through legal action in accordance with the contractual terms and conditions. We use a variety of technological tools available to us to track the equipment financed by us.

We follow a procedure of release or resale of equipment after repossession. In the event of repossession, the equipment may be released back to the customer when overdue amounts along with all other charges have been collected or a settlement has been mutually agreed as per the approval process.

Alternatively, if we are unable to recover overdue amounts, we generally conduct a resale of the repossessed equipment which is carried out by our equipment management team working with empanelled auctioneers. Our equipment managers and yard managers located in the respective stockyards performs upkeep and maintenance of such repossessed equipment at stockyards. A pre-sale notice is sent to the customer specifying the outstanding amount to be paid within a certain period, failure of which may cause the repossessed equipment to be sold. Our sale process consists of sourcing prospective buyers, finalising the buyers and receiving payments upon sale of the equipment. However, the sale process may be terminated if the customer timely 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 regulations of the RBI. The RBI has classified us as an Asset Finance Company – Non-Deposit Taking under Section 45-IA of the RBI Act.

Pursuant to the NBFC-ND-SI Directions, we are required to advance the classifications of certain overdue assets as NPAs in a phased manner. For example, assets (other than lease-rental and hire purchase assets) will be required to be classified as NPAs if they remain overdue for five months in the financial year ended March 31, 2016, four months in the financial year ended March 31, 2017 and three months in the financial year ending March 31, 2018. Further, our assets are classified as follows:

Category of Assets	Definition
Standard Assets	assets in respect of which no defaults in repayment of principal or payment of interest is perceived and that do not display any problems or do not carry more than the normal risk attached to the business.
Sub-standard Assets	a) an asset which has been classified as non-performing for a period of not exceeding 18 months, provided that such period 'not exceeding 18 months' shall be 'not exceeding 16 months' for the financial year ended March 31, 2016, 'not exceeding 14 months' for the financial year ended March 31, 2017 and '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, rescheduled or restructured after the commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated, rescheduled or restructured terms, provided that the classification of infrastructure loan as a sub-standard asset shall be in accordance with the provisions of Paragraph 24 of the Master Directions.
Doubtful Assets	a term loan, a lease asset, a hire purchase asset or any other assets which remain 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 ended March 31,

Category of Assets	Definition
	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 an NBFC or its internal or external auditor or by the RBI during the inspection of sthe NBFC, to the extent it is not written off by the NBFC; 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.

Set out below is our zone-wise Gross NPAs as of the dates indicated:

(₹ in million)

Zone	As of June 30,	As of March 31,		
	2018	2018	2017	2016
North	1,433.59	1,413.95	1,668.02	1,112.53
East	1,696.70	1,568.31	860.32	1,676.12
South	1,056.07	948.20	942.30	843.55
West	3,295.64	450.14	727.96	911.80
Total Gross NPAs	**7,482.00**	**4,380.60**	**4,198.60**	**4,544.00**

(% of Gross NPAs)

Zone	As of June 30,	As of March 31,		
	2018	2018	2017	2016
North	19.16%	32.28%	39.73%	24.48%
East	22.68%	35.80%	20.49%	36.89%
South	14.11%	21.64%	22.44%	18.56%
West	44.05%	10.28%	17.34%	20.07%
Total Gross NPAs	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Provisioning and Write-off Policies

Our Company classifies its loans into performing and NPAs based on the number of days – principal or interest remains past due in accordance with the RBI guidelines. Our Company recognises provisions for the NPAs and standard assets in accordance with the applicable guidelines issued by the RBI. Our Company also makes additional provisions for NPAs based on the management's best estimate, which as per the management are not likely to be recovered.

Loan contracts, which, as per the management, are not likely to be recovered, are considered as bad debts written-off. Losses on repossessed assets or on assets/receivables acquired in satisfaction of debts are written-off as bad debts. Recoveries made from previously written off assets are netted from bad-debts written-off.

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 unsecured subordinated redeemable non-convertible debentures, secured redeemable non-convertible debentures, subordinated loans, term loans (Rupee loans and foreign currency loans) from banks and financial institutions, external commercial borrowings, working capital facilities and commercial papers. We decide on the mode of borrowings based on our asset liability position from time to time.

Securitisation and Assignment of Receivables

We also undertake securitisation 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 securitisation transactions as well as direct assignment. Our securitisation transactions involve provision of additional collateral and deposits. As a percentage of our Gross Earning Assets these transactions represent 19.09% and 18.95% as of June 30, 2018 and March 31, 2018, respectively.

The following table sets forth our securitisation and assignment of receivables as of the dates indicated:

(₹ in million, except for percentages)

Particulars	As of June 30,	As of March 31,		
	2018	2018	2017	2016
Securitisation of receivables(1)	15,543.20	12,791.70	10,026.90	6,629.10
Assignment of receivables(2)	43,515.10	42,919.60	29,989.20	22,727.40
Total securitisation and assignment of receivables outstanding(3)	59,058.30	55,711.30	40,016.10	29,356.50
Gross Earning Assets(4)	309,355.80	294,037.50	209,459.50	183,642.70
Securitisation and assignment of receivables outstanding/ Gross Earning Assets (5) (%)	19.09%	18.95	19.10	15.99

Note:
[1]*Securitisation of receivables as of the last day of the relevant year/period represents assets derecognised by way of securitisation of receivables outstanding as of the last day of the relevant year/period as per the Reformatted Financial Information.*
[2]*Assignment of receivables as of the last day of the relevant year/period represents assets derecognised by way of assignment of receivables outstanding as of the last day of the relevant year/period as per the Reformatted Financial Information.*
[3]*Total securitisation and assignment of receivables outstanding as of the last day of the relevant year/period represents aggregate of securitisation and assignment of receivables outstanding as of the last day of the relevant year/period.*
[4]*Gross Earning Assets as of the last day of the relevant year/period represents the aggregate of Earning Assets and assets derecognised by way of securitisation and assignment of receivables outstanding as of the last day of the relevant year/period as per the Reformatted Financial Information.*
[5]*Securitisation and assignment of receivables outstanding/ Gross Earning Assets (%) for a relevant year/period represent Securitisation and assignment of receivables outstanding for the relevant year/period as a percentage of Gross Earning Assets for such year/period.*

Treasury Operations

The following table sets forth our borrowing break-ups as of the dates indicated:

(₹ in million)

Particulars	As of June 30,	As of March 31,		
	2018	2018	2017	2016
Long Term Borrowings (including Current Maturities)	87,151.30	75,879.30	53,976.80	42,222.20
Short Term Borrowings	115,880.00	112,313.70	75,341.60	76,314.90
Total Borrowings	203,031.30	188,193.00	129,318.40	118,537.10

Particulars	As at Sept 30, 2018[@]
Debt Securities	13,760.30
Borrowing other than debt securities	191,786.60
Subordinated liabilities	17,083.50

[@] *As per Unaudited Interim Financial Results*

Our treasury performs the functions of procurement, disbursement and collection and disposal of funds and manages our investment and funding activities. The responsibilities of the treasury department include borrowing and underlying research; securitisation, 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 market risks. Our treasury department ensures the availability of funds in a timely manner to disburse loans and manages the mismatch in the time period of repayment to our financiers and repayments from our borrowers. They further seek to mitigate the impact of varying interest rates on our business and operations. Our treasury department also seeks to curb 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 asset liability management requirements. The objective is to ensure the smooth functioning of all our branches and at the same time avoid the holding of excessive cash. We maintain a balance between interest-earning liquid assets and cash to optimise 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 from time to time by our 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% (Tier-I Capital minimum 10%), as prescribed under the NBFC-ND-SI Directions, 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 June 30, 2018, our capital adequacy ratio was 15.22%, which was higher than 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:

Particulars	As of June 30,	As of March 31,		
	2018	2018	2017	2016
Tier I Capital (as a Percentage of Total Risk Weighted Assets)	10.43%	10.68%	13.71%	14.65%
Tier II Capital (as a Percentage of Total Risk Weighted Assets)	4.79%	5.26 %	4.95%	4.97%
Total Capital (as a Percentage of Total Risk Weighted Assets)	15.22%	15.94%	18.66%	19.62%

Particulars	As of September 30, 2018
Tier I Capital (as a Percentage of Total Risk Weighted Assets)	10.00%
Tier II Capital (as a Percentage of Total Risk Weighted Assets)	5.20%
Total Capital (as a Percentage of Total Risk Weighted Assets)	15.20%

Risk Management

We have developed a robust 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 evaluates 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 are summarised below:

Interest Rate Risk

Interest rate risk is the risk of changes in market interest rates that 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. For instance, if our fixed rate liabilities mature prior to our fixed rate assets in an increasing interest rate environment, we will be required to incur additional liabilities at a higher interest rate. We also face risk when we lend at fixed rates but pay floating rates in respect of our funding sources. Assets and liabilities are categorised into the periods when they mature and having regard to available re-pricing alternatives at the relevant time(s). We pay continuous attention to ensuring any mismatch in assets and liabilities in the relevant time period is kept to the minimum possible in line with guidelines prescribed by the RBI. Further, we also face re-pricing risk, such as where there is an adverse mismatch between the re-pricing terms of our loan assets and our loan liabilities.

While any change in the interest rates could affect our revenue from operation on our interest bearing advances and our finance costs on floating interest bearing borrowings, we mitigate this change by maintaining similar ratios of floating interest bearing advances to total advances and floating interest bearing borrowings to total borrowings.

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. We seek to minimise liquidity risk through a mix of strategies based on regulatory guidelines, including those issued by the RBI.

Credit risk

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

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. We assign personal responsibility to our customer relationship managers for the timely recovery of the loans they originate, closely monitoring their performance against our Company's standards, and we maintain client and product- wise exposure limits.

Portfolio Risk

Portfolio risks are those risks that occur from the concentration of exposure by sector, customer, geographic region and equipment category. We minimise such risks by conducting checks at regular intervals through our risk managers who help in identifying any early warning signals and enable us to take pre-emptive steps. The portfolio risks analysis covers several areas including approver-wise delinquency rates, deviation reports, sale of repossessed equipment, potential loss analysis and collection efficiency.

Cash management risk

Lack of proper monitoring of cash outflow and inflow can lead to losses. Our branches collect and deposit our customer's payments in cash. Our collection field is also equipped with handheld devices which enable real-time collection monitoring. To mitigate the risk arising from cash collection, we have implemented various checks and balances at different levels. Out internal audit team conducts the audit of our branches and reconciles money receipts being issued against cash collection at regular intervals.

Competition

We face significant competition from banks and other NBFCs as well as local moneylenders in rural areas. Some of our key competitors include:

Business vertical	**Key Competitors**
CME	HDFC Bank, ICICI Bank, Tata Capital, HDB Financial Services, IndusInd Bank
Tippers	Hinduja Leyland Finance, Tata Motors Finance, Shriram Transport Finance
IT and allied equipment	Cisco Capital, HP Financial Services, IBM Global Financing, Dell Financial and Tata Capital
Medical and allied equipment	Siemens Financial Services, Aion Capital, SBI, ICICI Bank, Dena Bank, Yes Bank and Reliance Capital
Farm equipment	Mahindra & Mahindra Financial Services, L&T Finance and Shriram Transport Finance, HDB Financial Services

Human Resources

We have an experienced, qualified and committed management team. Many of our employees, particularly senior management, have been associated with us for several years. As of September 30, 2018, we had over 2090 full time employees. We emphasise the need to continuously upgrade the skills of our employees and update them on the latest sectoral developments and industry practices through continuous training initiatives. Timely feedback drives our performance-driven work culture. We have initiated leadership development activities with an independent third party to perform organisational diagnosis assessment, mapping of a leadership competency framework, and individual assessments based on the respective employee's development plan. Further, our incentives and compensation policies reward our employees based on their performance, skills and potential.

In a business, where personal relationships are an important driver of growth, employee attrition may lead to loss of business. We therefore endeavour to build common values and goals throughout our organisation and aim to provide a performance-based career path for our employees.

Information Technology

Information Technology ("IT") has emerged as a key business enabler for us and is playing an important role in improving our overall productivity, customer service and managing risks. Our IT strategy is aligned to integrate our business, organisational capability, customer service and risk management and governance. We have stable, secure and robust IT infrastructure and applications supporting our business and strategic initiatives. Our data centre has received ISO 27001 certification in Information Security Management System (effective date October 30, 2015 and valid until September 29, 2018). All our branches are networked with our central servers at our data centres.

Our business operates on a stable core applications platform comprising of ERP systems for financial and human resource management and several business applications for our financing 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 efficiently meet stakeholder requirements. As we 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.

Intellectual Property

As on the date of this Prospectus, we have made not any applications for registration of any trademarks. However, we use the "Srei" trademark, which is owned by AIPL, pursuant to the Assignment Agreement (defined hereafter). For details, see "***Risk Factors***" and "***History and Main Objects***" on page nos. 21 and 150, respectively.

Insurance

We maintain insurance policies that we believe are customary for companies operating in our industry. Our principal types of coverage include insurance for burglary, cyber risk, group personal accident, group health insurance, group life insurance, fidelity policy, office package policy, directors' and officers' liability insurance, transit, and fire and special perils insurance for our repossessed assets. We believe that our insurance policies are commensurate with our business needs. However, our insurance coverage may not be sufficient to cover all losses.

Property

As of September 30, 2018, we owned the following properties:

Location	Address	Use	Leasehold/ Freehold
Goa	#201, 2nd Floor, Shiv Towers, Plot No 14, Patto Plaza, Panjim, Goa	Branch office	Freehold
Chennai	Door no. 151, Peter Road, Chennai, Tamil Nadu	Branch office	Freehold
Howrah	234/A, G.T. Road, Belur, P.S - Bally, Howrah, West Bengal	Guest house	Freehold
Pune	Plot No. 12, Gat. No. 146/A-2, New No. 267/A/2, Muhshi Village, Pirangute, Pune, Maharashtra	Vacant land	Freehold

Our Corporate office and Registered Office are leased premises. Further, as of September 30, 2018, our Company operated through 90 branches and four offices including our head office in Kolkata, of which the premises of 92 branches/offices are leased to us. Apart from this, our Registered Office is owned by our Promoter.

Corporate Social Responsibility

Recognising our social responsibility, we undertake various initiatives aimed at contributing to society at large, including supporting various charitable projects and social welfare activities.

For the three months ended June 30, 2018 and for Fiscals 2018, 2017 and 2016, we incurred ₹9.60 million, ₹39.90 million, ₹22.60 million and ₹21.00 million, respectively on CSR initiatives.

HISTORY AND MAIN OBJECTS

Brief history of our Company

Our Company was incorporated as 'Srei Infrastructure Development Limited' as a public limited Company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 13, 2006 issued by the RoC. Our Company received a certificate of commencement of business on November 28, 2006. The name of our Company was changed to 'Srei Infrastructure Development Finance Limited' and a fresh certificate of incorporation was granted by the RoC on April 16, 2007. Our Company was converted into a private limited company and the name of our Company was changed to 'Srei Infrastructure Development Finance Private Limited' and a fresh certificate of incorporation was granted by the RoC on September 28, 2007. The name of our Company was further changed to 'Srei Equipment Finance Private Limited' and a fresh certificate of incorporation was granted by the RoC on 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 the existing name 'Srei Equipment Finance Limited'. The RoC issued a fresh certificate of incorporation dated November 1, 2013 consequent to the change of name on our conversion to public limited company.

In terms of a certificate of registration dated June 12, 2007 bearing the registration number N-05.06694, our Company was registered with the RBI as a 'non-banking financial institution without accepting public deposits' under Section 45-IA of the RBI Act. Subsequently, the RBI issued a certificate of registration dated January 1, 2008 consequent to the conversion of our Company to a private limited company and change of our name to 'Srei Infrastructure Development Finance Private Limited', allowing our Company to carry on our business as a 'non-banking financial institution without accepting public deposits'. Subsequently, upon the change in name of our Company to 'Srei Equipment Finance Private Limited', the RBI issued a new certificate of registration dated September 3, 2008 to our Company and reclassified our Company as an 'Asset Finance Company – Non-Deposit Taking' under Section 45-IA of the RBI Act. On February 19, 2014, our Company was issued a new certificate of registration by the RBI consequent to our change of name to 'Srei Equipment Finance Limited', permitting our Company to carry on business as a non-banking finance company, classified as an 'Asset Finance Company – Non-Deposit Taking.'

Changes in the registered office

Our Company has not changed its registered office since incorporation.

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.*

Total number of Shareholders of our Company

As on the date of this Prospectus, our Company has seven (7) Shareholders. For further details, please see "*Capital Structure*" on page 61 of this Prospectus.

Subsidiaries, Joint Ventures & Associates

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

Group Companies

Pursuant to a resolution of our Board dated October 25, 2017, our Company has considered companies covered under the applicable accounting standard, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India ("**AS 18**") as per the audited standalone financial statements for the period ended June 30, 2018 for the purpose of identification of 'Group Companies'. Any company which has ceased to be the related party of the Company in terms of AS18 subsequent to June 30, 2018 has not been considered as 'Group Companies'. Our Company has considered the following companies to be our Group Companies in addition to our Promoter, SIFL:

Sl.	Enterprises related to the Company	Relationship with SEFL
1.	Adisri Commercial Private Limited	Ultimate Holding Company
2.	Srei Capital Markets Limited	Fellow Subsidiary
3.	Srei Alternative Investment Managers Limited	Fellow Subsidiary
4.	Controlla Electrotech Private Limited	Fellow Subsidiary
5.	Srei Mutual Fund Asset Management Private Limited	Fellow Subsidiary
6.	Srei Mutual Fund Trust Private Limited	Fellow Subsidiary
7.	Srei Insurance Broking Private Limited	Fellow Subsidiary
8.	Quippo Oil & Gas Infrastructure Limited	Fellow Subsidiary
9.	Quippo Energy Limited	Fellow Subsidiary
10.	Bengal Srei Infrastructure Development Limited	Fellow Subsidiary
11.	Hyderabad Information Technology Venture Enterprises Limited	Fellow Subsidiary
12.	Cyberabad Trustee Company Private Limited	Fellow Subsidiary
13.	Quippo Drilling International Private Limited	Fellow Subsidiary
14.	Srei Asset Reconstruction Private Limited	Fellow Subsidiary
15.	India Power Corporation Limited	Enterprise over which a relative of a KMP has significant influence

Material Agreements

A. Share purchase and shareholders' agreements

Except as disclosed below we are not party to any share purchase or shareholders' agreements as on the date of this Prospectus or were parties to any share purchase or shareholders' agreements two years preceding such date.

*Share Purchase Agreement dated December 29, 2015 ("**SPA**") amongst our Company, BPLG, Srei Infrastructure Finance Limited, Srei Growth Trust (the "**Seller**"), Mr. Hemant Kanoria and Mr. Sunil Kanoria*

Our Company was a joint venture between SIFL and BPLG, in which each of SIFL and BPLG held 50% of the total paid-up equity share capital on a fully-diluted basis. BPLG expressed an intention to acquire 25,154,317 equity shares of SIFL representing 5% of the paid-up equity share capital of SIFL ("**SIFL Shares**") and in lieu thereof, sell its entire shareholding of 29,830,000 Equity Shares representing 50% of the total paid-up equity share capital, to SIFL, in accordance with applicable laws.

Major Terms of the SPA

Subject to the terms and conditions of the SPA, the Seller was to sell to BPLG, 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 ("**SEFL Purchase Consideration**") was mutually decided by the parties of the SPA. 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.

Transfer of share holding

BPLG sold its entire shareholding in our Company to SIFL for a consideration equal to the total consideration which BPLG paid for acquiring 25,154,317 equity shares of SIFL representing 5% of the total paid-up equity share capital from the Seller. 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.

Subsequently, in terms of the aforesaid approval granted by the RBI, the Board of Directors at its meeting dated June 17, 2016 gave effect to the transaction by passing requisite resolutions. Pursuant to this transaction, our Company became a wholly-owned subsidiary of SIFL with effect from June 17, 2016.

BPLG has received 25,154,317 equity shares of SIFL representing 5% of the total paid-up equity share capital of SIFL in lieu of its entire shareholding of 29,830,000 Equity Shares representing 50% of the total paid-up equity share capital of our Company.

B. Other Agreements

Except as disclosed below and agreements entered into in relation to this Offer, our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the last two years immediately preceding the date of this Prospectus.

Letter Agreement dated June 17, 2016 between SIFL and our Company in relation to the 'Srei' trademark

Pursuant to an assignment agreement dated March 18, 2016 ("**Assignment Agreement**"), Adisri Investment Private Limited ("**AIPL**"), the registered owner of the 'Srei' trademarks (the "**Trademark**"), assigned all rights, title and interest of whatever nature in the Trademark to Adisri Commercial Private Limited ("**ACPL**"), under conditions enumerated in the Agreement. In turn, pursuant to a letter dated March 19, 2016, ACPL has granted our Promoter, and/or its subsidiaries, a non-exclusive, non-transferable and royalty free license to use the Trademark. Further, pursuant to a letter dated June 17, 2016, our Promoter has confirmed that our Company, being a wholly owned subsidiary of SIFL, may continue to enjoy a non-exclusive, non-transferable, royalty free, license to use the Trademark. Our Company does not pay any royalty for the use of the Trademark.

OUR MANAGEMENT

The Articles of Association require that our Board of Directors shall comprise not less than three Directors and not more than 15 Directors. As on the date of this Prospectus, our Board has five Directors of whom three Directors are independent directors including 1(one) woman director. The Chairman of the Board is an Executive Director.

Board of Directors

The following table sets forth the details of our Board as of the date of filing of this Prospectus with SEBI:

Name, designation, address, occupation, nationality, date of appointment, term of appointment and DIN	Age (in years)	Other directorships
Hemant Kanoria **Designation**: Chairman and Managing Director **Address:** 32Q New Road Alipore, Kolkata – 700 027, West Bengal, India **Occupation**: Industrialist **Nationality**: Indian **Date of appointment**: May 12, 2007 **Term of appointment**: Five years, commencing November 1, 2018 up to October 31, 2023 **DIN**: 00193015	56	1. Srei Infrastructure Finance Limited 2. India Power Corporation Limited 3. Austrian Anadi Bank AG 4. Dual-Vet Skill Development Forum
Sunil Kanoria **Designation**: Vice Chairman **Address**: 32Q New Road Alipore, Kolkata – 700 027, West Bengal, India **Occupation**: Industrialist **Nationality**: Indian **Date of appointment**: May 12, 2007 **Term of appointment**: Five years, commencing November 1, 2018 up to October 31, 2023 **DIN**: 00421564	53	1. Srei Infrastructure Finance Limited 2. Avadh Sugar & Energy Limited 3. The Council of EU Chambers of Commerce in India 4. Grupo Empresarial San Jose, S.A.
Shyamalendu Chatterjee **Designation**: Independent Director **Address**: South City Apartments 375, Prince Anwar Shah Road, SVC - 2 Tower - 1, 17th, 17K, Jodhpur Park, Kolkata – 700 068, West Bengal, India **Occupation**: Banker **Nationality**: Indian **Date of appointment**: November 6, 2013 **Term of appointment**: Five consecutive years commencing from July 1, 2014 upto June 30, 2019 **DIN**: 00048249	71	1. Sahaj e-Village Limited 2. Srei Capital Markets Limited 3. Srei Infrastructure Finance Limited
Supriya Prakash Sen **Designation**: Independent Director **Address**: 28-03, Scotts Road, Singapore 228 223 **Occupation**: Service **Nationality**: Singaporean **Date of appointment**: September 9, 2017 **Term of appointment**: Five consecutive years, commencing from October 27, 2017 up to October 26, 2022 **DIN**: 07932937	53	1. Asean Financial Innovation Network (AFIN)

Suresh Kumar Jain **Designation**: Independent Director **Address:** Flat no 201-202, Tower D, Ashok Tower, Dr. SS Rao Marg, Parel, Mumbai – 400 012, Maharashtra, India **Occupation**: Retired Banker **Nationality**: Indian **Date of appointment**: October 25, 2017 **Term of appointment**: Five consecutive years, commencing from October 27, 2017 up to October 26, 2022 **DIN**: 05103064	64	1. PC Jeweller Limited 2. Gandhar Oil Refinery (India) Limited 3. Avanse Financial Services Limited 4. Avg Logistics Limited

Brief profiles of our Directors

Mr. Hemant Kanoria, aged 56, is our Chairman & Managing Director. He holds a bachelor's degree in commerce from the University of Calcutta and has over 33 years of experience in industry, trade and financial services. He is currently serving as a board member in the Indian Institute of Information Technology, Guwahati, Neotia University and New Delhi Institute of Management and is a member of the advisory board of the Calcutta Business School. He has held several prestigious positions, including serving as the president of Calcutta Chamber of Commerce and the chairman of the FICCI National Committee on Infrastructure, and has served on the board of governors of Indian Institute of Management, Calcutta. He has previously also served as a member of the Regional Direct Taxes Advisory Committee, GoI.

Mr. Sunil Kanoria aged 53 is our Vice Chairman and Executive Director. He is a chartered accountant with more than 28 years of experience in the financial services industry. He has been the president of the Associated Chambers of Commerce & Industry of India, a former governing body member of the Construction Industry Development Council and is presently a council member of the Institute of Chartered Accountants of India. He is also presently the honorary consul of Spain in Kolkata, with jurisdiction over the State of West Bengal.

Mr. Shyamalendu Chatterjee, aged 71 is an Independent Director. He holds a bachelor's degree in arts from University of Ranchi. He an ex-banker and has been associated with the State Bank of India, and with UTI Bank Limited (now Axis Bank Limited) as an executive director in the past. In addition, he has also served as a member of the Board of Directors of Nabil Bank Limited, Nepal. He is currently an independent director on the board of directors of our Promoter.

Ms. Supriya Prakash Sen aged 53 is an Independent Director. She holds a bachelors' degree in engineering (electronics and communication), and is a gold medallist from the Bangalore University, and holds a post-graduate diploma in management from Indian Institute of Management, Calcutta. She has also completed the 'Leaders in Development' from the John F. Kennedy School of Government of the Harvard University. She has experience in advising on financing transport, power and social infrastructure for Asia and Middle East. At present, she is a senior advisor in banking and infrastructure finance at McKinsey & Co., Singapore.

Mr. Suresh Kumar Jain aged 64 is an Independent Director. He holds a bachelor's degree in science from Panjab University and a master's degree in economics from Kurukshetra University. He is also a certified associate of the Indian Institute of Bankers. He is a banker by profession and has experience in domestic and international markets. He has formerly been associated with Bank of India and Union Bank of India as an executive director.

Confirmations

- Except as stated below, none of our Directors is, or was, a director of any listed company, which has been or was delisted from any recognised stock exchange, during the term of his/her directorship in such company:

Sr. No.	Name of the Director	Name of the Company	Listed on	Date of Delisting	Compulsory or Voluntary	Reasons for Delisting	Whether Relisted	Term of Directors
1	Hemant Kanoria	Srei Infrastructure Finance Limited	CSE	July 5, 2018	Voluntary	No trading in the Equity Shares of SIFL on CSE	No	October 30, 1990 – present
2	Sunil Kanoria							July 5, 1989 – present
3	Shyamalendu Chatterjee							April 29, 2009 – present

- None of our Directors have committed any violation of securities laws in the past and no such proceedings (initiated by SEBI) are pending against any of our Directors other than SEBI, pursuant to an interim order dated June 4, 2013, has restricted the promoter/ promoter group and directors of IPCL, among other companies, from buying, selling or otherwise dealing in securities of IPCL other than to satisfy the minimum public shareholding requirement, alleging non-compliance with the requirement of minimum public shareholding in IPCL. For further details, please see "*Outstanding Litigation and Statutory Defaults*" on page no. 241 and Risk Factor No. 1 on page 22 of this Prospectus.
- None of our present Directors are related to each other except Mr. Hemant Kanoria and Mr. Sunil Kanoria, who are brothers.
- None of our Directors is or was a director of any company listed on the Stock Exchanges, whose shares are or were suspended from being traded on BSE or NSE during the five years prior to the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such company.
- None of our Directors have not been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

Appointment of relatives of our Directors to any office or place of profit

As on the date of this Prospectus, no relatives of any of our Directors have been appointed to a place or office of profit in our Company.

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.

Details of remuneration for our Directors

a) Terms of appointment of our Executive Directors

i. Mr. Hemant Kanoria, Chairman and Managing Director

Mr. Hemant Kanoria, our Chairman and Managing Director, was first appointed to the Board on May 12, 2007 as an additional director and was appointed as the vice chairman and managing director of our Company with effect from April 2, 2008. He was reappointed as our vice chairman and managing director for a period of five years with effect from November 1, 2013, pursuant to our conversion from a private limited company to a public limited one, in terms of a Board resolution dated February 4, 2014, and the resolution of our shareholders in their general meeting dated July 01, 2014. The Board, at their meeting held on June 17, 2016, has designated Mr. Hemant Kanoria as the Chairman and Managing Director of our Company for the remainder of his term on the Board, i.e. till October 31, 2018.

He receives remuneration from our Company in accordance with the Board resolution dated August 4, 2016 and the resolution of our shareholders approved in their general meeting held on July 1, 2017, and the agreement dated September 8, 2016 entered into by our Company with him. For Fiscal 2018, the total remuneration paid to him was ₹67.85 million.

Further, Mr. Hemant Kanoria has been reappointed as the Chairman and Managing Director of our Company for a period of five years with effect from November 1, 2018, pursuant to resolutions passed by our Board and shareholders dated April 24, 2018 and May 10, 2018 respectively, and the agreement dated May 10, 2018 between our Company and Mr. Hemant Kanoria. Accordingly, the terms of Mr. Hemant Kanoria's appointment with effect from November 1, 2018 are as follows:

Particulars	Remuneration
Salary	₹ 3.00 million per month with authority granted to the Board to increase the same from time to time.
Commission	1.00% of the net profits of the Company as per audited profit and loss account of that year, or such other amount as may be decided by the Board in its absolute discretion, upon recommendation of the NRC (as defined hereafter).
Ex-gratia	Ex-gratia payment of one month's salary per annum or such other higher sum as may be decided by the Board.
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. g) *Entertainment expenses:* Reimbursement of entertainment and all other expenses incurred for the business of the Company.
Amenities	a) *Conveyance facilities:* Our Company shall provide suitable conveyance facilities, as may be required by Mr. Hemant Kanoria b) *Telephone, telefax and other communication facilities:* Our Company shall provide telephone, telefax and other communication facilities at Mr. Hemant Kanoria's residence.
Statutory Payments	a) *Contribution to provident fund, superannuation fund and annuity fund:* Our Company's contribution to provident fund or superannuation or annuity fund as per the rules applicable to our Company for senior executives or such higher contribution as may be decided by the Board. b) *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 not exceeding one month's salary for each completed year of service as per the rules of our Company

Our Board may, at the recommendation of the NRC (defined hereafter), increase, vary or alter the remuneration, perquisites and other terms and conditions including monetary value thereof, depending on our Company's performance and terms of the agreement dated May 10, 2018. However, no sitting fees shall be paid to him.

ii. Mr. Sunil Kanoria, Vice Chairman

Mr. Sunil Kanoria, our Vice Chairman, was first appointed to the Board on May 12, 2007, and was appointed as the joint managing director of our Company with effect from April 2, 2008. He was reappointed as a joint managing director of our Company for a period of five years with effect from November 1, 2013, pursuant to our conversion from a private limited company to a public limited company, in terms of a Board resolution dated February 4, 2014, and the resolution of our shareholders in their general meeting dated July 01, 2014. The Board, at their meeting held on August 4, 2016, has designated Mr. Sunil Kanoria as the Vice Chairman of our Company for the remainder of his term on the Board, i.e. till October 31, 2018. He receives remuneration from our Company in accordance with the Board resolution dated August 4, 2016 and the resolution of our shareholders in their general meeting held on July 01, 2017, and the agreement dated September 8, 2016 entered into by our Company with him. For Fiscal 2018, the total remuneration paid to him was ₹68.46 million.

Further, Mr. Sunil Kanoria has been reappointed as the Vice Chairman of our Company for a period of five years with effect from November 1, 2018, pursuant to resolutions passed by our Board and shareholders dated April 24, 2018 and May 10, 2018 respectively, and the agreement dated May 10, 2018 that our Company has entered into with Mr. Sunil Kanoria. Accordingly, the terms of Mr. Sunil Kanoria's appointment, with effect from November 1, 2018, are as follows:

Particulars	Remuneration
Salary	₹ 3.00 million per month with authority granted to the Board to increase the same from time to time.
Commission	1.00% of the net profits of the Company as per audited profit and loss account of that year, or such other amount as may be decided by the Board in its absolute discretion, upon recommendation of the NRC.
Ex-gratia	Ex-gratia payment of one month's salary per annum or such other higher sum as may be decided by the Board.
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. g) *Entertainment expenses:* Reimbursement of entertainment and all other expenses incurred for the business of the Company.
Amenities	a) *Conveyance facilities:* Our Company shall provide suitable conveyance facilities, as may be required by Mr. Sunil Kanoria b) *Telephone, telefax and other communication facilities:* Our Company shall provide telephone, telefax and other communication facilities at Mr. Sunil Kanoria's residence.
Statutory Payments	a) *Contribution to provident fund, superannuation fund and annuity fund:* Our Company's contribution to provident fund or superannuation or annuity fund as per the rules applicable to our Company for senior executives or such higher contribution as may be decided by the Board. b) *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 not exceeding one month's salary for each completed year of service as per the rules of our Company

Our Board may, at the recommendation of the NRC, increase, vary or alter the remuneration, perquisites and other terms and conditions including monetary value thereof, depending on our Company's performance and terms of the agreement dated May 10, 2018. However, no sitting fees shall be paid to him.

b) Terms of appointment of our Independent Directors

Pursuant to a resolution of our Board in their meeting held on February 2, 2017, our Independent Directors are entitled to receive sitting fees of ₹0.10 million for attending each meeting of our Board. Our Independent Directors are also entitled to receive sitting fees of ₹25,000 for attending each meeting of our Audit Committee, Risk Committee, IPO Committee or separate meetings of the independent directors, and sitting fees of ₹10,000 for attending each meeting of our Committee of Directors, Nomination and Remuneration Committee, Asset Liability Management Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Credit and Investment Committee and IT Strategy Committee. Our Independent Directors are also entitled to a commission annually for each of the five financial years commencing from Fiscal 2018 during which they remain Independent Directors on our Board, an amount not exceeding 1% (one per cent) of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, to be divided amongst the Directors aforesaid in such amounts or proportions and in such manner as the Board of Directors may from time to time determine.Following are the details of remuneration paid to our Independent Directors for Fiscal 2018:

(in ₹million)

Name of Director	*Designation*	*Total siting fees paid for Fiscal 2018*
Shyamalendu Chatterjee	Independent Director	1.39
Supriya Prakash Sen*	Independent Director	0.37
Suresh Kumar Jain**	Independent Director	0.10

**Appointed with effect from September 9, 2017.*
***Appointed with effect from October 25, 2017.*

Payment of benefits to Directors

Except as disclosed below, no amount or benefit has been paid or given within the two financial years immediately preceding the date of this Prospectus or is intended to be paid or given to any of our Directors except the normal remuneration and commission for services rendered in the capacity of being a Director, and reimbursement of expenses for attending meetings of the Board.

(in ₹million)

Name of Director	*Period for which payment was made*	*Remuneration*
Hemant Kanoria	Fiscal 2018	67.90
	Fiscal 2017	52.30
Sunil Kanoria	Fiscal 2018	68.50
	Fiscal 2017	51.60

Shareholding of our Directors in our Company

Our Articles do not require our Directors to hold any qualification shares. Following are the details of the shareholding of our Directors in our Company as on the date of this Prospectus:

Name of Director	Equity/ Preference shares	Number of Shares	Percentage of total share capital
Hemant Kanoria*	Equity	1	Negligible
Sunil Kanoria*	Equity	1	Negligible

* As a nominee of SIFL

Borrowing Powers

Pursuant to our Articles of Association and subject to the provisions of the Companies Act, 2013, the Shareholders have passed a special resolution in the extraordinary general meeting dated January 20, 2018, authorising our Board to borrow a sum not exceeding ₹600,000 million for and on behalf of our Company, from time to time.

Interest of Directors

All Directors may be deemed to be interested to the extent of remuneration and commission, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration, commission and reimbursement of expenses payable to them.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares. The Directors may also be regarded as interested in Equity Shares held by or that may be subscribed by and allotted to the companies, firms and trust, in which they are interested as directors, members, partners and trustees, pursuant to the Offer.

Certain of our Directors may be deemed to be interested in the contracts, transactions, 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 capacity. There is no existing or anticipated transaction whereby Directors will receive any portion of the proceeds from the Offer.

Certain of our Directors are also directors in Group Companies and may be deemed to be interested to the extent of payments made between our Company and such Group Companies. Such Directors may also be deemed to be interested to the extent of remuneration received from such Group Companies. For details, please see "***Financial Information***" on page 307.

Interest of Directors in the promotion of our Company

Mr. Hemant Kanoria, our Chairman and Managing Director is an executive director on the board of directors of our Promoter and Mr. Sunil Kanoria, our Vice Chairman is a director on the board of directors of our Promoter. Further, Mr. Hemant Kanoria is also the promoter of our Promoter. Except as aforesaid, as on the date of this Prospectus, none of our Directors are interested in the promotion of our Company.

Interest of Directors in the properties of our Company

Our Directors do not have any interest in any property acquired in the preceding two years or proposed to be acquired by our Company within the two years from the date of filing of this Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Changes to the Board in the last three years

The changes in our Board during the three years immediately preceding the date of this Prospectus are set forth below.

Name	Date	Reason	Director of the Company Since (in case of resignation)
Pascale Charlotte Dufourcq Dennery Chairman DIN: 07178335	February 10, 2016	Appointed as Chairman of the Company	
Didier Jean Chappet Director DIN: 06600628	February 10, 2016	Change in designation to Director	
Didier Jean Chappet Chairman DIN: 06600628	May 10, 2016	Resignation	Appointed as Additional Director and Chairman w.e.f June 17, 2013 and appointed as Director w.e.f August 8, 2013
Philippe Denis Francis Desgeans Additional Director DIN: 07504649	May 10, 2016	Appointed as an additional Director	
Pascale Charlotte Dufourcq Dennery Director DIN: 07178335	June 17, 2016	Resignation	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

Name	Date	Reason	Director of the Company Since (in case of resignation)
Philippe Denis Francis Desgeans Additional Director DIN: 07504649	June 17, 2016	Resignation	Appointed as Additional Director w.e.f. May 10, 2016
Hemant Kanoria Chairman and Managing Director DIN: 00193015	June 17, 2016	Change in designation to Chairman and Managing Director	Reappointed as Chairman and Managing Director for a period of 5 years w.e.f. November 1, 2018.
Sunil Kanoria Vice Chairman DIN: 00421564	August 04, 2016	Change in designation to Vice Chairman	Reappointed as Chairman and Managing Director for a period of 5 years w.e.f. November 1, 2018.
Tamali Sengupta Director DIN: 00358658	September 17, 2016	Appointed as an additional Director	
Tamali Sengupta Director DIN: 00358658	July 01, 2017	Change in designation to Independent Director	
Supriya Prakash Sen Director DIN: 07932937	September 09, 2017	Appointed as an additional Director	
Kora Ipe Puthenpurackal Director, DIN: 02780367	September 22, 2017	Resignation	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
Tamali Sengupta Director DIN: 00358658	October 25, 2017	Resignation	Appointed as Additional Director w.e.f September 17, 2016 and appointed as Independent Director w.e.f July 01, 2017
Suresh Kumar Jain Director DIN: 05103064	October 25, 2017	Appointed as an additional Director	
Supriya Prakash Sen Director DIN: 07932937	October 27, 2017	Change in designation to Independent Director	
Suresh Kumar Jain Director DIN: 05103064	October 27, 2017	Change in designation to Independent Director	

Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013, with respect to corporate governance, provisions of the SEBI Listing Regulations will also be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges.

The Chairman of our Board is an executive director. Our Company currently has five Directors of which two are executive directors and three are independent directors, including 1(one) woman director. Our Company is in compliance with the applicable regulations in accordance with the corporate governance requirements under the SEBI Listing Regulations and the Companies Act, 2013, pertaining to the composition of the Board and the committees thereof.

The Board functions either as a full board or through various committees constituted to oversee specific operational areas.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act, 2013.

Board-level committees

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

- Audit committee;
- Nomination and Remuneration committee;
- Stakeholders Relationship committee; and
- Corporate Social Responsibility committee.

Audit committee

The Audit committee was constituted by a resolution of our Board dated May 14, 2008. The Audit Committee was last re-constituted and the revised terms of reference of the Audit Committee were adopted on October 25, 2017. The current constitution of the Audit committee is as follows:

Name of Director	***Position in the Committee***	***Designation***
Shyamalendu Chatterjee	Chairman	Independent Director
Sunil Kanoria	Member	Vice Chairman
Supriya Prakash Sen	Member	Independent Director

Our Company Secretary and Compliance Officer is the secretary of the Audit committee.

The scope and function of the Audit committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

Scope and terms of reference of the Audit committee:

Powers –

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary;

Role-

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company and the fixation of audit fee;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing / examining, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgement by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Modified opinions in the draft audit report.
- Reviewing / examining, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing / examining / monitoring, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism established by the Company with the Chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- Approval of appointment of Chief Financial Officer (CFO) (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

Review of Information –

To mandatorily review the following information -

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters / letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- Statement of deviations:
    - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7);
- Performing such other activities as may be delegated / referred to by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Audit Committee;
- To delegate any of the above matters to any executive of the Company / sub-committee except those not allowed to be delegated under law

Nomination and Remuneration Committee ("NRC")

The NRC was constituted by a resolution of our Board dated May 21, 2014. The NRC was last re-constituted and the revised terms of reference of the NRC were adopted by our Board on October 25, 2017. The current constitution of the NRC is as follows:

Name of Director	***Position in the Committee***	***Designation***
Shyamalendu Chatterjee	Chairman	Independent Director
Hemant Kanoria	Member	Chairman and Managing Director
Supriya Prakash Sen	Member	Independent Director
Suresh Kumar Jain	Member	Independent Director

The Company Secretary and Compliance Officer is the secretary of the NRC.

The scope and function of the NRC is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

Scope and terms of reference of the NRC:

- Evaluate the current composition and organization of the Board and its committees in light of requirements established by any Regulatory Body or any other applicable statute, rule or regulation which the Committee deems relevant and to make recommendations to the Board in respect to the appointment, re-appointment and resignation of Independent, Executive and Non – Executive Directors of the Company;
- Review the composition and size of the Board in order to ensure that the Board is comprised of members reflecting the proper expertise, skills, attributes, and personal and professional backgrounds for service as a Director of the Company, as determined by the Committee;
- Review and recommend to the Board an appropriate course of action upon the resignation of current Board members, or any planned expansion of the Board, and review the qualifications, experience and fitness for service on the Board of any potential new members of the Board;
- Review all stakeholders' proposals submitted to the Company (including any proposal relating to the nomination of a member of the Board) and the timeliness of the submission thereof and recommend to the Board appropriate action on each such proposal;
- Ensure "fit and proper" status of existing/proposed Directors of the Company in accordance with RBI Circular on Corporate Governance, issued from time to time;
- Formulate, administer and supervise the Company's Stock Option schemes, if any, in accordance with relevant laws;
- Ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Ensure that remuneration to Directors, Key Managerial Personnel (KMPs) and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- Formulate the 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 of the Company;
- Formulate the criteria for evaluation of Independent Directors and the Board;
- Devise a policy on Board diversity;
- Identify the persons who are qualified to become a Director and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Review/recommendation/approval of Succession Plan for the Key Managerial Personnel (KMPs) and Senior Management of the Company;
- Performing such other activities as may be delegated / referred to by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee;

Corporate Social Responsibility Committee ("CSRC")

The CSRC was constituted by a resolution of our Board dated May 21, 2014. The CSRC was last re-constituted on October 25, 2017. The current constitution of the CSRC is as follows:

Name of Director	Position in the Committee	Designation
Hemant Kanoria	Chairman	Chairman and Managing Director
Sunil Kanoria	Member	Vice Chairman
Shyamalendu Chatterjee	Member	Independent Director

Our Company Secretary and Compliance Officer is the secretary of the CSRC.

The scope and functions of the CSRC is in accordance with Section 135 of the Companies Act, 2013.

Scope and terms of reference of the CSRC:

- Formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 including inter alia list of activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, modalities of execution of such activities and implementation schedule for the same;

- Recommending the amount of expenditure to be incurred on the activities referred to in clause (a) above;
- Monitoring the CSR Policy of the Company from time to time;
- Instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company;

Stakeholders Relationship Committee ("SRC")

The SRC was constituted by a resolution of our Board dated July 22, 2015. The SRC was last reconstituted and the current terms of reference of the SRC were adopted by our Board on October 25, 2017. The current constitution of the SRC is as follows:

Name of Director	Position in the Committee	Designation
Shyamalendu Chatterjee	Chairman	Independent Director
Hemant Kanoria	Member	Chairman and Managing Director
Sunil Kanoria	Member	Vice Chairman

Our Company Secretary and Compliance Officer is the secretary of the SRC.

The scope and function of the SRC is in accordance with Section 178(6) of the Companies Act, 2013, read with Regulation 20 of the SEBI Listing Regulations.

Scope and terms of reference of the SRC:

- To approve, authorise, authenticate and register transfer and / or transmission of all classes of shares and / or securities;
- To approve and / or authorise sub – division, consolidation, issuance, re – issuance and rematerialisation etc. of share certificates and / or other security certificates;
- To authorise issue of duplicate share / security certificates;
- To review the status of unpaid / unclaimed dividend accounts and take necessary actions thereof;
- To authorise affixation of common seal on share certificates and / or other security certificates or documents;
- To deal with matters relating to shares and / or securities as may be prescribed by applicable laws including inter alia the SEBI Listing Regulations, Depositories Act, Companies Act etc. or any amendments thereto;
- To consider and resolve the grievances of security holders of the Company including complaints referred to transfer of shares, non-receipt of annual report, non-receipt of declared dividends;
- To deal with matters relating to SEFL Code of Conduct for Prohibition of Insider Trading (SEFL Insider Code) as well as SEBI (Prohibition of Insider Trading) Regulations, 2015;
- Any other share and / or securities related matters as may be delegated to the Committee from time to time;
- To delegate powers of any of the above to any executive of the Company or to the Registrar and Share Transfer Agents (RTA) of the Company except those not allowed to be delegated under law;
- Oversee the performance of the Registrar and Share Transfer Agents (RTA) of the Company and to recommend measures for overall improvement in the quality of investor services; and
- Performing such other activities as may be delegated / referred to by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Stakeholders Relationship Committee.

Other Committees

In addition to above committees, our Board has also constituted an IPO Committee for the purpose of the proposed Initial Public Offer of our Company, pursuant to a resolution dated August 17, 2017, and the current terms of reference of the IPO Committee were adopted on October 25, 2017. The IPO Committee currently comprises Mr. Hemant Kanoria, Mr. Sunil Kanoria and Mr. Shyamalendu Chatterjee.

Further, our Company has also constituted various other committees, including a Risk Committee, Committee of Directors, an Asset Liability Management Committee, IT Strategy Committee, IT Steering Committee and a Credit and Investment Committee.

Employee Stock Option Plan

As of the date of this Prospectus, our Company does not have any employee stock options plans.

OUR PROMOTER

The Promoter of our Company is Srei Infrastructure Finance Limited. As on the date of this Prospectus, SIFL together with its nominees holds 59,660,000 Equity Shares, representing 100.00 % of the paid-up capital of our Company.

Details of our Promoter

Corporate information and history

SIFL was originally incorporated by the name of 'Shri Radha Krishna Export Industries Limited' as a public limited company on March 29, 1985 with the RoC Delhi and Haryana under the Companies Act, 1956 to undertake lease and hire purchase financing, bill discounting and manufacture and export of certain goods. SIFL obtained its certificate of commencement of business on April 9, 1985. SIFL's name was changed from 'Shri Radha Krishna Export Industries Limited' 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 SIFL was further changed from 'Srei International Finance Limited' to its existing name of 'Srei Infrastructure Finance Limited' on August 31, 2004, vide a fresh certificate of incorporation consequent to change of name issued by RoC.

SIFL was initially registered with RBI on August 1, 1998 as a deposit taking NBFC. Thereafter, on May 15, 2007, SIFL was further classified as a deposit taking AFC. Subsequently, it converted into a non-deposit taking AFC on May 11, 2010. Presently, SIFL has been registered with the RBI as an Infrastructure Finance Company ("**IFC**") with effect from March 31, 2011. Further, on September 26, 2011 SIFL was notified as a Public Financial Institution by the MCA *vide* notification bearing reference no. G.S.R. No. 2223(E) issued under Section 4A of the Companies Act, 1956 (Section 2(72) of the Companies Act, 2013).

SIFL provides financial products and services for customers engaged in infrastructure development and construction, with focus on power, road, telecom, port, oil and gas and special economic zone sectors in India with a medium to long term perspective. SIFL is headquartered in Kolkata and has presence across India. SIFL's equity shares are presently listed on the NSE and BSE.

As on the date of this Prospectus, the following are the details of SIFL's shareholding in our Company:

Sl.	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.	59,660,000*	59,660,000	100.00%	Nil	Nil

**Mr. Hemant Kanoria, Mr. Sunil Kanoria, Mr. Sanjeev Sancheti, Mr. Shashi Bhushan Tiwari, Mr. Ganesh Prasad Bagree and Mr. Sandeep Lakhotia hold 1 (one) equity share each as nominees of SIFL.*

Board of directors

The board of directors of SIFL as on the date of this Prospectus comprises the following:

1. Mr. Hemant Kanoria
2. Mr. Sunil Kanoria
3. Mr. Srinivasachari Rajagopal
4. Mr. Shyamalendu Chatterjee
5. Dr. Punita Kumar Sinha
6. Mr. Ram Krishna Agarwal
7. Mr. Malay Mukherjee
8. Mr. Balaji Viswanathan Swaminathan

Shareholding pattern of SIFL

The shareholding pattern of SIFL as on September 30, 2018 is as follows:

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	69182	197217774	0	0	197217774	39.20	197217774	0	197217774	39.20	0	39.20	0	0.00	NA	NA	194397041
(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 Employes Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total:	**69186**	**503086333**	**0**	**0**	**503086333**	**100.00**	**503086333**	**0**	**503086333**	**100.00**	**0**	**100.00**	**0**	**0.00**	**0**	**0.00**	**500265600**

Note:
**Based on PAN of the shareholders their shareholding has been consolidated.*

The Statement showing shareholding pattern of the Promoter and Promoter Group of SIFL as on September 30, 2018 is as follows:

	Category & Name of the Shareholders	**No of Shareholders ***	**No of fully paid up equity shares held**	**Partly paid-up equity shares held**	**Nos. of Shares Underlying Depository Receipts**	**Total Nos. of Shares Held (VII=IV+V+VI)**	**Shareholding % 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)	**(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**

Note:
**Based on PAN of the shareholders their shareholding has been consolidated.*
Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.
PAN would not be displayed on website of Stock Exchange(s).
(2) The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Details of the promoter of our Promoter

The promoter of SIFL is Mr. Hemant Kanoria.

Other Confirmations

SIFL has confirmed that it has not been identified as a Wilful Defaulter. SIFL has not been prohibited from accessing or operating in capital markets, nor has it been restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory authority. Srei Infra does not intend to subscribe to this Issue.

SECTION V: EXISTING FINANCIAL INDEBTEDNESS

The outstanding borrowings of the Company as at September 30, 2018 are as follows:

Sl. No.	Nature of Borrowing	Amount *(₹in Million)*
1.	Secured Borrowings	174,998.72
2.	Unsecured Borrowings	47,631.68

Set forth below, is a summary of the borrowings by our Company as at September 30, 2018 together with a brief description of certain significant terms of such financing arrangements.

(I) Details of Secured Loan Facilities:

A. Domestic Term Loan#

1. **Andhra Bank**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
1,000.00	55.56	• **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:** 2% overdue interest on the entire outstanding or on portion thereof for the overdue period • **Events of Default**: Some of the material events of default are: – Non-payment of interest due or instalments due on time – Non-performance/breach of any sanctioned term – Misrepresentation of statements or facts – Insolvency/winding up/appointment of receiver • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Outstanding amounts become payable – Enforcement of security or appointment of receiver – Bank and/or RBI or any other authorised agency will publish the name of directors/promoters and/or firm as defaulters

2. **Andhra Bank**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
1,000.00	687.50	• **Purpose of the Loan:** Financing of infrastructure equipments • **Tenure:** 4.5 Years • **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 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:** 2% overdue interest on the entire outstanding or on portion thereof for the overdue period **Events of Default**: Some of the material events of default are: – Non-payment of interest due or instalments due on time

Amount Sanctioned (₹in Million)	Principal Outstanding (₹in Million)	Sanctioned Terms and Conditions
		– 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)	Principal Outstanding (₹in Million)	Sanctioned Terms and Conditions
1,000.00	98.20	• **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)	Principal Outstanding (₹in Million)	Sanctioned Terms and Conditions
1,000.00	267.40	• **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

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
		• **Security:** Exclusive charge by way of assignment/hypothecation of the receivables 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. **ICICI Bank Ltd**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
1,000.00	750.00	• **Purpose of the Loan:** For onward lending to companies for purchase of construction equipments, mining equipments, medical, healthcare & IT equipments and any other equipment used in various infrastructure activities. • **Tenure:** 4 years from the first draw down date • **Repayment:** 12 equal quarterly instalments commencing from the end of 15th month from the date of first disbursement • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation over specific pool of assets and receivables along with beneficial interest on underlying assets as identified by the borrower from time to time and acceptable to the Bank as security • **Prepayment:** 1% on the principal amount of the loan prepaid. • **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 – Cessation or change in business/security jeopardy – Inadequate security and insurance – Default in performance of covenants and 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.

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
		– Security created against the facility will become enforceable – Appointment of whole-time directors

6. **Indian Bank**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
1,000.00	1,000.00	• **Purpose of the Loan:** For financing for onward lending for equipment Financing in infrastructure sector • **Tenure: (**Door to Door)- 5 years • **Repayment:** 16 equal quarterly instalments after a moratorium of 1 years from date of first draw down • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation over specific pool of assets and receivables along with beneficial interest on underlying assets as identified by the borrower from time to time and acceptable to the Bank as security • **Prepayment:** Prepayment charge is being waived up for term loan facilty • **Penalty:** - 2% on delayed / unpaid instalments without any notice to Bank. - 1% on non-Compliance of terms of sanctions within stipulated period - 1% on non-Submission for Audited Balance Sheet aftere 8 months of Financial Year closure • **Events of Default**: Some of the material events of default are: – Non- payment of interest and instalments – Cessation or change in business/security jeopardy – Inadequate security and insurance – Default in performance of covenants and 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. – Security created against the facility will become enforceable

7. **Karur Vysya Bank**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
500.00	50.00	• **Purpose of the Loan:** To purchase infrastructure equipment for leasing and hire purchase activities to infrastructure projects and renewable energy-under multiple banking arrangement • **Tenure:** 5.5 yrs • **Repayment:** 20 equal quarterly instalments with an initial moratorium of 6 months from date of disbursement. • **Rescheduling:** NIL • **Security:** Exclusive Charge on assets acquired/ to be acquired out of the term loan and outstanding HP/lease/loan receivables. • **Prepayment:** Waived • **Penalty:** 3% penalty will be charged in case of default in paying the instalments/interest due. • **Events of Default**: Some of the material events of default are: – Non-repayment of principal remaining for a period of 15 days

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

8. **<u>Karur Vysya Bank</u>**

Amount Sanctioned *(₹in Million)*	Amount Outstanding *(₹in Million)*	Terms and Conditions
750.00	562.50	• **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 – 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.

9. **<u>NABARD</u>**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
5,000.00	3,200.00	• **Purpose of the Loan:** For financial assistance by financing institution to its constituents for promoting agriculture and rural development in India • **Tenure:** 5 Yrs • **Repayment:** 10 half yearly installment i.e. initial 5 half yearly instalment of Rs

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
		90 Crore and last 5 half yearly installments of Rs 10 Crore • **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 NABARD. • **Prepayment:** Repayment of outstanding loans at the prescribed rate as approved by NABARD • **Penalty:** - At prescribed rate on default of payment of principal or interest • **Events of Default**: Some of the material events of default are: – Default in repayment of any sum due – Breach of any terms and conditions of sanction – 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.

10. **NABARD**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
6,500.00	4,550.00	• **Purpose of the Loan:** For financial assistance by financing institution to its constituents for promoting agriculture and rural development in India • **Tenure:** 5 Yrs • **Repayment:** First 6 half yearly installments will be 15% of sanction amount and last 6 half yearly installments will be 2% each of sanction amount. • **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 NABARD. • **Prepayment:** Repayment of outstanding loans at the prescribed rate as approved by NABARD • **Penalty:** - At prescribed rate on default of payment of principal or interest • **Events of Default**: Some of the material events of default are: – Default in repayment of any sum due – Breach of any terms and conditions of sanction – 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. **NABARD**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
5000.00	5000.00	• **Purpose of the Loan:** For financial assistance by financing institution to its constituents for promoting agriculture and rural development in India • **Tenure:** 5 Yrs • **Repayment:** First 6 half yearly installments will be 15% of sanction amount and last 4 half yearly installments will be 2.5% each of sanction amount.

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
		• **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 NABARD. • **Prepayment:** Repayment of outstanding loans at the prescribed rate as approved by NABARD • **Penalty:** - At prescribed rate on default of payment of principal or interest • **Events of Default**: Some of the material events of default are: – Default in repayment of any sum due – Breach of any terms and conditions of sanction – 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. **NABARD**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
875.00	875.00	• **Purpose of the Loan:** For financial assistance by financing institution to its constituents for promoting agriculture and rural development in India • **Tenure:** 5 Yrs • **Repayment:** First 6 half yearly installments will be 15% of sanction amount and last 4 half yearly installments will be 2.5% each of sanction amount. • **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 NABARD. • **Prepayment:** Repayment of outstanding loans at the prescribed rate as approved by NABARD • **Penalty:** - At prescribed rate on default of payment of principal or interest • **Events of Default**: Some of the material events of default are: – Default in repayment of any sum due – Breach of any terms and conditions of sanction – 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. **NABARD**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
1750.00	1750.00	• **Purpose of the Loan:** For financial assistance by financing institution to its constituents for promoting agriculture and rural development in India • **Tenure:** 5 Yrs • **Repayment:** First 6 half yearly installments will be 15% of sanction amount and last 5 half yearly installments will be 2 % each of sanction amount. • **Rescheduling:** NIL

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
		• **Security:** Exclusive Charge on bookdebts which comprises present and future Debts, Receivables etc. • **Prepayment:** Repayment of outstanding loans at the prescribed rate as approved by NABARD by giving three days notice period. • **Penalty:** - At prescribed rate on default of payment of principal or interest • **Events of Default**: Some of the material events of default are: – Default in repayment of any sum due – Breach of any terms and conditions of sanction – 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. **Oriental Bank of Commerce**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
2,000.00	1,666.67	• **Purpose of the Loan:** For onward lending for financing acquisitions of equipment • **Tenure:** 5 Yrs • **Repayment:** 18 equal quarterly installments of Rs 11.11 Crores each with a moratorium period of 6 months. • **Rescheduling:** NIL • **Security:** Exclusive charge by way of Hypothecation charge on debtors and future receivables (excluding NPAs, un-matured finance charge and assets financend by way of working capital) alongwith charge over entire rentals/installments receivables against such assets. • **Prepayment:** No prepayment penalty with 15 days prior notice • **Penalty:** 2% if the borrower does not introduce long term funds or level of unsecured loans is not maintained which affects the agreed / benchmark ratios and in case of violation of any terms, conditions, undertaking of the loan agreement. • **Events of Default**: Some of the material events of default are: – 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 – Diversion of funds/amount of loan/advances – Non-payment of installments – Fails to furnish requisite data or information in timebound manner • **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

15. **Punjab and Sind Bank**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
1,000.00	937.50	• **Purpose of the Loan:** For onward lending for financing acquisitions of equipment • **Tenure:** 5 Yrs

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
		• **Repayment:** 16 quarterly installments of Rs 6.25 Crore each after moratorium of 1 year from the date of first drawdown. • **Rescheduling:** NIL • **Security:** • **Prepayment:** As per Bank's discreation • **Penalty:** 2.5% p.a. in case of default or delay in repayment, default in borrowing covenants etc. • **Events of Default**: Some of the material events of default are: – Non-payment of installments due and payable – Misleading information – Breach of covenanats, conditions or any other part of loan agreement – Security being jeopardized • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Oustanding amount being due and payable on immediate effect – Enforcement of Security

16. **SIDBI**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
3,000.00	55.00	• **Purpose of the Loan:** For on lending by way of leasing / hire purchase / hypothecation loans in respect of SRTOs / MSMEs / eligible Service sector enterprises • **Tenure:** 5 Yrs • **Repayment:** First monthly instalment of Rs.3 crores and 55 monthly instalments of 5.50 crores to start after 6 months from the date of first disbursement. • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation on assets including equipment, plant and machinery, vehicles and other assets acquired / or to be acquired out of the term loan from SIDBI. • **Prepayment:** Allowed subject to prior notice period of 3 months and subject such conditions as Bank may deem fit. • **Penalty:** - 2% on default of payment of principal or interest • **Events of Default**: Some of the material events of default are: – Non-repayment of principal – Non- payment of interest remaining unpaid for a period of one month – 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 – Jeopardise of security given • **Consequences of Events of Default:** Some of the consequences on the happening of any event of default are as follows: – Bank reserves the right to recall the facility. – Enforcement and liquidation of security.

17. **SIDBI**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
1,500.00	975.00	• **Purpose of the Loan:** For on lending to MSME as defined under Micro, Small

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

18. **SIDBI**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
2,000.00	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. 10 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 – 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 – Jeopardise of security given

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

19. **SIDBI**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
2,000.00	1,800.00	• **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:** 5.6 years • **Repayment:** 20 quarterly installments of Rs 10 Crore each, commencing after 6 months from the date of first disbursement. • **Rescheduling:** NIL • **Security:** Exclusive charge by way of hypothecation of book debts, movable assets including equipment, plant and machinery, vehicles, other movable assets and current assets acquired/to be acquired out of term loan. • **Prepayment:** No repayment can be done without 3 months prior notice • **Penalty:** 2% p.a. • **Events of Default**: Some of the material events of default are: – Non-payment of installments – Breach of contracts of the agreement – Jeopardise the security – Act of insolvency • **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

20. **SIDBI**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sacntioned Terms and Conditions
5,000.00	5,000.00	• **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:** 5.6 years • **Repayment:** 20 quarterly installments commencing after 6 months from the date of first disbursement. • **Rescheduling:** NIL • **Security:** Exclusive charge by way of hypothecation of book debts, movable assets including equipment, plant and machinery, vehicles, other movable assets and current assets acquired/to be acquired out of term loan. • **Prepayment:** Prepayment cannot be done in full or part before due date except after obtaining prior approval in writing, which can be granted with an interest of 1-3% as per Lender • **Penalty:** 2% p.a. • **Events of Default**: Some of the material events of default are:

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sacntioned Terms and Conditions
		– Non-payment of installments – Breach of contracts of the agreement – Jeopardise the security – Act of insolvency – If other loans have been recalled by other Financial Institution or banks – Appointment of receiver or liquidator • **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 even if the any one or more defaults will continue for more than 30 days period. – Right to call upon the borrower for direct payment of receivables from beneficiaries covered under the loan – Rigtht to appoint nominee director

21. **Syndicate Bank**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
2,000.00	1,125.00	• **Purpose of the Loan:** For meeting the onward lending requirement of the company. • **Tenure:** 5 years • **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: – 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. **State Bank of India**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
1,000.00	183.33	• **Purpose of the Loan:** To finance for acquiring assets for onward lending of retail assets on hire purchase / lease basis

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

23. **State Bank of India**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
1,000.00	365.40	• **Purpose of the Loan:** For meeting the onward lending requirement of the company. • **Tenure:** 5 years • **Repayment:** 60 monthly installments 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

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
		forthwith – Enforcement and liquidation of security

24. **Vijaya Bank**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
1,000.00	150.00	• **Purpose of the Loan:** For onward lending for financing acquisitions of equipment • **Tenure:** 5 Yrs • **Repayment:** 16 equal quarterly instalments after a moratorium of 1 year from the date of first draw down. • **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.

25. **Vijaya Bank**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
1,000.00	875.00	• **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

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

26. **Vijaya Bank**

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
2,000.00	2,000.00	• **Purpose of the Loan:** For onward lending for financing acquisitions of equipment • **Tenure:** 5 Yrs • **Repayment:** 16 equal quarterly instalments commencing after a moratorium of 1 year i.e. 1st installment shall due at the end of 15th month from the date of first draadown. • **Rescheduling:** NIL • **Security:** Exclusive Charge by way of hypothecation of receivables of specific assets for operating lease, lease rentals/project finance/loan installments for assets acquired/financed and/or to be financned out of the loan proceeds with a margin 10%. • **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. – Enforcement of security

 # Does not include the effective interest adjustment in accordance with IndAS 109 amounting to ₹21.80 million in total for Domestic Term Loan Facilities

B. Foreign Currency Loan from Financial Institutions@

1. SIDBI

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
1075.60	1075.60	• **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:** Two equal half yearly instalments after 4 years of moratorium from the date of first disbursement.

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

2. SIDBI

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
1,064.73	1,064.73	• **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:** 3 Yrs 3 months • **Repayment:** First three equal half yearly instalment and balance amount in the last half yearly instalment. • **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 – 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 – 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.

3. SIDBI

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
3,340.56	3,340.56	• **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 Years 6 months • **Repayment:** 7 half yearly instalments after a moratorium of 2 years • **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% p.a. in case of defaults in instalments • **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 – 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 – 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

4. DEG - Deutsche Investitions

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
1,812.00	1,812.00	• **Purpose of the Loan:** Towards financing eligible projects by means of sub-loans to sub-borrowers in accordance with the provision of the agreement. • **Tenure:** 8.5 Years • **Repayment:** 12 semi-annual installments starting from the end of 30 months from the date of disbursement. • **Rescheduling:** NIL • **Security:** Exclusive first ranking charge on the receivables or any other amounts owing to it, all present and future, concerning or relating to eligible projects or any other projects as may at any time be approved by the Bank. • **Prepayment:** The Borrower may, prepay the whole or any part of the loan on the payment date by giving not less than one month's prior intimation to DEG. The prepaid amount shall be an amount of not less than one Repayment Instalment or multiple thereof. • **Penalty:** In case of default/delay in payment of interest an additional 2% over the applicable interest rate calculated from the due date to the actual date of payment. • **Events of Default**: Some of the material events of default are: – Non- payment of interest due or instalments due on time – Any financial covenant not satisfied – Non- performance/breach of any sanctioned term/cross default – Misrepresentation of statements or facts – Insolvency/winding up/bankruptcy – Unlawfulness/repudiation/governmental intervention/embargo/ illicit origin of funds/corruption/expropriation – Material adverse change/deterioration in financial situation or business relationship

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

5. DEG - Deutsche Investitions

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
1,087.20	1,087.20	• **Purpose of the Loan:** Towards financing eligible projects by means of sub-loans to sub-borrowers in accordance with the provision of the agreement. • **Tenure:** 10 Years • **Repayment:** 16 semi-annual installments starting from the end of 30 months from the date of disbursement. • **Rescheduling:** NIL • **Security:** Exclusive first ranking charge on the receivables or any other amounts owing to it, all present and future, concerning or relating to eligible projects or any other projects as may at any time be approved by the Bank. • **Prepayment:** The Borrower may, prepay the whole or any part of the loan on the payment date by giving not less than one month's prior intimation to DEG. The prepaid amount shall be an amount of not less than one Repayment Instalment or multiple thereof. • **Penalty:** In case of default/delay in payment of interest an additional 2% over the applicable interest rate calculated from the due date to the actual date of payment. • **Events of Default**: Some of the material events of default are: – Non- payment of interest due or instalments due on time – Any financial covenant not satisfied – Non- performance/breach of any sanctioned term/cross default – Misrepresentation of statements or facts – Insolvency/winding up/bankruptcy – Unlawfulness/repudiation/governmental intervention/embargo/ illicit origin of funds/corruption/expropriation – Material adverse change – Change of Control • **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.

6. Finnish Fund for Industrial Corporation Ltd

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
1,261.92	1,261.92	• **Purpose of the Loan:** For the purpose of financing of the Project in compliance with applicable law, including, without limitation the ECB guidelines. • **Tenure:** 8 Years • **Repayment:** 12 equal semi-annual instalments, starting on the first interest payment date falling 30 months from the first date of drawdown. • **Rescheduling:** NIL • **Security:** Exclusive charge on receivables or eligible projects and any other projects. • **Prepayment:** Repayment can be made with at leaset 30 business days notice for whole or part of the loan with prerequisite rate of 2% on the prepaid amount.

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
		• **Penalty:** At the rate of Default Interest as defined in Finance Documents for the unpaid sum • **Events of Default**: Some of the material events of default are: – Non- payment of any amount which is payable under Finance Document – Breach of any financial covenant – Breach of anti-money laundering and anti terrorism – Misrepresentation of statements or facts – Insolvency/winding up/Cross Default – Material adverse change/deterioration in financial situation or business relationship – Deterioration of security interest/Change in Control • **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

7. Sumitomo Mitsui Finance and Leasing Company Ltd

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
906.00	906.00	• **Purpose of the Loan:** Towards financing of all or part of the purchase price of equipment to be used in infrastructure projects in India in accordance with ECB Guidelines. • **Tenure:** 5 Years • **Repayment:** Bullet payment at the end of the maturity after 5 years from disbursement. • **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:** Repayment shall be made together with accrured interest on the amount prepaid and, subject to Break Costs, withour premium or penalty. • **Penalty:**.2% higher than the rate for the unpaid sum • **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/Change in Control • **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

8. Proparco

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
2,271.46	2,271.46	• **Purpose of the Loan:** Towards on-lending eligible sub loans to eligible sub

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
		borrowers as per the compliance with ECB. • **Tenure:** 8.5 Years • **Repayment:** 15 half yearly installments starting from 15th Decemeber 2019 • **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, subject to the following conditions, a) by giving 30 business days prior notice, b) prepayment shall be equal to a whole number of installment of principal, c) each prepayment to be made together with interest due or any other fees.The prepayment fee applicable is 2% of the agreegate amount of the loans that are repaid. • **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/Cessation of business – Unlawfulness/repudiation/governmental intervention/embargo/ illicit origin of funds/corrupt practice/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 together with accured interest or any other fees as per finance documents – Enforcement of security

@ Does not include the effective interest adjustment in accordance with IndAS 109 amounting to ₹67.80 million in total for Foreign Currency Loans from Financial Institutions.

C. Foreign Currency Loan from Banks^

i) Standard Chartered Bank

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
7,972.80	7,972.80	• **Purpose of the Loan:** Towards financing loans for purchase of equipments to be used in infrastructure in compliance with ECB regulations and all other applicable regulations of India. • **Tenure:** 5.5 Years • **Repayment:** In three equal installments on completion of 4.5 years, 5 years and 5.5 years from the Weighted Average Utilization 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 and as per the other terms under clause "Repayment and Cancellation" of the Finance Document. • **Penalty:** In case of default/delay in payment of interest, 2% higher than the rate

Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Sanctioned Terms and Conditions
		which would have applied if the overdue amount 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/moratorium – 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 – No dividend shall be declared

^Does not include the effective interest adjustment in accordance with IndAS 109 amouting to ₹165.90 million in total for Foreign Currency Loans from Banks

D. Working Capital under consortium*

Sl. No.	Name of Lender	Type of Facility	Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Repayment Schedule	Security
1	Various Banks, UCO Bank being the Lead Bank under consortium (including Buyer's Credit) *	Cash Credit	115,950.00	105,242.46	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, 2018:**

Sl. No.	Name of lender	Sl. No.	Name of lender
1	Allahabad Bank	16	Karnataka Bank
2	Andhra Bank	17	Karur Vysya Bank
3	Axis Bank	18	Lakshmi Vilas Bank
4	Bank of Baroda	19	Oriental Bank of Commerce
5	Bank of India	20	Punjab National Bank
6	Bank of Maharashtra	21	Punjab & Sind Bank
7	Canara Bank	22	Ratnakar Bank
8	Central Bank of India	23	State Bank of India
9	Corporation Bank	24	South Indian Bank
10	Dena Bank	25	Syndicate Bank
11	Federal Bank	26	UCO Bank
12	ICICI Bank	27	Union Bank of India
13	IDBI Bank	28	United Bank of India
14	Indian Bank	29	Vijaya Bank
15	Indian Overseas Bank	30	Yes Bank

(II) Details of Unsecured Term Loan[$]:

Sl. No.	Name of Lender	Type of Facility	Amount Sanctioned *(₹in Million)*	Principal Outstanding *(₹in Million)*	Repayment Schedule / Redemption Date
1.	ING Bank – A Branch of ING DIBA AG	ECB	1,892.88	1,514.30	Sept 15, 2026
2.	ICICI Bank Ltd	Unsecured Loan	1,000.00	1,000.00	Dec 28, 2018
3.	ICICI Bank Ltd	Unsecured Loan	1,000.00	1,000.00	Jan 03, 2019
4.	ING Bank – A Branch of ING DIBA AG	ECB	2,523.84	2,523.84	May 02, 2028

[$] Does not include the effective interest rate adjustment in accordance with IndAS 109 amouting to ₹75.30 million in total for Unsecured Term Loan

(III) Details of Debt Securities:

- **Secured Redeemable Non-Convertible Debentures*[##]:**

#	Debenture Series	Tenor / Period of Maturity (Days/Year/ Months)	Coupon	Principal 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.	5 Years	9.75%	84.80	11-May-15	11-May-20	CARE AA & BWR AA+
4.	N.A.	5 Years	10.25%	232.30	11-May-15	11-May-20	CARE AA & BWR AA+
5.	N.A.	7 Years	10.25%	321.54	11-May-15	11-May-22	CARE AA & BWR AA+
6.	N.A.	5 Years	9.95%	50.00	06-Oct-16	06-Oct-21	BWR AA+/ ACUITEACUITE AA+
7.	N.A.	7 Years	9.00%	50.00	02-Dec-16	02-Dec-23	BWR AA+/ ACUITE AA+
8.	N.A.	10 Years	9.00%	100.00	20-Dec-16	20-Dec-26	BWR AA+/ ACUITE AA+
9.	N.A.	3 Years	8.90%	4.29	17-Jan-17	17-Jan-20	BWR AA+/ ACUITE AA+
10.	N.A.	3 Years	9.10%	155.50	17-Jan-17	17-Jan-20	BWR AA+/ ACUITE AA+
11.	N.A.	3 Years	9.25%	382.45	17-Jan-17	17-Jan-20	BWR AA+/ ACUITE AA+
12.	N.A.	3 Years	9.50%	794.77	17-Jan-17	17-Jan-20	BWR AA+/ ACUITE AA+
13.	N.A.	3 Years	N.A.	199.25	17-Jan-17	17-Jan-20	BWR AA+/ ACUITE AA+
14.	N.A.	5 Years	9.11%	507.20	17-Jan-17	17-Jan-22	BWR AA+/ ACUITE AA+

#	Debenture Series	Tenor / Period of Maturity (Days/Year/ Months)	Coupon	Principal Outstanding *(₹in Million)*	Date of Allotment	Date of Maturity	Credit Rating
15.	N.A.	5 Years	9.35%	477.25	17-Jan-17	17-Jan-22	BWR AA+/ ACUITE AA+
16.	N.A.	5 Years	9.50%	430.86	17-Jan-17	17-Jan-22	BWR AA+/ ACUITE AA+
17.	N.A.	5 Years	9.75%	1,794.59	17-Jan-17	17-Jan-22	BWR AA+/ ACUITE AA+
18.	N.A.	5 Years	N.A.	174.26	17-Jan-17	17-Jan-22	BWR AA+/ ACUITE AA+
19.	N.A.	7 Years	9.45%	200.00	26-May-17	26-May-24	BWR AA+/ ACUITE AA+
20.	N.A.	7 Years	9.32%	100.00	31-May-17	31-May-24	BWR AA+/ ACUITE AA+
21.	N.A.	7 Years	9.23%	200.00	22-Jun-17	22-Jun-24	BWR AA+/ ACUITE AA+
22.	N.A.	7 Years	8.50%	235.00	15-Sep-17	15-Sep-24	BWR AA+/ ACUITE AA+
23.	N.A.	7 Years	8.99%	60.00	03-Oct-17	03-Oct-24	BWR AA+/ ACUITE AA+
24.	N.A.	3 Years	9.25%	1,500.00	16-Oct-17	16-Oct-20	CARE A+
25.	N.A.	3 Years	8.80%	50.00	28-Dec-17	28-Dec-20	BWR AA+/ ACUITE AA+
26.	N.A.	10 Years	9.00%	100.00	18-Jan-18	18-Jan-28	BWR AA+/ ACUITE AA+
27.	N.A.	5 Years	8.30%	50.00	14-Mar-18	14-Mar-23	BWR AA+/ ACUITE AA+
28.	N.A.	7 Years	9.00%	165.00	26-Mar-18	26-Mar-25	BWR AA+/ ACUITE AA+
29.	N.A.	5 Years	8.30%	140.00	04-April-18	04-April-23	BWR AA+/ ACUITE AA+
30.	N.A.	400 days	N.A.	111.58	25-May-18	29-Jun-19	BWR AA+/ ACUITE AA+
31.	N.A.	400 days	8.50%	826.67	25-May-18	29-Jun-19	BWR AA+/ ACUITE AA+
32.	N.A.	3 years	8.75%	226.06	25-May-18	25-May-21	BWR AA+/ ACUITE AA+
33.	N.A.	3 years	9.10%	608.84	25-May-18	25-May-21	BWR AA+/ ACUITE AA+

#	Debenture Series	Tenor / Period of Maturity (Days/Year/ Months)	Coupon	Principal Outstanding *(₹in Million)*	Date of Allotment	Date of Maturity	Credit Rating
34.	N.A.	3 years	N.A.	173.62	25-May-18	25-May-21	BWR AA+/ ACUITE AA+
35.	N.A.	5 years	9.00%	283.93	25-May-18	25-May-23	BWR AA+/ ACUITE AA+
36.	N.A.	5 years	9.35%	1,123.65	25-May-18	25-May-23	BWR AA+/ ACUITE AA+
37.	N.A.	5 years	N.A.	111.55	25-May-18	25-May-23	BWR AA+/ ACUITE AA+
38.	N.A.	10 years	9.20%	232.54	25-May-18	25-May-28	BWR AA+/ ACUITE AA+
39.	N.A.	10 years	9.60%	1,339.36	25-May-18	25-May-28	BWR AA+/ ACUITE AA+
40.	N.A.	10 years	N.A.	60.27	25-May-18	25-May-28	BWR AA+/ ACUITE AA+

**** Security:*** *Receivables/assets of the Company & Immovable Property*

Does not include the effective interest rate adjustment and, the Interest accrued and not due beyond twelve months in accordance with IndAS amounting to ₹191.50 million & ₹75.20 million respectively and discouinting on face value impact ₹0.50 million.

- **Unsecured Non-Convertible Debentures##:**

Sl. No.	Debenture Series	Tenor/ Period of Maturity	Coupon	Principal Outstanding *(₹in Million)*	Date of Allotment	Date of Maturity	Credit Rating
1	N.A.	4 Years	10.00%	10.00	28-Apr-16	28-Apr-20	BWR AA+/ ACUITE AA+
2	N.A.	3 Years 6months	9.95%	10.00	28-Oct-16	28-Apr-20	BWR AA+/ ACUITE AA+

Does not include the effective interest rate adjustment in accordance with IndAS amounting to ₹0.025 million.

(IV) Subordinated Liabilities:

Subordinate Non-Convertible Debentures/Perpetual Debentures/Subordinated Loan***

Sl. No.	Debenture Series	Tenor/ Period of Maturity	Coupon	Principal Outstanding *(₹in Million)*	Date of Allotment	Date of Maturity	Credit Rating
1.	N.A.	10 Years	10.00%	1,000.00	23-Dec-09	24-Dec-19	BWR AA+ & CARE A+
2.	N.A.	10 Years	10.00%	255.00	19-Mar-10	19-Mar-20	BWR AA+ & CARE A+
3.	N.A.	10 Years	10.00%	745.00	31-Mar-10	31-Mar-20	BWR AA+ & CARE A+
4.	N.A.	10 Years	11.50%	170.00	17-Dec-12	17-Dec-22	BWR AA+
5.	N.A.	10 Years	11.25%	90.00	24-Jan-13	24-Jan-23	CARE A+
6.	N.A.	10 Years	11.25%	208.00	7-May-13	7-May-23	BWR AA+ & CARE A+
7.	N.A.	7 Years	10.85%	100.00	29-Jun-13	29-Jun-20	BWR AA+
8.	N.A.	5 Years 10 months	10.75%	250.00	29-Jun-13	29-Apr-19	BWR AA+ & CARE A+

Sl. No.	Debenture Series	Tenor/ Period of Maturity	Coupon	Principal Outstanding *(₹in Million)*	Date of Allotment	Date of Maturity	Credit Rating
9.	N.A.	5 Years 10 months	10.75%	150.00	24-Jul-13	24-May-19	BWR AA+
10.	N.A.	7 Years	11.00%	160.00	27-Sep-13	27-Sep-20	BWR AA+ & CARE A+
11.	N.A.	5 Years 6 months	11.00%	150.00	29-Nov-13	29-May-19	BWR AA +
12.	N.A.	7 Years	11.10%	100.00	20-Dec-13	20-Dec-20	BWR AA+
13.	N.A.	10 Years	11.00%	50.00	16-Mar-15	16-Mar-25	BWR AA+ & CARE A+
14.	N.A.	5 Years 3 Months	11.00%	360.00	31-Mar-15	30-Jun-20	BWR AA+ & CARE A+
15.	N.A.	7 Years	10.75%	500.00	13-Aug-15	13-Aug-22	BWR AA+/ ACUITE AA+
16.	N.A.	10 Years	10.75%	1,500.00	13-Aug-15	13-Aug-25	BWR AA+/ ACUITE AA+
17.	N.A.	10 Years	10.50%	100.00	20-Aug-15	20-Aug-25	BWR AA+/ ACUITE AA+
18.	N.A.	10 Years	10.50%	50.00	24-Sep-15	24-Sep-25	BWR AA+/ ACUITE AA+
19.	N.A.	5 Years 7 Months	10.30%	236.00	24-Sep-15	24-Apr-21	BWR AA+/ ACUITE AA+
20.	N.A.	7 Years 7 Months	10.40%	120.00	24-Sep-15	24-Apr-23	BWR AA+/ ACUITE AA+
21.	N.A.	10 Years	10.60%	150.00	11-Jan-16	11-Jan-26	BWR AA+/ ACUITE AA+
22.	N.A.	10 Years	10.60%	50.00	20-Jan-16	20-Jan-26	BWR AA+/ ACUITE AA+
23.	N.A.	5 Years 3 Months	10.15%	70.00	1-Feb-16	1-May-21	BWR AA+/ ACUITE AA+
24.	N.A.	10 Years	10.60%	50.00	5-Feb-16	5-Feb-26	BWR AA+/ ACUITE AA+
25.	N.A.	10 Years	10.70%	50.00	18-Mar-16	18-Mar-26	BWR AA+/ ACUITE AA+
26.	N.A.	7 Years	10.70%	20.00	29-Mar-16	29-Mar-23	BWR AA+/ ACUITE AA+
27.	N.A.	10 Years	10.00%	200.00	31-Mar-16	31-Mar-26	BWR AA+/ ACUITE AA+
28.	N.A.	10 Years	10.75%	200.00	25-May-16	25-May-26	BWR AA+/ ACUITE AA+
29.	N.A.	10 Years	10.25%	35.00	26-May-16	26-May-26	BWR AA+/ ACUITE AA+
30.	N.A.**	10 Years	12.50%	375.00	30-Dec-11	30-Dec-21	BWR AA+/ ACUITE AA+
31.	N.A.	10 Years	9.50%	300.00	24-Aug-16	24-Aug-26	BWR AA+/ ACUITE AA+
32.	N.A.	10 Years	10.75%	150.00	04-Oct-16	04-Oct-26	BWR AA+/ ACUITE AA+
33.	N.A.	10 Years	10.75%	400.00	07-Oct-16	07-Oct-26	BWR AA+/ ACUITE AA+
34.	N.A.	7 Years 6 months	9.80%	500.00	25-Oct-16	25-Apr-24	BWR AA+/ ACUITE AA+
35.	N.A.	10 Years	9.85%	100.00	04-Nov-16	04-Nov-26	BWR AA+/ ACUITE AA+
36.	N.A.	7 Years 3 months	10.40%	50.00	01-Mar-17	01-June24	BWR AA+/ ACUITE AA+
37.	N.A.	5 Years 3 months	10.18%	50.00	09-Mar-17	09-Jun-22	BWR AA+/ ACUITE AA+

Sl. No.	Debenture Series	Tenor/ Period of Maturity	Coupon	Principal Outstanding *(₹in Million)*	Date of Allotment	Date of Maturity	Credit Rating
38.	N.A.	7 Years	10.45%	750.00	10-Mar-17	10-Mar-24	BWR AA+/ ACUITE AA+
39.	N.A.	10 Years	10.25%	500.00	30-Mar-17	30-Mar-27	BWR AA+/ ACUITE AA+
40.	N.A.	10 Years	9.00%	450.00	23-Jun-17	23-Jun-27	BWR AA+/ ACUITE AA+
41.	N.A.	5 Years 3 months	9.25%	1,764.81	08-Aug-17	08-Nov-22	BWR AA+/ ACUITE AA+
42.	N.A.	5 Years 3 months	9.30%	1,505.33	08-Aug-17	08-Nov-22	BWR AA+/ ACUITE AA+
43.	N.A.	5 Years 3 months	N.A.	309.13	08-Aug-17	08-Nov-22	BWR AA+/ ACUITE AA+
44.	N.A.	7 Years	9.35%	93.25	08-Aug-17	08-Aug-24	BWR AA+/ ACUITE AA+
45.	N.A.	7 Years	9.40%	115.11	08-Aug-17	08-Aug-24	BWR AA+/ ACUITE AA+
46.	N.A.	7 Years	N.A.	28.13	08-Aug-17	08-Aug-24	BWR AA+/ ACUITE AA+
47.	N.A.	10 Years	9.50%	1,166.38	08-Aug-17	08-Aug-27	BWR AA+/ ACUITE AA+
48.	N.A.	10 Years	9.55%	457.82	08-Aug-17	08-Aug-27	BWR AA+/ ACUITE AA+
49.	N.A.	10 Years	N.A.	179.92	08-Aug-17	08-Aug-27	BWR AA+/ ACUITE AA+
50.	N.A.	5 Years 10 months	10.25%	500.00	03-July-18	03-May-24	BWR AA+/ ACUITE AA+
51.	N.A. (Subordinated Loan)	5 Years 10 months	11.00%	500.00	29-Sept-15	31-July-21	NA

***Perpetual Debentures*

******* *Does not include the effective interest rate adjustmentand Interest accrued and not due beyond twelve months in accordance with IndAS ₹319.50 million & ₹56.40 million respectively. Does not include the discouinting on face value impact of ₹17.20 million.*

(V) Non-Convertible Debentures issued on private placement basis during the last five financial years and six months

Year/Period ended	Amount Issued (₹in Million)
September 30, 2018	639.93#
March 31, 2018	3,091.37#
March 31, 2017	5,255.00#
March 31, 2016	3,096.00#
March 31, 2015	8,660.00#
March 31, 2014	1,268.00*

#Includes Secured and/or Unsecured Non-Convertible Debentures and/or Unsecured Subordinated Redeemable Non-Convertible Debentures (Tier II Capital);

** Unsecured Subordinated Redeemable Non-Convertible Debentures (Tier II Capital).*

(VI) List of Top 10 Debenture Holders as on September 30, 2018:

i. Top 10 Debenture Holders on cumulative basis for all outstanding Secured NCDs:

Sl.	Name of Debenture Holders	Amount (₹in Million)
1	Standard Chartered Bank (Mauritius) Limited –Debt	1,500.00
2	The Provident Fund for the Employees of Indian Oil Corporation Ltd. (Marketing Division)	1,000.00
3	SICOM Limited	500.00
	UCO Bank	500.00
4	HAL (BC) Provident Fund Trust	416.27
5	Oriental Bank of Commerce	300.00

Sl.	Name of Debenture Holders	Amount (₹in Million)
6	Naval Group Insurance Fund	290.00
7	RSRTC Contributory Provident Fund Trust	250.00
	Food Corporation of India Cpf Trust	250.00
	Indian Bank	250.00
	The Banaskantha District Central Cooperative Bank Ltd, Palanpur	250.00
	PNB Gilts Ltd	250.00
8	ECL Finance Limited	215.00
9	BHOPAL COOP. CENTRAL BANK LTD.	200.00
10	APSRTC Employees Provident Fund Trust	198.07

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

Sl.	Name of Debenture Holders	Amount (₹In Million)
1	Secretary Board of Trustees MPEB Employees Provident Fund	1,000.00
	UCO Bank	1,000.00
2	HPGCL Employees Pension Fund Trust	790.00
3	HVPNL Employees Pension Fund Trust	755.00
4	Northen ARC Capital Limited	750.00
5	Board of Trustees M.S.R.T.C Gratuity Fund	659.00
6	Board of Trustees G. S. R. T. C. C P Fund	540.00
7	Indrani Patnaik	500.00
8	Punjab And Sind Bank	450.00
9	HVPNL Employees Provident Fund Trust	380.00
10	AIR- INDIA EMPLOYEES PROVIDENT FUND	370.00

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

(VIII) Details of rest of the borrowings (If any including hybrid debt like foreign currency convertible bonds, foreign currency exchangeable bonds, optionally convertible debentures / preference shares): NIL

(IX) Details of outstanding Commercial Paper (Face Value) as on September 30, 2018:

Sl. No.	Maturity Date	Principal Outstanding ₹in Million)*
1	10-Oct-18	500.00
2	23-Oct-18	750.00
3	26-Oct-18	750.00
4	30-Oct-18	750.00
5	31-Oct-18	3,300.00
6	5-Nov-18	250.00
7	13-Nov-18	500.00
8	14-Nov-18	1,000.00
9	29-Nov-18	100.00
10	30-Nov-18	2,500.00
11	3-Dec-18	250.00
12	19-Dec-18	2,040.00
13	3-Sep-19	1,000.00
14	5-Sep-19	1,000.00

** Commercial Paper net of prepaid discount for ₹291.92 million amounts to ₹14,398.08 million.*

(X) Unsecured Collaterilised Borrowings$$:

Particulars	Amount Oustanding (₹in million)
Collaterised Borrowings	10,172.20

$$ Does not includes the effective interest rate adjustement in accordance with IndAS 109 amouting to ₹4.90 million

(XI) Loan from Directors and Relatives of Directors

Our Company has not raised any loan from directors and relatives of directors as on September 30, 2018.

(XII) Inter Corporate Loans

As on September 30, 2018, our Company has not borrowed any amount in the nature of inter corporate loans.

(XIII) Inter Corporate Deposit

Our Company does not have any inter corporate deposit outstanding as on September 30, 2018.

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. 21 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) in pursuance of an option as on the date of this Prospectus (iii) at a premium or discount other than as disclosed below:

The below debentures have a face value of ₹ 1000/-

Sl.	Description (ISIN)	Secured/ Unsecured	Premium /Discount at (per unit)	No of Units	Tenor/Period of Maturity	Coupon	Amount Raised (on Face Value in ₹ mn)	Futher Issuance Date	Redemption Date	Credit Ratings
1	INE881J07ET5	Secured	980000	10	6 Years 7 months 29 days	8.50%	10.00	17-Jan-18	15-Sept-24	BWR AA+/ Acuite AA+
2	INE881J07ET5	Secured	989100	25	6 Years 8 months 6 days	8.50%	25.00	09-Jan-18	15-Sept-24	BWR AA+/ Acuite AA+
3	IN881J07FA2	Secured	999545	50	4 years 11 months 28 days	8.30%	50.00	06-Aprl-18	04-Aprl-23	BWR AA+/ Acuite AA+
4	IN881J07FA2	Secured	998181	40	4 years 11 months 22 days	8.30%	40.00	12-Aprl-18	04-Aprl-23	BWR AA+/ Acuite AA+
5	IN881J08565	Unsecured	954551	400	9 years 2 months 24 days	9%	400.00	31-Mar-18	23-Jun-17	BWR AA+/ Acuite AA+

The chapter *"Existing Financial Indebtedness"* in this Prospectus is based on unaudited financial information of the Company as on September 30, 2018, which may vary with the audited financial information of the Company of even date.

SECTION VI: ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the details of the key terms of the NCDs. This section should be read in conjunction with and is qualified in its entirety by more detailed information in "***Terms of the Issue***" on page 205 of this Prospectus.

The key common terms and conditions of the NCDs are as follows:

Issuer	Srei Equipment Finance Limited
Type of instrument/ Name of the security	Secured NCDs and Unsecured NCDs of face value of ₹1,000/- each
Seniority	The claims of Secured NCDs Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and /or regulatory requirements. The Secured NCDs would constitute secured obligations of our and shall rank pari passu inter se, to the claims of other creditors of Company having same security. No Security will be created for Unsecured NCDs, which is in the nature of Subordinated debt.
Nature of the instrument	Secured Redeemable Non-Convertible Debentures and Unsecured Redeemable Non-Convertible Debentures in the nature of Subordinated debt and will be eligible for inclusion as Tier II capital.
Mode of the issue	Public issue
Lead Managers	Edelweiss Financial Services Limited, IIFL Holdings Limited, Trust Investment Advisors Private Limited, Tipsons Consultancy Services Private Limited and Srei Capital Markets Limited.
Debenture Trustee	Axis Trustee Services Limited
Depositories	NSDL and CDSL
Registrar to the Issue/ Registrar	Karvy Fintech Private Limited (formerly Karvy Computershare Private Limited)
Issue	Public Issue by our Company of Secured redeemable non-convertible debentures of face value of ₹1,000/- ("Secured NCDs) and Unsecured Subordinated Redeemable Non-Convertible Debentues of face value of ₹1,000/- each ("Unsecured NCDs"), for an amount up to ₹1,500 million ("Base Issue Size") with an option to retain over subscription for an amount upto ₹1,500 million, aggregating to ₹3,000 million ("**Overall Issue Size**").The Secured NCDs and Unsecured NCDs are together referred to as "Debentures / NCDs". The Unsecured NCDs will be in the nature of Suboridated debt and will be eligible for inclusion as Tier II capital on the terms and in the manner set out in this Prospectus to be filled with RoC. The Secured NCDs and Unsecured NCDs will be issued and allotted upto the Overall Issue Size either individually or collectively.
Base Issue Size	₹1,500 million
Option to retain Oversubscription Amount	₹1,500 million
Overall Issue Size	₹3,000 million
Eligible investors	See the section titled "*Issue Procedure*" on page 220 of this Prospectus
Objects of the Issue	See the section titled "*Objects of the Issue*" on page 66 of this Prospectus.
Details of utilization of the proceeds	See the section titled "*Objects of the Issue*" on page 66 of this Prospectus.
Interest rate	Please see the section titled "*Terms of the Issue*" on page 205 of this Prospectus.
Security	The principal amount of the Secured NCDs to be issued in terms of this Issue together with all interest due on the Secured NCDs in respect thereof shall be secured by way of exclusive charge in favour of the Debenture Trustee on specific present and/or future receivables/assets of our Company, as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the Secured NCD Holders on the

	assets adequate to ensure 100% asset cover for the Secured NCDs (along with the interest due thereon). For further details please refer to the section titled "*Terms of the Issue – Security*" on page no. 210 of this Prospectus. No security will be created for the Unsecured NCDs to be issued in terms of this Issue.
Step up/ Step down interest rates	NA
Interest type	Fixed
Interest reset process	Not Applicable
Frequency of interest payment	Please see the section titled "*Terms of the Issue*" on page 205 of this Prospectus
Interest payment date	Please see the section titled "*Terms of the Issue*" on page 205 of this Prospectus
Day count basis	Actual/ Actual
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds in case of failure of the Issue or non-receipt oflisting and trading approval, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws
Tenor	Please see the section titled "*Terms of the Issue*" on page 210 of this Prospectus
Redemption/Maturity Date	Shall mean 400 days from Deemed Date of Allotment for Series I and Series II NCDs, 3 years from Deemed Date of Allotment for Series III, Series IV and Series V NCDs, 5 years from Deemed Date of Allotment for Series VI, Series VII and Series VIII NCDs and 10 years from Deemed Date of Allotment for Series IX NCDs. If the Redemption Date/Maturity Date of any Series of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment
Issue Price (in ₹)	₹1,000 per NCD
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.
Discount at which security is issued and the effective yield as a result of such discount.	Not Applicable
Put date	Not Applicable
Put price	Not Applicable
Call date	Not Applicable
Call price	Not Applicable
Put notification time.	Not Applicable
Call notification time	Not Applicable
Face value	₹1,000 per NCD
Minimum Application size and in multiples of NCD thereafter	₹10,000 (10 NCDs) and in multiple of ₹1,000 (1 NCD) thereafter
Market Lot/ Trading Lot	One
Pay-in date	Application Date. The entire Application Amount is payable on Application.
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 April 12, 2017 and further revalidated by letters dated October 11, 2018 and November 28, 2018 and "ACUITE AA+/Stable' (ACUITE Double A plus/Stable)" by ACUITE Ratings Limited ("ACUITE") pursuant to letter dated April 06, 2017 and revalidated by letters dated September 18, 2018, October 09, 2018 and December 03, 2018. Instruments with a

	rating of 'BWR AA+" (BWR Double A Plus) (Outlook: Stable) by BRICKWORK and "ACUITE AA+/Stable" (ACUITE Double A plus) 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 ACUITE 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 of this Prospectus for the rationale of the above ratings.
Listing	The NCDs are proposed to be listed on BSE. The NCDs shall be listed within 6 Working Days from the date of Issue Closure. For more information, see "*Other Regulatory and Statutory Disclosures*" on 266 of this Prospectus.
Modes of payment	Please see the section titled "*Issue Procedure*" on page 220 of this Prospectus.
Issuance Mode of the Instrument	In dematerialised form only
Trading mode of the instrument	In dematerialised form only
Settlement mode of the Instrument	Through various modes.
Issue opening date	December 19, 2018
Issue closing date**	January 18, 2019
Record date	In connection with Series III and Series VI NCDs, 10 (Ten) 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, Series IV, Series VII and Series IX NCDs, 15 (Fifteen) 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 V and Series VIII 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 the immediate succeeding Working Day will be deemed as Record Date
Issue documents	The Draft Prospectus and the Prospectus read with any notices, corrigenda, addendum thereto, the Debenture Trust Deeds, Application Form, Abridged Prospectus and other documents, as applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account Agreement, the Registrar Agreement, and the Lead Broker Agreement. For further details please refer to "*Material Contracts and Documents for Inspection*" on page 304 of this Prospectus
Conditions precedent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement. See "*Utilisation of Issue Proceeds*" on page 218 of this Prospectus.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement.
Events of default / cross default	See the section titled "*Terms of the Issue*" on page 205 of this Prospectus
Provisions related to Cross Default Clause	As provided in the Debenture Trust Deed.
Deemed date of Allotment	The date on which the Board or Committee of Director thereof approves the Allotment of NCDs or such date as may be determined by the Board of Directors/or any Committee thereof and notified to the Designated Stock Exchange. All benefits relating to the NCDs including interest on NCDs shall be available to Investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.

Roles and responsibilities of the Debenture Trustee	See the section titled "*Terms of the Issue*" on page 205 of this Prospectus
Governing law and jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Kolkata, India, respectively.
Working Day convention	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 Closing Date 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.

***** *The subscription list 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 or the Committee of Directors. In the event of such early closure of or extension of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper with wide circulation on or before such earlier date of Issue Closure or initial date of Issue closure, as the case may be. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchnages, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 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 BSE.*

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.

Specific terms of each Instrument

Terms of the NCDs

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

Series	I	II	III	IV***	V	VI	VII	VIII	IXs
Frequency of Interest Payment	N.A.	Annual	Monthly	Annual	N.A.	Monthly	Annual	N.A.	Annual
Nature of Instruments	Secured NCD		Secured NCD			Secured NCD			Unsecured NCD
Tenor from Deemed Date of Allotment	400 days		3 Years			5 Years			10 Years
Minimum Application	₹ 10,000/- (10 NCDs) across all Series collectively								
Face Value/Issue Price of NCDs (₹ / NCD)	₹ 1,000/-								
In Multiples of (₹) thereafter	₹ 1,000/- (1 NCD)								
Coupon (% per annum) for Category I, Category II & Category III Investor(s)	N.A.	9.75%	9.81%	10.25%	N.A.	10.05%	10.50%	N.A.	10.75%
Effective Yield (per annum) for Category I, Category II & Category III Investor(s)	9.81%	9.85%	10.25%	10.29%	10.25%	10.52%	10.53%	10.50%	10.76%
Mode of Interest Payment	Through various modes available.								
Amount (₹/NCD) on Maturity for Category I, Category II & Category III Investor(s)	1,108	1,000	1,000	1,000	1,478	1,000	1,000	1,648	1,000
Maturity Date (from Deemed Date of Allotment)	**400 days**		**3 Years**			**5 Years**			**10 Years**

**** Our Company shall allocate and allot Series* IV *NCDs wherein the Applicants have not indicated their choice of the relevant NCD Series.*

For all category of Investors in the proposed Issue and who are holders of NCD(s)/Bond(s) previously issued by our Company and/ or Srei Infrastructure Finance Limited ("SIFL") and/or are equity shareholder(s) of SIFL and/or Senior Citizens and/or are existing employees of Srei Group on the Deemed Date of Allotment and who have subscribed for Series III, Series IV, Series VI, Series VII and/or Series IX NCDs shall be eligible for additional incentive of 0.25 % p.a. provided the proposed NCDs are held by the investors on the relevant Record Date applicable for payment of respective coupons in respect Series III, Series IV, Series VI, Series VII and/or Series IX NCDs and are NCD Holders on the Record Date for redemption of NCD in case of Series III, Series IV, Series VI, Series VII and/or Series IX NCDs.

For all category of Investors in the proposed Issue and who are holders of NCD(s)/Bond(s) previously issued by our Company and/ or SIFL and/or are equity shareholder(s) of SIFL and/or Senior Citizens and/or exiting employees of Srei Group on the Deemed Date of Allotment applying in Series V and/or Series VIII NCDs, the maturity amount at redemption along with the additional yield would be ₹1492/- per NCD , and ₹1667/- per NCD respectively.

Any category of Investors subscribing to Series I NCDs and Series II NCDs shall not be eligible for any additional incentive, regardless of their qualifications as mentioned hereinabove.

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

The additional incentive will be given only on the NCDs allotted in this Issue i.e. to the Primary holder(s). In case if any NCD is bought/acquired from secondary market or from open market, additional incentive will not be paid on such bought/acquired NCD.

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

Senior Citizen(s) have to provide self -attested copy of PAN card as additional KYC document for the eligibility of additional incentive of 0.25% per annum. In case of non-receipt of copy of PAN along with application form while applying for the NCDs of the proposed Issue, the additional incentive of 0.25% p.a. will not be applicable. Employees have to provide a copy of employee ID card or written certificate from human resource department of Issuer along with the application form to avail additional coupon of 0.25% p.a.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "Securities Act") or the securities laws of any state of the United States and 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.

For details of the interest payment please refer to "***Interest on NCDs***" at page no. 212 of this Prospectus.

Terms of payment

The entire amount of face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA account, in accordance with the terms of this Prospectus.

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 may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account) held in joint names. 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. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. 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.

For further details, see the section titled "***Issue Procedure***" on page 220 of this Prospectus.

Day Count Convention

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

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 Redemption 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.

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, is as follows:

Series III	
Company	Srei Equipment Finance Limited
Face value (per NCD)	₹1,000
Issue Opening Date/ Deemed Date of Allotment (tentative)	December 19, 2018 / January 24, 2019
Redemption Date	January 24, 2022
Interest rate for Categories I, II & III	9.81%
Interest rate for Categories I, II & III eligible for additional coupon of 0.25 %	10.06%
Frequency of interest payment with specified dates	First interest payment will be on March 15, 2019 from the Deemed Date of Allotment and subsequently on the 15th day of every month. Last interest payment will be made on the date of redemption of Series III NCDs on prorata 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 (no of days)	Amount Payable per NCD for Categories I, II & III	Amount Payable per NCD for Categories I, II & III - eligible for Additional Coupon
1st Coupon	Mar 15, 2019 (Friday)	Mar 15, 2019 (Friday)	50	13.00	14
2nd Coupon	Apr 15, 2019 (Monday)	Apr 15, 2019 (Monday)	31	8.00	9
3rd Coupon	May 15, 2019 (Wednesday)	May 15, 2019 (Wednesday)	30	8.00	8
4th Coupon	Jun 15, 2019 (Saturday)	Jun 15, 2019 (Saturday)	31	8.00	9
5th Coupon	Jul 15, 2019 (Monday)	Jul 15, 2019 (Monday)	30	8.00	8
6th Coupon	Aug 15, 2019 (Thursday)	Aug 15, 2019 (Thursday)	31	8.00	9
7th Coupon	Sep 15, 2019 (Sunday)	Sep 16, 2019 (Monday)	31	8.00	9
8th Coupon	Oct 15, 2019 (Tuesday)	Oct 15, 2019 (Tuesday)	30	8.00	8
9th Coupon	Nov 15, 2019 (Friday)	Nov 15, 2019 (Friday)	31	8.00	9
10th Coupon	Dec 15, 2019 (Sunday)	Dec 16, 2019 (Monday)	30	8.00	8
11th Coupon	Jan 15, 2020 (Wednesday)	Jan 15, 2020 (Wednesday)	31	8.00	9
12th Coupon	Feb 15, 2020 (Saturday)	Feb 15, 2020 (Saturday)	31	8.00	9
13th Coupon	Mar 15, 2020 (Sunday)	Mar 16, 2020 (Monday)	29	8.00	8
14th Coupon	Apr 15, 2020 (Wednesday)	Apr 15, 2020 (Wednesday)	31	8.00	9
15th Coupon	May 15, 2020 (Friday)	May 15, 2020 (Friday)	30	8.00	8
16th Coupon	Jun 15, 2020 (Monday)	Jun 15, 2020 (Monday)	31	8.00	9
17th Coupon	Jul 15, 2020 (Wednesday)	Jul 15, 2020 (Wednesday)	30	8.00	8
18th Coupon	Aug 15, 2020 (Saturday)	Aug 15, 2020 (Saturday)	31	8.00	9
19th Coupon	Sep 15, 2020 (Tuesday)	Sep 15, 2020 (Tuesday)	31	8.00	9
20th Coupon	Oct 15, 2020 (Thursday)	Oct 15, 2020 (Thursday)	30	8.00	8
21st Coupon	Nov 15, 2020 (Sunday)	Nov 16, 2020 (Monday)	31	8.00	9
22nd Coupon	Dec 15, 2020 (Tuesday)	Dec 15, 2020 (Tuesday)	30	8.00	8

Cash flows (event)	Due date	Date of payment	Payment period (no of days)	Amount Payable per NCD for Categories I, II & III	Amount Payable per NCD for Categories I, II & III - eligible for Additional Coupon
23rd Coupon	Jan 15, 2021 (Friday)	Jan 15, 2021 (Friday)	31	8.00	9
24th Coupon	Feb 15, 2021 (Monday)	Feb 15, 2021 (Monday)	31	8.00	9
25th Coupon	Mar 15, 2021 (Monday)	Mar 15, 2021 (Monday)	28	8.00	8
26th Coupon	Apr 15, 2021 (Thursday)	Apr 15, 2021 (Thursday)	31	8.00	9
27th Coupon	May 15, 2021 (Saturday)	May 15, 2021 (Saturday)	30	8.00	8
28th Coupon	Jun 15, 2021 (Tuesday)	Jun 15, 2021 (Tuesday)	31	8.00	9
29th Coupon	Jul 15, 2021 (Thursday)	Jul 15, 2021 (Thursday)	30	8.00	8
30th Coupon	Aug 15, 2021 (Sunday)	Aug 16, 2021 (Monday)	31	8.00	9
31st Coupon	Sep 15, 2021 (Wednesday)	Sep 15, 2021 (Wednesday)	31	8.00	9
32nd Coupon	Oct 15, 2021 (Friday)	Oct 15, 2021 (Friday)	30	8.00	8
33rd Coupon	Nov 15, 2021 (Monday)	Nov 15, 2021 (Monday)	31	8.00	9
34th Coupon	Dec 15, 2021 (Wednesday)	Dec 15, 2021 (Wednesday)	30	8.00	8
35th Coupon	Jan 15, 2022 (Saturday)	Jan 15, 2022 (Saturday)	31	8.00	9
Redemption of Principal	Jan 24, 2022 (Monday)	Jan 24, 2022 (Monday)	9	1,002.00	1,002
Total				**1,287**	**1,308**

Series IV	
Company	Srei Equipment Finance Limited
Face value (per NCD)	₹1,000
Issue Opening Date/ Deemed Date of Allotment (tentative)	December 19, 2018 / January 24, 2019
Redemption Date	January 24, 2022
Interest rate for Categories I, II & III	10.25%
Interest rate for Categories I, II & III eligible for additional coupon of 0.25%	10.50%
Frequency of interest payment with specified dates	First interest payment will be on March 31, 2019 from the Deemed Date of Allotment till March 31, 2019 and subsequently on March 31 every year. Last interest payment will be made at the date of redemption of Series IV NCDs on prorata 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 (no of days)	Amount payable per NCDs for Categories I, II& III (₹)	Amount Payable per NCD for Categories I, II & III -eligible for Additional Coupon
1st Coupon	March 31, 2019 (Sunday)	Apr 01, 2019 (Monday)	66	19	19
2nd Coupon	March 31, 2020 (Tuesday)	Mar 31, 2020 (Tuesday)	366	103	105
3rd Coupon	March 31, 2021 (Wednesday)	Mar 31, 2021 (Wednesday)	365	103	105
Coupon on Redemption	January 24, 2022 (Monday)	Jan 24, 2022 (Monday)	299	84	86
Principal Redemption	January 24, 2022 (Monday)	Jan 24, 2022 (Monday)	0	1,000	1,000
Total				**1,309**	**1,315**

Series V	
Company	Srei Equipment Finance Limited
Face value (per NCD)	₹1,000
Issue Opening Date/ Deemed Date of Allotment (tentative)	December 19, 2018 / January 24, 2019
Redemption Date	January 24, 2022
Interest rate for Categories I, II & III	NA
Interest rate for Categories I, II & III eligible for additional coupon of 0.25%	NA
Frequency of interest payment with specified dates	NA
Day count convention	Actual/Actual
** Based on current Issue Closing Date and post Issue timelines. Subject to further change*	

Cash flows (event)	Due date	Date of payment	Payment period (days)	Amount Payable per NCD for Categories I, II &III (₹)	Amount Payable per NCD for Categories I, II & III - eligible for Additional Coupon
Redemption/Maturity Value	January 24, 2022 (Monday)	Jan 24, 2022 (Monday)	1,096	1,478	1,492

Assumption

1. For the purpose of illustrations, it is assumed that only Sundays are non-working days
2. For the purpose of above illustration, the Deemed Date of Allotment has been assumed as January 24, 2019. If the Deemed Date of Allotment undergoes a change, the coupon payments dates, redemption dates, redemption amount and other cash flow working shall be changed accordingly.
3. Interest payable for calendar years 2020 being leap year, has been calculated for 366 days.
4. 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 ₹ 1,574.90/-, then the amount shall be rounded off to ₹ 1,575/-. In the above table, interest payable per debenture is round off to nearest integer only for purpose of illustration. However, this rounding off to nearest integer at the time of payment of interest and/or redemption amount will be done per debenture holder.

TERMS OF THE ISSUE

Authority for the Issue

This Issue has been authorized by the Board of Directors of our Company pursuant to a resolution passed at their meeting held on January 15, 2018. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders *vide* their resolution dated January 20, 2018.

Principal Terms and Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI Debt Regulations, the Companies Act, the Memorandum and Articles of Association of our Company, the terms of the Draft Prospectus, the Prospectus, the Application Forms, the Abridged Prospectus, statutory advertisement and corrigendum if any, 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/Stock Exchanges, 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.

Ranking of Secured NCDs

The Secured NCDs would constitute 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 charge in favour of the Debenture Trustee on specific present and/or future receivables/assets of our Company and/or *pari passu* charge on an identified immovable property of the 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 Secured NCD Holders on the assets equal to the value one time of the debentures outstanding plus interest accrued thereon, and subject to any obligations under applicable statutory and/or regulatory requirements. The claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements. The Secured NCDs proposed to be issued under the Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption.

Ranking of Unsecured NCDs

The Unsecured NCDs would constitute unsecured and subordinated obligations of the Company and shall rank pari passu inter se, and subject to any obligations under applicable statutory and/or regulatory requirements. The Unsecured NCDs proposed to be issued under the Issue and all earlier issues of unsecured debentures outstanding in the books of our Company, shall rank pari passu without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The claims of the Unsecured NCD holders shall be subordinated to those of the other creditors of our Company, subject to applicable statutory and/or regulatory requirements. Our Company may, subject to applicable RBI requirements and other applicable statutory and/or regulatory provisions, treat the Unsecured NCDs as Tier II Capital.

Security

The principal amount of the Secured NCDs to be issued in terms of the Draft Prospectus and Prospectus together with all interest due on the Secured NCDs in respect thereof shall be secured by way of exclusive charge in favour of the Debenture Trustee on specific present and/or future receivables/assets 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 Secured NCD Holders on the assets adequate to ensure 100% asset cover for the Secured NCDs (along with the interest due thereon). The Issuer undertakes that the necessary documents for the creation of the security, including the Secured Debenture Trust Deed would be executed within the time frame prescribed as per applicable law and the same would be uploaded on the website of the Designated Stock exchange, within five working days of execution of the same.

No security will be created for Unsecured NCDs in the nature of subordinated debt.

Debenture Trust Deed(s)

Our Company intends to enter into Debenture Trust Deeds with the Debenture Trustee for the benefit of the NCD Holders, the terms of which will *inter alia* govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution of the Debenture Trust Deeds before the Allotment of NCDs.

Under the terms of the Debenture Trust Deeds, our Company will covenant with Debenture Trustee that it will pay the NCDs Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on the NCDs at the rates specified in this Prospectus and Debenture Trust Deeds. The Secured Debenture Trust Deed will also provide that the Company may withdraw any portion of the Security or replace with another assests of the same or higer value. However, in case of Secured Debenture Trust Deed, the Company reserve the right to create pari passu charge on the said immovable property without seeking NOC from each Secured NCDs Holders and the Debenture Trustee is empowered to issue NOC to create pari passu charge on the said immovable property for furture issuances.

Trustees for the Secured NCD Holders

We have appointed Axis Trustee Services Limited to act as the Debenture Trustees for the Secured NCD Holders. We and the Debenture Trustee will execute a Secured Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The Secured 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 Secured NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Secured 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 Secured 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.

Trustees for the Unsecured NCD Holders

We have appointed Axis Trustee Services Limited to act as the Debenture Trustees for the Unsecured NCD Holders. The Debenture Trustee and us will execute an Unsecured Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The Unsecured NCD Holders 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 Unsecured NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Unsecured NCD Holders. Any payment made by us to the Debenture Trustee on behalf of the Unsecured NCD Holders shall discharge us pro tanto to the Unsecured NCD Holders. The Debenture Trustee will protect the interest of the Unsecured 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.

Debenture Redemption Reserve

Pursuant to Regulation 16 of the SEBI Debt Regulations and Section 71(4) of the Companies Act, 2013 which require that when debentures are issued by any company, the company shall create debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18(7)(b)(iii) of the Companies (Share Capital and Debentures) Rules, 2014 states that for companies such as our Company, the adequacy of DRR shall be 25% of the value of outstanding debentures issued through a public issue as per the SEBI Debt Regulations. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (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 above-mentioned 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 year ending on the 31st day of March of that year.

Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs issued *vide* the Issue. In addition, as per Rule 18 (7)(e) under Chapter IV of the Companies Act, 2013, the amount deposited or invested in the manner as provided in Rule 18(7)(c) as applicable to DRR shall not be utilised by our Company except for the redemption of the NCDs.

Face Value

The face value of each NCD shall be ₹1,000.

Trustees for the NCD Holders

We have appointed Axis Trustee Services Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 4(4) of the Debt Regulations and Section 71(5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute Debenture Trust Deeds, for *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 authorized 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 happening of an Event of Default in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

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 our 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 will be specified in the Debenture Trust Deeds.

Default is committed in payment of the principal amount of the NCDs on the due date(s); and default is committed in payment of any interest on the NCDs on the due date(s).

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of Secured NCD Holders

Some of the significant rights available to the Secured NCD Holders are as follows:

1. The Secured NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the Secured NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered Secured NCD Holders for their consideration. In terms of Section 136(1) of the Companies Act, 2013, holders of Secured NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.

2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the Secured 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 Secured NCDs or with the sanction of a special resolution passed at a meeting of the concerned Secured 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 Secured NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered Secured NCD Holders 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 Secured 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 Secured NCD Holders shall be in proportion to the outstanding nominal value of Secured NCDs held by him/her.

4. The Secured 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 the Draft Prospectus, the Prospectus, the Application Forms, the Abridged Prospectus, Corrigendum if any, addendum if any, 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 Secured NCDs.

5. For the Secured NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the Secured NCDs in dematerialized Form. For Secured NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of Secured NCDs maintained by a Depository for any Secured NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of Secured NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the Unsecured NCD holders.

6 Subject to compliance with applicable statutory requirements, the Secured NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the Secured 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 Secured NCDs, who have not given their positive consent to the roll-over.

The aforementioned rights of the Secured NCD Holders are merely indicative. The final rights of the Secured NCD Holders will be as per the terms of the Offer Document and the Secured Debenture Trust Deed.

Rights of Unecured NCD Holders

Some of the significant rights available to the Unsecured NCD Holders are as follows:

1. The Unsecured NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the Unsecured NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered Unsecured NCD Holders for their consideration. In terms of Section 136(1) of the Companies Act, 2013, holders of Unsecured NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.

2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the Unsecured 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 Unsecured NCDs or with the sanction of a special resolution passed at a meeting of the concerned Unsecured 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 Unsecured NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered Unsecured NCD Holders 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 Unsecured NCDs, either in person or by proxy, at any meeting of the concerned Unsecured 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 Unsecured NCD Holders shall be in proportion to the outstanding nominal value of Unsecured NCDs held by him/her.

4. The Unsecured 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 the Draft Prospectus, the Prospectus, the Application Forms, the Abridged Prospectus, Corrigendum if any, addendum if any, 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 Unsecured NCDs.

5. For the Unsecured NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the Unsecured NCDs in dematerialized Form. For Unsecured NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the Unsecured NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of Unsecured NCDs maintained by a Depository for any Unsecured NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of Unsecured NCD Holders for this purpose. The same

shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the Unsecured NCD holders.

6. Subject to compliance with applicable statutory requirements, the Unsecured NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the Unsecured 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 Unsecured NCDs, who have not given their positive consent to the roll-over.

The aforementioned rights of the Unsecured NCD Holders are merely indicative. The final rights of the Unsecured NCD Holders will be as per the terms of the Offer Document and the Unsecured Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Section 72 of the Companies Act 2013, Any NCD Holder may, at any time, nominate, any person as his nominee in whom the NCDs shall vest in the event of his death. On the receipt of the said nomination as per prescribed law 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 as prescribed 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 as 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 in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

Since the allotment of NCDs will be made only 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.

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.

Application in the Issue

NCDs being issued through the Offer Document can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only.

Form of Allotment and Denomination of NCDs

As per the Debt Regulations, the trading of the NCDs on the Stock Exchanges shall be in dematerialized form only in multiples of one (1) NCD ("**Market Lot**"). Allotment in the Issue to all Allottees, will be in electronic form i.e. in dematerialised form and 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. 220 and 196 of this Prospectus.

Transfer/Transmission of NCD(s)

The NCDs 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/redemption will be made 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.

In the absence of the same, interest will be paid/redemption will be made 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 Company or Registrar.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 ("**SEBI LODR IV Amendment**"), NCDs held in physical form, pursuant to any rematerialisation, as above, can not be transferred except by way of transmission or transposition, from March 31, 2019. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue except as may be required under RBI requirements and as provided in our Articles of Association. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 ("**SEBI LODR IV Amendment**"), NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from March 31, 2019.

Title

The NCD Holder(s) for the time being appearing in the record of beneficial owners maintained by the Depository 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.

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders or the register and index of NCD Holders maintained by the Depository 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 NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller 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 shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD 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 NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures 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:

1. 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 NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

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.

Period of Subscription

ISSUE PROGRAMME	
ISSUE OPENS ON	December 19, 2018
ISSUE CLOSES ON	January 18, 2019*

**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 (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the 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, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations 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.*

Interest/Premium and Payment of Interest/ Premium

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)	Redemption Amount at Maturity
For Category I, Category II & III Investors	1,000	1,108
For Category I, Category II & III Investors-eligible for additional incentive/premium amount (Rs/NCD)	Not Applicable for Series I irrespective of any Category of investors	

Series II

In case of Series II NCDs, interest would be paid annually on an Actual/Actual basis at the following rates of interest 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 & Category III Investors	9.75%
For Category I, Category II & III Investors eligible for additional incentive of 0.25% (p.a.)	Not Applicable for Series II irrespective of any Categories of Investors

Series II NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 400 days from the Deemed Date of Allotment.

Series III

In case of Series III 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 III NCD.

Category of Investors	Coupon (% p.a)
For Category I, Category II & Category III Investors	9.81%
For Category I, Category II & III Investors eligible for additional incentive of 0.25% (p.a.)	10.06%

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

In case of Series IV 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 IV NCD.

Category of Investors	Coupon (% p.a)
For Category I, Category II & Category III Investors	10.25%
For Category I, Category II & III Investors eligible for additional incentive of 0.25% (p.a.)	10.50%

Series IV 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 V

Series V 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 V NCDs.

Category of Investors	Face Value (Rs per NCD) –	Redemption Amount at Maturity
For Category I, Category II & Category III Investors	1,000	1,478
For Category I, Category II & III Investors eligible for additional incentive of 0.25% (p.a.)	1,000	1,492

Series VI

In case of Series VI 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 VI NCD.

Category of Investors	Coupon (% p.a)
For Category I, Category II & Category III Investors	10.05%
For Category I, Category II & III Investors eligible for additional incentive of 0.25% (p.a.)	10.30%

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

In case of Series VII 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 VII NCD.

Category of Investors	Coupon (% p.a)
For Category I, Category II & Category III Investors	10.50%
For Category I, Category II & III Investors eligible for additional incentive of 0.25% (p.a.)	10.75%

Series VII 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 VIII

Series VIII NCDs shall be redeemed at the end of 5years 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 VIII NCDs:

Category of Investors	Face Value (Rs per NCD) –	Redemption Amount at Maturity
For Category I, Category II & Category III Investors	1,000	1,648
For Category I, Category II & III Investors eligible for additional incentive of 0.25% (p.a.)	1,000	1,667

Series IX

In case of Series IX 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 IX NCD.

Category of Investors	Coupon (% p.a)
For Category I, Category II & Category III Investors	10.75%
For Category I, Category II & III Investors eligible for additional incentive of 0.25% (p.a.)	11.00%

Series IX NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 10 years from the Deemed Date of Allotment.

For all category of Investors in the proposed Issue and who are holders of NCD(s)/Bond(s) previously issued by our Company and/ or Srei Infrastructure Finance Limited ("SIFL") and/or are equity shareholder(s) of SIFL and/or Senior Citizens and/or are existing employees of Srei Group on the Deemed Date of Allotment and who have subscribed for Series III, Series IV, Series VI, Series VII and/or Series IX NCDs shall be eligible for additional incentive of 0.25 % p.a. provided the proposed NCDs are held by the investors on the relevant Record Date applicable for payment of respective coupons in respect Series III, Series IV, Series VI, Series VII and/or Series IX NCDs and are NCD Holders on the Record Date for redemption of NCD in case of Series III, Series IV, Series VI, Series VII and/or Series IX NCDs.

For all category of Investors in the proposed Issue and who are holders of NCD(s)/Bond(s) previously issued by our Company and/ or SIFL and/or are equity shareholder(s) of SIFL and/or Senior Citizens and/or exiting employees of Srei Group on the Deemed Date of Allotment applying in Series V and/or Series VIII NCDs, the maturity amount at redemption along with the additional yield would be ₹1492/- per NCD , and ₹1667/- per NCD respectively.

Any category of Investors subscribing to Series I NCDs and Series II NCDs shall not be eligible for any additional incentive, regardless of their qualifications as mentioned hereinabove.

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

The additional incentive will be given only on the NCDs allotted in this Issue i.e. to the Primary holder(s). In case if any NCD is bought/acquired from secondary market or from open market, additional incentive will not be paid on such bought/acquired NCD.

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

Senior Citizen(s) have to provide self -attested copy of PAN card as additional KYC document for the eligibility of additional incentive of 0.25% per annum. In case of non-receipt of copy of PAN along with application form while applying for the NCDs of the proposed Issue, the additional incentive of 0.25% p.a. will not be applicable. Employees have to provide a copy of employee ID card or written certificate from human resource department of Issuer along with the application form to avail additional coupon of 0.25% p.a.

Payment of Interest

In respect to Series III and Series VI, 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 15th (fifteenth) day till 14th (fourteenth) day of every subsequent month during the tenor of such NCDs and paid on the 15th (fifteenth) 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 14th (fourteenth) day of the subsequent month will be clubbed and paid on the 15th (fifteenth) day of the next subsequent month.

In respect to Series II, Series IV, Series VII and Series IX, interest is to be paid on an annual basis, relevant interest will be made on March 31st every year for the amount outstanding. The first interest payment will be made on March 31, 2019 for the period commencing from the Deemed Date of Allotment till March 30, 2019. 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 and Series V 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 NACH, 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/ Redemption Amounts"*** at page no. 215 in this Prospectus.

Taxation

Any tax exemption certificate/document 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 and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialized form.

If the date of interest payment falls on a Saturday, Sunday or a public holiday in Kolkata or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, then interest would be paid on the next working day. 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.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, 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.

Maturity and Redemption

The NCDs issued pursuant to this Prospectus have a fixed Maturity Date. The date of maturity for NCDs subscribed under Series I and Series II NCDs is 400 days from the Deemed Date of Allotment, Series III, Series IV and Series V NCDs is 3 years from the Deemed Date of Allotment, Series VI, Series VII and Series VIII NCDs is 5 years from the Deemed Date of Allotment and Series IX NCDs is 10 years from the Deemed Date of Allotment.

Put / Call Option

Not Applicable

Application Size

Each application should be for a minimum of ten (10) NCDs and multiples of one (1) NCD thereafter. The minimum application size for each application for NCDs would be ₹10,000 (across all Series of NCDs either taken individually or collectively) and in multiples of ₹1,000 thereafter.

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

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.

Terms of Payment

The entire issue price of ₹1,000 per NCD is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of this Prospectus.

Manner of Payment of Interest / Refund / Redemption Amounts

The manner of payment of interest / refund / redemption amounts in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption amount, as the case may be. Applicants who 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 nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Printing of Bank Particulars on Interest/Redemption Warrants

As a matter of precaution against possible fraudulent encashment of interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the warrants. In relation to NCDs held in dematerialized form, these particulars would be taken directly from the depositories. Bank account particulars will be printed on the warrants which can then be deposited only in the account specified.

Buy Back of NCDs

Our Company may, from time to time, consider, subject to applicable statutory and/or regulatory requirements including but not limited to SEBI Debt Regulation, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Record Date

In connection with Series III and Series VI NCDs, 10 (Ten) 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 Exchange, and in connection with Series II, Series IV, Series VII and Series IX NCDs, 15 (Fifteen) 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 Exchange and in connection with Series I, Series V and Series VIII NCDs, 15 (Fifteen) Days prior to the date of redemption or as may be prescribed by the Stock Exchange. If the Record Date falls on a day that is not a Working Day, then immediate succeeding Working Day will be deemed as Record Date.

Procedure for Redemption by NCD Holders

NCD held in electronic form

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in electronic form:

On the redemption date, redemption proceeds 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 Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value 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 date of redemption in all events and when we dispatch the redemption 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 redemption of the NCD(s).

Right to Reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

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.

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.

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 in Schedule IV of SEBI Debt Regulations in compliance with the Regulation 8(1) of SEBI Debt Regulations. Material updates, if any, between the date of filing of this Prospectus with ROC and the date of release of the statutory advertisement, will be included in the statutory advertisement.

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."*

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh million or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 20 lakh or with both.

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Prospectus. Our Company shall allot NCDs with respect to the Applications received until 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. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

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 Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e. ₹1,125 million, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

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 our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard.

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.

Utilisation 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 only upon allotment of the NCDs, execution of Debenture Trust Deeds and on receipt of listing and trading approval from the Stock Exchanges as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

a. All monies received out of the Issue shall be credited/ transferred to a separate bank account maintained with a Scheduled Bank as referred to in section 40(3) of the Companies Act 2013;

b. 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;

c. 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;

d. We shall utilize the Issue proceeds only upon allotment of the NCDs, execution of Debenture Trust Deeds, receipt of the listing and trading approval from the Stock Exchange(s);

e. 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

f. 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.

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, 2018, 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.

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.

Listing

The NCDs offered through this Prospectus are proposed to be listed on BSE. Our Company has obtained an 'in-principle' approval for the Issue from BSE *vide* its letter no DCS/BM/PI-Bond/13/18-19 dated October 24, 2018. 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, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Prospectus.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within 6 Working Days of the 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 series(s) of NCDs shall not be listed.

ISSUE PROCEDURE

This section applies to all Applicants. Pursuant to the circular (CIR/DDHS/P/121/2018) dated August 16, 2018 issued by SEBI, all Applicants are required to apply for in the Issue through the ASBA process. 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. ASBA Applicants ensure that their respective ASBA accounts can be blocked by the SCSBs, in the relevant ASBA Accounts. Applicants should note that they may submit their Applications to the Lead Managers or Members of the Syndicate or Registered Brokers at the Broker Centres or CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Prospectus.

*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***") as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI ("Debt ASBA Circular").*

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 as provided for in the Debt Application Circular have been sought from the Stock Exchanges.

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 2012 SEBI 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 Exchanges, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE MEMBERS OF THE SYNDICATE AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGES SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GREIVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGES.

For purposes of the Issue, the term "Working Day" shall mean all days excluding Saturdays, Sundays or a holiday of commercial banks in 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 on the Stock Exchanges, Working Days shall mean all trading days of the Stock Exchanges, excluding Sundays and Bank holidays as per the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018.

The information below is given for the benefit of the investors. Our Company and 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.

PROCEDURE FOR APPLICATION

How to Apply?

Availability of the Draft Prospectus, the Prospectus, Abridged Prospectus, and Application Forms

Please note that there is a single Application Form for Applicants who are Persons Resident in India.

Physical copies of the Abridged Prospectus, containing the salient features of this Prospectus together with Application Forms may be obtained from:

(a) Our Company's Registered Office and Corporate Office;
(b) Offices of the Lead Managers;
(c) Offices of the Lead Brokers;
(d) Registrar to the Issue
(e) Designated RTA Locations for RTAs;
(f) Designated CDP Locations for CDPs; and
(g) Designated Branches of the SCSBs.

Electronic copies of the Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Managers, the Stock Exchanges, SEBI and 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 Applications electronically. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchanges. 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 Exchanges. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request.

Who are eligible to apply for NCDs?

The following categories of persons are eligible to apply in the Issue:

Category I	**Category II**	**Category III**
Institutional Investors	**Non-Institutional Investors**	**Individual Investors**
▪ Public Financial Institutions, Scheduled Commercial Banks, Indian multilateral and bilateral development financial institution who are authorised to invest in the NCDs ▪ Provident Funds, Pension Funds with a minimum corpus of Rs 2500.00 lacs, Superannuation Funds and Gratuity Funds, which are authorised to invest in the NCDs; ▪ Venture Capital funds and / or Alternative Investment Funds registered with SEBI; ▪ Insurance Companies registered with the IRDA; ▪ Insurance funds set up and managed by the army, navy or air force of the Union of India; ▪ Insurance funds set up and managed by the the Department of Posts of the Union of India; ▪ Systemically Important Non-Banking Financial Company, registered with the Reserve Bank of India and having a net-worth of more than five thousand million rupees as per the last audited financial statements; ▪ National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and	▪ 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 authorised to invest in the NCDs; ▪ Co-operative banks and regional rural banks; ▪ Trusts including Public/private charitable/religious trusts which are authorized to invest in the NCDs; ▪ Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; ▪ Partnership firms in the name of the partners; ▪ Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009) ▪ Association of Persons; and ▪ Any other incorporated and/ or unincorporated body of persons	▪ Resident Indian individuals and ▪ Hindu Undivided Families through the Karta

Category I	Category II	Category III
published in the Gazette of India); ▪ State Industrial Development Corporations; and ▪ Mutual Funds registered with SEBI.		

Please note that it is clarified that persons' resident outside India shall not be entitled to participate in the Issue and any Application(s) from such persons are liable to be rejected.

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.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

(a) Minors without a guardian name*;
(b) Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
(c) Persons resident outside India;
(d) FIIs;
(e) FPIs;
(f) Qualified foreign investors;
(g) Overseas Corporate Bodies; and
(h) Person ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

Please refer to "***Rejection of Applications***" on page 246 of this Prospectus for information on rejection of Applications.

Method of Application

In terms of the SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

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 debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the Debt Application Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. 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.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Applicants should submit the Application Form only at the Bidding Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the 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 ASBA Applications accepted by the Designated Intermediaries, 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 Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the relevant Stock Exchange.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to a recent SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016 ("**SEBI Circular 2016**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25.0% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector towards HFCs is reduced from 10.0% of net assets value to 5.0% of net assets value and single issuer limit is reduced to 10.0% of net assets value (extendable to 12% of net assets value, after trustee approval). The SEBI Circular 2016 also introduces group level limits for debt schemes and the ceiling be fixed at 20.0% of net assets value extendable to 25.0% of net assets value after trustee approval.

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. **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 therefor.**

Application by Commercial Banks, Co-operative Banks and Regional Rural Banks

Commercial banks, co-operative banks and regional rural banks can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to 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 therefor.**

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 Applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be lodged along with 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 therefore.**

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time including the IRDAI Investment Regulations.

Application by Indian Alternative Investment Funds

Applications made by 'Alternative Investment Funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of SEBI registration certificate. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **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 therefor.**

Application by Systemically Important Non- Banking Financial Companies

Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s). **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 therefor**.

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 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 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 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 Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Provident Funds, Pension funds, Superannuation Funds and Gratuity funds which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of incorporation/ registration under any Act/Rules under which they are incorporated. **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.

Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of the registration under the Act/ Rules under which they are incorporated. **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 by 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 the registration under the Act/ Rules under which they are incorporated. 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 therefore.

Applications by 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 certified copy of certificate of the Partnership Deed or registration issued under the Limited Liability Partnership Act, 2008, as applicable. **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

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non-Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants who are Retail Individual Investors, a certified copy of the power of attorney must be submitted 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 therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company, the Lead Managers may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms 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.

APPLICATIONS FOR ALLOTMENT OF NCDs

Submission of Applications

This section is for the information of the Applicants proposing to subscribe to the Issue. 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 this Prospectus. 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 and/or uploaded by and/or accepted but not uploaded by Lead Brokers, Trading Members, Registered Brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account.The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchange. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange.** 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 Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.

    In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

(b) Physically through the Designated Intermediaries at the respective Bidding Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Bidding Center where the Application Form is submitted (a list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. **If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form. 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 this Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries (other than Trading Members of the Stock Exchanges) at the respective Collection Centers; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the electronic version of this Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.

(b) The Designated Branches of the SCSBs shall accept Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any Application directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the

Issue programme, please refer to "***Issue Structure***" on page 196 of this Prospectus.

(c) **Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.**

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

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 have been sought from the Stock Exchanges.

In the event the Direct Online Application facility is implemented by the Stock Exchanges, 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 unique application number ("**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 the Debt Application Circular 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.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English, as per the instructions contained in the Draft Prospectus, the Prospectus, the Abridged Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applications must be for a minimum of 10(Ten) NCDs and in multiples of 1 NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 (Ten) NCDs, an Applicant may choose to apply for 10 (Ten) NCDs or more in a single Application Form.
- 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.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.
- 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;
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold a valid PAN and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application

Form.

- 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 and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected
- Applicants must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.If the ASBA Account holder is different from the 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 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, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Designated Intermediaries nor the SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot the Series IVNCDs, as specified in this Prospectus to all valid Applications, wherein the applicants have not indicated their choice of the relevant series of NCDs

B. Applicant's Beneficiary Account Details

Applicants must mention their DP ID and Client ID in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the beneficiary account is held. In case the Application Form is submitted in the first Applicant's name, it should be ensured that the beneficiary account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected. On the basis of the Demographic details as as appearing on the records of the DP, the Registrar to the Issue will issue Allotment Advice to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their beneficiary account details in the Application Form. Failure to do so could result in delays in delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Lead Managers, Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries, Bankers to the Issue , SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.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 Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. **Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.**

C. Permanent Account Number (PAN)

The Applicant should mention his or her PAN allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, 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. **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 general index register number i.e. GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the central or state government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

D. Joint Applications

Applications made in joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant.All communications will be addressed to first named in the Application whose name appears in the Application Form and at the address mentioned therein. 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.

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, subject to a minimum application size of ₹ 10,000/- and in multiples of ₹1,000 thereafter as specified in this Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** 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 HUF and/or as Applicant (second or third 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.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of the Draft Prospectus, Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue;
4. Ensure that the DP ID and Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated. The requirement for providing Depository Participant details shall be mandatory for all Applicants;
5. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
6. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder;
7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be;
8. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Bidding Centres

provided in the Application Forms, bearing the stamp of the relevant Designated Intermediaries/Designated branch of the SCSB as the case may be;

9. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;

10. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;

11. 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 Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;

12. Ensure that signatures other than in the languages specified in the 8th Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

13. 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. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;

14. 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. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;

15. Ensure that the Applications are submitted to the Designated Intermediaries, or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please refer to "***Issue Structure***" on page 196 of this Prospectus.

16. **Permanent Account Number:** Except for Application (i) on behalf of the central or state government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the central or state government and officials appointed by the courts and for investors residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

17. Ensure that 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;

18. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form.

In terms of 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.

SEBI Circular No. CIR/DDHS/P/121/2018 dated August 16, 2018 stipulating the time between closure of the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum application size;

2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest;

3. Do not send Application Forms by post instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be;

4. Do not submit the Application Form to any non-SCSB bank or our Company.

5. Do not Bid on an Application Form that does not have the stamp of the relevant Designated Intermediary or the

Designated Branch of the SCSB, as the case may be.

6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;

8. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

9. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;

10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;

11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;

12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;

13. Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centers**;**

14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;

15. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by persons resident outside india, NRI (*inter-alia* including 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); and

16. Do not make an application of the NCD on multiple copies taken of a single form.

17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue; and

18. Do not submit more than five Application Forms per ASBA Account.

Kindly note that Applications submitted to the Designated Intermediaries 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 Designated Intermediaries to deposit such Application Forms . (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Please refer to "*Rejection of Applications*" on page 233 of this Prospectus for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms 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 Applications from the Designated Intermediaries, (a list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes). 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 Application.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs to unblock the excess amount in the ASBA Account.For 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 Application, before entering the Application into the electronic system of the Stock Exchanges. 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.**Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application to the Designated Intermediaries**, **or to the Designated Branches of the SCSBs. An 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 and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. 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 respective SCSB within 6 (six) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

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 Exchanges.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	**To whom the Application Form has to be submitted**
Applications	*(i) If using <u>physical Application Form</u>, (a) to the Designated Intermediaries at relevant Bidding Centres or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or* *(ii) If using <u>electronic Application Form</u>, to the SCSBs, electronically through internet banking facility, if available.*

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 Exchanges.

No separate receipts will be issued for the Application Amount payable on submission of Application Form.

However, the Designated Intermediaries, will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slips which will serve as a duplicate Application Form for the records of the Applicant.**Electronic Registration of Applications**

(a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchanges. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchanges. **The Lead Managers, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchange or (vi) the Applications accepted by and/or uploaded by and/or accepted but not uploaded by Lead Brokers, Trading Members, Registered Brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms**

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchanges. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

(b) The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of the Designated Intermediaries and the SCSBs during the Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please refer to "***Issue Structure***" on page 196 of this Prospectus.

(c) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, other than Direct Online Applications, the Designated Branches of the SCSBs shall enter the requisite details of the

Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- Number of NCDs applied for
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Application amount

(d) With respect to Applications submitted to the Designated Intermediaries at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- Number of NCDs applied for
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Location
- Application amount

(e) A system generated acknowledgement will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**

(f) Applications can be rejected on the technical grounds listed on page 233 of this Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.

(g) The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.

(h) **Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment**. The Lead Managers, Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchanges. In order that the data so captured is accurate the, Designated Intermediaries 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.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. 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:

(i) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(ii) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;

(iii) Applications not being signed by the sole/joint Applicant(s);

(iv) Investor Category in the Application Form not being ticked;

(v) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;

(vi) Applications where a registered address in India is not provided for the Applicant;

(vii) In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);

(viii) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;

(ix) 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. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;

(x) DP ID and Client ID not mentioned in the Application Form;

(xi) GIR number furnished instead of PAN;

(xii) Applications by OCBs;

(xiii) Applications for an amount below the minimum application size;

(xiv) Submission of more than five ASBA Forms per ASBA Account;

(xv) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;

(xvi) Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;

(xvii) Applications accompanied by Stockinvest/ cheque/ money order/ postal order/ cash;

(xviii) Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);

(xix) Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.

(xx) Date of birth for first/sole Applicant (in case of Category III) not mentioned in the Application Form.

(xxi) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant

(xxii) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;

(xxiii) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;

(xxiv) Applications not having details of the ASBA Account to be blocked;

(xxv) In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;

(xxvi) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the 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;

(xxvii) SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;

(xxviii) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;

(xxix) Authorization to the SCSB for blocking funds in the ASBA Account not provided;

(xxx) Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;

(xxxi) Applications by any person outside India;

(xxxii) Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;

(xxxiii) Applications not uploaded on the online platform of the Stock Exchanges;

(xxxiv) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable;

(xxxv) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Prospectus and as per the instructions in the Application Form, the Draft Prospectus and the Prospectus;

(xxxvi) 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;

(xxxvii) Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Depositories;

(xxxviii) Applications providing an inoperative demat account number;

(xxxix) Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Public Issue Account Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;

(xl) Category not ticked;

(xli) Forms not uploaded on the electronic software of the Stock Exchanges; and/or

(xlii) In case of cancellation of one or more orders within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

Kindly note that Applications submitted to the Lead Managers, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries, **as the case may be, to deposit Applications.**

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the Basis of Allotment, please refer to "***Information for Applicants***" on page 237 of this Prospectus.

BASIS OF ALLOTMENT

Allocation Ratio

The registrar will aggregate the applications based on the applications received through an electronic book from the Stock Exchanges and determine the valid applications for the purpose of drawing the basis of allocation. Grouping of the application received will be then done in the following manner:

Grouping of Applications and Allocation Ratio: Applications received from various applicants shall be grouped together on the following basis:

A. *Applications received from Category I Investors:* Applications received from Category I, shall be grouped together, **("*Institutional Portion*");**

B. *Applications received from Category II Investors:* Applications received from Category II, shall be grouped together, **("*Non-Institutional Portion*"); *and***

C. *Applications received from Category III Investors:* Applications received from Category III, shall be grouped together, **("*Individual Portion*").** For removal of doubt, "***Institutional Portion***", "***Non-Institutional Portion***" and "***Individual Portion***" are individually referred to as "***Portion*"** and collectively referred to as **"*Portions*"**.

Allocation Ratio

Category I	**Category II**	**Category III**
20% of the Overall Issue Size	20% of the Overall Issue Size	60% of the Overall Issue Size

Basis of Allotment for NCDs

(a) Allotments in the first instance:

(i) Applicants belonging to the Category I, in the first instance, will be allocated NCDs up to 20% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Lead Manager and their respective Affiliates/SCSB (Designated Branch or online acknowledgement);

(ii) Applicants belonging to the Category II, in the first instance, will be allocated NCDs up to 20% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement));

(iii) Applicants belonging to the Category III, in the first instance, will be allocated NCDs up to 60% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement));

Allotments, in consultation with the Designated Stock Exchange, shall be made on a first-come first-serve basis, based on the date of upload of each application in to the electronic book with Stock Exchanges, in each portion subject to the allocation ratio.

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.

(b) Under subscription:

Under subscription, if any, in any portion, priority in allotments will be given in the following order:

(i) Individual portion

(ii) Non-Institutional portion; and

(iii) Institutional Portion

on a first come first serve basis.

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 Exchange. For each portion, all applications uploaded in to the electronic book with Stock Exchange would be treated at par with each other. Allotment within a day would be on proportionate basis, where NCDs applied for exceeds NCDs to be allotted for each Portion respectively.

Minimum allotments of 10 NCDs and in multiples of 1 NCD thereafter would be made in case of each valid application.

(c) 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 valid applicants on a first come first serve basis for forms uploaded up to 5 pm of the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the valid applicants on the date of oversubscription (based on the date of upload of the Application on the Stock Exchanges platform, in each portion). In case of over subscription on date of opening of the Issue, the Allotment shall be made on a proportionate basis.

In view of the same, the Investors are advised to refer to the BSE website at www.bseindia.com, for details in respect of subscription. For further details on "***Issue Structure***" please refer to page 196 of this Prospectus.

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 recategorization, 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.

(d) 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 finalised by draw of lots in a fair and equitable manner.

(e) 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.

Further, in the aforesaid scenario, wherein the Applicant has applied for all the nine series and in case such Applicant cannot be allotted all the nine series, then the Applicant would be allotted NCDs, at the discretion of the Company, the Registrar and the Lead Managers wherein the NCDs with the least tenor i.e. allotment of NCDs with tenor of 400 days followed by allotment of NCDs with tenor of 3 years and so on.

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 IV NCDs wherein the Applicants have not indicated their choice of the relevant NCD Series.

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 Manager and the Designated Stock Exchange and in compliance with the aforementioned provisions of the Draft Prospectus and this Prospectus.

Retention of oversubscription

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 in the Issue up to ₹1,500 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 in the Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the **"*Overall Issue Size*".**

Information for Applicants

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications

The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch/and/or mail the Allotment Advice within 6 (six) Working Days of the Issue Closing Date to the Applicants. The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 6 (six) Working Days of the Issue Closing Date.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchanges where the NCDs are proposed to be listed are taken within 6 (six) Working Days from the Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

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

Early 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 Size i.e. ₹1,125 million. Our Company shall allot NCDs with respect to the Applications received at the time of such early 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 Size i.e. ₹1,125 million, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders 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 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 Designated Intermediaries/the Designated branch of 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 Exchanges, 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 Designated Intermediaries and/or 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.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. 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, the NCDs issued by us can be held in a dematerialized form.

In this context:

(i) Agreement dated March 27, 2015 between us, the Registrar to the Issue and NSDL, and March 27, 2015, between us, the Registrar to the Issue and CDSL, respectively for offering depository option to the investors.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.

(iv) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(v) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.

(vi) 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 has connectivity with NSDL and CDSL.

(vii) 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.

(viii) The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialized form only.

Please also refer to "***Instructions for filling up the Application Form - Applicant's Beneficiary Account and Bank Account Details***" on page 228 of this Prospectus.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGES SHALL BE IN DEMATERIALIZED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue (except the Applications made through the Trading Members of the Stock Exchanges) should be addressed to the Registrar to the Issue with a copy to the relevant SCSB, quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, date of the Application Form, name and address of the Designated Intermediaries, or Designated Branch, as the case may be, where the Application was submitted and, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB. Applicants may contact the Lead Managers, our Compliance Officer and Company Secretary or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice or credit of NCDs in the respective beneficiary accounts, as the case may be.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchanges.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment and demat credit beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Statement by the Board:

(a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.

(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and

(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(d) 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;

(e) We shall utilize the Issue proceeds only upon allotment of the NCDs, execution of the Debenture Trust Deed as stated in this Prospectus and on receipt of the minimum subscription of 75% of the Base Issue and receipt of listing and trading approval from the Stock Exchanges.

(f) 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.

(g) The allotment letter shall be issued, or application money shall be unblocked within 15 days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

Other Undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of the Issue will be attended to by our 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 6 Working Days of the Issue Closing Date;

(d) Funds required for dispatch of Allotment Advice 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 this Prospectus.

(g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND STATUTORY DEFAULTS

Except as stated in this section there are no outstanding: (i) criminal proceedings; (ii) actions by statutory / regulatory authorities; (iii) claims for any indirect and direct tax liability; and (iv) other litigations which are identified as material in terms of the Materiality Policy (as defined hereinafter below), each involving our Company, Directors, Promoters or Group Companies

*Our Board, in its meeting held on October 25, 2017 and September 3, 2018, has adopted a policy on the identification of material litigations and material creditors ("**Materiality Policy**"). As per the Materiality Policy, other than for the purposes of (i) to (iii) above, all outstanding litigation:*

a) involving our Company and our Directors (i) where the amount involved, to the extent quantifiable, is more than 10% of the profit after tax or one percent of the net worth of the Company as per the last full year audited financial statements of the Company i.e. Fiscal 2017, whichever is lesser, i.e. ₹148.84 million; or (ii) whose outcome could have a material impact on the business, operations, prospects or reputation of the Company; shall be considered as 'material litigation' for the Company, and accordingly have been disclosed in this Prospectus.

b) involving our Promoter and Group Companies (i) where the amount involved, to the extent quantifiable, is more than one percent of the net worth of the Company as per the last full year audited financial statements of the Company i.e. Fiscal 2017, i.e. ₹ 247.27 million; or (ii) whose outcome could have a material impact on the business, operations, prospects or reputation of our Company; be considered as 'material litigation' for the Company, and accordingly have been disclosed in this Prospectus.

It is clarified that for the purposes of the above, pre-litigation notices (other than those issued by statutory or regulatory authorities) received by our Company, Promoters, Group Companies or Directors shall, unless otherwise decided by our Board, not be evaluated for materiality until such time that our Company or any of our Promoter, Directors or Group Companies, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Further, except as stated in this section, there are no:(i) litigations or legal actions against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Prospectus; (ii) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person which may have a material adverse effect on the position of our Company; (iii) pending proceedings initiated against our Company for economic offences; (iv) defaults or non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted against our Company under the Companies Act or any previous companies law in the five years immediately preceding the year of this Prospectus; (vi) prosecutions filed (whether pending or completed), fines imposed or compounding of offences done in the five years immediately preceding the year of this Prospectus; (vii) material frauds committed against our Company in the last five years; (vii) overdues or defaults to banks or financial institutions by our Company; and (viii) outstanding dues to small scale undertakings.

As per the Materiality Policy, such entities to whom the trade payables due exceeds one percent of the trade payables of the Company as per the last audited financial statements i.e. as on June 30, 2018 i.e. ₹137.75 million, shall be considered as 'material creditors' of the Company.

Unless stated to the contrary, the information provided below is as of the date of this Prospectus.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

I. Litigation involving our Company

Litigations against our Company

(a) Criminal Proceedings:

As on the date of this Prospectus, our Company, some of our directors and some of our employees are party to 23 criminal cases relating *inter alia* to cheating, criminal breach of trust and theft, filed by our customers before various courts across India. There are also some cases of assault and obscenity against the employees of our Company, filed in relation to their repossession of assets financed by our Company. In some of these matters, our Company and the accused employees have filed applications under before various High Courts in India for the quashing of outstanding criminal complaints and cases.

1. There are seven criminal proceedings initiated by our customers against several employees of our Company (collectively the "**Accused Employees**"), alleging offences under various provisions of the Indian Penal Code. These matters primarily concern actions taken by our employees during the repossession of assets of our customers. In certain cases, the relevant Accused Employees have filed criminal revision petitions before the appropriate High Court having jurisdiction over these matters. These proceedings are pending before various forums at different levels of adjudication.

2. Mr. Somnath Chakraborty, a partner of the firm M/s Bhagawati Infrastructure ("**Bhagwati**") has lodged a first information report with the Electronic Complex police station, Kolkata against *inter alia* Mr. Hemant Kanoria, our Chairman and Managing Director and certain employees of our Company (collectively the "**Accused**") for offences under various provisions of the Indian Penal Code ("**IPC**"), alleging *inter alia* cheating, criminal breach of trust and forgery. Resultantly, proceedings commenced before the Additional Chief Judicial Magistrate, Bidhannagar, and arrest warrants were issued against the Accused. Aggrieved by these proceedings, our Company has filed a criminal revision petition before the Calcutta High Court. The Calcutta High Court, in terms of separate orders dated August 23, 2017 and August 25, 2017, and two orders dated September 8, 2017 respectively, has stayed any further proceedings in the matter.

   Further, Mr. Alok Kumar (the "**Complainant**"), another partner of Bhagwati, has lodged a first information report ("**FIR**") with the Tollygunge police station, Kolkata, alleging that our Company and the branch manager of the Rashbehari Avenue branch of Dena Bank have committed offences under various provisions of the IPC, alleging *inter alia* cheating and forgery. Our Company has filed a revision petition against the FIR before the High Court of Calcutta ("**High Court**"). The High Court, *vide* an order dated August 25, 2017, has stayed further proceedings in the matter.

   In addition, our Company has filed a criminal complaint against *inter alia* the Complainant before the 19th Metropolitan Magistrate Court, Calcutta (the "**Magistrate**"), alleging offences under various provisions of the Indian Penal Code *inter alia* relating to cheating and criminal breach of trust. Subsequently, the Magistrate, *vide* an order dated June 22, 2017, has issued arrest warrants against the Complainant. The matter is currently pending.

3. Mr. Amol Ramesh Patil (the "**Complainant**") made an application before the VIII Chief Judicial Magistrate First Class, Kolhapur (the "**Magistrate**"), for the initiation of investigation against seven employees of our Company, including our Chief Executive Officer, Mr. D. K. Vyas (collectively the "**Accused**") for offences under various provisions of the Indian Penal Code, alleging that the Company had obtained the Complainant's signature on blank documents with the intention to bind him to an illegal contract. The Magistrate *vide* an order dated March 21, 2014 directed the Shahpuri police station, Kolhapur to conduct an investigation against the Accused. The Shahpuri police station, Kolhapur has filed a report dated January 28, 2015 indicating that no offence has been made out. The matter is currently pending.

4. Mr. S. Papa Rao (the "**Complainant**") made an application before the XI Additional Chief Metropolitan Magistrate, Secunderabad (the "**Secunderabad Magistrate**"), for the initiation of investigation against our Company, our Vice Chairman, Mr. Sunil Kanoria, three employees of our Company and one other (collectively the "**First Accused**") for offences under various provisions of the Indian Penal Code, alleging that even though his property had been repossessed and sold by our Company, pursuant to which our Company had issued a no objection certificate, our Company had initiated further cases against the Complainant for the dishonour of certain cheques issued by him. The Complainant further alleged that our Company failed to return certain post-dated cheques issued by him that were in the possession of our Company. The Secunderabad Magistrate, *vide* an order dated April 23, 2012, directed the Begumpet police station to lodge a first information report ("**First FIR**") against the First Accused. The First Accused have filed a criminal revision petition before the High Court of Hyderabad ("**High Court**") for quashing the First FIR. he High Court, *vide* an order dated February 18, 2013, has granted an interim stay on all further proceedings in the matter.

   Subsequently, the Complainant made an application before the VI Additional Chief Metropolitan Magistrate, Hyderabad (the "**Hyderabad Magistrate**") for the initiation of investigation against our Chairman and Managing Director, Mr. Hemant Kanoria and an employee of our Company (collectively the "**Second Accused**") for offences under various provisions of the Indian Penal Code, alleging that our Company had induced him into executing a contract by making false promises, and thereafter had supplied out-dated and defective vehicles. The Hyderabad Magistrate *vide* an order dated September 8, 2014, directed the police station, Humayun Nagar to lodge a first information report ("**Second FIR**") against the Second Accused. Subsequently, the Second Accused have approached the High Court for quashing the Second FIR. *Vide* an order dated December 18, 2014, the High Court has granted an interim stay on all further proceedings in the matter. The matters are currently pending.

5. GGS Infrastructure Private Limited (the "**Complainant**") made an application before the Sub-Divisional Judicial Magistrate, Bhubaneshwar (the "**Magistrate**") for the initiation of investigation against our Company, our Vice

Chairman, Mr. Sunil Kanoria, our Chief Executive Officer, Mr. D. K. Vyas, an employee of our Company and others (collectively the "**Accused**") for offences under various provisions of the Indian Penal Code, relating to *inter alia* robbery, dacoity, voluntarily causing hurt, obscenity and criminal intimidation, as well as provisions of the Arms Act, 1959 *inter alia* in relation to the illicit usage of arms. The Complainant has alleged that the Accused intimidated him with the help of armed men in order to unlawfully repossess his assets. The Magistrate *vide* an order dated September 11, 2013, directed the Shaheed Nagar police station ("**Police Authority**") to lodge a first information report ("**FIR**") against the Accused. The matter is currently pending.

6. Mr. Mohan Singh Chundawat (the "**Complainant**") lodged a first information report before the Ambamata police station, Rajasthan against our Chairman and Managing Director, Mr. Hemant Kanoria and others for offences under various provisions of the Indian Penal Code, relating to *inter alia* criminal breach of trust, cheating and forgery. The Complainant had purchased second hand equipment from our Company on the assurance that title documents and other records would be provided to him in the due course of time. The Complainant has alleged that upon independent enquiry, he discovered pending tax and other dues in relation to the equipment, which had not been disclosed to him by our Company. The matter is currently pending.

7. Mr. Naganagouda Neeralagi filed a criminal complaint against our Vice Chairman, Mr. Sunil Kanoria and five employees of the Company (collectively the "**Accused**") before the Additional Senior Civil Judge and Chief Judicial Magistrate, Dharwad (the "**Magistrate**"), alleging various offences under the Indian Penal Code for allegedly supplying him with defective materials and repossessing his assets by force. Aggrieved by a summons dated May 16, 2015 issued by the Magistrate against the Accused (the "**Summons Order**"), the Accused has filed a criminal revision petition before the High Court of Karnataka, Dharwad Bench ("**High Court**"). The High Court, *vide* its order dated April 12, 2016, has stayed the proceedings pending before the Magistrate. Further, our Company filed a criminal revision petition before the District and Sessions Judge, Dharwad for an interim stay on the Summons Order, which was granted *vide* an order dated August 6, 2016. The matter is currently pending.

8. Mr. Tukeshwar Prasad (the "**Complainant**") made an application before the Judicial Magistrate First Class, Hazaribagh (the "**Magistrate**") for the registration of a first information report against our Chairman and Managing Director, Mr. Hemant Kanoria, and certain employees of our Company (collectively the "**Accused**") for offences under various provisions of the Indian Penal Code, relating to *inter alia* criminal breach of trust and cheating. The Complainant has alleged that the Accused had unlawfully repossessed and sold certain assets belonging to the Complainant. The Magistrate, *vide* an order dated March 28, 2016, directed the Barkagaon police station, Hazaribagh to register a first information report ("**FIR**") against the Accused. The Accused have filed an application before the High Court of Jharkhand ("**High Court**"), seeking that the FIR be quashed. In terms of an interim order dated April 4, 2017, the High Court has ordered a stay on any coercive steps against the Accused, until any further orders in this regard. The matter is currently pending.

9. Mr. Byra Reddy S. filed a criminal complaint before the Judicial Magistrate, First Class, Gudibande (the "**Magistrate**") against GMMCO Limited, Caterpillar India Private Limited and our Company (collectively the "**Accused**") for offences under various provisions of the Indian Penal Code, relating to *inter alia* dishonest misappropriation of property, criminal breach of trust, cheating and dishonestly inducing delivery of property. The Complainant alleged that the Accused supplied him with a defective machine. The Magistrate, in terms of the order dated January 20, 2017, directed Gudibande police station (the "**Police Authority**") to conduct an investigation against the Accused. The Police Authority registered a first information report against *inter alia* the Company, and served a notice dated February 14, 2017 upon our Company, seeking certain documents and information (the "**Notice**"). Our Company responded to the Notice on March 13, 2017. The matter is currently pending.

10. Mr. G.T. Ramarao (the "**Complainant**") had lodged a first information report before the Samuktala police station, Alipur Duar against our Company and another, for various offences under the Indian Penal Code, alleging that the vehicles financed by our Company were illegally repossessed by us and sold to third parties. The Samuktala police station, Alipur Duar has filed a final report dated April 30, 2016 indicating that no offence has been made out. The matter is currently pending.

11. Mr Ravi Narayan Agarwal (the "**Complainant**") had filed a criminal complaint before the Chief Judicial Magistrate, Mungeli (the "**Magistrate**") against Mr. Sunil Kanoria, one of our Directors, and another employee of our Company (collectively the "**Accused**") for offences under various provisions of the Indian Penal Code ("**Complaint**"). The Complainant had alleged that the Accused had unlawfully repossessed and sold certain assets belonging to the Complainant. The Magistrate *vide* an order dated October 3, 2016 dismissed the aforesaid Complaint ("**Order**"). Subsequently, aggrieved by the said Order, the Complainant filed a criminal revision petition before the Additional District Magistrate, Mungeli praying for setting aside the said Order. The matter is pending.

12. Mr Uday Kumar Tiwari (the "**Complainant**") had filed a criminal complaint before the Chief Judicial Magistrate, Dhanbad (the "**Magistrate**") against Mr Shyamlendu Chatterjee, one of our Directors and three other employees of our Company (collectively, the "**Accused**") for offences under various provisions of the Indian Penal Code relating to *inter alia* theft, criminal breach of trust and cheating ("**Complaint**"). The Complainant had alleged that the Accused had sold him an asset which could not be registered under the provisions of the Motor Vehicles Act, 1988. The Magistrate, *vide* an order dated June 27, 2018, issued summons against the Accused ("**Order**"). Subsequently, the Accused have filed an application before the Magistrate praying for a grant of exemption from making personal appearances. Further, the Accused have filed an application before the High Court of Jharkhand ("**High Court**"), seeking that the Complaint be quashed. The matter is pending.

13. Mr. Kishun Kumar (the "**Complainant**") had filed a criminal complaint before the Additional Chief Judicial Magistrate, Danapur (the "**Magistrate**") for the registration of a first information report against our Company and various other employees of our Company (collectively, the "**Accused**" for offences under various provisions of the Indian Penal Code relating to *inter alia* theft, criminal breach of trust and cheating ("**Complaint**"). The Magistrate, *vide* an order dated July 28, 2018, directed the Bihta police station to register a first information report ("**FIR**") against the Accused. Subsequently, the Accused have made an application before the District Court, Patna ("**District Court**") seeking anticipatory bail. *Vide* an order dated September 7, 2018, the District Court directed that no coercive action be taken against the Accused without the leave of the District Court. The matter is pending.

14. Mr Krishna Kumar (the "**Complainant**") has filed a criminal complaint before the Judicial Magistrate First Class, Jamshedpur (the "**Magistrate**") against our Chairman and Managing Director, Mr. Hemant Kanoria and others (collectively, the "**Accused**") for offences under various provisions of the Indian Penal Code relating to *inter alia* criminal breach of trust and cheating ("**Complaint**"). The matter is pending.

15. Mr Mukesh Mishra (the "**Complainant**") has lodged a first information report at the Bistupur Police Station against our Chairman and Managing Director, Mr. Hemant Kanoria and others (collectively, the "**Accused**") for offences under various provisions of the Indian Penal Code relating to *inter alia* criminal breach of trust and cheating ("**Complaint**"). The matter is pending.

(b) Actions by Statutory and Regulatory Authorities:

In the normal course of our business, our Company receives and has received communications from the MCA and the Stock Exchanges from time to time, seeking information, and we duly reply to the same. Other pending actions by regulatory or statutory authorities against our Company are disclosed below:

1. The RoC issued a notice dated May 11, 2016 ("**Notice**") to our Company, seeking details of our Company's corporate social responsibility expenditure for Fiscal 2015. Our Company *vide* a correspondence dated June 2, 2016 has replied to the Notice, giving all required details. Further, by an electronic mail dated December 19, 2017, the RoC has sought details under section 206 of the Companies Act, 2013 regarding the Company's corporate social responsibility expenditure for Fiscal 2016. Our Company, *vide* a correspondence dated December 22, 2017, has responded to the Notice. There has been no subsequent correspondence with RoC on the matter.

2. The RoC issued a showcause notice dated June 22, 2015 ("**Notice**") to our Company and our Directors for the alleged violation of the certain provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors Rules) 2014, concerning the non-appointment of a woman director on our Board. Our Company has responded to the Notice *vide* a letter dated July 7, 2015 and has taken appropriate action accordingly. There has been no subsequent correspondence with RoC on the matter.

3. The Assistant Commissioner of Sales Tax, Mumbai ("**Authority**") issued a show cause notice dated February 2, 2018 ("**Notice**") to our Company for alleged violation of certain provisions of the Maharashtra Value Added Tax Act, 2002 ("**MVAT Act**"), alleging the non-maintenance of books of accounts at our registered address in accordance with the registration certificate issued to our Company under the MVAT Act. Our Company has responded to the Notice *vide* a letter dated February 7, 2018, pointing out that the books of accounts have been maintained as per the provisions of the MVAT Act and copies of such books or accounts have been submitted to the Authority *vide* letters dated February 2, 2018 and December 26, 2017 respectively. Though the said Notice dated February 2, 2018 was thereafter dropped by the investigating officers, the VAT investigation for the FY 2012-13 to 2016-17 is in process. Our Company has been submitting from time to time the necessary information and documents as required by the authorities. The matter is currently pending.

4. The Ministry of Corporate Affairs ("**MCA**") issued a notice under Section 206 of the Companies Act, 2013 dated May 24, 2018 ("**Notice**") to our Company, seeking details of our Company's corporate social responsibility

expenditure for Fiscal 2016. Our Company, *vide* a correspondence dated June 7, 2018, has responded to the Notice. There has been no subsequent correspondence with MCA on the matter.

(c) Civil and other material pending litigations:

1. Atlanta Limited (the "**Borrower**") and its director, Mr. Rikiin Rajhoo Bbarot (the "**Director**") had filed a suit against our Company and SIFL before the High Court of Bombay ("**High Court**"), for the release of certain shares which were pledged by the Director in favour of our Company for loans taken by the Borrower. The litigation was settled, and our Company and SIFL entered into consent terms with the Borrower (the "**Consent Terms**"), which were recorded by the High Court in its order dated May 5, 2011. Subsequently, the Borrower filed a civil suit against our Company and certain others, claiming damages of ₹ 500.00 million, alleging the wrongful lodging of a false complaint with TransUnion CIBIL Limited ("**CIBIL**"), a credit information company. The Borrower further alleged that although the Consent Terms state *inter alia* that our Company and SIFL shall not institute fresh complaints / proceedings against the Borrower, our Company had informed CIBIL of certain defaults in the repayment of loans by the Borrower. The matter is currently pending.

2. Vasuki Mining and Minerals Limited ("**VMML**") had purchased certain vehicles from Kamaz Vectra Motors Limited ("**KVML**") and Prosperous Motors Private Limited ("**PMPL**"), which were financed by our Company. Thereafter, alleging that quality issues in the said vehicles had in turn *inter alia* caused loss of business, projects and profits, VMML filed a civil suit in 2015 before the High Court of Calcutta ("**High Court**") against KVML, PMPL and our Company, *inter alia* claiming an amount of ₹ 290.54 million from KVML and PMPL. Our Company has been served with a writ of summons as a proforma respondent in the matter. The matter is currently pending.

(d) Tax Cases:

Provided below is a summary of direct and indirect taxation proceedings pending against our Company as on November 30, 2018:

(in ₹ million)

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings
Direct Tax (A)	2	530.00
Indirect Tax (B)*	17	315.0
Total (A+B)	**19**	**845**

** excluding standard assessment proceedings*

Litigations by our Company

(a) Criminal Proceedings:

Our Company has initiated 689 criminal proceedings which are pending as on the date of this Prospectus. Such proceedings are either in the form of first information reports, criminal complaints before sessions courts of the relevant jurisdictions, or as applications for the initiation of investigation, alleging defaults on loans, misappropriation of money, cheating, forgery and assault on employees of our Company by our customers. In certain cases, we have also alleged cheating, criminal breach of trust and misappropriation of property. These cases are pending in different forums at different stages of adjudication.

Our Company, being an AFC, has also initiated approximately 48,010 cases, which were pending as on the date of this Prospectus, for the dishonour of cheques under the Negotiable Instruments Act, 1881 and/or for the dishonour of electronic funds transfers under the Payment and Settlement Systems Act, 2007, against our customers for the recovery of outstanding dues. These cases are pending across different forums at different stages of adjudication. The aggregate amount involved in these proceedings, to the extent ascertainable, is approximately ₹ 9,537.02 million. In several instances, our customers have filed applications before the High Courts of relevant jurisdictions or other forums, for the quashing of complaints and first information reports filed by our Company against them.

In addition, our Company has initiated three criminal proceedings against various former employees of our Company, for offences under various provisions of the Indian Penal Code, alleging fraudulent actions of these former employees against our Company and our customers, including illegal gratification, conspiracies to commit financial fraud for wrongful gain and the use of the documents of our Company to wrongfully collect money from our customers. These matters are pending before various forums at various stages of adjudication.

(b) Civil and other material pending litigations:

Our Company has initiated several arbitration proceedings against customers that have defaulted on the repayment of loans granted to them, which are pending before various arbitration tribunals. Our Company has also filed petitions for interim orders restraining customers from disposing of certain property during the pendency of arbitration proceedings. Further, we have filed execution petitions to execute awards in our favour, which are pending before several courts in India.

Our Company has submitted claims as financial creditors under the provisions of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, before Interim Resolution Professionals / Resolution Professionals appointed in corporate insolvency resolution processes of some of our customers. As on the date of this Prospectus, our Company is involved in approximately 27 such matters, involving an approximate amount of ₹25,175.15 million. Some of the said matters are also pending before several fora details of which are disclosed hereinbelow. SIFL has also submitted its claims in some of the said matters.

Additionally, as on the date of this Prospectus, our Company is involved in several civil and consumer cases, which are pending at various stages of adjudication across various forums. These matters *inter alia* concern the repossession of assets, non-production of documents and disputes raised by guarantors.

The material pending litigations filed by our Company are as disclosed below:

1. Our Company had extended loan to Jaisu Dredging & Shipping Ltd ("**JDSL**") for the purchase the vessels 'M.V. Kamal XXIII' and 'M.V. Kamal XXIV' (collectively the "**Vessels**") under a loan-cum-hypothecation agreement dated April 15, 2011 (the "**Loan Agreement**"). Thereafter, on account of repeated defaults by JDSL, our Company restructured the Agreement and a fresh agreement dated July 3, 2012 (the "**Restructured Agreement**") was entered into between our Company and JDSL for a sum of ₹ 140 million. However, JDSL defaulted in paying instalments under the Restructured Agreement. Subsequently, our Company issued a letter of termination dated March 18, 2013 to JDSL, requesting them to make payment of a total sum of ₹ 167.40 million which was due and payable to our Company as on March 14, 2013. Further, our Company initiated arbitration proceedings before a sole arbitrator against Sujay M. Kewalramani, Mohanlal Gopaldas Kewalramani and Rajesh Kanyalal Kewalramani, the guarantors to the Loan Agreement (the "**Guarantors**"), inter alia claiming an amount of ₹ 167.39 million. The Guarantors have filed a declaratory suit before the City Civil Court, Bombay against our Company, seeking *inter alia* a declaration that the deed of guarantee entered between our Company and the Guarantors was fraudulent and accordingly not binding on the guarantors.

   Our Company has simultaneously filed an admiralty suit before the Calcutta High Court ("**High Court**") in its admiralty jurisdiction, praying for inter alia (i) a decree for ₹ 167.40 million; (ii) arrest of the Vessels, along with their tackles, apparel, dredgers and furniture; (iii) sale of the Vessels and appropriation of proceeds realized from the same in *pro tanto* satisfaction of our Company's claims. Our Company also filed an affidavit of arrest before the High Court, seeking inter alia the arrest of the Vessels, along with their tackle apparel, drudgers and furniture until adequate security be furnished by JDSL for our Company's claim. The High Court, vide an order dated August 13, 2013, appointed a receiver (the "**Receiver**") and thereafter, *vide* an order dated May 8, 2014 *inter alia* confirmed sale of the Vessels in favour of M. Pallonji & Company Private Limited for the sum of ₹ 6.50 million each, aggregating to ₹ 13.00 million. Such sums have been deposited with the Receiver, who has been directed to open an account with a nationalised bank and invest the sale proceeds in a short-term deposit. The matter is currently pending.

2. Our Company had extended loans to Jaisu Shipping Company Private Limited and others ("**Borrowers**") under a loan-cum-hypothecation agreement dated April 15, 2011 (the "**Agreement"**). Thereafter, on account of repeated defaults by the Borrowers, our Company restructured the Agreement and a fresh agreement dated July 3, 2012 (the "**Restructured Agreement**") was entered into between the Company and the Borrower for a sum of ₹123.33 million. However, the Borrower defaulted in paying the instalments under the Restructured Agreement. Subsequently, our Company issued a letter of termination dated March 18, 2013 to the Borrowers, requesting them to make payment of a total sum of ₹116.01 million, which was due and payable to our Company as on March 14, 2013. Subsequently, our Company initiated arbitration proceedings against the Borrowers before a sole arbitrator, for recovery of the defaulted amount of ₹116.01 million along with interest thereon. The sole arbitrator passed an award dated May 20, 2016, in favour of our Company for an amount of ₹116.01 million. However, the Borrower neglected to make payments in accordance with the said award. Accordingly, our Company has filed an execution petition before the Commercial Court, Rajkot for the execution of the arbitral award. The total amount claimed by our Company, along with interest thereon, is ₹154.64 million as at April 20, 2018. The matter is currently pending.

3. Our Company had extended various loans to Wianxx Impex Private Limited ("**WIPL**") *vide* four loan agreements, which were restructured by our Company on multiple occasions. After several rounds of restructuring, our Company finally entered into two restructured loan agreements with WIPL dated April 1, 2016 (the "**First Restructured Agreement**") and June 24, 2016, respectively. However, WIPL continued to default in its repayment of the loan amount due under the First Restructuring Agreement. Consequently, our Company has filed a company application before the National Company Law Tribunal, Delhi Bench against WIPL for the initiation of a corporate insolvency resolution process under the IB Code, in relation to the aggregate amount of ₹ 214.17 million due to us. The matter is currently pending.

4. Our Company had extended various loans to Sree Metaliks Limited ("**SML**") *vide* various loan agreements dated January 3, 2013, January 3, 2013, January 3, 2013 and June 22, 3013 respectively (the "**Loan Agreements**") aggregating to a total of ₹ 1,082.68 million. SML failed to repay the monthly instalments within the timeframe specified in the Loan Agreements. Subsequently, our Company issued demand letters dated September 6, 2013 to SML, requesting it to clear the outstanding dues and subsequently, issued a termination letter dated October 5, 2013, terminating the Loan Agreements, calling upon SML to pay the amount outstanding to our Company, along with penal interest. However, SML did not take make any payments pursuant to such correspondence. Thereafter, our Company initiated arbitration proceedings before a sole arbitrator (the "**Tribunal**") against SML under three of the Loan Agreements. The Tribunal has passed a consolidated award dated September 18, 2014 in favour of our Company, for the payment of amounts of ₹ 608.18 million, ₹ 599.57 million and ₹ 645.28 million respectively. However, no amounts have been received by our Company.

   Subsequently, our Company filed a company application before the National Company Law Tribunal, Kolkata Bench (the "**NCLT**") against SML for the initiation of a corporate insolvency resolution process under the IB Code, in light of an aggregate amount of ₹ 2,339.50 million being due from SML to us under the Loan Agreements. The NCLT appointed an insolvency resolution professional ("**IRP**") *vide* an order dated January 30, 2017 (the "**NCLT Order**"). Thereafter, upon conclusion of the insolvency resolution process, a resolution plan was formulated, and was approved by the NCLT *vide* an order dated November 7, 2017 ("**Second Order**"). Aggrieved by the Second Order, our Company filed an appeal before the National Company Law Appellate Tribunal, New Delhi ("**NCLAT**"), objecting to the appointment of the IRP, pursuant to which, the NCLAT has passed an interim order on November 28, 2017 staying the Second Order. Thereafter, *vide* an order dated December 15, 2017, the NCLAT noted than any action taken by the Adjudicating Authority (NCLT/IRP) shall be subject to the outcome of such appeal. The matters are currently pending.

5. Our Company has initiated winding up proceedings against Sai Infosystems (India) Limited ("**SIL**") before the High Court of Gujarat claiming outstanding dues of ₹ 523.78 million arising from a master rental agreement dated May 27, 2010, a master lease agreement dated March 28, 2012 and a loan cum hypothecation agreement dated March 19, 2013.

   Subsequently, SIL has initiated a corporate insolvency resolution process under the provisions of the IB Code for itself. Our Company, upon receiving a notice of the same, has filed a claim of ₹166.07 million before the resolution professional on December 13, 2017. The matters are currently pending.

6. Our Company has initiated arbitration proceedings before a sole arbitrator against IVRCL Limited ("**IVRCL**") and another, alleging defaults in its repayment of credit facilities extended to it *vide* an agreement dated April 1, 2014. Our Company has sought, *inter alia*, an aggregate amount of ₹ 1,639.98 million.

   Subsequently, a financial creditor of IVRCL initiated a corporate insolvency resolution process under the provisions of the IB Code against IVRCL. Our Company, upon receiving a notice of the same, has filed a claim of ₹3,333.99 million before the resolution professional on March 16, 2018. The matters are currently pending.

7. Our Company has filed an arbitration petition before the High Court of Calcutta ("**High Court**") against Gupta Global Resources Private Limited ("**GGRPL**"), in relation to defaults in the payment of a sum of ₹ 1,365.96 million arising from credit facilities extended to GGRPL *vide* an agreement dated January 3, 2016. Our Company has sought *inter alia* the appointment of a receiver and an injunction restraining GGRPL from disposing off or otherwise dealing with certain coal washeries hypothecated to us (the "**Assets**"). The High Court, *vide* an order dated June 29, 2017, granted our Company the injunction, and *vide* an order dated July 5, 2017, appointed joint receivers to take possession of the Assets.

   In addition, our Company has made a reference for arbitration *vide* its letter dated September 26, 2017. In the interim, GGRPL has filed an application before the National Company Law Tribunal, Mumbai Bench ("**NCLT**"), for the initiation of a corporate insolvency resolution process for itself. The NCLT, *vide* an order dated October 4, 2017, has *inter alia* ordered the appointment of an interim resolution professional. Our Company, upon receiving a notice of the same, has filed a claim of ₹ 1,075.44 million before the resolution professional. The matters are currently pending.

8. Our Company has filed two separate arbitration petitions before the High Court of Calcutta ("**High Court**") against *inter alia* Ma Durga Thermal Power Company Limited ("**MDTPCL**") in relation to defaults in the repayment of sums aggregating to ₹ 494.26 million, arising from credit facilities extended to MDTPCL *vide* two agreements September 30, 2013 and September 22, 2014 respectively. In both petitions, our Company has sought *inter alia* the appointment of a receiver and an injunction restraining MDTPCL from disposing off or otherwise dealing with certain assets (the "**Assets**"). The High Court, *vide* orders dated October 4, 2016 and January 3, 2017, directed the appointment of a receiver to take possession of the Assets.

   In addition, our Company has made a reference for arbitration *vide* its letter dated February 27, 2017. Further, our Company has initiated three separate arbitration proceedings against MDTPCL, claiming amounts of ₹ 748.87 million, ₹ 191.19 million and ₹ 961.14 million for defaults in the payment of dues arising from credit facilities extended to MDTPCL.

   Subsequently, our Company has filed an application before the National Company Law Tribunal, Kolkata Bench ("**NCLT**") against MDTPCL for the initiation of a corporate insolvency resolution process under the IB Code, in relation to the aggregate amount of ₹2,429.22 million due to our Company. The NCLT, *vide* an order dated June 8, 2018 *inter alia* admitted the petition, appointed an insolvency resolution professional and passed an order declaring moratorium on claims against MDTPCL. The matters are currently pending.

9. Our Company has filed three separate arbitration petitions before the High Court of Calcutta ("**High Court**") against Marg Limited ("**Marg**") in relation to defaults in the repayment of dues arising from credit facilities extended to Marg *vide* three agreements, each dated June 22, 2013 (the "**Agreements**"). In each petition, our Company has sought *inter alia* the appointment of a receiver and an injunction restraining Marg from disposing off or otherwise dealing with certain assets (the "**Assets**"). The High Court, *vide* orders dated July 12, 2016, granted the injunctions sought and directed the appointment of joint receivers to take possession of the Assets. In addition, our Company has initiated three arbitration proceedings against Marg for the recovery of dues aggregating to ₹ 632.77 million, arising from the Agreements. The matters are currently pending.

10. Our Company has filed an arbitration petition before the High Court of Calcutta ("**High Court**") against Aqdas Maritime Agency Private Limited ("**Aqdas**"), in relation to defaults in the repayment of dues arising from credit facilities extended to Aqdas *vide* an agreement dated March 22, 2012 (the "**Agreement**"). Our Company has sought *inter alia* the appointment of a receiver and an injunction restraining Aqdas from disposing off or otherwise dealing with certain assets (the "**Assets**"). The High Court, *vide* an order dated December 12, 2012, granted our Company the injunction sought and ordered the appointment of a receiver to take possession of the Assets. In addition, our Company has initiated arbitration proceedings against Aqdas before a sole arbitrator for the recovery of dues of ₹ 224.67 million arising from the Agreement.

    Further, our Company had issued a notice dated March 9, 2017 under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**") against Aqdas and others, on account of defaults in repayment of loans availed by Aqdas, amounting to ₹ 247,31 million including interest., as at March 9, 2017. Thereafter, our Company moved an application under the provisions of the SARFAESI Act before the Chief Metropolitan Magistrate, Esplanade, Mumbai seeking, *inter alia*, appointment of Advocate Commissioner for possession/attachment of immovable property secured in favour of our Company. The matters are currently pending.

11. Our Company had previously filed an arbitration petition before the High Court of Calcutta ("**High Court**") against SVIL Mines Limited ("**SVIL**"), in relation to defaults in the repayment of dues arising from credit facilities extended to SVIL *vide* an agreement dated April 1, 2013 (the "**Agreement**"). Our Company had sought *inter alia* the appointment of a receiver and an injunction restraining the SVIL from disposing off or otherwise dealing with certain assets (the "**Assets**"). The matter was disposed of *vide* an order of the High Court dated March 15, 2017. Our Company also filed an application before the High Court, seeking directions for the receiver to take possession of the Assets. While the High Court allowed our application *vide* an interim order dated September 29, 2014, the same was made conditional to the outcome of separate debt recovery proceedings initiated by Punjab National Bank against SVIL. However, SVIL failed to hand over physical possession of its assets to the receiver, and our Company has accordingly filed a contempt case against SVIL before the High Court. In addition, our Company has initiated arbitration proceedings before a sole arbitrator, seeking *inter alia* the recovery of a sum of ₹ 158.41 million as outstanding dues under the Agreement.

    Further, a separate creditor of SVIL had initiated a winding up petition against SVIL before the High Court of Delhi ("**Delhi High Court**"), wherein the Delhi High Court had admitted the petition and appointed a provisional liquidator in the matter. Subsequently, our Company made an application before the Delhi High Court seeking, *inter alia*, leave from the Delhi High Court to allow the proceedings to continue in the High Court and before the sole arbitrator. The matters are currently pending.

12. Our Company has initiated arbitration proceedings before a sole arbitrator (the "**Arbitrator**") against M/s National Construction Company and its partners, Mr. Khimji H. Patel, Mr. Bhikalal K. Patel and Mr. Ramesh Khimji Patel (collectively the "**Defaulters**"), claiming outstanding dues along with interest thereon, aggregating to ₹ 439.85 million as at February 14, 2014, under an agreement dated March 14, 2013. The Arbitrator passed an award dated February 3, 2016 (the "**Award**"), *inter alia* awarding an amount of ₹ 354.00 million our Company. Subsequently, our Company filed two execution petitions before the Commercial Court, Ahmedabad ("**Ahmedabad Court**", and such proceedings the "**Ahmedabad Proceedings**") and the Commercial Court, Rajkot ("**Rajkot Court**" and such proceedings the "**Rajkot Proceedings**") respectively, for execution of the Award.

    In the Rajkot Proceedings, the Rajkot Court, *vide* an interim order dated August 11, 2017 ("**Order**"), restrained the defaulters from transferring or charging certain properties by sale, gift or otherwise. Info Stretch Corporation (India) Pvt Ltd, Mr. Manish Shashikant Shah and Central Bank of India, all being third parties to the dispute, have raised objections to the Order, as well as certain averments raised by our Company in the matter. Further, Mr. Manish Shashikant Shah has filed an objection before the Ahmedabad Court against the Ahmedabad Proceedings.

    Subsequently, our Company has filed a further execution petition before the Special Judicial Magistrate, Commercial Court, Jaipur ("**Jaipur Court**", and such proceedings the "**Jaipur Proceedings**") for the execution of the Award. The total claim in the matter is ₹489.56 million. The matters are currently pending.

13. Our Company has filed an arbitration petition before the High Court of Calcutta ("**High Court**") against, *inter alia*, Ma Durga Rice Processing and Exports Private Limited ("**MDRPEPL**") in relation to defaults in the repayment of credit facilities extended by us to MDRPPL *vide* a loan agreement dated September 30, 2013, aggregating to ₹170.00 million. Our Company has sought, *inter alia*, the appointment of a receiver and injunction restraining MDRPPL from disposing off or otherwise dealing with certain assets. *Vide* an order dated October 4, 2016, the High Court has appointed a receiver, and has also granted the injunction sought.

14. Our Company has initiated arbitration proceedings before a sole arbitrator against, *inter alia*, Ma Durga Rice Products Private Limited for defaults in repayment of credit facilities extended to it under a separate loan agreement, also dated September 30, 2013, seeking *inter alia* an award of ₹175.66 million. The matters are currently pending.

15. Our Company entered into a loan-cum-hypothecation agreement dated September 22, 2016 with MIC Electronics Limited ("**MEL**"), in terms of which four existing loan agreements were restructured. MEL subsequently defaulted in the repayment of the loan, pursuant to which our Company has filed a company application before the National Company Law Tribunal, Hyderabad Bench ("**NCLT**") against MEL for the initiation of a corporate insolvency resolution process under the IB Code, in relation to an aggregate amount of ₹ 418.50 million due to our Company. The NCLT, *vide* an order dated March 13, 2018 admitted the petition, appointed an insolvency resolution professional and passed an order declaring moratorium on claims against MEL. The matter is currently pending.

16. Our Company has filed an arbitration petition before the High Court of Calcutta against, *inter alia*, Valecha Engineering Ltd ("**Valecha**") in relation to outstanding dues aggregating to ₹ 459.16 million, and defaults in the repayment of credit facilities extended by our Company to Valecha vide a loan agreement dated October 8, 2015, *inter alia* seeking the appointment of a receiver and an injunction restraining Valecha from disposing off or otherwise dealing with certain assets. The matter is currently pending.

17. Our Company has filed an arbitration petition before the High Court of Calcutta against GSCO Infrastructure Private Limited ("**GSCO**") and others, in relation to outstanding dues aggregating to ₹ 198.10 million and defaults in the repayment of credit facilities extended by our Company to GSCO *vide* a loan agreement dated February 15, 2018. Our Company has *inter alia* sought for the appointment of a receiver and injunction restraining GSCO from alienating or otherwise dealing with certain assets. The matter is currently pending.

18. Our Company had issued a notice under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**") on March 9, 2017 against Accura Infotech Private Limited ("**AIPL**"), and had subsequently made an application before the District Magistrate, Thane ("**Magistrate**") under the provisions of the SARFAESI Act for attachment of an immovable property secured in favour of our Company, on account of defaults in repayment of loans availed by AIPL. As on March

9, 2017, the amount outstanding to our Company is ₹ 733.19 million, including accrued interest. The Magistrate *vide* an order dated January 19, 2018 (the "**Possession Order**"), allowed our Company to take possession of the said property. Thereafter, AIPL and another have filed a writ petition before the High Court of Bombay ("**High Court**") seeking, *inter alia*, a stay on the Possession Order, which was allowed by the High Court *vide* its order dated March 1, 2018. The matter is currently pending.

19. Our Company issued a notice under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**") on January 8, 2018 against KSR Marine Services Private Limited (formerly known as Akash Dredging and Marine Services Private Limited) ("**KSR**"). Subsequently, our Company made an application before the Chief Judicial Magistrate, Raigad-Alibaug ("**Magistrate**") under the provisions of the SARFAESI Act for attachment of an immovable property secured by KSR in favour of our Company, on account of defaults in repayment of loans availed by KSR. The amount claimed by our Company as being outstanding, as on July 3, 2018, is ₹205.59 million including accrued interest. The matter is currently pending.

II. Litigations involving our Promoter

Litigation against our Promoter

(a) Criminal litigation

1. Birhanmumbai Municipal Corporation has lodged a first information report ("**FIR**") against our Chairman and Managing Director, Mr. Hemant Kanoria and others for offences under the Maharashtra Regional and Town Planning Act, 1966, alleging that SIFL had vacated a property which had been leased to First Fitness (India) Private Limited (the "**Property**") and had prevented commercial use of the basement of the Property. Mr Hemant Kanoria and others have initiated quashing proceedings under before the High Court of Bombay ("**High Court**") against the FIR. The High Court has passed an order dated October 8, 2014, directing that no charge sheet may be filed without its permission. The matter is currently pending.

(b) Actions by Statutory and Regulatory Authorities:

In the normal course of its business, SIFL receives and has received communications from the MCA and the Stock Exchanges from time to time, seeking information and it duly replies to the same. Other pending actions by regulatory or statutory authorities against it are disclosed below:

1. The Enforcement Directorate, Kolkata (the "**ED**") issued a show cause notice dated April 12, 2001 against SIFL for certain alleged irregularities in foreign exchange transactions during the year 2000. *Vide* an order dated March 3, 2004, the ED held SIFL and its officials guilty of contravening relevant provisions of Foreign Exchange Regulation Act, 1973, and imposed a penalty of ₹ 2.00 million on SIFL, ₹ 1.00 million on Mr. Hemant Kanoria, our Chairman and Managing Director, and ₹ 0.50 million each on two of its employees. SIFL has thereafter filed an appeal before the Appellate Tribunal for Foreign Exchange, New Delhi ("**Tribunal**"). The matter is currently pending.

2. Pursuant to an inspection of the books of accounts and other records of SIFL, the Regional Director (Eastern Region), Ministry of Corporate Affairs, GoI at Kolkata ("**RD**") issued a preliminary finding report to SIFL dated August 30, 2008, alleging violations of various provisions of the Companies Act, 1956. SIFL thereafter submitted its explanations to the aforesaid observations. However, the RoC issued a notice dated October 21, 2008 to launch prosecution proceedings against SIFL and/or its directors and officers in default, alleging violation of various provisions of the Companies Act, 1956 *inter alia* relating to the payment of dividends, maintenance of books of accounts, forms and content of balance sheets and profit and loss accounts, board reports, appointment of managing or whole-time directors and managers and powers of its of board of directors. Further, the RoC advised SIFL to file an application seeking to compound the alleged offences. Subsequently, the directors and the company secretary of SIFL (the "**Petitioners**") filed a petition before the High Court of Calcutta ("**High Court**"), seeking relief in the matter. The High Court, *vide* an ad-interim order dated November 28, 2008, restrained the RD and the RoC from instituting or causing to be instituted any proceeding against the Petitioners until further orders. The matter is currently pending.

3. The Ministry of Corporate Affairs ("**MCA**"), *vide* a letter dated May 11, 2018 issued a show cause notice ("**Notice**") to SIFL for alleged non-compliance with certain provisions of the Companies Act, 2013, read with the Companies (Restriction on the Number of Layers), Rules 2017. SIFL, *vide* a correspondence dated May 21, 2018, has replied to the Notice. There has been no subsequent correspondence with the MCA on the matter.

4. MCA issued a notice to SIFL under Section 206 of the Companies Act, 2013 dated May 24, 2018 ("**Notice**"),

seeking details of our Company's corporate social responsibility expenditure for Fiscal 2016. SIFL, *vide* a correspondence dated June 7, 2018, has replied to the Notice. There has been no subsequent correspondence with the MCA on the matter.

5. The Assistant Commissioner of Sales Tax, Mumbai ("**Authority**") issued a showcause notice dated February 2, 2018 ("**Notice**") to SIFL for alleged violation of certain provisions of the Maharashtra Value Added Tax Act, 2002 ("**MVAT Act**") concerning the non-maintenance of books of accounts at the registered address in accordance with the registration certificate issued to SIFL under the MVAT Act. SIFL has responded to the Notice *vide* a letter dated February 7, 2018. There has been no subsequent correspondence with the Authority on the matter.

6. MCA has issued a notice dated August 27, 2018 to SIFL for carrying out inquiry under first proviso to Section 206 read with Section 206 (4) of the Companies Act, 2013 and calling for information and explanation on compliance of provisions of Sections 205A/205C/124/125 of Companies Act, 1956/2013 and on connected matters pursuant to which SIFL had sought extension under cover of letter dated September 28, 2018 to file its reply by October 31, 2018 and has submitted its reply to vide letter dated Ocotber 26, 2018. There has been no further correspondence with regard to the said matter.

7. MCA has issued a notice dated August 29, 2018 to SIFL seeking SIFL's comments, explanations and evidence to each of the preliminary findings during the course of inspection conducted by inter alia the Joint Director (Inspection Officer), Office of the Regional Director at Kolkata under Section 206(5) of the Companies Act, 2013 of the books of accounts, statutory records, documents and other records, etc. of SIFL to which SIFL has duly responded vide letter dated September 18, 2018. Mr Hemant Kanoria, our Managing Director and Promoter of SIFL, Mr Sandeep Lakhotia, Company Secretary of SIFL, Mr Kishore Kumar Lodha, erstwhile Chief Financial Officer of SIFL and the Auditors of SIFL adopted the contents of the said reply dated September 18, 2018 vide subsequent letter dated September 20, 2018. There has been no further correspondence with regard to the said matter.

8. MCA has issued a notice dated September 5, 2018 to SIFL for carrying out inquiry under first proviso to Section 206 read with Section 206 (4) of the Companies Act, 2013 and calling for information and explanation on compliance of provisions of Section 124(6) of Companies Act, 2013 and on connected matters to which SIFL has duly responded vide letter dated October 11, 2018. There has been no further correspondence with regard to the said matter.

(c) Material civil and other material litigations:

1. Mr. Naveen Bansal (the "**Petitioner**") has filed an application alleging a violation of certain provisions of the Companies Act, 1956, alleging oppression and mismanagement before the Company Law Board, Kolkata Bench ("**CLB**") against I-Log Ports Private Limited ("**IPPL**"), SIFL and others, including our Chairman and Managing Director, Mr. Hemant Kanoria (collectively the "**Respondents**"). The Petitioner sought several interim reliefs, *inter alia* including injunctions on IPPL from operating bank accounts and holding board meetings. The CLB, *vide* an order dated July 22, 2017 *inter alia* held that to protect the interest of the fixed assets of IPPL, the Respondents shall not sell or alienate such assets without the consent of the CLB (the "**Order**"). SIFL filed an application before the National Company Law Tribunal, Kolkata Bench ("**NCLT**") for dismissal of the petition against SIFL, contending that SIFL is not a shareholder in IPPL and has no relationship with IPPL. The NCLT dismissed the petition *vide* an order dated May 17, 2017 ("**NCLT Order**"). Aggrieved by the NCLT Order, SIFL filed an appeal before National Company Law Appellate Tribunal ("**NCLAT**"). *Vide* an order dated August 16, 2017, the NCLAT remanded the matter to the NCLT. The Petitioner has also filed a contempt petition before the High Court of Calcutta ("**High Court**") against the directors of IPPL, SIFL and Mr. Hemant Kanoria for alleged violation of the Order. The matters are currently pending.

2. Dr. Syed Sabahat Azim has filed an application before the Company Law Board, Eastern Region Bench, Kolkata against Sahaj E-village Limited ("**SEL**") (formerly 'Srei Sahaj E-village Limited') SIFL, our Chairman and Managing Director, Mr. Hemant Kanoria, SSEL and others, alleging oppression and mismanagement. Upon the constitution of National Company Law Tribunals in place of Company Law Boards, the matter was transferred to the National Company Law Tribunal, Kolkata. The matter is currently pending.

3. Nectrus Limited has filed a civil suit before the High Court of Delhi ("**Delhi High Court**") against ATEN Capital Private Limited ("**ATEN**"), SIFL, Candor Gurgaon Two Developers and Projects Private Limited ("**Candor**"), Unitech Limited ("**Unitech**") and others, seeking an injunction on, *inter alia*, the release of a sum of ₹ 2,430.00 million by ATEN. The suit has been transferred to the District Judge, South, New Delhi. Of this amount, a sum of ₹ 1,500 million pertains to three inter-corporate deposits received by SIFL from Candor for guaranteeing the loan to Unitech, which had been invoked by SIFL to settle a claim against Unitech.

Previously, SIFL had filed a suit before the Debt Recovery Tribunal - I, Kolkata ("**DRT**") against, *inter alia*, Unitech Limited for recovery of an amount of ₹ 44.00 million, arising as the remainder after the three inter-corporate deposits made by Candor to SIFL were set-off against a loan of ₹ 1,500 million granted by SIFL to Unitech. In addition, Candor has filed three arbitration petitions before the High Court of Calcutta ("**Calcutta High Court**") for the appointment of an arbitrator, and *vide* an order dated June 29, 2016, the Calcutta High Court has appointed a sole arbitrator ("**Arbitrator**") for all three matters. SIFL had filed an application before the Arbitrator, objecting to the jurisdiction of the Arbitrator, alleging that the arbitration proceedings were not maintainable and for impleading other necessary parties for proper adjudication of the matter. On December 11, 2017, the Arbitrator passed three arbitral awards in favour of Candor wherein SIFL was directed to pay an aggregate amount of ₹ 2,240.57 million ("**Arbitral Awards**"). Thereafter, SIFL has made an application before the Calcutta High Court for setting aside the Arbitral Awards. The Hon'ble Calcutta High Court *vide* an order dated July 19, 2018 directed SIFL to deposit the Arbitral Awards with the Registrar of the Calcutta High Court by August 10, 2018 in the form of cash deposits. SIFL had filed three Special Leave Petitions before the Supreme Court of India praying for modification of the aforesaid order dated July 19, 2018. The Hon'ble Supreme Court *vide* an order dated September 14, 2018 directed SIFL to deposit 60 percent of the Arbitral Awards in the form of cash deposits and the remaining 40 percent of the Arbitral Awards in the form of a bank guarantee within a period of eight weeks ("**Supreme Court Order**"). However, SIFL was unable to comply with the Supreme Court Order within the specified timeline. As such, SIFL filed a Special Leave Petition before the Supreme Court of India asking for an extension of time so that it can comply with the order. The Hon'ble Supreme Court, *vide* its orders dated December 3, 2018 and December 4, 2018 directed SIFL to furnish the bank guarantee by December 4, 2018 and the cash deposits within a period of two weeks.

Further, Candor made an application before the Calcutta High Court seeking *inter alia* that SIFL deposit an amount equivalent to the Arbitral Awards with the Registrar of the Calcutta High Court in order to secure the Arbitral Awards. The Calcutta High Court *vide* an order dated May 17, 2018 ("**High Court Order**") *inter alia* directed SIFL to deposit an amount of ₹ 1,127.78 million in favour of Candor. SIFL has filed an appeal before the Calcutta High Court challenging the High Court Order. The Hon'ble Calcutta High Court vide an order dated August 3, 2018 dismissed the said appeal. The matters are currently pending.

(d) Tax Cases:

Provided below is a summary of direct and indirect taxation proceedings pending against SIFL as on November 30, 2018:

(in ₹ million)

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings
Direct Tax (A)	13	704.2
Indirect Tax (B)	7	160.06
Total (A+B)	**20**	**864.26**

Litigation by our Promoter

(a) Criminal proceedings

In its ordinary course of business, as on the date of this Prospectus, SIFL has initiated 227 criminal proceedings under the provisions of the Negotiable Instruments Act, 1881 against several of its customers for dishonour of cheques presented by them, and under the Payment and Settlement Systems Act, 2007 for the dishonour of electronic funds transfers. These matters are pending before various forums at various stages of adjudication. The aggregate amount involved in these proceedings, to the extent ascertainable, is ₹7266.80 million.

Other than such matters, the criminal proceedings initiated by SIFL are as disclosed below:

1. SIFL has filed a criminal complaint against Deccan Chronicle Holdings Limited and others before the 16th Metropolitan Magistrate, Kolkata. For details, see "*– Litigation involving our Promoter – Litigation by our Promoter – Other material pending litigations*" below.

2. SIFL has filed a criminal complaint against the directors of Multiwall Pulp and Board Mills Private Limited and others before the Economic Offences Wing, New Delhi. For details, see "*– Litigation involving our Promoter – Litigation by our Promoter – Other material pending litigations*" below.

(b) Civil and other material pending litigations:

In its ordinary course of business, SIFL has initiated several proceedings against several of its defaulting customers. These proceedings are pending before various foras at different stages of adjudication. Details of the material civil and other material pending litigations initiated by SIFL are as disclosed below:

1. SIFL filed a civil suit before the High Court of Calcutta (the "**High Court**") against K. S. Oils Limited (the "**Borrower**") and others, for the recovery of the loan amount. The High Court, *vide* an order dated June 17, 2015, dismissed the suit ("**Order**"). SIFL filed an appeal against the Order before the High Court of Calcutta. Pursuant to an order dated June 17, 2015, the Borrower has filed an undertaking to indemnify SIFL in case it files appropriate proceedings and succeeds therein. In addition, SIFL filed an application before the Debt Recovery Tribunal ("**DRT**"), Kolkata against the Borrower and the Guarantor for an amount of ₹ 5,854.8 million. Members of a consortium of lenders to the Borrower, led by State Bank of India, also filed an application before the Debt Recovery Tribunal II, Delhi for recovery of ₹ 45,335.40 million from the Borrower, wherein SIFL is has been made a respondent.

   Moreover, SIFL has also filed an insolvency application in its capacity as financial creditor against the Borrower before the National Company Law Tribunal, Ahmedabad Bench ("**NCLT**") under the IB Code for *inter alia* initiating a corporate insolvency resolution process, in relation to the sum of ₹ 997.30 million due to it. The NCLT, *vide* its order dated July 21, 2017, admitted the petition, appointed an insolvency resolution personnel and passed an order declaring moratorium on claims against the Borrower. Further, the NCLT, *vide* an order dated January 11, 2018 extended the moratorium period by a further 90 days. The matters are currently pending.

2. SIFL has filed an application before the Debts Recovery Tribunal – I, Kolkata ("**DRT**") against Deccan Chronicle Holdings Limited ("**DCHL**") and others for the recovery of an outstanding amount of ₹ 3,017.00 million. In addition, SIFL has filed two applications before the DRT for the sale two mortgaged properties, and for injunction and/or appointment of receiver on the remaining assets and properties of DHCL respectively. The DRT has directed the attachment of the mortgaged properties. Further, *vide* a separate order, the DRT has appointed of a receiver to take symbolic possession, and has passed an injunction restraining DCHL from transferring its property to third party. SIFL has also filed an application for conversion of part of the loan to equity in terms of the loan agreement entered into between SIFL and DCHL. Pursuant to an order of the DRT dated December 24, 2014, DCHL purported to issue certain shares to SIFL. However, necessary statutory approval for the same was not received by DCHL. SIFL has also *inter alia* filed an application before the High Court of Hyderabad ("**High Court**"), objecting to a demerger application of DCHL. In addition, SIFL has filed an application before the High Court for a scheme of compromise and arrangement between DCHL, its creditors and members, for the revival and rehabilitation of DCHL.

   Further, a creditor of DCHL has filed an insolvency application against it, in its capacity as a financial creditor, before the National Company Law Tribunal, Hyderabad Bench under the IB Code for *inter alia* initiating a corporate insolvency resolution process. SIFL has filed its own claim for an amount of ₹2636.43 million under the insolvency resolution process.

   SIFL has also filed a criminal complaint in relation to default in dues aggregating to ₹2,400 million for defaulting in repayment of the loans before the 16th Metropolitan Magistrate's Court, Kolkata ("**Court**") for the initiation of investigation against DCHL and others (the "**Accused**"), and accordingly. These matters are currently pending.

3. SIFL has filed an application before the Debts Recovery Tribunal - I, Kolkata ("**DRT**") against Gujarat Hydro Carbons and Power SEZ Limited ("**Gujarat Hydrocarbons**") and others (collectively the "**Defendants**") for recovery of principal amount of loan of ₹ 1,000 million provided to by SIFL to Gujarat Hydrocarbons under a loan agreement dated January 5, 2011 (the "**Agreement**") along with applicable interest, aggregating to ₹ 1,214 million. A settlement has been arrived upon between the parties, which is recorded in a Debt Repayment and Settlement Agreement dated March 25, 2015 ("**DRSA**"). SIFL has filed an interlocutory application before the DRT, praying that the matter be adjourned *sine die* till the Defendants have performed their obligations under DRSA. Upon failure of the DRSA, a cancellation agreement was executed between Gujarat Hydrocarbons and SIFL. Thereafter, SIFL has filed an application before the DRT, seeking *inter alia* the appointment of receiver for taking physical possession of mortgaged properties of Gujarat Hydrocarbons and to facilitate transfer of land being developed under the Gujarat Industrial Development Corporation ("**GIDC**") guidelines for this purpose, for directions to GIDC, allowing SIFL to *inter alia* substitute Gujarat Hydrocarbons and develop the property ("**Application**"). *Vide* an order dated July 31, 2018, the DRT while partly allowing the Application, directed *inter alia* that the appointed special officers take over actual physical possession of the said mortgaged properties of Gujarat Hydrocarbons and directed Gujarat Hydrocarbons to hand over the actual physical possession of the mortgaged property to SIFL while allowing SIFL to develop the said property, as per the terms of a lease deed dated February 21, 2008 entered between Gujarat Hydrocarbons and GIDC.

Further, SIFL has filed an insolvency application against Gujarat Hydrocarbons before the National Company Law Tribunal, New Delhi in its capacity as a financial creditor, seeking the initiation of a corporate insolvency resolution process under the provisions of the IB Code, in relation to a sum of ₹ 7918.89 million due to our Company. The matters are currently pending.

4. SIFL has filed a civil suit before the High Court at Calcutta ("**High Court**") against Violet Arch Capital Advisors Private Limited ("**Violet**"), Bajpai Capital Advisors and Mr. Varun Bajpai for the recovery of loan amount of ₹ 296.50 million, seeking to implicate the assets on which SIFL has a security interest. The High Court *vide* ad interim order dated June 2, 2014 (the "**Order**"), granted an injunction in our favour on the receivables of Violet arising from deposits with the Stock Exchanges, and income tax refunds, until disposal of the matter. Mr. Varun Bajpai has filed an application against the Order before the High Court. The matter is currently pending.

5. SIFL has filed an application before the Debt Recovery Tribunal - I, Kolkata against ARSS Infrastructure Projects Limited ("**ARSS**") and others for the recovery of a loan amount of ₹ 55.23 million, along with applicable interest. Further, SIFL has filed a petition before the High Court of Odisha for the winding up of ARSS. The matters are currently pending.

6. SIFL has filed a declaratory suit against Transtel Infrastructure Limited (the "**Defendant**") and others before the High Court of Calcutta ("**High Court**") *inter alia*, seeking injunction restraining the Defendant from diluting the percentage of shares pledged with SIFL and the appointment of auditors for investigating the books of account, in relation to repayment by the Defendant and other entities forming part of the Defendant's group of an outstanding amount of ₹ 923.00 million. *Vide* an order dated April 8, 2015, the High Court restrained the Defendant from diluting the percentage of the shares pledged in favour of SIFL under the loan agreement without the leave of the High Court. Further, the High Court directed the Defendant to complete the process of dematerialisation of its shares. The matter is currently pending.

7. SIFL filed a suit (the "**Suit**") against Supreme Infrastructure BOT Private Limited ("**Supreme BOT**"), Supreme Infrastructure India Limited ("**SIIL**") and others (collectively the "**Defendants**") before the High Court of Calcutta ("**Calcutta High Court**") seeking, *inter alia*, an injunction restraining the Defendants from diluting their shareholding in certain companies, shares of which are pledged with SIFL ("**Pledged Shares**"). The Calcutta High Court, *vide* an order dated May 6, 2015 ("**Order**"), restrained Supreme BOT from diluting its shareholding in the companies, the shares of which were pledged in favour of SIFL. SIFL has filed an appeal against the Order before a division bench of the Calcutta High Court ("**Division Bench**"). The Division Bench, *vide* an order dated May 13, 2015, *inter alia* restrained all respondents from dealing with the Pledged Shares in any manner, till disposal of the matter ("**Appeal Order**").

   In the interim, separate winding up proceedings were initiated against SIIL by some of its creditors, and the High Court of Bombay ("**Bombay High Court**") directed the winding up of SIIL *vide* an order dated December 22, 2015. In the meanwhile, a joint lenders forum ("**JLF**") formed in relation to proceedings before the Bombay High Court moved an application before the Calcutta High Court for intervention and for stay of the proceedings till disposal of the proceedings, which was permitted by the Calcutta High Court *vide* an order dated January 25, 2016. Subsequently, SIFL filed an application ("**Bombay Application**") before the Bombay High Court in winding up proceedings filed by a creditor of Supreme BOT, seeking leave to continue with its suit before the Calcutta High Court. *Vide* an order dated January 18, 2018, the Bombay High Court disposed of the application while noting that the application had become infructuous in light of the fact that the winding up proceedings initiated against SIIL had been disposed of.

   In addition, SIFL filed two applications before the Calcutta High Court for staying the Suit until settlement of disputes between SIFL and the other creditors of Supreme BOT, and until disposal of the Bombay Application, respectively. These applications were disposed of *vide* an order dated November 29, 2016, upholding the Appeal Order and permitting SIFL to continue with the Suit. The Calcutta High Court further observed that the JLF cannot have a right to interfere with the SIFL's right against securities pledged in its favour, and allowed an amendment of the plaint filed in the Suit to bring members of the JLF as defendants. SIFL has a total exposure of approximately ₹ 1,900.00 million in Supreme BOT and SIIL. The matters are currently pending.

8. SIFL has instituted recovery proceedings against Amrit Jal Ventures Limited ("**AJVL**") before the Debts Recovery Tribunal – I, Kolkata ("**DRT**") for *inter alia* defaults in the repayment of an outstanding sum of ₹ 335.20 million arising from a Rupee Loan Agreement dated April 19, 2011 ("**Agreement**"). *Vide* an order dated November 30, 2015, the DRT directed AJVL to set aside an amount of ₹ 300.00 million out of receivables from certain foreign investors (the "**Order**"). Aggrieved by the Order, AJVL filed an appeal before the Debts Recovery Appellate Tribunal, challenging the same. The DRAT had referred the matter back to the DRT for adjudication. The DRT, *vide* an order dated May 5, 2017, set aside the Order, while continuing with the proceedings ("**Second Order**"). SIFL has filed an appeal against the Second Order before the Debts Recovery Appellate Tribunal,

Kolkata.

Thereafter, AJVL has filed several arbitration petitions against SIFL before the High Court of Calcutta ("**High Court**"), seeking various interim reliefs *inter alia* including the extension of time to make payments, appointment of arbitrator. The said arbitration petitions were all disposed of by the High Court *vide* separate orders.

Further, an arbitrator (the "**Arbitrator**") was appointed by the High Court to preside over disputes between SIFL and AJVL. Before the Arbitrator, AJVL has *inter alia* sought an award of ₹ 10,008.93 million for losses and damages suffered by AJVL due to the non-disbursement of loans by SIFL. SIFL has filed its counter-claim before the seeking inter alia an award for a sum of ₹ 390.55 million. In addition, SIFL has filed a special leave petition before the Supreme Court of India, claiming that arbitration proceedings cannot occur when a Lender has initiated proceedings before the DRT. The Supreme Court has allowed the arbitration to continue but subject to the outcome of the SLP.

Subsequently, SIFL has filed an application before the National Company Law Tribunal, Hyderabad Bench against AJVL for the initiation of a corporate insolvency process under the IB Code, in relation to an aggregate amount of ₹ 450.38 million due to SIFL. The matters are currently pending.

9. SIFL has filed an application before the National Company Law Tribunal, Mumbai ("**NCLT**") against Sterling International Enterprises Limited ("**SIEL**") for initiation of a corporate insolvency process under the IB Code, in relation to an aggregate amount of ₹ 2,376.99 million due to SIFL under a loan agreement dated July 4, 2015. The NCLT, *vide* an order dated July 16, 2018, *inter alia* admitted the petition, appointed an insolvency resolution professional and passed an order declaring moratorium on claims against SIEL. The matter is currently pending.

10. SIFL filed an application before the Debt Recovery Tribunal, Kolkata against Sterling Port Limited and others, *inter alia*, for the recovery of a sum of ₹ 783.60 million. The Gujarat Maritime Board has subsequently been added as a party to the matter. The matter is currently pending.

11. SIFL has instituted recovery proceedings before the Debt Recovery Tribunal, Kolkata ("**DRT**") against Multiwall Pulp and Board Mills Private Limited (the "**Borrower**") and others, for the recovery of a sum of ₹ 571.20 million, outstanding from a loan given to the Borrower. *Vide* an order dated November 22, 2016, the DRT has issued show cause notices to the parties, and a receiver has been appointed in relation to the properties of the guarantors. In addition, the Borrower filed an application before the Debt Recovery Tribunal – 1, Lucknow (the "**Application**"), challenging certain sales made by SIFL of its security provided to it in the property of the Borrower and guarantors to the loan, as per the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**"). The Application was dismissed by an order dated June 14, 2016 and the Borrower and others have filed a further appeal before the Debt Recovery Appellate Tribunal, Allahabad Bench. The proceedings were thereafter transferred to the Debt Recovery Appellate Tribunal, New Delhi ("**Delhi DRAT**"), which sought deposit of appeal fee from the Borrower by an order dated September 20, 2017 ("**DRAT Order**"). The Borrower and others have filed a writ petition before the High Court of Allahabad, Lucknow Bench challenging DRAT Order.

Further, the Borrower and Mr. Sher Singh have filed two separate suits against SIFL before the Moradabad District Court, claiming that the mortgaged property, being in the nature of agricultural land, was unfit for enforcement under the SARFAESI Act, and seeking an injunction against SIFL from initiating further action under the SARFAESI Act.

Subsequently, SIFL has lodged a first information report with the Economic Offences Wing, New Delhi, alleging that the directors of the Borrower, along with the directors of RGS Realtors Private Limited and Mr. Waseem Ahmad Khan have committed offences under various provisions of the Indian Penal Code, alleging *inter alia* criminal breach of trust, cheating and dishonestly inducing delivery of property and criminal conspiracy. The matters are currently pending.

12. SIFL had disbursed an aggregate loan amount of ₹ 4,265.00 million to Orissa Slurry Pipeline Infrastructure Limited ("**OSPIL**"), a subsidiary of Essar Steel India Limited ("**ESIL**") under loan agreements dated March 8, 2015 and June 20, 2015, to facilitate the OSPIL's 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 a deed of cancellation dated June 24, 2016, unwinding the transaction consummated under the said BTA ("**Cancellation Deed**"). SIFL has subsequently filed a declaratory suit against OSPIL and ESIL before the Civil Judge, Senior Division at Sealdah (the "**Sealdah Court**") for *inter alia* restraining OSPIL and ESIL from giving any effect to any instrument of unwinding of the sale of the pipeline contained in the BTA, including the Cancellation Deed, seeking a

declaration to the effect that the Cancellation Deed is null and void, and seeking that the Cancellation Deed be delivered up and cancelled. The Sealdah Court, *vide* an order dated November 21, 2016, declined to pass an interim order in the favour of SIFL (the "**Order**"). Accordingly, SIFL filed an appeal before High Court of Calcutta ("**High Court**") against the Order. *Vide* an order dated December 22, 2016, the High Court ordered the maintenance of status quo with regard to the alienation or transfer of the pipeline ("**Status Quo Order**"). Thereafter, SIFL has filed an appeal before a division bench of the High Court, challenging the Status Quo Order.

Additionally, SIFL has filed an arbitration petition before the High Court of Calcutta against Imperial Consultants and Securities Private Limited ("**Imperial**"), in relation to disputes arising out of a put option agreement dated June 23, 2015 invoked by SIFL, which were triggered on occurrence of default in repayment obligations by OSPIL. SIFL has, *inter alia*, sought an injunction restraining Imperial from alienating or encumbering its investments by it in the 'Essar' group of companies, and directions on Imperial to secure a sum of ₹ 2,248.32 million. The High Court, *vide* an order dated May 18, 2017, granted the injunctions sought to SIFL. The matters are currently pending.

13. SIFL has filed an arbitration petition before the High Court of Calcutta against Gupta Infrastructures (India) Private Limited ("**GIIPL**") in relation to disputes arising out of defaults in repayment of credit facilities amounting to ₹ 759.41 million, obtained by Gupta Coal India Limited, a group company of GIIPL, for which GIIPL had provided security. SIFL has, *inter alia*, sought mandatory injunction restraining GIIPL from withdrawing any amounts from their bank account and to transfer the receivables from the security from such account to a designated account and the appointment of receiver for collecting lease rentals in relation to the security. The matter is currently pending.

14. SIFL has filed an application before the National Company Law Tribunal, Kolkata under the IB Code for the initiation of the corporate insolvency process against Right Towers Private Limited ("**RTPL**"), in relation to defaults in the repayment of credit facilities obtained by RTPL under a loan agreement dated January 11, 2016 and in relation to total outstanding dues of ₹ 810.37 million. The matter is currently pending.

15. SIFL has filed an application before the National Company Law Tribunal, Kolkata Bench under of the IB Code for the initiation of the corporate insolvency process against Resurgent Infratel Private Limited ("**RIPL**") in relation to defaults in the payment of total outstanding dues of ₹ 807.45 million arising out of credit facilities obtained by RIPL under a loan agreement dated January 11, 2016. The NCLT, *vide* an order dated November 21, 2017, *inter alia* admitted the petition, appointed an insolvency resolution professional and passed an order declaring moratorium on claims against RIPL. Subsequently, the NCLT, *vide* an order dated May 30, 2018, passed an order of liquidation requiring RIPL to be liquidated as per the provisions of the IB Code. The matter is currently pending.

16. SIFL had subscribed to 950 secured redeemable non-convertible debentures of ₹1 million each aggregating to a nominal value of ₹950 million ("**NCDs**") issued by Fortis Healthcare Holdings Private Limited ("**Fortis**") by way of private placement on October 10, 2017. Fortis defaulted in making payment of interest on the NCDs from February 15, 2018, following which, SIFL issued a demand notice to Fortis requesting Fortis to make payment of aggregate amounts due to it. However, Fortis neglected and/or failed to make repayment of the said aggregate amounts. Subsequently, SIFL filed a company application before the National Company Law Tribunal, Principal Bench at New Delhi ("**NCLT**") against Fortis for the initiation of a corporate insolvency resolution process under the IB Code, in relation to an aggregate amount of ₹1037.36 million due to SIFL under the terms of issue of the NCDs. The matter is pending.

III. Litigations involving our Directors

Except as disclosed below, for details on the material pending litigation involving Mr. Hemant Kanoria and Mr Sunil Kanoria, please refer to '*– Litigation involving our Company*' and '*– Litigations involving our Promoters*' above.

Litigation against our Directors

Criminal Proceedings

1. Mr. Somnath Chakraborty lodged a first information report with the Electronic Complex police station, Kolkata against *inter alia* Mr. Hemant Kanoria. For details, see "*- Litigations involving our Company – Litigations against our Company – Criminal Proceedings*" above.

2. Mr. S. Papa Rao made an application before the XI Additional Chief Metropolitan Magistrate, Secunderabad against *inter alia* Mr. Sunil Kanoria, for the registration of a first information report. Further, he made an application before the VI Additional Chief Metropolitan Magistrate, Hyderabad against *inter alia* Mr. Hemant

Kanoria for the registration of a first information report. For details, see "- *Litigations involving our Company – Litigations against our Company – Criminal Proceedings*" above.

3. GGS Infrastructure Private Limited made an application before the Sub-Divisional Judicial Magistrate, Bhubaneshwar against *inter alia* Mr. Sunil Kanoria for the registration of a first information report. For details, see "- *Litigations involving our Company – Litigations against our Company – Criminal Proceedings*" above.

4. Mr. Mohan Singh Chundawat lodged a first information report before the Ambamata police station, Rajasthan against *inter alia* Mr. Hemant Kanoria. For details, see "- *Litigations involving our Company – Litigations against our Company – Criminal Proceedings*" above.

5. Mr. Naganagouda Neeralagi filed a criminal complaint against *inter alia* Mr. Sunil Kanoria before the Additional Senior Civil Judge and Chief Judicial Magistrate, Dharwad. For details, see "- *Litigations involving our Company – Litigations against our Company – Criminal Proceedings*" above.

6. Mr. Tukeshwar Prasad made an application before the Judicial Magistrate First Class, Hazaribagh against *inter alia* Mr. Hemant Kanoria for the registration of a first information report. For details, see "- *Litigations involving our Company – Litigations against our Company – Criminal Proceedings*" above.

7. Birhanmumbai Municipal Corporation has lodged a first information report ("**FIR**") against *inter alia* Mr. Hemant Kanoria. For details, see "- *Litigations involving our Promoter – Litigations against our Promoter – Criminal Proceedings*" above.

8. Mr Ravi Narayan Agarwal has filed a criminal complaint before the Chief Judicial Magistrate, Mungeli against *inter alia* Mr. Sunil Kanoria. For details, see "- *Litigations involving our Company – Litigations against our Company – Criminal Proceedings*" above.

9. Mr Uday Kumar Tiwari has filed a criminal complaint before the Chief Judicial Magistrate, Dhanbad against *inter alia* Mr Shyamlendu Chatterjee. For details, see "- *Litigations involving our Company – Litigations against our Company – Criminal Proceedings*" above.

10. Mr Krishna Kumar has filed a criminal complaint before the Judicial Magistrate First Class, Jamshedpur against *inter alia* Mr. Hemant Kanoria. For details, see "- *Litigations involving our Company – Litigations against our Company – Criminal Proceedings*" above.

11. Mr. Mukesh Mishra lodged a first information report before the Bistupur police station, Jharkhand against *inter alia* Mr. Hemant Kanoria. For details, see "- *Litigations involving our Company – Litigations against our Company – Criminal Proceedings*" above.

Material civil and other pending litigation

1. Datre Corporation Limited ("**DCL**") had taken certain loans from IDBI Bank Limited ("**IDBI**"), aggregating to a total amount of ₹368.00 million (collectively the "**Loans**"). Our Chairman and Managing Director, Mr Hemant Kanoria and our Vice Chairman, Mr Sunil Kanoria, who were both directors on the board of DCL, had given personal guarantees for the Loans. Mr Hemant Kanoria and Mr Sunil Kanoria resigned from the board of DCL with effect from April 1, 2000 and June 1, 1999 respectively. Thereafter, IDBI Assigned the Loans to the Stressed Assets Stabilisation Fund ("**SASF**") *vide* a deed of assignment dated September 30, 2004. SASF filed a suit against DCL, Mr. Hemant Kanoria and Mr. Sunil Kanoria before the Debts Recovery Tribunal - 3, Kolkata ("**DRT**") for the recovery of the Loans. DRT dismissed all claims of SASF against Mr. Hemant Kanoria and Mr. Sunil Kanoria *vide* an interim order dated June 30, 2017 ("**Interim Order**"), and subsequently disposed of the suit *vide* an order dated July 24, 2017 ("**Final Order**"), directing *inter alia* that DCL pay an amount of ₹ 295.60 million, along with interest, to SASF, after adjustment of certain amounts already paid by DCL. SASF has filed appeals before the Debt Recovery Appellate Tribunal ("**DRAT**") against the Interim Order and the Final Order praying that the said orders be set aside, and it be permitted to proceed against Mr. Hemant Kanoria and Mr. Sunil Kanoria as guarantor of DCL for the claim amount. The matter is currently pending.

Actions by Statutory & Regulatory Authorities

1. SEBI *vide* an order dated June 4, 2013 had *inter alia* directed India Power Corporation Limited (formerly DPSC Limited) ("**IPCL**") to comply with the minimum public shareholding requirements ("MPS Requirement"). For details, see "*Litigations involving our Group Companies – Litigations against our Group Companies – Actions by Statutory and Regulatory Authorities*" below.

2. The Registrar of Companies, Uttar Pradesh issued a notice dated December 8, 2017 ("**Notice**") to Upper Ganges

Sugar and Industries Limited and its directors and officers in default, including Mr Sunil Kanoria, alleging *inter alia* non-disclosure of information under Section 135(2) of the Companies Act, 2013 as well as various provisions of the Companies Act, 1956. Mr. Sunil Kanoria and others have been directed to show cause as to why penal action should not be initiated against them in this regard. Upper Ganges Sugar and Industries Limited has replied to the Notice *vide* letters dated December 12, 2017 and December 28, 2017, and there has been no further correspondence post the same.

3. The Registrar of Companies, Uttar Pradesh issued a notice dated January 1, 2018 ("**Notice**") to Avadh Sugar & Energy Limited and its directors and officers in default, including Mr Sunil Kanoria, alleging *inter alia* non-disclosure of information under Section 135(2) of the Companies Act, 2013 as well as various provisions of the Companies Act, 1956. Mr Sunil Kanoria and others have been directed to show cause as to why penal action should not be initiated against them in this regard. Avadh Sugar & Energy Limited has duly replied to the Notice *vide* a letter dated January 11, 2018 and there has been no further correspondence post the same.

4. The Registrar of Companies, National Capital Territory of Delhi and Haryana issued a show cause notice dated May 16, 2018 ("**Notice**") to the Associated Chambers of Commerce and Industry of India ("**ASSOCHAM**") and its directors and officers in default, including Mr. Sunil Kanoria, alleging non-compliance with the provisions of Section 135 read with Section 134(3)(o) of the Companies Act, 2013. Mr. Sunil Kanoria and others have been directed to show cause as to why penal action should not be initiated against them in this regard. ASSOCHAM has duly replied to the Notice *vide* a letter dated May 25, 2018 and there has been no further correspondence post the same.

IV. Litigations involving our Group Companies

Save and except as disclosed hereinafter, there are no criminal complaints, actions by statutory and regulatory authorities, tax cases or material pending litigations by/against our Group Companies:

Litigations against our Group Companies

(a) Civil Proceedings

1. SIFL has filed a civil suit against Violet Arch Capital Advisors Private Limited, SAIML and others before the High Court of Calcutta. For details, please see "*– Litigation involving our Promoter – Litigation by our Promoter – Other material pending litigations*" above. SAIML has been added as a *pro forma* party to the matter, and no relief has been claimed against it.

2. United Breweries (Holdings) Limited and Kingfisher Finvest (India) Limited ("**KFIL**", and collectively the "**Plaintiffs**") collectively held 22.24% of the share capital of Kingfisher Airlines Limited ("**KAL**"), and such shares are currently in possession of the India Global Competitive Fund of SAIML. In terms of a security trustee agreement dated June 30, 2008, a consolidated deed of pledge dated December 21, 2010 and a power of attorney dated June 20, 3008 (collectively, the "**Transaction Documents**"), the Plaintiffs *inter alia* agreed to pledge their shareholding in KAL and United Spirits Limited ("**Pledged Shares**") to IDBI Trustee Company Limited ("**IDBI**"), which acted as the security trustee for a loan granted by ICICI Bank Limited to KAL. Owing to an alleged default on part of KAL in repaying the loan amount, IDBI sought to enforce its pledge over the Pledged Shares. Subsequently, the Plaintiffs filed a suit against IDBI and others before the City Civil Court, Kolkata (the "**Kolkata Court**"), seeking a declaration that the Transaction Documents are invalid and unenforceable. The Kolkata Court, *vide* an order dated August 21, 2013, dismissed the suit ("**2013 Order**"). Aggrieved by the 2013 Order, the Plaintiffs have filed an appeal before the High Court of Calcutta.

   Further, SBICAP Trustee Company Limited ("**SBICap**"), being the security trustee to a consortium of lenders that had provided loans to KAL, filed a suit against IDBI before the City Civil Court, Bengaluru (the "**Bengaluru Court**"), seeking to restrain IDBI from selling the Pledged Shares (the "**Bengaluru Suit**"). During the pendency of the Bengaluru Suit, IDBI sold 49,37,395 of the Pledged Shares, and appropriated a sum of ₹ 6,900 million from the sale proceeds towards debts due to them. SBICap and others filed a writ petition before the High Court of Karnataka ("**Karnataka High Court**"), praying that IDBI be directed to deposit the remaining shares and sale proceeds with SBICap. The Hon'ble Karnataka High Court *vide* an interim order dated June 18, 2014 ("**KHC Order**"), directed IDBI and others to deposit such sums, amounting to ₹ 6,510 million, with the Registrar General of the Karnataka High Court.

   Thereafter, SBICap and others filed an amendment application before the Bengaluru Court, seeking to amend the plaint filed by it in the Suit in light of subsequent events, and amended its prayer to include *inter alia* (i) a claim for a sum of ₹ 1,550.30 million, along with applicable interest, from IDBI for selling the Pledged Shares for a sum lower than their market value, along with applicable interest; (ii) a claim against IDBI and others for a sum of ₹ 6,510 million, along with applicable interest, as surplus amount remaining after sale of the Pledged Shares; and (iii) a claim for the transfer of some of the remaining Surplus Shares to its account. The Bengaluru Court *vide* an order dated October 15, 2014 ("**2014 Order**"), allowed the application. SAIML has filed a writ petition before the Karnataka High Court, challenging the 2014 Order. Separately, KFIL has filed an appeal against the 2014 Order before the Karnataka High Court.

In addition, SBICap filed an application before the Bengaluru Court seeking to withdraw the sum deposited by IDBI before the Karnataka High Court pursuant to the KHC Order. The City Court *vide* an order dated July 16, 2016 (the "**2016 Order**"), rejected the application. Aggrieved by the 2016 Order, SBICap has filed a writ petition before the Karnataka High Court. The matters are currently pending.

3. Mr. Naveen Bansal, a shareholder of I Log Ports Private Limited ("**I Log**"), a company where the Infrastructure Project Development Fund, a fund managed by SAIML, holds 99% of the shareholding, has filed a petition against I Log, SAIML and others before the Company Law Board, Kolkata ("**CLB**"), seeking several interim reliefs including *inter alia* that I Log is restrained from operating bank accounts and holding board meetings. The matter is currently pending. For details, please refer to "*Litigation involving our Promoter - Litigations against our Promoter - Material civil and other material litigations*".

4. Eastern Coalfields Limited ("**ECL**") had defaulted in making payments supplementary bills raised by IPCL for the period April 2010 to September 2010, pursuant to which, IPCL had served a notice on it and had thereafter disconnected electricity supply to it. Subsequently, ECL filed an application before the High Court of Calcutta ("**High Court**"), seeking a recall of the disconnection of electricity to it. The High Court, *vide* an ad interim order dated February 1, 2012, has restrained IPCL from disconnecting the supply of electricity to ECL. The amount involved in the matter is approximately ₹ 460 million.

   In the interim, ECL issued a letter dated September 5, 2011 to IPCL for the payment of ₹ 200 million, including a supplementary bill of ₹ 35.6 million, failing which, it threatened to invoke a bank guarantee of ₹ 40 million rendered to it by IPCL. ECL had also issued an alleged compensation bill dated September 2, 2011 to IPCL, for the payment of ₹ 135.00 million as compensation for alleged annual supply of coal. IPCL had thereafter filed a writ petition before the High Court of Calcutta ("**High Court**") against Eastern Coalfields Limited ("**ECL**"), challenging ECL's demand of ₹ 199.3 million towards enhanced price of coal supplied to IPCL. Further, due to stoppage of supply of coal by ECL, IPCL has filed an application before the High Court, seeking *inter alia* directions on ECL to resume supply of coal. The matters are currently pending.

5. Eastern Coalfields Limited ("**ECL**") filed an application before the High Court of Calcutta ("**High Court**") against IPCL, seeking the restoration of electricity supply by IPCL to ECL mines, which IPCL had disconnected on December 17, 18 and 19, 2011 due to alleged failure by ECL to furnish security deposit. *Vide* an order dated December 21, 2011, the High Court directed restoration of electricity supply and directed ECL to maintain advance payments to the extent of 45 days' energy charges. The amount involved in the matter is ₹ 390 million.

6. Eastern Coalfields Limited ("**ECL**") lodged a complaint before the Ombudsman established under the Electricity Act, 2003, against an order dated August 18, 2011 of the Grievance Redressal Officer ("**GRO Order**"), upholding an additional tariff charge of ₹ 1.61 per unit claimed by IPCL from ECL for the period October 2010 to March 2011. The Ombudsman vide an order dated December 19, 2011 ("**Ombudsman Order**"), set aside the GRO Order and directed our Company to revise the bill of ECL. IPCL has filed a writ petition before the High Court of Calcutta, seeking that the Ombudsman Order. The amount involved in the matter is approximately ₹ 243.70 million.

Actions by Statutory and Regulatory Authorities

1. The West Bengal Electricity Regulatory Commission ("**Commission**"), *vide* an order dated July 7, 2014 ("**Order**"), had alleged that IPCL had violated of the Electricity Act, 2003 in as much as it did not obtain any prior approval from the Commission in respect of (i) the amalgamation of the former India Power Corporation Limited into DPSC Limited, as sanctioned by the High Court *vide* order dated April 17, 2013; and (ii) change of name of the resultant company from DPSC Limited to IPCL. IPCL filed a writ petition before the High Court of Calcutta ("**High Court**") against the Commission and the Department of Power, State of West Bengal, challenging the Order. The High Court *vide* its order dated August 17, 2015 ("**High Court Order**"), quashed the Order. The Commission has filed an appeal before a division bench of the High Court against the High Court Order and has also filed an application for stay of operation of the Order. The matter is currently pending.

2. SEBI *vide* an order dated June 4, 2013 had *inter alia* directed IPCL to comply with the minimum public shareholding requirements ("**MPS Requirement**") prescribed under applicable law. The Order, among other things, prohibits the promoters/promoter group and directors from buying, selling or otherwise dealing in

securities of their respective companies, except for the purpose of complying with minimum public shareholding requirement until such time as the companies comply with the minimum public shareholding requirements and also restrain the directors of non-compliant companies from holding any new position as a director in any listed company, until such time such companies comply with minimum public shareholding requirements. Thereafter, SEBI filed an application before the High Court of Calcutta ("**High Court**"), seeking the modification of a scheme of amalgamation ("**Scheme**") approved by the High Court on April 17, 2013 between the former India Power Corporation Limited and DPSC Limited, contending that the Scheme flouted the MPS Requirement by providing that 'Power Trust', an irrevocable independent trust, would qualify as 'public shareholder' under Applicable Law. The High Court disposed off the application *vide* its order dated January 27, 2017, directing the trustees of Power Trust to sell 32,63,16,563 shares of IPCL to the public by April 30, 2017, which period was subsequently extended by the High Court, *vide* its order dated August 25, 2017, to December 31, 2017 with a further grace period of up to the end of February 2018. Subsequently, Power Trust filed an application before the High Court seeking an extension of time to sell the remaining 32,40,53,397 shares of IPCL to the public, and for permission to offload and sell the balance shares by other methods as prescribed by SEBI in the circular dated February 22, 2018 (the "**Circular**"). The High Court, *vide* its order dated May 18, 2018 has disposed off the said application, directing that all steps to dispose of the balance IPCL shares be taken expeditiously, using all methods and combinations thereof as prescribed by the relevant statutory provisions, including the methods provided under the Circular, subject to such caps and limits as provided by the SEBI Regulations.

3. The Ministry of Corporate Affairs ("**MCA**") *vide* a letter dated May 11, 2018 issued a show cause notice ("**Notice**") to IPCL for alleged non-compliance of certain provisions of the Companies Act, 2013 read with the Companies (Restriction on the Number of Layers), Rules 2017. IPCL vide a correspondence dated May 22, 2018 has replied to the Notice. There has been no subsequent correspondence with the MCA on the matter.

4. SEBI had carried out an inspection for the period between April 1, 2014 and October 15, 2015 of Srei Multiple Asset Investment Trust ("**SMIT**"), a SEBI registered alternative investment fund under the sponsorship and management of SAIML. Thereafter, an Adjudication Officer of SEBI ("**AO**") issued a showcause notice dated April 10, 2017 to SMIT and SAIML, alleging violation of certain provisions of the SEBI AIF Regulations. Subsequently, the AO passed a final order dated November 29, 2017 ("**November Order**") holding that the 'India Growth Opportunity Fund' of SMIT ("**SMIT-IGOF**") had invested in excess of the statutory cap of 25% of its investible funds in two companies and had acted contrary to the investment limits indicated in the private placement memorandum issued by it, and that SAIML and SMIT had failed to maintain their contribution in SMIT-IGOF above the statutory minimum of ₹ 50.00 million. The AO imposed an aggregate penalty of ₹ 3.00 million jointly and severally on SAIML and SMIT under section 15HB of the SEBI Act for violations of the SEBI Circular No. CIR/IMD/DF/7/2/015 dated October 1, 2015 and regulations 15 (1) (c), 10(d) of AIF Regulations. SAIML and SMIT subsequently filed an appeal against the November Order before the Securities Appellate Tribunal ("**SAT**") on December 26, 2017 and a settlement application before SEBI on December 29, 2017 against the Order ("**Settlement Application**").

   Subsequently, SEBI issued a subsequent showcause notice dated February 2, 2018 ("**Second Notice**"), directing SAIML and SMAIT to show cause as to why the quantum of penalty imposed by the AO in the Order should not be enhanced. SAIML and SMIT subsequently modified the Settlement Application to include the Second Notice for settlement *vide* a modified settlement application dated February 6, 2018 ("**Modified Application**"). The SAT *vide* its order dated May 4, 2018 settled the Settlement Application and granted its approval for settlement of the proceedings. SEBI further recommended that the Second Notice may be settled on payment of ₹ 11.79 million towards settlement and on submission of an undertaking. SAIML has made the necessary payment towards settlement terms to SEBI and has also submitted the undertaking, as required by SEBI.

5. The Insurance Regulatory and Development Authority of India ("**IRDAI**") had carried out an on-site inspection of SIBPL from June 5, 2017 to June 7, 2017 and thereafter furnished a detailed inspection report *vide* its letters dated January 16, 2018 ("**Report**"), alleging that SIBPL was in violation of various provisions of the Insurance Act, 1938, the IRDA (Insurance Brokers) Regulations, 2013 and Secretarial Standard 5. SIBPL has filed its reply to the said Report on February 20, 2018. There has been no further correspondence from IRDAI in this regard.

(b) Tax Cases:

Provided below is a summary of direct and indirect taxation proceedings pending against our group companies, to the extent quantifiable as on November 30, 2018:

Sr. No.	Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings (Rs. In million)
1	**Srei Capital Markets Limited**		
	Direct Tax (A)	1	Demand not quantifiable

Sr. No.	Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings (Rs. In million)
	Indirect Tax (B)	1	7.63
	Total (A+B)	**2**	**7.63 + 1 Demand not quantifiable**
2	**Srei Alternative Investment Managers Limited**		
	Direct Tax (A)	4	34.10 (including in 1 case Demand not quantifiable)
	Indirect Tax (B)	0	0
	Total (A+B)	**4**	**34.10 (including in 1 case Demand not quantifiable)**
3	**Controlla Electrotech Private Limited**		
	Direct Tax (A)	2	0.12
	Indirect Tax (B)	0	0
	Total (A+B)	**2**	**0.12**
4	**Srei Insurance Broking Private Limited**		
	Direct Tax (A)	1	Demand not quantifiable
	Indirect Tax (B)	0	0
	Total (A+B)	**1**	**Demand not quantifiable**
5	**Bengal Srei Infrastructure Development Limited**		
	Direct Tax (A)	2	0.22 (including in 1 case Demand not quantifiable)
	Indirect Tax (B)	0	0
	Total (A+B)	**2**	**0.22 (including in 1 case Demand not quantifiable)**
6	**Quippo Oil & Gas Infrastructure Limited**		
	Direct Tax (A)	9	508.60
	Indirect Tax (B)	1	29.0
	Total (A+B)	**10**	**537.60**
7	**Quippo Energy Limited**		
	Direct Tax (A)	5	82.50
	Indirect Tax (B)	7	609.8
	Total (A+B)	**12**	**692.30**
8	**India Power Corporation Limited**		
	Direct Tax (A)	8	77.46 (including in 1 case Demand not ascertainable)
	Indirect Tax (B)	3	32.18
	Total (A+B)	**11**	**109.64**

Litigations by our Group Companies

(a) Criminal Proceedings

1. Quippo Energy filed a criminal complaint before the District Court, Ahmedabad (Rural) ("**Court**") against Kaneria Granito Limited ("**Accused Company**"), alleging the dishonour of seven cheques issued by it, for an aggregate amount of ₹3.50 million. Subsequently, a warrant has been issued by the Court against Mr. Anil Kaneria, the director of the Accused Company. The matter is currently pending.

2. Quippo Energy filed a criminal complaint before the Chief Metropolitan Magistrate – South, Saket, New Delhi against Nirman Industries Limited ("**Accused Company**"), alleging the dishonour of eight cheques issued by it, for an amount of ₹2.17 million. In light of a judgement of the Supreme Court of India dated August 1, 2008, the matter was transferred to the 4th Additional Senior Civil Judge and Additional Chief Judicial Magistrate, Surat ("**Surat Court**"). Subsequently, *vide* an order dated August 5, 2016, the Surat Court transferred the matter to the 3rd Metropolitan Magistrate, Kolkata ("**Kolkata Court**"), stating that Kolkata Court had jurisdiction over the matter. The Kolkata Court, *vide* an order dated March 15, 2017, has directed that the property of the Accused Company be attached, and has further issued an arrest warrant against Mr. Dharmesh Kumar Parsottambhai Ukani, a director of the Accused Company. The matter is currently pending.

(b) Civil Proceedings

1. The India Growth Opportunity Fund of SAIML ("**IGOF**") infused equity of ₹600.00 million (the "**Investment**") in the equity share capital of Odisha Slurry Pipeline Infrastructure Limited ("**OSPIL**") and acquired 69.80% of its fully paid up share capital. The Investment amount was utilised for acquiring a slurry pipeline from Essar Steel India Limited ("**ESIL**", and such pipeline, the "**Pipeline**"), which was to be leased back to ESIL by OSPIL. Subsequently, OSPIL *vide* an electronic mail dated May 18, 2016 communicated its intention to reverse the

transaction. SAIML has filed an arbitration application before the District Court, 24 Parganas (South), Alipore against OSPIL, seeking to restrain OSPIL from alienating or creating third party rights in the Pipeline, or unwinding the acquisition of the same. The matter is currently pending.

2. In terms of a lease deed dated March 31, 1993 executed between Eastern Coalfields Limited ("**ECL**") and IPCL (the "**Lease Deed**"), ECL had leased out to IPCL a thermal power plant at Chinakuri Mining Complex (the "**Thermal Plant**") for a period of 20 years, which expired on March 31, 2012. In terms of the Lease Deed, IPCL claimed a sum of ₹247.30 million towards the costs of improvements made to the Thermal Plant, which was denied by ECL. IPCL thereafter instituted legal proceedings culminating before the Supreme Court, which referred the matter to arbitration before the sole arbitrator, Justice (retired) S.S. Nijjar ("**Sole Arbitrator**") *vide* its order dated October 17, 2014. IPCL has *inter alia* seeks an award by Sole Arbitrator *inter alia* directing ECL to renew the lease for an additional period of 20 years and directing it to make a payment of ₹505.30 million to IPCL. The aggregate amount involved in the matter is ₹1,342.20 million. The matter is currently pending.

3. Damodar Valley Corporation ("**DVC**') had initiated arbitration proceedings before an arbitration tribunal ("**Tribunal**") against IPCL in relation to its non-withdrawal of a contracted quantity of electricity. The Tribunal, *vide* an award dated November 25, 2010 (the "**Award**"), has *inter alia* awarded DVC a sum of ₹109.50 million. IPCL field an appeal against the Award before the District Judge, Barasat and the Award has accordingly been stayed. The amount involved in the matter is ₹243.70 million. The matter is currently pending.

4. Pursuant to execution of share purchase agreement on February 25, 2016 between IPCL and Engie Global developments B.V., the management and control of Meenakshi Energy Limited ('MEL') got transferred to IPCL. MEL is operating a 300 MW thermal power plant in SPSR Nellore District of Andhra Pradesh since 2013 ('Phase I Project') and the lenders to MEL for the said Phase I Project ('**Phase I Lenders**'), who have entered into a common loan agreement in July 2009, duly amended from time to time with last amendment happening on September 23, 2016, under which the Phase I Lenders had sanctioned total financial assistance of Rs 1057 Crores. MEL is also in the process of developing, designing, financing, constructing, commissioning, owning, operating and maintaining a 700 MW thermal power plant in SPSR Nellore District of Andhra Pradesh ('Phase II Project') and lenders to the Phase II Project ('**Phase II Lenders**') had sanctioned total financial assistance of Rs 2340 Crores for the said Phase II Project under common loan agreement originally executed in July 2009, duly amended from time to time with last amendment happening on September 23, 2016.

   Upon IPCL stepping into the management and control of MEL, IPCL had executed separate deeds of guarantee in favour of the Phase I and Phase II Lenders and an unattested share pledge agreement, all on September 23, 2016 in favour of SBICAP Trustee Company Limited ('SBICAP') for the benefit of Phase I and Phase II Lenders. It has been alleged that IPCL under the said share pledge agreement dated September 23, 2016 had agreed to create pledge on 100% of the total share capital of MEL in favour of SBICAP.

   Further, a trust and retention account agreement was executed in September 23, 2016 in relation to Phase II Project among MEL, IPCL and SBICAP in terms of which an amount of INR 40,00,00,000/- paid by Engie Global developments B.V. to IPCL under share purchase agreement dated February 25, 2016 was to be credited by IPCL to the said TRA Account for the benefit of Phase II Lenders in case of default in repayments of loans to Phase II Lenders.

   State Bank of India in its capacity as lender's agent for Phase I Lenders sent an overall recall notice dated December 19, 2017 to MEL for repayment of INR 93.57 Crores and on December 20, 2017 SBICAP sent a demand certificate issued under Deed of Guarantee calling upon IPCL to pay the overdue amount of INR 93.57 Crores. SBICAP has further vide notice dated December 20, 2017 invoked the pledge on shares of MEL created by IPCL in favour of SBICAP and/or the Phase I Lenders under share pledge agreement dated September 23, 2016. Under such circumstances, MEL and IPCL filed a petition before the XXIV Additional Chief Judge-cum-Commercial Court (the "**Court**") for a decree of status quo on a corporate guarantee dated 23 September 2016 given by IPCL to MEL (the "**Guarantee**"), and for permanent injunction on a pledge agreement dated 23 September 2016 in relation to pledged shares of MEL held by IPCL (the "**Pledge**"), pursuant to notices issued by SBI Cap Trustee Company Limited for invocation of the Guarantee and the Pledge. After hearing the parties, the Court allowed a joint memorandum, whereby the parties undertook not to enforce the Pledge and the Guarantee. The matter is pending.

   Thereafter, Rural Electrification Corporation Limited ('RECL') a lender to MEL, has filed an application under inter alia sections 213 and 221 of the Companies Act before the National Company Law Tribunal, Hyderabad Bench against MEL, IPCL and SBI Trustee Company Limited seeking inter alia investigation into the business and affairs of MEL and cancellation of 10,02,34,046 equity shares allotted to IPCL on December 26, 2017 by MEL. RECL has alleged that MEL has in violation of Rule 4(1)(g) of the Share Capital and Debenture Rules, 2014 and illegally issued 10,02,34,046 equity shares to IPCL, with each equity share carrying 1,000 voting rights.

RECL has further alleged that IPCL and MEL has done the aforesaid acts illegally in order to reduce the voting rights of the Lenders to MEL from 3.75% as against 97.58% voting rights available earlier in MEL thereby defrauding the creditors of MEL. IPCL has filed a reply to the said application of RECL before the National Company Law Tribunal, Hyderabad Bench and the matters are pending as on date hereof.

IPCL and another has also filed a writ petition before the Hon'ble High Court at Hyderabad being W.P. No. 26977 of 2018 against State Bank of India and 14 Others seeking inter alia declaration of the invocation and transfer by SBICAP (Respondent 2) of the entire share capital of MEL (Respondent 15) held by IPCL without carrying out valuation of the said shares to be arbitrary and illegal and direction on SBICAP to return the shares of MEL to IPCL being the balance proportionate shares after meeting lawful dues. The matter is pending.

In the interim, State Bank of India and RECL in collusion with Phase I and Phase II Lenders called for submission of 'Expression of Interest for Change in Ownership & Management Control of Company owning 1000 MW Coal Based Thermal Power Plant in Andhra Pradesh" through advertisement/publication in Economic Times on July 28, 2018. Under such circumstances, IPCL and another has also filed a writ petition before the Hon'ble High Court at Hyderabad being W.P. No. 26999 of 2018 against RECL and 14 Others seeking inter alia declaration of the actions of RECL and the other lenders inviting expressions of interest for change in ownership and management control of MEL including by advertisement issued through newspapers as without jurisdiction and competence in law apart from being in breach of principles of natural justice and also being ultra vires, arbitrary and unconstitutional and setting aside of all such actions including notice dated July 28, 2018 published in Economic Times inviting expression of interest for change in ownership and management control of MEL. The matters are pending as on date hereof.

Further, IPCL has filed an application before the National Company Law Tribunal, Hyderabad Bench ("NCLT") against State Bank of India, Rural Electrification Corporation Limited, Punjab National Bank, Andhra Bank, Bank of India, United Bank of India, Punjab and Sindh Bank, Oriental Bank of Commerce, India Infra Fin Co Limited, IDBI Bank, UCO Bank, PTC India Financial Services Limited, SBI Cap Securities Limited, SBI Trustee Company Limited and MEL ("Respondents") u/s 241, 242, 243, 244, 213, 216, 221 and other applicable provisions of the Companies Act, 2013 alleging that the majority shareholders of MEL i.e. Respondent Nos 1-14 (being all the parties except MEL) have engaged in several oppressive acts that are detrimental and prejudicial to the interests of MEL and its stakeholders that are per se prohibited in law resulting in inter alia non-compliance of statutory provisions and bringing the operations of MEL to a standstill and praying inter alia for directions on Respondent Nos 1-14 to act in a manner beneficial to MEL and its relevant stakeholders, a declaration to the effect that the common loan agreements and the trust and retention account agreement (being the subject matter of contention) stands discharged and/or terminated on May 2, 2018, direction on Respondent Nos 1-14 to deposit all the monies existing in the trust and retention account of MEL and ₹260 crores (plus interest) into any other account of MEL which the board of MEL would be in control of etc. The matter is pending as on date hereof.

5. Quippo Oil and Gas Infrastructure Limited has filed its claim for ₹ 725.37 million before the Official Liquidator on June 13, 2018 for recovery of its dues from SVOGL Oil Gas and Energy Limited. The matter is currently pending.

V. Outstanding dues to small scale undertakings and other creditors by our Company

As of June 30, 2018, our Company has 4420 creditors. The aggregate amount outstanding to such creditors as on June 30, 2018 was ₹ 13774.70 million.

In terms of the Materiality Policy, trade payables exceeding one percent of the revenue of the Company as per the last audited financial statements of the Company, i.e. as on June 30, 2018, amounting to ₹137.75 million, are material dues for our Company. As of June 30, 2018, our Company has outstanding dues of ₹ 8413.85 million to 19 creditors considered 'material' under the Materiality Policy. Further, our Company has not received any intimation from any of our creditors regarding their status as micro or small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

Information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.sreiequipment.com, would be doing so at their own risk.

VI. Details of default and non - payment of statutory dues by our Company

Except as disclosed in Restated Financial Information included in the "*Financial Information*" on page no. 307, our Company does not owe any statutory dues and has not made any defaults or committed any acts involving non-payment of its statutory dues.

VII. Details of pending litigation involving any other person whose outcome could have material adverse effect on the position of our Company

There are no outstanding litigations, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule V of the Companies Act, 2013, show cause notices or legal notices pending against any other person whose outcome could affect the operations or finances of our Company or have a material adverse effect on the position of our Company.

VIII. Material fraud committed against our Company in the last five Fiscals and actions taken by our Company in this regard

There has been no material fraud against our Company in the last five Fiscals.

IX. Pending proceedings initiated against our Company for economic offences

As on date of this Prospectus, there are no proceedings initiated against our Company for any economic offences.

X. Inquiries, investigations etc. instituted under the Companies Act in the last five years against our Company

Other than as disclosed in 'Litigations *involving our Company – Litigations against our Company - (b) Actions by Statutory and Regulatory Authorities*' above, and except as disclosed below, there are no inquiries, investigations etc. instituted under the Companies Act in the last five years against our Company:

1. The RoC issued a showcause notice dated May 20, 2013 to our Directors and our Company Secretary ("**Noticees**") for the alleged violation of certain provisions of Companies Act, 1956, *inter alia* in relation to the board report, balance sheet and profit and loss account of our Company. Subsequently, *suo moto* applications were made by the Noticees before the Company Law Board, Kolkata Bench ("**CLB**") for *inter alia* compounding of the offences, and directions to the RoC for the cessation of proceedings against the Noticees. The CLB, *vide* an order dated March 4, 2013, disposed the application and compounded the alleged violations upon receipt of the aggregate compounding fee of ₹ 71,000 from the Noticees.

XI. Litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoter during the last 5 years.

Other than as disclosed in '*Litigations involving our Promoter – Litigations against our Promoter - (b) Actions by Statutory and Regulatory Authorities*' above, there is no litigation or legal action pending or taken by any ministry or department of the government or the Reserve Bank of India against SIFL during the last five years immediately preceding the year of issue of this Prospectus.

MATERIAL DEVELOPMENTS

In the opinion of the Board, other than as disclosed in this Prospectus, there have been no material developments since June 30, 2018 and there have risen no circumstances that materially or adversely affects the operations or financial condition or 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 is proposing, subject to, receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offer of its Equity Shares and has filed the Draft Red Herring Prospectus dated November 28, 2017 with SEBI and BSE and NSE on or about November 28, 2017. Our Company has received the Observation Letter from SEBI dated September 7, 2018 in regard to the Draft Red Herring Prospectus dated November 28, 2017 filed by the Company with SEBI.

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 Janury 20, 2018 which prescribes the maximum monetary limit for the purpose of borrowing. 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 ₹60,000 crores.

The Issue of NCDs offered to the public under this Prospectus is being made pursuant to resolution passed by the Board of Directors of our Company at its meeting held on January 15, 2018.

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 and/or our Directors 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, our Directors and/or our Promoters have not been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

Disclaimer clause of the BSE

"BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS LETTER DATED OCTOBER 24, 2018, PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR

B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR

C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTER, 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 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, IIFL HOLDINGS LIMITED, TIPSONS CONSULTANCY SERVICES 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 11, 2018 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 SEBI. 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, 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 OCTOBER 12, 2018 POSTED ON THE WEBSITE OF BSE LIMITED (DESIGNATED STOCK EXCHANGE).

***In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("SEBI Merchant Bankers Regulation") , Srei Capital Markets Limited will be involved only in marketing of the Offer.*

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
IIFL Holdings Limited	www.iiflcap.com
Srei Capital Markets Limited	www.srei.com
Tipsons Consultancy Services Private Limited	www.tipsons.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 BSE. 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/13/18-19 dated October 24, 2018. If permissions to deal in and for an official quotation of our NCDs are not granted by BSE, 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 the Stock Exchanges mentioned above are taken within six (6) 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) Feedback, (k) the Debenture Trustee, (l) Public Issue Account Bank, (m) Refund Banker to the Issue and (n) Lead Brokers to act in their respective capacities, have been obtained and filed along with a copy of this Prospectus with the Stock Exchanges.

Expert Opinion

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

- Vide letter dated December 11, 2018, 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 Prospectus in relation to the examination report dated October 12, 2018, Special Purpose Interim Condensed Financial Statements as at June 30, 2018 dated September 3, 2018, report dated November 15, 2018 relating to the Unaudited Interim Financial Results and statement of tax benefits dated October 12, 2018 included in the Prospectus and such consent has not been withdrawn as on the date of this Prospectus. In this regard, the Statutory Auditors have given consent to be referred to as expert in this Prospectus only in accordance with the requirements of the Companies Act, 2013 and solely in the context of this Issue.
- Vide letters dated September 25, 2018 and September 22, 2018, our Company has received consents respectively from BRICKWORK and ACUITE to include their name as an expert under Section 26(5) of the Companies Act 2013 in the Draft Prospectus and this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.
- Our Company has received a written consent from Feedback dated September 24, 2018 to include its name in the Draft Prospectus and this Prospectus as an "expert" in terms of the Companies Act, 2013, in respect of the Feedback Reports.

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 / the Companies Act, 2013 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 Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e. ₹1,125 million, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

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 our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard.

Filing of Draft Prospectus

A copy of the Draft Prospectus has been filed with the Stock Exchange in terms of SEBI Debt Regulations, for dissemination on its website(s) and the same was hosted on its website 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 this 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-lA 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.

Underwriting

This Issue has not been underwritten.

Public / Rights Issues by our Company during last 5 (five) 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 for an amount upto ₹2,500 million ("base issue") with an option to retain over subscription for an amount upto ₹2,500 million aggregating to ₹5,000 million in April 2015. The details are as follows:

Issue Open Date	Issue Closing Date	Date of Allotment	Amount raised (₹in million)	Objects of the Issue as per the Prospectus	Net Utilisation Of Issue Proceeds
April 09, 2015	April 30, 2015	May 11, 2015	4097.04	The proceeds raised through the issue will be utilised as below: a) For the purpose of lending/ repayment of loan - minimum 75% of the Net Proceeds of the Issue. b) For General Corporate Purposes – up to 25% of the Net Proceeds of the Issue.	Fully utilized according to the objects of the issue

(ii) Our Company undertook a public issue of secured redeemable non-convertible debentures of face value of ₹1,000 each for an amount upto ₹2,500 million ("base issue") with an option to retain over subscription for an amount upto ₹2,500 million aggregating to ₹5,000 million in January 2017. The details are as follows:

Issue Open Date	Issue Closing Date	Date of Allotment	Amount raised (₹in million)	Objects of the Issue as per the Prospectus	Net Utilisation Of Issue Proceeds
January 03, 2017	January 06, 2017	January 17, 2017	₹5,000	The proceeds raised through the issue will be utilised as below: a) For the purpose of lending/ repayment of loan - minimum 75% of the Net Proceeds of the Issue. b) For General Corporate Purposes – up to 25% of the Net Proceeds of the Issue.	Fully utilized according to the objects of the issue

(iii) Our Company undertook a public issue of unsecured subordinated redeemable non-convertible debentures of face value of ₹1,000 each eligible for inclusion as Tier II capital for an amount upto ₹5000 million ("base issue") with an option to retain over subscription for an amount upto ₹5000 million aggregating to ₹10,000 million in July 2017. The details are as follows:

Issue Open Date	Issue Closing Date	Date of Allotment	Amount raised (₹in million)	Objects of the Issue as per the Prospectus	Net Utilisation Of Issue Proceeds
July 17, 2017	July 31, 2017	August 08, 2017	₹5,619.88	The proceeds raised through the issue will be utilised as below: a) For the purpose of lending/ repayment of loan - minimum 75% of the Net Proceeds of the Issue. b) For General Corporate Purposes – up to 25% of the Net Proceeds of the Issue.	Fully utilized according to the objects of the issue

(iv) Our Company undertook a public issue of secured redeemable non-convertible debentures of face value of ₹1,000 each for an amount upto ₹5,000 million ("base issue") with an option to retain over subscription for an amount upto ₹5,000 million aggregating to ₹10,000 million in April 2018. The details are as follows:

Issue Open Date	Issue Closing Date	Date of Allotment	Amount raised (₹in million)	Objects of the Issue as per the Prospectus	Net Utilisation Of Issue Proceeds
April 25, 2018	May 16, 2018	May 24, 2018	₹5098.07	The proceeds raised through the issue will be utilised as below: a) For the purpose of lending/ repayment of loan - minimum 75% of the Net Proceeds of the Issue. b) For General Corporate Purposes – up to 25% of the Net Proceeds of the Issue.	Fully utilized according to the objects of the issue

Utilisation details of Previous Issues by group companies

The proceeds of the previous public issuances of SIFL have been fully 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

(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

(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

(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

(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

(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

(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

(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

(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

(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

(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 6, 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

(xii) Srei Infra undertook a public issue of secured, redeemable non-convertible debentures of face value of ₹1,000/- each in January 2017. The particulars of which have been set forth below:

Date of Opening	January 30, 2017
Date of Closing	February 16, 2017
Total Issue Size	Base Issue Size of ₹2,000 million with an option to retain oversubscription upto residual shelf limit of ₹7066.36 Million
Date of Allotment	February 27, 2017
Date of Refunds	March 01, 2017
Date of Listing	March 02, 2017
Net Utilisation Of Issue Proceeds	Fully utilized according to the objects of the issue of the respective Offer Document

(xiii) Srei Infra undertook a public issue of secured, redeemable non-convertible debentures of face value of ₹1,000/- each in February-March 2018. The particulars of which have been set forth below:

Date of Opening	February 9, 2018
Date of Closing	March 7, 2018
Total Issue Size	Base Issue Size of ₹2,000 million with an option to retain oversubscription upto ₹18,000 million.
Date of Allotment	March 16, 2018
Date of Refunds	March 17, 2018
Date of Listing	March 21, 2018
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.

Mechanism for redressal of investor grievances

Karvy Fintech Private Limited (formerly known as 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 Bidding 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 Applicant at any of the Bidding 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 Fintech Private Limited (formerly known as Karvy Computershare Private Limited)
CIN: U72400TG2003PTC041636
Karvy Selenium Tower B, Plot 31- 32, Gachibowli
Financial District, Nanakaramguda, Hyderabad – 500 032
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
Email: selfncd5.ipo@karvy.com
Investor Grievance Email: einward.ris@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. Murali Krishna M
Compliance Officer: Mr. Rakesh Santhalia
SEBI Registration No.: INR000000221

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

Name	:	**Ms Ritu Bhojak**
Address	:	Srei Equipment Finance Limited 'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046 West Bengal, India
Tel	:	+91 33 6160 7734
Fax	:	+91 33 2285 7542
E-mail	:	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.

There have been no changes in statutory auditors of our Company during the preceding three years

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 Omega ,13th and 14th Floor, Block - EP & GP, Sector - V, Salt Lake Electronics Complex, Kolkata – 700 091, West Bengal, India	From the conclusion of the 8th Annual General Meeting held on July 1, 2014

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

Out of the issue proceeds from the previous public issues of secured, redeemable, non-convertible debentures in Fiscal Year 2016, 76.84% has been utilised towards lending and 23.16% for general corporate purposes which are in accordance with the objects mentioned in the respective offer documents.

Out of the issue proceeds from the previous public issues of secured, redeemable, non-convertible debentures in Fiscal Year 2017, 88.00% has been utilised towards lending and 12.00% for general corporate purposes which are in accordance with the objects mentioned in the respective offer documents.

Out of the issue proceeds from the previous public issues of unsecured subordinated redeemable non-convertible debentures eligible for inclusion as Tier II capital in Fiscal Year 2018, 100% has been utilised towards lending and repayment are in accordance with the objects mentioned in the respective offer documents.

Out of the issue proceeds from the previous public issues of secured, redeemable, non-convertible debentures in Fiscal Year 2019, 100% has been utilised towards lending and which is in accordance with the objects mentioned in the respective offer documents.

Details of overall lending as of June 30, 2018

A. Details of Utilisation of previous Issues:

Details of the previous public issues of the Company are as follows:

1. 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:

I. Concentration of Advances (June 30, 2018)

Sl.	Particulars	(₹in million)
(i)	Total Advances to twenty largest borrowers	36,413.299
(ii)	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	20.04%

II. Concentration of Exposures (June 30, 2018)

Sl.	Particulars	(₹in million)
(i)	Total Exposure to twenty largest borrowers / customers	36,518.37
(ii)	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	19.54%

III. 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
1	Nil	Nil	Nil

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

a. Type of loans

Sl.	Type of loans	₹in Million
1	Secured	159,256.65
2	Unsecured	5,431.49
	Total Loan Outstanding	164,688.14

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	

Sl No	Segment-wise break-up of Loan Outstanding	Percentage of Loan Outstanding
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	
	Total	Note 1

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.	Ticket size **	Percentage of Loan Outstanding
1	Upto Rs. 2 lakhs	0.01%
2	Rs. 2-5 lakh	0.69%
3	Rs. 5-10 lakh	0.95%
4	Rs. 10-25 lakh	3.57%
5	Rs. 25-50 lakh	5.05%
6	Rs. 50 lakh-1 crore	3.67%
7	Rs. 1-5 crore	9.03%
8	Rs. 5-25 crore	14.20%
9	Rs. 25-100 crore	36.22%
10	>Rs. 100 crore	26.61%
	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.	LTV	Percentage of Loan Outstanding
1	Upto 40%	0.14%
2	40-50%	0.80%
3	50-60%	0.46%
4	60-70%	1.69%
5	70-80%	11.96%
6	80-90%	35.38%
7	>90%	49.57%
	Total	**100.00%**

*LTV at the time of origination

e. Geographical classification of borrowers

Sl.	Top 5 states	Percentage of Loan Outstanding
1	Telangana	24.87%
2	Maharashtra	23.26%
3	West Bengal	15.62%
4	New Delhi	10.36%
5	Gujarat	4.23%
	Total	**78.33%**

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 June 30, 2018)
Opening gross NPA	4,380.6
- Additions during the year	3,683.4
- Reductions during the year*	582.0
Closing balance of gross NPA	7,482.0

** It includes write- off during the year*

Movement of provisions for NPA*	₹in Million (As on June 30, 2018)
Opening Balance	1,300.6
- Provisions made during the year	439.2
-- Write-off / write-back of excess provisions	256.0
Closing balance *	1,483.8

* It includes Provision for Standard Restructured Assets under CDR, SDR and S4A aggregating to ₹16.7 million, ₹ Nil and ₹260.6 million respectively.

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	
	Total	Note 1

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 June 30, 2018:

(₹ in Million)	1 day to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	11,712.9	11,946.1	10,049.6	17,829.5	33,235.3	1,08,239.5	37,637.4	2,510.2	23,316.1
Investments	-	-	-	-	-	-	-	-	-
Borrowings	7,714.0	23,589.8	11,483.7	10,489.8	20,970.1	69,429.3	40,648.6	18,706.0	20,303.1
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	548.0	373.2	577.6	1,667.7	1,341.2	418.1	-	-	492.6

Notes:

1. 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 section titled '***Our Business***' at page no. 127 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, 2018 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.

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 Information of the Company in the last five financial years immediately preceding this 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.

Identification as wilful defaulter

Neither our Company nor any Promoter or Director is a wilful defaulter identified by the RBI or any other governmental authority nor in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

Reservation

No portion of this Issue has been reserved.

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

Save and except as disclosed in this Prospectus, 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 ARE ELIGIBLE TO APPLY FOR NCDS" ON PAGE NO. 221 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 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 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 Prospectus read with the Prospectus.

Disclaimer Statement from the Issuer

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS 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.

Laws in relation to non-banking financial companies

The Reserve Bank of India Act, 1934 (the "RBI Act")

The RBI is entrusted with the responsibility of regulating and supervising activities of NBFCs under the RBI Act. The RBI Act defines an 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, a financial institution is a non-banking institution, carrying on as whole or part of its business, *inter alia,* the financing of activities other than its own, by making loans, advances or otherwise; the acquisition of shares, stock, bonds, debentures, securities issued by the Government or other local authorities or other marketable securities of like nature; or letting or delivering goods to a hirer under a hire-purchase agreement.

The RBI has clarified, through a press release dated April 8, 1999, that in order to identify a particular company as an NBFC, it shall consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. A company shall 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 is more than 50% of its gross income. Both these tests are required to be satisfied as the determinant factors for principal business of a company.

NBFCs are not permitted to commence or carry on the business of a non-banking financial institution without obtaining a certificate of registration ("**CoR**") from the RBI. 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 its 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.

The RBI Act makes it mandatory for every NBFC to get itself registered with the RBI in order to be able to commence any of its activities. An NBFC may be registered as a deposit-accepting NBFC ("**NBFC-D**") or as a non-deposit accepting NBFC ("**NBFC-ND**"). Our Company has been classified as a systemically important NBFC-ND ("**NBFC-ND-SI**").

Classification as an 'Asset Finance Company'

Our Company has been classified as an 'asset finance company' ("**AFC**"), a category formulated by the RBI pursuant to its circular dated December 6, 2006 ("**AFC Circular**"). In terms of the AFC Circular, an AFC 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 equipment, moving on their own power and general-purpose industrial machines. For a financial institution to qualify as an AFC, the aggregate of real / physical assets supporting economic activity should not be less than 60% of its total assets, and the income originating from financing such assets should not be less than 60% of its total income. Upon being classified as an AFC, such classification is incorporated in the CoR of the NBFC.

Regulatory Requirements of an NBFC under the RBI Act

Net Owned Fund

The RBI Act, read with a RBI notification dated April 20, 1999, provides that to carry on the business of an NBFC, an entity would have to be registered as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹20 million. For this purpose, the RBI Act has defined 'net owned fund' to mean

i. the aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting
   a. accumulated balance of losses,
   b. deferred revenue expenditure; and
   c. other intangible assets;
ii. further reduced by the amounts representing
   a. investment by such companies in shares of: (a) its subsidiaries, (b) companies in the same group, and (c) other NBFCs; and
   b. the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (a) subsidiaries of such company; and (b) companies in the same group, to the extent such amount exceeds 10% of (i) above.

Reserve Fund

In addition to the above, the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually, as disclosed in the profit and loss account, before declaration of dividend. Such sum cannot be appropriated by the NBFC except for the purposes 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.

Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 as amended from time to time ("NBFC-SI Directions")

Our Company has been classified as a NBFC-ND-SI. The NBFC- SI Directions define NBFC-ND-SI as a non-banking financial company not accepting or holding public deposits and having total assets of ₹5000 million and above as shown in the last audited balance sheet. For an NBFC-ND-SI to carry on its business, it must have a net owned fund of ₹20 million, failing which, they shall not be eligible to hold a CoR as an NBFC. An NBFC-ND-SI is required to maintain a minimum capital ratio consisting of Tier I and Tier II capital (as defined below) which shall not be less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items.

For the above, 'Tier I capital' refers to owned funds, as reduced by investment in shares of other NBFCs, and in shares, debentures, bonds, outstanding loans, advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund; and perpetual debt instruments issued by non-deposit taking NBFC in each year to the extent it does not exceed 15% of the agreegate Tier I capital of such company as on March 31 of the previous accounting year. 'Tier II capital' includes, to the extent their aggregate does not exceed Tier I capital: (a) preference shares not compulsorily convertible into equity, (b) revaluation reserves at a discounted rate of 55%, (c) general provisions and loss reserves, to the extent these are not attributable to an actual diminution in value or identifiable potential loss in any specific asset, and are available to meet unexpected losses, to the extent of 1.25% of risk weighted assets, (d) hybrid debt capital instruments, (e) subordinated debt, and (f) perpetual debt instruments issued by a non deposit taking non banking financial company which is in excess of what qualifies for Tier I Capital.

The NBFC-SI Directions place several requirements that an NBFC-ND-SI must adhere to, *inter alia* regarding income recognition, income from investments, assets classification, the need to follow relevant accounting standards, the framing and implementation of an investment policy amongst others. As per the NBFC-SI Directions, the board of directors granting / intending to grant demand / call loans shall frame a policy for the company which includes, inter alia, a cut-off date within which the repayment of demand or call loan shall be demanded or called up and the rate of interest which shall be payable on such loans.

Non-Performing Assets

Under the NBFC-SI Directions, the following shall be considered as 'non-performing assets' ("**NPAs**"), if the accompanying conditions remain in existence for a period of three months or more for Fiscal 2018:

i. Assets, in respect of which interest has remained overdue;

ii. Term loans, inclusive of unpaid interest, when the instalment is overdue, or on which interest amounts remain overdue;

iii. Demand or call loans, which has remained overdue, or on which interest amount remained overdue;

iv. Bills, which have remained overdue;

v. Interest in respect of a debt or income on receivables under the head 'other current assets,' being in the nature of short-term loans/advances, which have remained overdue; or

vi. any dues on account of the sale of assets or services rendered, or reimbursement of expenses incurred, which have remained overdue.

Lease rental and hire purchase instalments shall be considered as NPAs if they remain overdue for three months or more in Fiscal 2018.

In addition, where any of the above are classified as NPAs in relation to a borrower, the balance amount outstanding under other all credit facilities extended to them are also classified as NPAs.

In terms of the NBFC-SI Directions, any income – including interest, discount, hire charges, lease rentals or other charges – on an NPA shall be recognised as 'income' only when it is actually realised.

Asset Classification

The NBFC-SI 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, i.e. assets, in respect of which, no default in repayment of principal or interest is perceived, which do not disclose any problems and do not carry more than a normal risk attached to business;

ii. Sub-standard assets, i.e. assets which have been classified as NPAs for a period not exceeding 12 months, or where the terms regarding repayment of the payment or interest have been renegotiated, rescheduled or restructured, until satisfactory performance of the revised terms for a year;

iii. Doubtful assets, i.e. term loans, lease assets, hire-purchase assets or any other asset that has remained sub-standard for a period of more than 12 months; and

iv. Loss assets, i.e. assets that have been identified as such by the NBFC, its internal or external auditors, or the RBI during its inspection of the NBFC, to the extent that it has not been written off by the NBFC, or assets adversely affected by the threat of non-recoverability due to the erosion in the value of the security, non-availability of security or a fraudulent act or omission by the borrower.

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 upgradation.

Provisioning Requirements

An NBFC-ND-SI, after taking into account the time lag between an account becoming an NPA, its recognition, the realisation 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 NBFC-SI Directions. Under the NBFC-SI Directions:

i. Loss Assets: The entire assets shall be written off, and if they are permitted to remain in the books of the NBFC, 100% of the outstanding loss assets shall be provided for.

ii. Doubtful Assets: NBFCs are required to make a 100% provision to the extent to which the advance is not covered by the realisable value of the security to which the applicable NBFC has a valid recourse. Additionally, a provision of 20% - 50% of the secured portion shall be made, in accordance with the basis prescribed in the NBFC-SI Directions.

iii. Sub-standard assets: A general provision of 10% of the total outstanding assets shall be made.

iv. Lease and Hire Purchase Assets: NBFCs are required to provide for the total dues, as reduced by (a) the finance charges not credited to the profit and loss account and carried forward as unmatured finance charges; and (b) the depreciated value of the underlying asset.

v. Standard Assets: NBFCs were required to make provisions of 0.40% by the end of March 2018.

The NBFC-SI Directions clarify that income recognition on NPAs and provisioning against NPAs are different aspects of the prudential norms specified therein. The provisioning requirements that such prudential norms specify shall be made on total outstanding balances, without regard to the fact that income on an NPA has not been recognised.

Disclosure Requirements

An NBFC-ND-SI is required to separately disclose in its balance sheet the provisions made as per NBFC-SI Directions without netting them from the income or against the value of the assets. These provisions shall be distinctly indicated under separate heads of accounts for 'provisions for bad and doubtful debts' and 'provisions for depreciation in investments' and shall not be appropriated from the general provisions and loss reserves held, if any, by it. Such provisions for each year shall be debited to the profit and loss account, and the excess, if any, held as general provisions and loss reserves shall be written back without making adjustment against them.

Capital Adequacy Norms

As per the NBFC-SI Directions, every NBFC is subject to capital adequacy requirements. Every NBFC shall maintain a capital adequacy 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 of risk adjusted value of off-balance sheet items. The total tier II capital of an NBFC, at any point of time, shall not exceed 100% of its Tier I capital.

Corporate governance norms

As per the NBFC-SI Directions, all NBFCs are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and a risk management committee. The audit committee should consist of not less than three members of its board of directors, and it must ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced. Nomination committee is required to ensure 'fit and proper' status of proposed/ existing director and in order to manage the integrated risk, all NBFCs shall form a risk management committee, besides the asset liability management committee. In addition to this, all NBFCs shall ensure that a policy is put in place with the approval of the board of directors for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis. All NBFCs are also required to put up to the board of directors, at regular intervals, as may be prescribed the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC, conformity with corporate governance standards viz., composition of various committees, their role and functions, periodicity of the meetings, compliance with coverage and review functions, etc. The NBFCs will also have to adhere to certain other norms in connection with disclosure, transparency and rotation of partners of the statutory audit firm.

Fair Practices Code

As per the NBFC-SI Directions, NBFCs having customer interfaces should mandatorily adopt the guidelines wherein all communications to the borrower shall be in the vernacular language or a language as understood by the borrower. Loan application forms shall include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. NBFCs should also give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. NBFCs shall ensure that changes in interest rates and charges are effected only prospectively. The board of directors shall also lay down the appropriate grievance redressal mechanism within the organization. Such a mechanism shall ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level.

In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e., objection of the NBFC, if any, shall be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law and in the matter of recovery of loans, an NBFC shall not resort to undue harassment methods which include persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. NBFC shall also ensure that the staffs are adequately trained to deal with the customers in an appropriate manner.

Asset Liability Management

As part of the NBFC-SI Directions, the RBI has prescribed the Guidelines for Asset Liability Management ("**ALM**") System in relation to NBFCs ("**ALM Guidelines**"), which would involve the assessment of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage risks. The ALM Guidelines mainly address liquidity and interest rate risks. As per the ALM Guidelines, the NBFCs having an asset base of ₹1,000 million or more, are required to put in place an ALM system. As a pre-requisite, NBFCs are required to install a strong 'Management Information System', which shall be computerised and shall make use of specialised software for managing the assets and liabilities with respect to the maturity mismatches, and the various risks associated with such mismatches. The ALM system involves the following:

i. *ALM information systems:* This involves the introduction of base information system for risk measurement and monitoring which enables collection of accurate data in a timely manner.

ii. *ALM* organizations*:* This involves the setting up of an organisational structure for risk management, consisting of the following:

   a. The board of directors of the company, who shall have the overall responsibility for management of risks, and shall decide the risk management policy of the NBFC and set limits for liquidity, interest rate and equity price risks.

   b. The asset - liability committee ("**ALCO**"), consisting of the NBFC's senior management including its chief executive officer, which shall be responsible for ensuring adherence to the limits set by the board as well as for deciding the business strategy of the NBFC in line with the NBFC's budget and decided risk management objectives.

   c. The ALM support groups, consisting of operating staff, which shall be responsible for analysing, monitoring and reporting the risk profiles to the ALCO.

iii. *ALM processes:* This involves the formulation of processes in relation to liquidity risk management, management of market risks, funding and capital planning, profit planning and growth projection; as well as forecasting and analysing contingencies and preparing appropriate contingency plans.

Rating of Financial Product

Pursuant to the NBFC-SI Directions, all NBFCs with asset size of ₹1,000 million and above shall furnish information about downgrading / upgrading of the assigned rating of any financial product issued by them within 15 days of such a change in rating, to the regional office of the RBI under whose jurisdiction their registered office is functioning.

Norms for Excessive Interest Rates

The NBFC-SI Directions directs the board of directors of NBFCs to 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 shall be updated whenever there is a change in the rates of interest. The rate of interest should be annualised so that a borrower is aware of the exact rates that would be charged to the account.

Other Regulations

*Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016 ("**KYC Directions**")*

The Department of Banking Regulation, RBI has issued the KYC Directions dated February 25, 2016, as amended from time to time, which are applicable *inter alia* on all NBFCs for the formulation of a 'Know Your Customer' ("**KYC**") policy duly approved by the board of directors of the entity and ensure compliance with the same. The KYC policy formulated is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. The regulated entities are required to ensure compliance with the KYC policy of the entity through specifying who constitutes 'senior management' for the purpose of KYC compliance, specifying allocation of responsibility for effective implementation of policies and procedures, independent evaluation of the compliance functions of the entity's policies and procedures, including legal and regulatory requirements, implementing a concurrent/internal audit system to verify the compliance with KYC/AML policies and procedures, and the submission of quarterly audit notes and compliance to the audit committee.

*Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016 ("**NBFC Returns Directions, 2016**")*

The NBFC Returns Directions, 2016 mandate that all NBFCs shall put in place a reporting system for filing of various returns with the RBI. In addition, they also provide for the forms to be filed under various RBI Act, and the various directions thereunder. Further, they provide for details and the periodicity of form filings across various categories of NBFCs.

Enhancement of Capital funds Raising Option

The RBI has issued a notification on the '*Enhancement of NBFCs' Capital Raising Option for Capital Adequacy Purposes*' dated October 29, 2008, whereby NBFCs-ND-SI have been permitted to augment their capital funds by issuing perpetual debt instruments ("**PDI**") in accordance with the prescribed guidelines provided thereunder. 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. The, amount of PDI in excess of amount admissible as Tier I capital shall qualify as Tier II capital, within the eligible limits.

Master Direction –Non-Banking Finacial Companies Auditor's Report (Reserve Bank) Direction, 2016

According to this Direction, in addition to report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC-ND-SI, the auditor shall make a separate report to the Board of Directors of the Company on, validity of the Certificate of Registration (CoR) and meeting the Principal Business Criteria as on March 31, of the applicable year, whether company is meeting the required net owned fund requirement as prescribed, whether the Board of Directors has passed a resolution for non-acceptance of any public deposit, whether the company has accepted any public deposits during the relavant period, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable,whether capital adequacy ratio as disclosed in the return submitted in the form of NBS-7 has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether company has furnished to bank the annual statements of capital funds, risk/assets exposures and risk asset ratio within the stipulated period.

*Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 2016 ("**Fraud Directions, 2016**")*

Under the Fraud Directions, 2016, NBFCs are required to put in place a reporting system for recording frauds to RBI and should fix staff accountability in respect of delays in reporting of fraud cases to the RBI. For this purpose, an official of the rank of general manager or equivalent should be nominated who will be responsible for submitting all the returns to the Bank and reporting referred to in these directions. Should NBFCs not adhere to the applicable timeframe for reporting fraud, they shall become liable for penal action. The Fraud Directions, 2016 classify frauds into the following categories:

i. Misappropriation and criminal breach of trust;

ii. Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property;

iii. Unauthorised credit facilities extended for reward or for illegal gratification;

iv. Negligence and cash shortages;

v. Cheating and forgery;

vi. Irregularities in foreign exchange transactions; and

vii. Any other type of fraud.

*Information Technology Framework for the NBFC Sector Directions, 2017 (the "**IT Framework Directions**")*

The IT Framework Directions have been notified with the view of benchmarking the information technology/ information security framework, business continuity planning, disaster recovery management, information technology ("**IT**") audit and other processes to best practices for the NBFC sector. NBFC-SIs are required to comply with the IT Framework Directions by June 30, 2018. The IT Framework Directions provide for the following:

i. *IT governance:* Under the IT Framework Directions, all NBFCs are required to form an IT Strategy Committee, under the chairmanship of an independent director of the NBFC-SI with the chief information officer and the chief technology officer as mandatory members. The IT strategy committee is empowered to review and amend the IT strategies of the NBFC-SI in line with its corporate strategies, board policy reviews, cyber security arrangements and any other matter related to IT governance and place its deliberations before the board of directors of the NBFC-SI.

ii. *IT policy:* NBFCs are required to formulate a board-approved IT policy, in line with the objectives of the organisation. Such a policy must mandatorily provide for an IT organisational structure and the appointment of a chief information officer or an in-charge of IT operations. The policy so formed must also ensure the technical competence of senior and middle level management and periodic assessment of IT training requirements.

iii. *Information and cyber security:* In addition to the IT policy, NBFCs must further formulate a board-approved information security policy, which *inter alia* provides for the identification and classification of information assets, segregation of functions, personnel and physical security and incident management. NBFCs are additionally tasked with creating a framework for conducting periodic information security audits. Further, the NBFC must formulate a board approved cyber-security policy, which elucidates the strategy of the NBFC on countering cyber threats. Beyond these policies, the IT Framework Directions mandates several additional processes to be put in place, such as a cyber-crisis management plan, strategies for management and elimination of vulnerability and promoting cyber-security awareness amongst stakeholders and the board of directors.

iv. *IT operations:* The IT Framework Directions direct companies to create a steering committee to oversee and monitor IT project, and create policies to manage transitions in their IT systems. In addition, it requires NBFCs to put in place various management information systems for various types of data.

v. *Business Continuity Planning:* NBFCs are required to identify critical business verticals, locations and shares resources, envisage the impact of unforeseen disasters on their business and are required to create recovery strategies or contingency plans is the case of the failure of the same.

vi. *IT services outsourcing:* The IT Framework Directions provide for safeguards that an NBFC must adopt in their arrangements with service providers to whom they have outsourced their IT requirements.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFC, 2017

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs ("Risk Management Directions"). The Risk Management Directions specify that core management functions like internal auditing, compliance functions, decision making functions such as compliance with KYC norms shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

*Reserve Bank Commercial Paper Directions, 2017 ("**Commercial Paper Directions**")*

The Commercial Paper Directions regulate the issue of commercial papers. Commercial papers may be issued by companies, including NBFCs, provided that any fund-based facility they have availed from banks or financial institutions are classified as standard assets by all banks and financial institutions at the time of their issue. The Commercial Paper Directions determine the form, mode of issuance, rating and documentation procedures for the issue of commercial papers. In terms of the Commercial Paper Directions, commercial papers are issued as promissory notes, and are to be held in dematerialised form. They are issued at a discount to face value, in a minimum denomination of ₹5 lacs or multiples thereof. Issuers, whose total commercial paper issuance in a calendar year is ₹1000 crore or more, must also obtain a credit rating for their commercial papers from at least two credit rating agencies, and adopt the lower of these ratings. The minimum rating for a commercial paper shall be 'A3'. The directions further provide for secondary market trading in commercial papers, buyback of commercial papers and the obligations of the issuer, the issuing and paying agent and credit rating agencies in the issue of commercial papers.

Laws in relation to the recovery of debts

Insolvency and Bankruptcy Code, 2016 (the "IB Code")

The IB Code primarily enables time-bound reorganisation and insolvency resolution of debtors. The primary objectives of the IB Code are:

i. to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons;
ii. to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders, including alteration in the order of priority of payment of Government dues; and
iii. to establish an Insolvency and Bankruptcy Board of India.

The IB Code specifies two different sets of adjudicating authorities to exercise judicial control over the insolvency and liquidation processes:

i. In case of companies, limited liability partnerships and other limited liability entities, National Company Law Tribunals ("**NCLT**") shall act as the adjudicating authority; and appeals therefrom shall lie with the National Company Law Appellate Tribunal ("**NCLAT**").
ii. In case of individuals and partnerships, Debt Recovery Tribunal ("**DRT**") shall act as the adjudicating authority; and appeals therefrom shall lie with the Debt Recovery Appellate Tribunal ("**DRAT**").

The Supreme Court of India shall have appellate jurisdiction over NCLAT and DRAT. The IB Code governs two corporate insolvency processes, i.e. (i) insolvency resolution; and (ii) liquidation:

i. *Insolvency resolution:* Upon a default by a corporate debtor, a creditor or the debtor itself may initiate insolvency resolution proceedings. The IB Code prescribes a timeline of 180 days for the insolvency resolution process, subject to a single extension of 90 days, during which there shall be a moratorium on the institution or continuation of suits against the debtor, or interference with its assets. During such period, the creditors and the debtor will be expected to negotiate and finalise a resolution plan, with the assistance of insolvency resolution professionals to be appointed by a committee of creditors formed for this purpose. Upon approval of such a plan by the adjudicating authority, the same shall become binding upon the creditors and the debtor.

ii. *Liquidation:* In the event that no insolvency resolution is successfully formulated, or if the adjudicating authority so decides, a liquidation process may be initiated against the debtor. A liquidator is appointed, who takes the assets and properties of the debtor in his custody and verifies claims of creditors, before selling such assets and properties and distributing the proceeds therefrom to creditors.

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 basis of the priority set out in the Code.

In addition, the IB Code establishes and provides for the functioning of the Insolvency and Bankruptcy Board of India ("**IBBI**") which functions as the regulator for matters pertaining to insolvency and bankruptcy. The IBBI exercises a range of legislative, administrative and quasi-judicial functions, *inter alia* in relation to the registration, regulation and monitoring of insolvency professional agencies, insolvency professionals and information utilities; publish information, data, research and studies as may be specified; constitute committees as may be required; and make regulations and guidelines in relation to insolvency and bankruptcy.

Recovery of Debts due to Banks and Financial Institutions Act, 1993 ("Debts Recovery Act")

The Debts Recovery Act provides for establishment of DRTs for expeditious adjudication and recovery of debts due to a bank or financial institution, or a consortium of banks or financial institutions. The Debts Recovery Act is only applicable to such debts as are for a sum that is greater than ₹ 2 million, or in the case of particular debts that the Central Government may specify, greater than ₹0.1 million. A DRT established under the Debts Recovery Act exercises jurisdiction over applications from banks and financial institutions for the recovery of debts due to them, and 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. The Debts Recovery Act also provides for the establishment of DRATs, and any appeal from any order of a DRT lies with a DRAT. Further, the Debts Recovery Act provides for the procedure to be followed in proceedings before a DRT or DRAT.

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

The Securitisation Act grants certain special rights to banks and financial institutions to enforce their security interests upon non-payment of a secured debt. The Securitisation Act provides that a secured creditor may, in the case of a default in payment of a debt or an instalment thereof, classify the account of the borrower as a NPA, and give notice in writing to the borrower requiring it to discharge its liabilities within 60 days, failing which the following rights accrue to the secured creditor:

i. taking possession of the assets constituting the security for the loan, including the right to transfer the assets by way of lease, assignment or sale of the asset;
ii. taking over the management of the business of the borrower, including the right to sell or otherwise dispose of the assets, in case a significant portion of the debtor's business is held as security;
iii. appointment of a manager to manage the secured assets; and
iv. requiring that any person who has acquired any of the secured assets from the borrower and from whom any money is or may become due to the debtor, to pay the secured creditor instead.

Where a secured creditor seeks to take a secured asset into its possession or sell or transfer the same under the provisions of the Securitisation Act, the secured creditor may make a written request to the Chief Metropolitan Magistrate or the District Magistrate within whose jurisdiction the secured asset or relevant documents may be situated or found. Upon such request, the Chief Metropolitan Magistrate or District Magistrate may take possession of such assets and/ or relevant documents and forward the same to the creditor, using or directing the use of such force as may be necessary. In addition, the secured creditor may file an application before a DRT or a competent court for recovery of balance amounts, if any, and may take any other measures for the recovery of debts.

Further, the Securitisation Act provides for the creation of a central database by the Central Government for recording rights over any property or creation, modification or satisfaction of any security interest thereon. This registry is to be integrated with registration records under various central registrations, including the Companies Act, 2013, the Registration Act, 1908 and the Motor Vehicles Act, 1988. Any registration of transactions of creation, modification or satisfaction of security interest by a creditor or filing of attachment orders shall be deemed to constitute a public notice. Where a security interest or attachment order upon property in favour of a creditor is filed for registration, the claim of such creditor has priority over any subsequent security interest, transfer or attachment order upon the property.

In addition, the Securitisation Act regulates 'asset reconstruction companies', which are companies intended to carry on the business of securitisation or asset reconstruction. An asset reconstruction company, upon being registered by the RBI, may acquire the financial assets of a bank or financial institution, whereupon it shall be deemed to become the lender in place of the bank in relation to such financial assets, and all rights of the bank or financial institution in relation to such financial assets shall vest in the asset reconstruction company. For the purposes of asset reconstruction, an asset reconstruction company may *inter alia* provide for the management of the business of a borrower (including a change in or take over of its management), sale or lease of the business of a borrower, rescheduling payment of debts, settlement of dues, enforcement or possession of security interests, or conversion of debt of a borrower into shares.

Anti-Money Laundering laws

Prevention of Money Laundering Act, 2002 ("PMLA")

The PMLA was enacted to prevent money laundering and to provide for confiscation of property derived from or involved in, money laundering. The Government, under the 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 ("**PML Rules**"). The PMLA and PML Rules place various obligations upon banks, financial institutions and other intermediaries in relation to the maintenance of records of all transactions, verification of clients and identification of beneficial owners of clients.

Master Circular – 'Know Your Customer' (KYC) Guidelines – Anti Money Laundering Standards (AML) - 'Prevention of Money Laundering Act, 2002 - Obligations of NBFCs in terms of Rules notified thereunder' ("PMLA Master Circular")

The RBI has issued the PMLA Master Circular dated July 1, 2015 to ensure that a proper policy framework for the implementation of 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 internal reporting for: (i) 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.

Under the PMLA Master Circular, all NBFCs are required to introduce a system of maintaining a proper record of certain transactions, and for the 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. 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.

Laws in relation to foreign investment and external commercial borrowing

Foreign Exchange Management Act, 1999 ("FEMA")

Foreign investment in Indian securities is regulated through the Consolidated Foreign Direct Investment ("**FDI**") Policy and Foreign Exchange Management Act, 1999 ("**FEMA**"). The government bodies responsible for granting foreign investment approvals are the concerned ministries/ departments of the Government of India and the RBI. The Union Cabinet has approved phasing out the Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/departments. Subsequently, the Department of Industrial Policy & Promotion ("**DIPP**") issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the "**Competent Authority**") for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority. The DIPP has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendment to FEMA. In case of any conflict FEMA prevails.

The Consolidated FDI Policy consolidates the policy framework in place as on August 27, 2017. Further, on January 4, 2018 the RBI released the Master Direction on Foreign Investment in India. Under the approval route, prior approval from the Governmentis required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

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

External Commercial borrowing (ECB)

External Commercial Borrowings ("**ECB**") are commercial loans raised by eligible resident entities from recognised non-resident entities. ECB transactions are governed by clause (d) of sub-section 3 of section 6 of FEMA, and by various regulations, notifications and RBI circulars, which have been consolidated in the RBI Master Direction on 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 Master Directions**") and updated periodically. Under the ECB Master Directions, a permitted resident may borrow from a recognised non-resident entity through loans, securitised instruments, buyers' or suppliers' credit, foreign currency convertible bonds, financial lease and foreign currency exchangeable bonds. Non-convertible debentures issued to registered foreign portfolio investors are not covered by the ECB Master Directions.

Borrowings through ECB may be raised through one of three tracks:

(i)	Track I	Medium term foreign currency denominated ECB with minimum average maturity of 3/5 years.
(ii)	Track II	Long term foreign currency denominated ECB with minimum average maturity of 10 years.
(iii)	Track III	Indian Rupee (INR) denominated ECB with minimum average maturity of 3/5 years.

AFCs can raise ECB only for financing infrastructure.

ECB may be raised by either automatic route or the approval route. Under the automatic route, ECB cases are examined by the Authorised Dealer Category-I, to whom the RBI has delegated the function of monitoring and approving ECB transactions. In borrowings through the approval route, the prospective borrowers are required to forward requests to the RBI through an authorised dealer. The ECB Master Directions prescribe individual limits of ECB that may be raised by an entity under the automatic route per Fiscal, beyond which, the ECB proposals of such entities shall come under the approval route. Accordingly, an AFC is permitted to raise up to USD 750 million or equivalent through the automatic route.

The ECB Master Directions provide for various aspects of ECB transactions, including *inter alia* eligible borrowers, recognised lenders, eligibility for the track and route of the ECB, minimum average maturity period, end-use prescriptions, hedging requirements etc. Under the ECB Master Directions, an AFC is only permitted to raise borrowings through ECB for the purpose of financing infrastructure.

Labour law regulations

We are required to comply with certain labour and industrial laws, which includes Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Employees State Insurance Act, 1948, the Minimum Wages Act, 1948, the Maternity Benefit Act, 1961, the Payment of Bonus Act, 1965, the Payment of Gratuity Act, 1972 , the Payment of Wages Act, 1936, Industrial Disputes Act, 1947, Industrial Employment (Standing Orders) Act, 1946, Equal Remuneration Act, 1976, Public Premises (Eviction of Unauthorized Occupants) Act, 1971, and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 amongst others.

Tax legislations

The tax related laws that are applicable to our Company include the Central Goods and Services Tax Act, 2017, the Interstate Goods and Services Tax Act, 2017, various state goods and services tax legislations, the Income Tax Act, the Income Tax Rules, local body taxes in respective states and various applicable service tax notifications and circulars.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND INDIAN ACCOUNTING STANDARDS

The Reformatted Financial Statements of the Issuer included in this Prospectus are presented in accordance with Indian GAAP, which differs from Indian Accounting Standards ("**IndAS**") in certain respects. The Ministry of Corporate Affairs ("**MCA**"), in its press release dated January 18, 2016, issued a roadmap for implementation of IndAS converged with IFRS for non-banking financial companies, scheduled 50 commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. The notification further explains that NBFCs having a net worth of ₹ 50,000 lakh or more as of March 31, 2016, shall comply with IndAS for accounting periods beginning on or after April 1, 2018, with comparatives for the periods ending on March 31, 2018. Therefore, the Issuer would be subject to this notification.

"*Summary of Significant Differences among Indian GAAP and IndAS*", does not present all differences between Indian GAAP and IndAS which are relevant to the Issuer. Consequently, there can be no assurance that those are the only differences in the accounting principles that could have a significant impact on the financial information included in this Prospectus. Furthermore, the Issuer has made no attempt to identify or quantify the impact of these differences or any future differences between Indian GAAP and IndAS which may result from prospective changes in accounting standards. The Issuer has not considered matters of Indian GAAP presentation and disclosures, which also differ from IndAS. In making an investment decision, investors must rely upon their own examination of the Issuer's business, the terms of the offerings and the financial information included in this Draft Prospectus. Potential investors should consult with their own professional advisors for a more thorough understanding of the differences between Indian GAAP and IndAS and how those differences might affect the financial information included in this Prospectus. The Issuer cannot assure that it has completed a comprehensive analysis of the effect of IndAS on future financial information or that the application of IndAS will not result in a materially adverse effect on the Issuer's future financial information.

Summary of Significant Differences among Indian GAAP and IndAS:

Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
Presentation of Financial Statements	**Other Comprehensive Income:** There is no concept of 'Other Comprehensive Income' under Indian GAAP.	Other Comprehensive Income: IndAS 1 introduces the concept of other Comprehensive Income ("**OCI**"). Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other IndAS.
	Extraordinary items: Under Indian GAAP, extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	Extraordinary items: Under IndAS, presentation of any items of income or expense as extraordinary is prohibited.
	Change in Accounting Policies: Indian GAAP requires changes in accounting policies to be presented in the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material. If a change in the accounting policy has no material effect on the financial statements for the current period but is expected to have a material effect in the later periods, the same should be appropriately disclosed.	Change in Accounting Policies: IndAS requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.
Deferred Taxes	Under Indian GAAP, the Company determines deferred tax to be recognized in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered for income taxes and profit as per the financial statements.	As per IndAS 12 Income Taxes, deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/ liabilities and their respective tax base. Using the balance sheet approach, there could be additional deferred tax charge/ income on account of all IndAS opening balance sheet adjustments.
Property, plant and Equipment– reviewing, depreciation and residual value	Under Indian GAAP, the Company currently provides depreciation on straight line method over the useful lives of the assets estimated by the Management.	IndAS 16 mandates reviewing the method of depreciation, estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residual value shall be taken

Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		prospectively. IndAS 101 allows current carrying value under Indian GAAP for items of property, plant and equipment to be carried forward as the cost under IndAS.
Accounting for Employee benefits	Currently, all actuarial gains and losses are recognized immediately in the statement of profit and loss.	Under IndAS 19, the change in liability is split into changes arising out of service, interest cost and re measurements and the change in asset is split between interest income and remeasurements. Changes due to service cost and net interest cost/ income need to be recognized in the income statement and the changes arising out of remeasurements comprising of actuarial gains and losses representing changes in the present value of the definedbenefit obligation resulting from experience adjustment and effects of changes in actuarial assumptionsare to be recognized directly in OCI.
Separate Financial Statements	Accounting for investments in subsidiaries is governed by Accounting Standard 13 depending on the classification of the investment as current or long term.	Accounting for investments in subsidiaries is governed by Ind AS 27 which gives an option to account the same at cost or in accordance with Ind AS 109.
Provisions, contingent liabilities and contingent assets	Under Indian GAAP, provisions are recognised only under a legal obligation. Also, discounting of provisions to present value is not permitted	Under IndAS, provisions are recognised for legal as well as constructive obligations. IndAS requires discounting the provisions to present value, if the effect of time value of money is material
Share based Payments	Under Indian GAAP, company has an option to account for share based payments on the basis of intrinsic value or fair value. The company followed the intrinsic value method and gave a disclosure for the fair valuation.	Under IndAS, the share-based payments have to be mandatorily accounted basis the fair value and the same has to be recorded in the Statement of Profit or Loss over the vesting period. The fair valuation of the unvested options as on the transition date have to be adjusted against retained earnings
The pooling of interests and purchase method	Amalgamations in the nature of purchase are accounted for by recording the identifiable assets and liabilities of the acquiree either at the fair values or at book values. Amalgamations in the nature of merger are accounted under the pooling of interests' method.	All business combinations, other than those between entities under common control, are accounted for using the purchase method. An acquirer is identified for all business combinations, which is the entity that obtains control of the other combining entity. Business combination transactions between entities under common control should be accounted for using the 'pooling of interests' method.

Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
Presentation and classification of Financial Instruments and subsequent measurement	Currently, under Indian GAAP, the financial assets and financial liabilities are recognised at the transaction value. The Company classifies all its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any permanent diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value. Financial liabilities are carried at their transaction values. Disclosures under Indian GAAP are limited. Currently under Indian GAAP, loan processing fees and/or fees of similar nature are recognized upfront in the Statement of Profit and Loss.	Ind AS 109 requires all financial assets and financial liabilities to be recognised on initial recognition at fair value. Financial assets have to be either classified as measured at amortised cost or measured at fair value. Where assets are measured at fair value, gains and losses are either recognised entirely in profit or loss, (FVTPL), or recognised in other comprehensive income (FVOCI). Financial assets include equity and debts investments, interest free deposits, loans, trade receivables etc. Assets classified at amortised cost and FVOCI and the related revenue (including processing fees and fees of similar nature) net of related costs have to be measured using the Effective Interest Rate (EIR) method. Loan processing fees and/or fees of similar nature would be measured and recognised using the Effective Interest Rate (EIR) method over the period of loan. There are two measurement categories for financial liabilities – FVTPL and amortised cost. Fair value adjustment on transition shall be adjusted against opening retained earnings on the date of transition. Disclosures under Ind AS are extensive.
Financial Instruments - Impairment	Under Indian GAAP, the Company assesses the provision for doubtful debts at each reporting period, which in practice, is based on relevant information like past experience, financial position of the debtor, cash flows of the debtor, guidelines issued by the regulator etc.	The impairment model in IndAS is based on expected credit losses and it applies equally to debt instruments measured at amortized cost or FVOCI, lease receivables, contract assets within the scope of IndAS 109 and certain written loan commitments and financial guarantee contracts.
Financial Instruments - Disclosure	Currently there are no detailed disclosure requirements for financial instruments. However, the ICAI has issued an Announcement in December 2005 requiring the following disclosures to be made in respect of derivative instruments in the financial statements: • Category-wise quantitative data about derivative instruments that are outstanding at the balance sheet date; • The purpose, viz., hedging or speculation, for which such derivative instruments have been acquired; and • The foreign currency exposures that are not hedged by a derivative instrument or otherwise.	Requires disclosure of information about the nature and extent of risks arising from financial instruments: • qualitative disclosures about exposures to each type of risk and how those risks are managed; and • quantitative disclosures about exposures to each type of risk, separately for credit risk, liquidity risk and market risk (including sensitivity analysis).
Segment Reporting	Under Indian GAAP there is a requirement to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management	Operating segments are identified based on the financial information that is regularly reviewed by the chief operating decision maker in deciding

Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
	personnel serving only as the starting point for the identification of such segments.	how to allocate resources and in assessing performance.
Consolidated Financial Statements	Under Indian GAAP the consolidation is driven by the reporting entity's control Over its investees namely subsidiaries, associates and joint ventures. Control is: (a) the ownership, directly or indirectly through subsidiary(ies), of more than one-half of the voting power of an entity; or (b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other entity so as to obtain economic benefits from its activities. Therefore, a mere ownership of more than 50 per cent of equity shares is sufficient to constitute control under Indian GAAP, whereas this is not necessarily so under Ind AS.	Control is based on whether an investor has: (a) power over the investee; (b) exposure, or rights, to variable return from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amounts of the returns.
Consolidation - Exclusion of subsidiaries, associates and joint ventures	Excluded from consolidation, equity accounting or proportionate consolidation if the subsidiary/ investment/ interest in joint venture was acquired with intent to dispose of in the near future (which, ordinarily means not more than 12 months, unless a longer period can be justified based on facts and circumstances of the case) or if it operates under severe long term restrictions which significantly impair its ability to transfer funds to the parent/ investor/ venture.	Consolidated financial statements include all subsidiaries and equity accounted associates and joint ventures. No exemption for "temporary control", "different lines of business" or "subsidiary/ associate/ joint venture that operates under severe long- term funds transfer restrictions" except when the investment is determined as held for sale in accordance with IndAS.
Consolidation - Joint Ventures	Under Indian GAAP, Proportionate consolidation method is applied when the entity prepares consolidated financial statements.	The equity method, as described in Ind AS 28 is applied when the entity prepares consolidated financial statements.

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 Debt Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Main provisions of Part I

Share Capital

Article 5 - Increase of Capital - Subject to the provisions of the Act, the Company may, by ordinary resolution –

(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Article 7 - New capital same as existing capital - Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Article 8 - Differential Voting Shares - The Board shall have the power to issue a part of authorized capital by way of differential voting Shares at price(s) premium, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.

Article 9 - Redeemable Preference Shares - Subject to the provisions of the Act and these Articles, the Company shall have the power to issue Preference Shares, either at premium or at par which are or at the option of the Company liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption. Further,

(a) Such preference shares shall always rank in priority with respect to payment of Dividend or repayment of Capital vis-à-vis equity shares;

(b) The Board may decide on the participation of preference shareholders in the surplus Dividend, type of preference shares issued whether cumulative or otherwise, conversion terms into equity if any;

(c) The Board may decide on any premium on the issue or redemption of preference shares.

Article 12 - Further Issue of Shares –

(a) Where at any time it is proposed to increase the subscribed capital of the Company by allotment of further shares then:

i. Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date;

ii. The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

iii. The offer aforesaid shall include a right exercisable by the person concerned to renounce the shares offered to him or any of them in of any other person and the notice referred to in sub-clause (ii) shall contain a statement of this right;

iv. After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the company.

(b) Notwithstanding anything contained in sub-clause (a) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (i) of sub-clause (a) hereof) in any manner whatsoever.

i. If a special resolution to that effect is passed by the company in general meeting, or

ii. Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the company.

iii. Such issue on preferential basis or private placement should also comply with the conditions as laid down in Section 42 of the Act and/or Applicable law.

(c) Nothing in sub-clause (iii) of (a) hereof shall be deemed:

i. To extend the time within which the offer should be accepted; or

ii. To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(d) Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued by the company:

i. To convert such debentures or loans into shares in the company; or

ii. To subscribe for shares in the company.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

i. Either has been approved by the Central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

ii. In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the Special Resolution passed by the company in General Meeting before the issue of the loans.

Article 17 - Power to modify rights of different classes of shareholders and the rights of dissentient shareholders - If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

Article 18 – Shares at the disposal of the Directors - Subject to the provisions of the Act and these Articles, the shares and Securities of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the Capital of the Company or other Securities on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

Article 23 - Liability of Members - Every Member or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts, at such time or times and in such manner, as the Board shall, from time to time in accordance with these Articles, require or fix for the payment thereof.

Certificates

Article 31 - Share Certificates - Every person whose name is entered as a Member in the Register of Members shall be entitled to receive within 2 (two) months after allotment or within 1 (one) month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide –

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.

Every certificate shall specify the shares to which it relates and the amount paid-up thereon.

Every Member has a right of sub-division / consolidation of share certificates upon payment of such charges as may be fixed by the Board for each certificate after the first certificate.

In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

The provisions of this Article shall mutatis mutandis apply to debentures (except where the Act otherwise requires) of the Company.

Article 33 - Issue of new certificate in place of one defaced, lost or destroyed - If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹50/- for each certificate) as the Directors shall prescribe. However, no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures (except where the Act otherwise requires) of the Company.

The particulars of every renewed or duplicate share certificate issued shall be entered forthwith in a Register of Renewed and Duplicate Share Certificates maintained in prescribed format indicating against the name(s) of the person(s) to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross-references in the “Remarks” column.

All entries made in the Register of Renewed and Duplicate Share Certificates shall be authenticated by the Company Secretary or such other person as may be authorised by the Board for the purposes of sealing and signing the share certificate.

Lien

Article 52 - Company’s lien on shares –

(a) The Company shall have a first and paramount lien upon all the shares / debentures (other than fully paid-up shares / debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that Article 38 will have full effect. And such lien shall extend to all dividends, bonuses or interest from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company’s lien if any, on such shares/debentures.

(b) The Directors may at any time declare any shares/ debentures wholly or in part to be exempt from the provisions of this clause.

Transfer and Transmission of Security

Article 68 - Execution of the instruments of Shares –

(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.

(b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.

Article 69 – Transfer Form - The instrument of transfer of any share or debenture shall be in writing, in the prescribed form and shall be stamped by prescribed authority, and all the provisions of Section 56 (statutory modification thereof) including other applicable provisions of the Act and Rules made thereunder shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.

Article 70 - Transfer not to be registered except on production of instrument of transfer –

(a) The Company shall not register a transfer in the Company (other than the transfer between persons both of whose names are entered as holders of beneficial interest Transfer to be in the records of a depository), unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares within sixty days from date of execution:

Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors or a Committee thereof, that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

(b) The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate or certificates of the shares must be delivered to the Company.

Article 71 - Company's power to refuse transfer - Subject to the provisions of Section 56 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse, in the interest of the Company or in pursuance of power under any Applicable Law, to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or Debentures / other Securities of the Company.

Notwithstanding anything contained in these Articles, but subject to the provisions of the Act, the Board may refuse to register the transfer of any of its securities in the name of the transferee on any one or more of the following grounds and on no other ground, namely:-

(a) that the instrument of transfer is not proper or has not been duly stamped and executed or that the certificate relating to the security has not been delivered to the Company or that any other requirement under the law relating to registration of such transfer has not been complied with;

(b) that the transfer of the security is in contravention of any law;

(c) that the transfer of the security is prohibited by any order of any court, tribunal or other authority under any law for the time being in force.

Article 73 – Fee on transfer or transmission - No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, succession certificate, letters of administration, Certificate of Death or Marriage, or other similar documents.

Article 77 - Death of one or more joint holders of shares –

(a) In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share

(b) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Article 78 - Title to shares of deceased holder –

(a) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

(b) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Dematerialization of Shares

Article 89 **-** *Dematerialization of Securities* **-** Subject to the provisions of the Act and Rules made thereunder, the Company may offer its Member's facility to hold securities issued by it in dematerialized form and will offer the Securities for subscription in dematerialized form.

Notwithstanding anything contained herein, the Company shall be entitled to treat the person whose names appear in the Register of Members as a holder of any share or whose names appear as Beneficial Owners of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as required by law) be bound to recognise any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

Copies of Memorandum and Articles to be sent to Members

Article 90 - Copies of Memorandum and Articles of Association of the Company shall be furnished to every Member of the Company at his request on payment of an amount as may be fixed by the Board to recover reasonable cost and expenses, not exceeding such amount as fixed under Applicable Law. The fee can be waived of at the discretion of the Company.

Borrowing Powers

Article 91 - Power to borrow - Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash creditor by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, cooperative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose. Nevertheless, no lender or other person dealing with the Company shall be concerned to see or inquire whether this limit is observed.

Meeting of members

Article 101 - Annual General Meeting - In accordance with the provisions of Section 96 of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, subject to the provisions of the Act, not more than 15 (fifteen) months gap shall elapse between the date of one Annual General Meeting and that of the next.

Article 102 - Extraordinary General Meetings - All general meetings other than Annual General Meeting shall be called Extraordinary General Meeting.

Article 103 – Calling of Extraordinary General Meetings - The Board may, whenever it thinks fit, call an Extraordinary General Meeting or it shall do so upon a requisition received from such number of shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid-up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

Article 104 - Notice of Meeting - 21 (twenty-one) days' notice at the least (either in writing or electronic mode) of every General Meeting, Annual or Extraordinary, specifying the place, date, day, hour and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons, as given under Act, entitled to receive notice from the Company. A General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety-five) per cent of the

Members entitled to vote at such meeting. In the case of an Annual General Meeting, if any business other than:

(i) the consideration of financial statements and the reports of the Board of Directors and auditors,

(ii) the declaration of dividend,

(iii) the appointment of Directors in place of those retiring,

(iv) the appointment of and fixing of the remuneration of, the Auditors is to be transacted,

there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature or concern (financial or otherwise) and extent of the interest, if any, therein of every Director, Manager, Key Managerial Personnel, and their relatives (if any). Where any item of business consists of the approval of any document, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Article 107 - Quorum at General Meeting - The quorum for the General Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the General Meeting, the meeting if convened by or upon the requisition of Members, shall stand dissolved but in case of any other General Meeting shall be adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day at such other time and place as the Board may determine and the agenda for the adjourned General Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

Article 108 - Chairman - The Chairman, if any, of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If the Chairman of the Board is not present at a meeting of the Board or unwilling to take the chair, the Directors present shall choose one of their number to be the Chairman for that meeting.

If no Director is present or if all the Directors present decline to take the Chair, then the Members present shall elect one of their members to be the Chairman of the meeting.

Vote of Members

Article 122 - Postal Ballot - Notwithstanding anything contained in the provisions of the Act and the Rules made there under, the Company may, and in the case of resolutions relating to such business other than the Ordinary business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business / resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.

Article 123 - Passing of Resolutions by way of Postal Ballot - Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014.

Article 124 - E-Voting - A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once.

Article 134 - Maintenance of Minute books and Records - Every Company shall cause minutes of the proceeding of every general meeting of any class of shareholders or creditors, and every resolution passed by postal ballot and every meeting of its Board of Directors or of every Committee of the Board, to be prepared and signed in such manner as may be prescribed and kept within 30 (thirty) days of the conclusion of every such meeting concerned, or passing of resolution by postal ballot in books kept for that purpose with their pages consecutively numbered.

Article 135 - Inspection of Minute Books - The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

(a) be kept at the registered office of the Company; and

(b) be open to inspection of any Member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays and Sundays.

Article 136 - Copies of Minutes - Any Member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes.

Provided that a Member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

Directors

Article 137 - Number of Directors - Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). However, the Company may at any time appoint more than 15 (fifteen) directors after passing Special Resolution at a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

Subject to Article 144, Sections 149, 152 and 164 of the Act and other provisions of the Act, the Company may increase or reduce the number of Directors.

Article 143 - Qualification Shares of Directors - A Director shall not be required to hold any qualification shares of the Company.

Proceeding of the Board of Directors

Article 159 - Meeting of Directors - The Board of Directors may from time to time for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.

At least 4 (four) Board Meetings shall be held in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. All board meetings shall normally take place at the registered office of the Company, but may also take place elsewhere within or outside of India.

Article 160 - Meeting through Video Conferencing - The Board of Directors shall be entitled to hold its meeting through video conferencing or other permitted means, and in conducting the Board Meetings through such video or other permitted means the procedures and the precautions as laid down in the relevant Rules and Secretarial Standards shall be adhered to.

With regard to every meeting conducted through video conferencing or other permitted means, the scheduled venue of the meetings shall be deemed to be in India, for the purpose of specifying the place of the said meeting and for all recordings of the proceedings at the meeting.

Article 163 - Chairperson of Board of Directors - The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.

Article 164 - Same individual may be Chairperson and Managing Director/ Chief Executive Officer - The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

Article 166 - Quorum and its competence to exercise powers - The quorum for any and all meetings of the Board of Directors shall be one-third of the total strength (any fraction contained in that one third being rounded off as one), or 2 (two) Directors whichever is higher and the Directors participating by video conferencing or by other permitted means shall also be counted for the purposes of this Article. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, being not less than 2 (two), shall be the quorum during such time.

The expressions “Interested Director” shall have the meanings given in Section 184(2) of the Act and the expression “total strength” shall have the meaning as given in Section 174 of the Act.

Article 168 - Board may appoint Committee - Subject to the provisions of the Act, the Board may from time to time may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board 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. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

Any such delegation 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.

Article 171 - Disclosure of interest by Director etc. - Every Director and Key Managerial Personnel of the Company who is in any way whether directly or indirectly concerned or interested in a contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest in the manner prescribed under the Act.

The Company shall comply with the applicable provisions of the Act, Rules framed thereunder and other relevant provisions of Applicable Law in respect of related party transactions and the Directors and Key Managerial Personnel shall comply with the disclosure of interest provisions under the Act.

Article 172 - Passing of Resolution by Circulation –

(a) No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the Chairman shall put the resolution to be decided at a meeting of the Board.

(b) A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

Managing Director/Whole Time Director

*Article 178 - Board may appoint Managing Director / Wholetime Directo*r - Subject to the provisions of the Act, the Board may from time to time appoint or re-appoint one or more of its number to be the Managing Director or Managing Directors or the Whole Time Director or Directors of the Company for such terms not exceeding 5 (five) years at a time and for such terms, on such remuneration and upon such conditions as it may think fit.

Subject to the provisions of the Act, the Board may from time to time entrust to and confer upon the Managing Director or the Whole Time Director, for the time being, such of the powers exercisable under these presents by the Board as they 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 they think expedient, and they may confer such powers, either collaterally with or to the exclusion of and in 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.

However, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

Subject to the provisions of the Act, Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation. If he ceases to hold the office of a Director for any cause whatsoever he shall ipso facto and immediately cease to be the Managing Director. However, the Board shall have the power to decide that the Managing Director shall retire by rotation in order to comply with the Act and Applicable laws.

Dividends

Article 184 - Division of Profits - The profits of the Company, subject to any special rights as to dividends or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the Members in proportion to the amount of Capital paid-up on the shares held by them respectively.

Article 185 - Dividends in proportion to amount paid up - All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

Article 186 - Interim Dividend - Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

Article 187 - Retention of dividends until completion of transfer - The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a Member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.

Article 190 - Unpaid or unclaimed Dividends - Subject to the provisions of the Act, if the Company has declared a Dividend but which has not been paid within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank.

Subject to provisions of the Act, any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Investors Education and Protection Fund established under Section 125 of the Act.

Subject to the provisions of the Act, no unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

Article 191 - Special provisions with reference to Dividends - No unpaid Dividend shall bear interest as against the Company. Notwithstanding anything contained in this Article, the Dividend Policy of the Company shall be governed by the applicable provisions of the Act and Applicable Law.

Power to authenticate documents

Article 200 - Any Director or the Company Secretary or Key Managerial Personnel or any officer appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts thereof; and where any books, records documents or accounts are then, at the office, the local manager or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.

Document purporting to be a copy of resolution of the Board or Committee or an extract from the minutes of meeting of the Board or Committee which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be that extract is a true and accurate records of a duly constituted meeting of the Board or Committee.

Winding Up

Article 201 - Winding up - Subject to the applicable provisions of the Act and the Rules made thereunder –

(a) In the event of any resolution, application or petition for corporate insolvency resolution process or liquidation of the Company or to bind the Company (in terms of the Insolvency and Bankruptcy Code, 2016 or any rules and regulations framed thereunder, as applicable), initiated by any financial or operational creditor/s of the Company, the Holding Company shall be promptly intimated and effectively consulted in respect of taking any pre-emptive or other necessary actions in that regard, by the Company.

(b) If the Company shall be wound up, the liquidator may, with the sanction of Members of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(c) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of Members.

(d) The liquidator may, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

Article 204 - Directors and others right to Indemnity -

(a) Subject to the provisions of Sections 188 and 197 of the Act, every Director, Key Managerial Personnel including Managing Director, Whole Time Director, Manager, Company Secretary and other officer of the

Company or any person who is or was serving at the request of the Company as a Director, officer or employee of another company, partnership, joint venture, trust, employee benefit plan or other body corporate ("Subsidiary Officer") shall be indemnified by the Company against liability in respect of matters which arise from acts or omissions of such person in the ordinary course of discharging his or her authorised duties in good faith and in the best interest of the Company other than liability which arises as a result of such person's negligence, default, misfeasance, breach of duty or breach of trust and the Company shall pay all costs, losses and expenses (including reasonably incurred legal fees, disbursements and travelling expense) which such director, officer, employee may incur or become liable to by reason of any contract entered into or act or deed done by him/her as such director, officer, employee in any way in the discharge of his/her duties in good faith and in the best interest of the Company except if such costs, charges, losses and damages are incurred or sustained by him/her through or by his/her own negligence, default, misfeasance, breach of duty or breach of trust.

(b) Subject to the provisions of Sections 188 and 197 of the Act, every Director, Key Managerial Personnel, officer, employee of the Company or Subsidiary Officer shall be indemnified against any liability incurred by him in defending any proceedings, (including legal fees), whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

(c) To the extent any person who is or was a Director, officer or employee of the Company or Subsidiary Officer has served or prepared to serve as a witness in any action, suit or proceeding (whether civil, criminal, administrative or investigative in nature) or in any investigation by the Company or the Board of Directors thereof or Committee thereof or by any stock exchange on which securities of the Company are or were listed by reason of his/her services as a Director, officer or employee of the Company or Subsidiary Officer (other than in a suit commenced by such person), the Company may indemnify such person against expenses (including attorneys' fees and disbursements) and costs actually and reasonably incurred by such person in connection therewith (following the final disposition of such action, suit or proceeding) within 30 (thirty) days after receipt by the Company from such person of a statement requesting such indemnification, averring such service and reasonably evidencing such expenses and costs.

(d) Any indemnification under Sub-Articles (a) to (c) above (unless ordered by a Court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the present or former Director, Key Managerial Personnel, officer or employee of the Company or Subsidiary Officer is proper under the circumstances because such person has met the applicable standard of conduct set forth in, Sub-Articles (a) to (c) above. Such determination shall be made with respect to a person who is a Director, Key Managerial Person or officer at the time of such determination (i) by a majority vote of the Board who were not parties to the action, suit or proceeding, or (ii) by a Committee of such directors (each of whom is not a party to such action, suit or proceeding) designated by majority vote of the Board, or (iii) if there are no such Directors or if the disinterested Directors cannot meet the quorum requirement of the board meeting, by an ordinary resolution of the shareholders in a general meeting. In the event a request for indemnification is made by any person referred to in Sub-Articles (a) to (c) above, the Company shall cause such determination to be made not later than 60 (sixty) days after such request is made.

(e) The indemnification provided or permitted under Sub-Articles (a) to (c) above shall apply in respect of any expense, cost, judgement or amount paid in settlement (subject to Company consenting to any such settlement, which consent shall not be unreasonably withheld), whether or not the claim or cause of action in respect thereof accrued or arose before or after the effective date of adoption of this Article. The right of any person who is or was a Director, Key Managerial Person, officer or employee of the Company to indemnification under Sub-Articles (a) to (c) above shall continue after he/she shall have ceased to be a Director, Key Managerial Person, officer or employee of the Company or Subsidiary Officer and shall inure to the benefit of the heirs, distributees, executors, administrators and other legal representatives of such person.

(f) The Company may purchase and maintain any insurance as the Board may think fit on behalf of any person who is or was a Director, officer or employee of the Company or Subsidiary Officer for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

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. The Issue Agreement dated October 12, 2018 executed between our Company and the Lead Managers.
2. Registrar Agreement dated October 11, 2018 executed between our Company and the Registrar to the Issue.
3. Debenture Trusteeship Agreement dated October 10, 2018 entered between our Company and Axis Trustee Services Limited, the Debenture Trustee.
4. Public Issue Account Agreement dated December 5, 2018, entered between our Company, Lead Managers, Public Issue Account Bank, Refund Bank and Registrar to the Issue.
5. Lead Broker Agreement dated December 5, 2018, entered between our Company, Lead Managers and Lead Brokers to the Issue.
6. Tripartite Agreement dated March 27, 2015 among our Company, the Registrar to the Issue and NSDL for offering depository option to the NCD Holders.
7. 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 the Resolution passed by the Board of Directors at its Meeting held January 15, 2018 authorising the Issue.
6. Certified True Copy of Resolution passed by the Shareholders at the general meeting held on January 20, 2018 granting authority to the Board of Directors to borrow monies under Section 180(1)(c) of the Companies Act 2013, from time to time.
7. Certified True Copy of the Resolution passed by the Committee of Directors at its Meeting held on October 12, 2018 approving the Draft Prospectus.
8. Certified True Copy of the Resolution passed by the Committee of Directors at its Meeting held on December 11, 2018 approving this Prospectus.
9. Annual Reports of our Company for FY2014 to FY2018 and Audited Accounts of the Company for the 3(three) months ended June 30, 2018.
10. The Examination Report of the Statutory Auditors dated October 12, 2018 in relation to the Reformatted Financial Statements included herein and the Special Purpose Interim Condensed Financial Statements including the audit opinion of the Statutory Auditor, prepared in accordance with the Indian Accounting Standard 34 “Interim Financial Reporting”
11. Statement of tax benefits dated October 12, 2018, issued by our Statutory Auditors.
12. In-principle listing approval obtained from BSE vide letter ref. no. DCS/BM/PI-Bond/13/18-19 dated October 24, 2018.

13. Certified True Copies of Board Resolution dated May 21, 2014, June 17, 2016, August 4, 2016 and April 24, 2018 and Agreements dated September 8, 2016 and May 10, 2018 relating to the tenure and terms of appointment of the Chairman and Managing Director of our Company.

14. Certified True Copies of Board Resolution dated May 21, 2014, August 4, 2016 and April 24, 2018 and and Agreements dated September 8, 2016 and May 10, 2018 relating to the tenure and terms of appointment of the Vice Chairman of our Company.

15. Letter Agreement dated June 17, 2016 between SIFL and our Company in relation to the ‘Srei’ trademark.

16. Credit rating letters dated April 06, 2017 and revalidation letters dated September 18, 2018, October 09, 2018 and December 3, 2018 from ACUITE granting credit rating to the NCDs to be issued in pursuance of this Prospectus.

17. Credit rating letters dated April 12, 2017 and revalidation letter dated October 11, 2018 and November 28, 2018 from BRICKWORK granting credit rating to the NCDs to be issued in pursuance of this Prospectus.

18. Written consent of our Statutory Auditor vide letter dated December 11, 2018, to include their name as an expert under Section 26(5) of the Companies Act 2013 in the Prospectus in relation to the examination report dated October 12, 2018, Special Purpose Interim Condensed Financial Statements as at June 30, 2018 dated September 3, 2018, report dated November 15, 2018 relating to the Unaudited Interim Financial Results and statement of tax benefits dated October 12, 2018 included in the Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

19. Consents of the (a) the Directors, (b) the Company Secretary and Compliance Officer of the Company, (c) Chief Financial Officer (d) the Statutory Auditor, (e) Lenders to our Company (f) Lead Managers, (g) Registrar, (h) Legal Advisor to the Issue, (i) Credit Rating Agencies, (j) Feedback, (k) the Debenture Trustee (l) Public Issue Account Bank, (m) Refund Banker to the Issue and (n) Lead Brokers to include their names in this Prospectus and to act in their respective capacities.

20. Due Diligence Certificate dated December 11, 2018 filed by the Lead Managers.

21. Feedback Reports which comprises of "Indian Economy", "Infrastructure Segment", "Market Assessment of the Construction, Mining & Allied Equipment (CME) Segment in India", "Farm Equipment Market", "Medical Device Market in India", "Indian IT Equipment Industry", "Indian Tippers Market", "Market Assessment of the Construction, Mining and Allied Equipment (CME) Financing Segment", "Farm Equipment Financing in India", "Medical Equipment Finance in India", "Market Assessment of the IT Equipment (IT) Finance Segment in India" and "Market Assessment of Tipper Financing Segment in India", all dated July 10, 2018, prepared by Feedback Business Consulting Services Private Limited and consent letter dated September 24, 2018 from Feedback Business Consulting Services Private Limited for disclosure of the industry reports stated hereinbefore in this Prospectus.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Debenture holders, in the interest of our Company in compliance with applicable laws.

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 of 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 and Managing Director)

Sunil Kanoria

Sunil Kanoria
(Vice Chairman)

Shyamalendu Chatterjee
(Independent Director)

Supriya Prakash Sen
(Independent Director)

Suresh Kumar Jain
(Independent Director)

Place: KOLKATA
Date: 11.12.2018

ANNEXURE A: FINANCIAL INFORMATION

Chartered Accountants
13th & 14th Floor
Building - Omega
Bengal Intelligent Park
Block – EP & GP, Sector – V
Salt Lake Electronics Complex
Kolkata – 700 091
West Bengal, India

Tel: +91 33 6612 1000
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REPORT OF THE INDEPENDENT AUDITOR ON THE REFORMATTED FINANCIAL STATEMENTS

To the Board of Directors of
Srei Equipment Finance Limited

Report on the Reformatted Financial Statements

1) The accompanying Reformatted Financial Statements of Srei Equipment Finance Limited (the "**Company**"), which comprise the Reformatted Statements of Assets and Liabilities as at June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, and also the Reformatted Statements of Profit and Loss and the Reformatted Cash Flow Statements for the quarter ended June 30, 2018 and for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, and a summary of the significant accounting policies and other explanatory information (together comprising the "**Reformatted Financial Statements**") are derived from the audited special purpose interim condensed financial statements and audited financial statements of the Company for the respective quarter/years audited by us/previous auditor as detailed in paragraph 3(a) to 3(b) below (referred to as the "**Audited Financial Statements**").

2) The Reformatted Financial Statements have been prepared by the Management of the Company on the basis of Note 1.2 to the Reformatted Financial Statements and have been approved by the Board of Directors.

3) (a) We expressed our opinion on the special purpose interim condensed financial statements for the quarter ended June 30, 2018 and on the audited financial statements of the Company for the years ended March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 vide our reports dated September 3, 2018, April 24, 2018, May 8, 2017, May 10, 2016 and April 24, 2015 respectively;

   (b) The financial statements of the Company for the year ended March 31, 2014 was audited by the previous auditors, on which they have expressed their opinion vide their report dated May 21, 2014. In relation to the aforesaid financial statements audited by the previous auditors, we have not carried out any audit tests or review procedures, and, accordingly reliance has been placed on the financial statements audited by the previous auditor for the said year and the audit report thereon.

4) The previous auditors have issued a report on reformatted financial statements dated October 12, 2018 for the year ended March 31, 2014. Our reporting on March 31, 2014 is solely based on the report submitted by previous auditor on which we have placed reliance.

5) The Reformatted Financial Statements as at and for the year ended March 31, 2014 reported upon by previous auditor on which reliance has been placed by us and for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 reported upon by us have been regrouped/ reclassified wherever necessary to correspond with the presentation/disclosure requirements of the quarter ended June 30, 2018. The figures included in the Reformatted Financial Statements, do not reflect the effect of events that occurred subsequent to the date of our reports on the respective periods referred to in paragraph 3(a) and 3(b) above.

6) **Management's Responsibility for the Reformatted Financial Statements**

Management is responsible for the preparation of the Reformatted Financial Statements, as mentioned in paragraph 1 above, on the basis of Note 1.2 to the Reformatted Financial Statements. Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Reformatted Financial Statements that are free from material misstatement, whether due to fraud and error. The Management and the Board of Directors are also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations that determine the reported amounts and disclosures in the Reformatted Financial Statements.

7) **Auditor's Responsibility**

Our responsibility is to express an opinion on the Reformatted Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Financial Statements" issued by the Institute of Chartered Accountants of India.

8) **Opinion**

In our opinion and as per the reliance placed on the report submitted by previous auditor, the Reformatted Financial Statements derived from the Audited Financial Statements of the Company for the respective period/years are a fair summary of the Audited Financial Statements of the respective period/years on the basis described in Note 1.2 to the Reformatted Financial Statements.

9) **Other matters**

a. 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 Reformatted Financial Statements.

b. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Deloitte
Haskins & Sells

10) **Restrictions on Use**

This report is addressed to and is provided to enable the Company to include this report in the Draft Prospectus in connection with the issue, to be filed by the Company with BSE Limited and with the Securities and Exchange Board of India. The Reformatted Financial Statements may, therefore, not be suitable for another purpose or distributed to any other person, without our prior written consent.

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

Shrenik Baid
Partner
(Membership Number: 103884)

Mumbai, October 12, 2018

SREI EQUIPMENT FINANCE LIMITED

Reformatted Statement of Assets and Liabilities

(₹ in lakhs)

Particulars	Note No.	As at 30 June, 2018	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014
I EQUITY AND LIABILITIES							
(1) Shareholders' funds							
(a) Share capital	2.1	5,966	5,966	5,966	5,966	5,966	5,966
(b) Reserves and Surplus	2.2	281,287	272,076	246,074	230,432	218,906	203,690
		287,253	278,042	252,040	236,398	224,872	209,656
(2) Non-current liabilities							
(a) Long-term borrowings	2.3	719,997	596,831	423,259	277,884	321,495	409,238
(b) Deferred tax liabilities (Net)	2.4	27,277	31,530	23,774	17,166	18,155	15,694
(c) Other long term liabilities	2.5	51,206	47,916	17,652	16,256	13,743	14,550
(d) Long-term provisions	2.6	8,224	7,119	4,831	3,971	4,072	2,296
		806,704	683,396	469,516	315,277	357,465	441,778
(3) Current liabilities							
(a) Short-term borrowings	2.7	1,158,800	1,123,137	753,416	763,149	818,566	739,521
(b) Trade payables							
(i) Due to Micro and Small Enterprises	2.8 (i)	-	-	-	-	-	-
(ii) Due to Others	2.8 (ii)	137,747	171,546	102,953	76,812	38,364	27,704
(c) Other current liabilities							
(i) Current maturities of long term borrowings	2.9	151,516	161,962	116,509	144,338	166,392	160,834
(ii) Other current liabilities	2.9	32,251	28,480	26,546	27,296	20,597	22,387
(d) Short-term provisions	2.10	3,240	3,601	2,040	2,943	3,248	10,696
		1,483,554	1,488,726	1,001,464	1,014,538	1,047,167	961,142
TOTAL		2,577,511	2,450,164	1,723,020	1,566,213	1,629,504	1,612,576
II ASSETS							
(1) Non- current assets							
(a) Property Plant and Equipment							
(i) Tangible assets	2.11	436,896	443,875	231,306	138,323	161,946	125,358
(ii) Intangible assets	2.11	1,008	1,115	2,374	3,476	3,891	3,786
(b) Non current investments	2.13	-	-	7	218	805	113
(c) Long-term loans and advances							
(i) Financial assets	2.14	1,148,947	1,176,281	856,821	786,286	743,839	763,058
(ii) Other long term advances	2.15	23,748	27,565	15,075	2,320	3,416	3,479
(d) Other non current assets	2.16	46,041	25,940	7,610	13,441	17,103	25,978
		1,656,640	1,674,776	1,113,193	944,064	931,000	921,772
(2) Current assets							
(a) Current investments	2.13	-	-	208	572	725	2,971
(b) Trade receivables	2.17	7,132	11,284	5,579	6,983	6,590	6,597
(c) Cash and cash equivalents	2.18	78,892	63,781	36,123	20,783	35,329	61,736
(d) Short-term loans and advances							
(i) Financial assets	2.14	356,456	238,750	185,069	216,763	228,528	164,424
(ii) Other short term advances	2.19	39,545	31,317	5,063	3,042	3,280	2,079
(e) Other current assets							
(i) Current maturities of long term financial assets	2.14	431,814	420,916	371,692	360,508	413,783	446,457
(ii) Other current assets	2.20	7,032	9,340	6,093	13,498	10,269	6,540
		920,871	775,388	609,827	622,149	698,504	690,804
TOTAL		2,577,511	2,450,164	1,723,020	1,566,213	1,629,504	1,612,576

The accompanying significant accounting policies and notes are an integral part of the Reformatted Financial Statements

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

On behalf of the Board of Directors

Shrenik Baid
Partner

Hemant Kanoria
Chairman and Managing Director
(DIN : 00193015)

Devendra Kumar Vyas
Chief Executive Officer

Place : Kolkata
Date: October 12, 2018

Manoj Kumar Beriwala
Chief Financial Officer

Ritu Bhojak
Company Secretary

SREI EQUIPMENT FINANCE LIMITED

Reformatted Statement of Profit and Loss

(₹ in lakhs)

Particulars	Note No.	For the three months ended 30 June 2018	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014
(1) INCOME							
(a) Revenue from operations	2.21	97,675	330,954	249,333	261,388	260,144	261,793
(b) Other income	2.22	82	1,137	200	121	834	140
Total Income		**97,757**	**332,091**	**249,533**	**261,509**	**260,978**	**261,933**
(2) EXPENDITURE							
(a) Finance costs	2.23	47,419	159,471	133,240	141,771	144,228	153,373
(b) Employee benefits expense	2.24	4,822	18,909	15,479	14,597	14,256	9,603
(c) Depreciation, amortization and Impairment expenses	2.11	17,874	57,966	35,929	32,261	29,257	24,234
(d) Other expenses	2.25	5,197	22,102	17,970	17,219	16,844	13,027
Total		**75,312**	**258,448**	**202,618**	**205,848**	**204,585**	**200,237**
(3) PROFIT BEFORE BAD DEBTS, WRITTEN OFF, PROVISIONS, CONTINGENCIES AND TAX		**22,445**	**73,643**	**46,915**	**55,661**	**56,393**	**61,696**
(a) Bad debts written off, provisions and contingencies	2.26	9,168	34,202	25,273	39,618	33,657	25,941
(4) PROFIT BEFORE TAX		**13,277**	**39,441**	**21,642**	**16,043**	**22,736**	**35,755**
(5) Tax expense :							
(a) Current tax		8,432	8,179	4,599	5,506	4,929	12,810
(b) MAT Credit Entitlement		-	(2,843)	(4,599)	-	-	-
(b) Deferred tax		(4,253)	7,756	6,758	(989)	2,505	407
Net Tax Expense		**4,179**	**13,092**	**6,758**	**4,517**	**7,434**	**13,217**
(6) PROFIT AFTER TAX		**9,098**	**26,349**	**14,884**	**11,526**	**15,302**	**22,538**
(7) Earnings per share (basic and diluted) (₹)	2.27	15.25*	44.17	24.95	19.32	25.65	37.78
Face Value of Equity Shares of ₹ 10/- each (30th June, 2018, 31st March, 2018, 2017, 2016, 2015 and 2014: ₹ 10/-each)]							
* Not Annualised							

The accompanying significant accounting policies and notes are an integral part of the Reformatted Financial Statements

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

On behalf of the Board of Directors

Shrenik Baid
Partner

Hemant Kanoria
Chairman and Managing Director
(DIN : 00193015)

Devendra Kumar Vyas
Chief Executive Officer

Place : Kolkata
Date: October 12, 2018

Manoj Kumar Beriwala
Chief Financial Officer

Ritu Bhojak
Company Secretary

SREI EQUIPMENT FINANCE LIMITED

Reformatted Cash Flow Statement

(₹ in lakhs)

Particulars	For the three months ended 30 June 2018	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014
A. Cash Flows from Operating Activities						
Profit Before Tax	13,277	39,441	21,642	16,043	22,736	35,755
Adjustment for :						
Depreciation, amortization and impairment expenses	17,874	57,966	35,929	32,261	29,257	24,234
Bad debts written off, provisions and contingencies	9,168	34,202	25,273	39,618	33,657	25,941
(Profit) / Loss on sale of Property Plant and Equipment (net)	166	903	(88)	71	238	184
Finance costs	47,419	159,471	133,240	141,771	144,228	153,373
Profit on sale from Current investments	-	-	-	-	(754)	-
Unrealised exchange Loss / (Gain)	(409)	(549)	(566)	2,201	-	-
Dividend Income from Current Investments (Non Trade)	(78)	(1,116)	(94)	(112)	(72)	(135)
Operating profit before working capital changes	**87,417**	**290,318**	**215,336**	**231,853**	**229,290**	**239,352**
Changes in working capital :						
(Increase) / Decrease in Trade Receivables/ Others	(1,233)	(51,583)	(2,654)	306	794	(326)
(Increase) / Decrease in Financial Assets	(108,856)	(451,996)	(104,887)	(123)	(81,420)	(39,016)
Increase / (Decrease) in Trade Payables/Others	(29,804)	97,884	4,328	41,273	11,967	(5,078)
(Increase) / Decrease in Fixed Deposit (Deposits with original maturity period of more than three months)	(27,689)	(47,290)	(12,445)	655	22,457	37,718
Cash (used in) / generated from operations	**(80,165)**	**(162,667)**	**99,678**	**273,964**	**183,088**	**232,650**
Interest paid (net of foreign exchange fluctuation)	(44,533)	(158,759)	(136,813)	(135,463)	(145,785)	(154,301)
Advance taxes paid (including Tax deducted at Source)	(4,533)	(4,636)	(5,775)	(6,767)	(11,227)	(10,470)
Net Cash (used in) / generated from operating activities	**(129,231)**	**(326,062)**	**(42,910)**	**131,734**	**26,076**	**67,879**
B. Cash flows from investing activities						
Purchase of Property Plant and Equipment	(33,080)	(270,246)	(80,901)	(24,478)	(31,287)	(24,138)
Investment in mutual funds and in units of trust and schemes of venture funds	-	(2,300)	-	-	-	-
Proceeds from Redemption/Sale of Investments in units of pass through certificates and trust/schemes of venture funds	-	3,715	575	740	2,308	53
Dividend Income from Current Investments (Non Trade)	78	1,116	94	112	72	135
Proceeds from Sale of Property Plant and Equipment	18,247	3,224	2,134	519	332	1,072
Net Cash used in from Investing Activities	**(14,755)**	**(264,491)**	**(78,098)**	**(23,107)**	**(28,575)**	**(22,878)**
C. Cash Flows from Financing Activities						
Proceeds from issuance of debentures	52,385	87,113	102,650	71,930	86,600	12,680
Repayment on redemption of debentures	(28,333)	(20,296)	(46,600)	(68,600)	(42,924)	(57,289)
Increase / (Decrease) in Working Capital facilities (net)	10,388	191,748	(38,222)	20,648	38,798	(19,805)
Increase / (Decrease) in Other Loans (net)	108,405	327,334	106,941	(143,779)	(86,156)	16,249
Net Cash (used in) / generated from Financing Activities	**142,845**	**585,899**	**124,769**	**(119,801)**	**(3,682)**	**(48,165)**
D. Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**(1,141)**	**(4,654)**	**3,761**	**(11,174)**	**(6,181)**	**(3,164)**
E. Cash and Cash Equivalents at the beginning of the period/year	**2,529**	**7,183**	**3,422**	**14,596**	**20,777**	**23,941**
F. Cash and Cash Equivalents at the end of the period/year (refer note 2.18) (D+E)	**1,388**	**2,529**	**7,183**	**3,422**	**14,596**	**20,777**

The accompanying significant accounting policies and notes are an integral part of the Reformatted Financial Statements

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

On behalf of the Board of Directors

Shrenik Baid
Partner

Hemant Kanoria
Chairman and Managing Director
(DIN : 00193015)

Devendra Kumar Vyas
Chief Executive Officer

Place : Kolkata
Date: October 12, 2018

Manoj Kumar Beriwala
Chief Financial Officer

Ritu Bhojak
Company Secretary

1.1 GENERAL CORPORATE INFORMATION

Three months ended 30 June, 2018, Financial Year 2017-18 and 2016-17

Srei Equipment Finance Limited, a wholly owned subsidiary of Srei Infrastructure Finance Limited, is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company had received a Certificate of Registration from the Reserve Bank of India ('RBI') on 3 September, 2008 to commence / carry on the business of Non-Banking Financial Company ('NBFC') without accepting public deposits, classified as Systemically Important NBFC (NBFC-NDSI). Subsequently, the Company has been issued a new certificate by the RBI dated 19 February, 2014 consequent to conversion from Private Limited Company to Public Limited Company.

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 19 February, 2014 consequent to conversion from Private Limited Company to Public Limited Company.

Financial Year 2014-15 and 2013-14

Srei Equipment Finance Limited (Formerly, Srei Equipment Finance Private Limited) (the 'Company') is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act' 1956. The Company has received a Certificate of Registration from the Reserve Bank of India ('RBI') on 3 September, 2008 to commence / carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits.

Background

The Company is proposing to have a public issue of Secured Redeemable Non-Convertible Debentures of face value of Rs 1,000 each,("Secured NCDs") and/or Unsecured, Subordinated Redeemable Non-Convertible Debentures of face value of Rs 1,000 each,("Unsecured NCDs") , base issue of upto Rs 1,500,000,000 (Rupees One Thousand Five Hundred Million) with an option to retain over-subscription up to Rs 1,500,000,000 (Rupees One Thousand Five Hundred Million) aggregating to Rs. 3,000,000,000 (Rupees Three Thousand Million) (hereinafter referred to as the "Issue").

For this purpose the Company has prepared the Reformatted Statement of Assets and Liabilities for the three month ended 30 June 2018 and as at 31 March, 2018, 31 March, 2017, 31 March, 2016, 31 March, 2015 and 31 March, 2014 and Reformatted Statements of Profit and Loss and the Reformatted Cash Flow Statements for the three month ended 30 June 2018 and for the years ended 31 March 2018 31 March, 2017, 31 March, 2016, 31 March, 2015 and 31 March, 2014, and the significant accounting policies and other explanatory information (together comprising the "Reformatted Financial Statements"). Accordingly these Reformatted Financial Statements will be included in the draft prospectus proposed to be filed by the Company with the BSE Limited and with Securities and Exchange Board of India (the "SEBI") (the "Draft Prospectus") and the prospectus proposed to be filed with the BSE Limited, SEBI and the Registrar of Companies, West Bengal at Kolkata (the "Prospectus") in connection with the proposed public issue of NCDs by the Company.

1 .2 BASIS OF PREPARATION

The Reformatted Financial Statements are based on and have been extracted by the Management of the Company from the Audited Financial Statements of the Company for the three month ended 30 June, 2018 and financial years ended 31 March, 2018, 31 March, 2017, 31 March, 2016, 31 March, 2015 and 31 March, 2014. The Reformatted Financial Statements as at and for the three month ended 30 June 2018 and for each of the years ended 31 March, 2018, 31 March, 2017, 31 March, 2016, 31 March, 2015 and 31 March, 2014 has been regrouped/reclassified wherever necessary to correspond with the presentation / disclosure requirements of the three month ended 30 June, 2018.

These Reformatted Financial Statements, do not reflect the effects of events that occurred subsequent to the dates of the auditors' reports on the Audited Financial Statements of the respective period/years and also do not reflect the effects of change in accounting policies from one period/year to another, if any.

Three months ended 30 June, 2018

The Special Purpose Condensed Financial Statements of the Company have been prepared and presented under historical cost convention on the accrual basis of accounting to comply with the recognition and measurement principles laid down in Accounting Standards (AS) 25 – " Interim Financial Reporting" specified under the Companies (Accounting Standard) Rules, 2006, as amended from time to time, read with the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable, and as per the guidelines issued by the RBI as applicable to a Non-Banking Financial (Non-deposit accepting or holding) Companies ('NBFC Regulations'). The notified Accounting Standards (AS) is followed by the Company in so far as they are not inconsistent with the NBFC Regulations.

These Special Purpose Condensed Financial Statements comprises of Special Purpose Condensed Balance Sheet as at 30 June, 2018, the Special Purpose Condensed Statement of Profit and Loss for the three months ended 30 June, 2018, the Special Purpose Condensed Cash Flow Statement for the three months ended 30 June, 2018 and other explanatory notes.

The Management of the Company has prepared these Condensed Financial Statements under the special purpose framework for the purpose of preparation of the Reformatted Financial Statements 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) 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 issue of Secured NCDs and/or Unsecured NCDs of the Company.

Financial Year 2017-18

The Financial Statements of the Company have been prepared and presented under historical cost convention on the accrual basis of accounting to comply with the recognition and measurement principles laid down in Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act"), as applicable, and as per the guidelines issued by the RBI as applicable to a Non-Banking Financial (Non-deposit accepting or holding) Companies ('NBFC Regulations'). The notified Accounting Standards (AS) is followed by the Company in so far as they are not inconsistent with the NBFC Regulations.

Financial Year 2016-17 and 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.

1.3 SIGNIFICANT ACCOUNTING POLICIES

Three months ended 30 June, 2018

The Company has followed the same accounting policies if the Special Purpose Condensed Financial Statements as those followed in the preparation of the annual financial statements as at 31st March, 2018. The Special Purpose Financial Statements should be read in conjunction with the audited financial statements and the related notes for the year ended 31st March, 2018.

i. Operating cycle

Three months ended 30 June, 2018, Financial Year 2017-18, 2016-17, 2015-16, 2014-15 and 2013-14

'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.

ii. Presentation and disclosure in financial statements

Three months ended 30 June, 2018, Financial Year 2017-18, 2016-17, 2015-16 and 2014-15

The financial statements are presented and prepared according to Part I and Part II of Schedule III notified under the Companies Act, 2013.

Financial Year 2013-14
The financial statements are presented and prepared according to revised Schedule VI notified under the Companies Act, 1956.

iii. Use of estimates

Three months ended 30 June, 2018, Financial Year 2017-18, 2016-17, 2015-16, 2014-15 and 2013-14

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years.

iv. Property Plant and Equipment and Depreciation/Amortisation

a) Property, Plant and Equipment

Three months ended 30 June, 2018, Financial Year 2017-18 and 2016-17

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 2015-16, 2014-15 and 2013-14

a) Fixed Assets

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.

b) Depreciation/ Amortisation

Three months ended 30 June, 2018 and Financial Year 2017-18

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under 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
Computers Equipment	3 and 6 years	5 years
Earth Moving Equipment	9 years	7 years
Motor Vehicles	8 years	7 years
Plant and Machinery	15 and 30 years	8 and 15 years
Windmill	22 years	20 years

Own Use Assets

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

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

Lease hold assets including improvements are amortized over the period of estimated useful life or lease period whichever is lower.

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

Amortization is provided on Straight Line Method ('SLM'), which reflect the management's estimate of the useful life of the intangible asset.

Class of Assets	Useful Life as followed by the management
Software	5 years*

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

Financial Year 2016-17

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
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/30 years	8 years/15 years
Windmill	22 years	20 years

Own Use Assets

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

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

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	Useful Life as followed by the management
Software	5 years*

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

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 1 April 2014, reviewed and revised the useful lives of its Fixed Assets.

During the year ended 31 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

c) Impairment of assets

Three months ended 30 June, 2018, Financial Year 2017-18, 2016-17, 2015-16, 2014-15 and 2013-14

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.

v. Borrowing Costs

Three months ended 30 June, 2018, Financial Year 2017-18, 2016-17, 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.

vi. Operating Leases

Three months ended 30 June, 2018, Financial Year 2017-18, 2016-17, 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 the 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.

vii. Finance Leases

Three months ended 30 June, 2018, Financial Year 2017-18, 2016-17, 2015-16, 2014-15 and 2013-14

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

Three months ended 30 June, 2018, Financial Year 2017-18, 2016-17, 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.

ix. Financial Assets

Three months ended 30 June, 2018 and Financial Year 2017-18

a. Financial Assets include loans granted under hypothecation facilities, repossessed, assets/receivables acquired in satisfaction of debt, and instruments (equity shares, preference shares, loans and debentures) received in consideration under Corporate Debt Restructuring (CDR), or Strategic Debt Restructuring (SDR) or Scheme for Sustainable Structuring of Stressed Assets (S4A).

b. Loans are carried at the amount advanced, interest accrued, as reduced by the amounts received and loans securitised or assigned.

c. Repossessed assets and assets/receivables acquired in satisfaction of debt are carried 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.

d. Securities received under CDR, SDR and S4A are carried based on the applicable guidelines issued by the RBI.

e. 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 or securities/collaterals, which would generally include, among others, alteration of repayment period, repayable amount, the amount of installments, rate of interest, etc. Restructured accounts are classified as standard or sub-standard in accordance with guidelines on restructuring applicable to NBFCs.

Financial Year 2016-17

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 instalments fallen due, interest accrued, Repossessed Assets, assets/receivables acquired in satisfaction of debt.

c. Repossessed Assets and assets/receivables 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 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.

x. Bad debts written-off, provisions and contingencies

Three months ended 30 June, 2018 and Financial Year 2017-18

The Company classifies its loans into performing and non-performing assets (NPAs) based on number of days– principal or interest remains past due in accordance with the RBI guidelines. The Company recognizes provisions for NPAs and standard assets in accordance with applicable guidelines issued by the RBI. The Company also makes additional provision for NPA to the extent considered necessary based on the management's best estimate.

Loans and advances which as per the management are not likely to be recovered are written off as bad debt. Loss on repossessed assets or on assets/ receivables acquired in satisfaction of debt are written-off as bad debts. Recoveries made from previously written off assets are netted from bad-debts written off.

Write-off/ Provisioning of assets

Financial Year 2016-17

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.

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.

xi. Foreign currency transactions and balances

a) Initial recognition

Three months ended 30 June, 2018, Financial Year 2017-18, 2016-17, 2015-16, 2014-15 and 2013-14

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

Three months ended 30 June, 2018, Financial Year 2017-18, 2016-17, 2015-16, 2014-15 and 2013-14

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 are determined.

c) Exchange differences

Three months ended 30 June, 2018, Financial Year 2017-18 and 2016-17

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 period and / or on conversion of monetary items, are recognized as income or expenses in the period in which they arise except as stated in paragraph (e).

Financial Year 2015-16, 2014-15 and 2013-14

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.

d) Forward Exchange Contracts (not intended for trading or speculation purpose)

Three months ended 30 June, 2018, Financial Year 2017-18, Year 2016-17, 2015-16, 2014-15 and 2013-14

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.

e) Derivatives and Hedging

Three months ended 30 June, 2018 and Financial Year 2017-18, 2016-17

The Company, in order to hedge itself against the adverse impact of fluctuations in foreign currency rates or 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. The Company with effect from 1 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 the “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 amounts of derivatives 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 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 expires 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.

Derivatives

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

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.

xii. Revenue recognition

Three months ended 30 June, 2018 and Financial Year 2017-18

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. Revenue from Operations is recognized in the Statement of Profit and Loss on an 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 the RBI, applicable to NBFCs.

(a) Financial Assets

(i) 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.
(ii) Fees for processing of loans are recognized when a binding obligation for granting loan has been entered into.
(iii) Interest for delayed payment and changes to the Company’s benchmark interest rate revision are accrued, due to uncertainty of realization, are recognized only to the extent of probable recovery. These charges are usually realized on full and final settlement.
(iv) Gains and interest differential arising on securitized / assigned assets are recognized over the tenure of agreements as per the guideline on securitization of standard assets issued by the RBI, and included under income from financial assets, while loss, if any is recognized upfront.
(v) Referral income is recognized when it becomes due under the term of relevant mutually agreed arrangement.

(b) Operating Lease

(i) Income from operating lease is recognized as rentals (net of applicable tax), on straight line basis over the period of the lease.
(ii) Fees for processing of operating lease are recognized upfront when a binding obligation for assets given on operating lease has been entered into.
(iii) Interest for delayed payment and changes to the Company’s benchmark interest rate revision are accrued, due to uncertainty of realization are recognized only to the extent of probable recovery. These charges are usually realized on full and final settlement.

(c) 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.

(d) Revenue from sale of power is recognised to the extent of the Company's share of income of the jointly controlled operations arising out of sale of units generated as per the terms of the respective power purchase agreements with the State Electricity Boards.

(e) Income from dividend is recognised when the Company's right to receive such dividend is established by the Balance Sheet date.

Financial Year 2016-17, 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.

xiii. Retirement and other employee benefits

Three months ended 30 June, 2018, Financial Year 2017-18, 2016-17, 2015-16 2014-15, 2013-14

(a) Employee benefits in the form of Provident Fund and Employee's State Insurance are defined contribution plans and related contributions are charged to the Statement of Profit and Loss, when an employee renders the related services. 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 the 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.

(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 recognized in the Statement of Profit and Loss and are not deferred.

xiv. Income tax

Three months ended 30 June, 2018, Financial Year 2017-18, 2016-17, 2015-16 and 2014-15

Tax expense comprises of current and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred 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 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 the 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 the Company will pay normal income tax during the specified period.

Financial Year 2013-14

Tax expense comprises of current {net of Minimum Alternate Tax (MAT) credit entitlement} and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that these can be realized against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is recognized by crediting to Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

Financial Year 2016-17, 2015-16, 2014-15 and 2013-14

xv. Segment reporting

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

Three months ended 30 June, 2018, Financial Year 2017-18, 2016-17, 2015-16, 2014-15 and 2013-14

Basic earnings per share are calculated by dividing the net profit or loss for the period/year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period/year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period/year 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

Three months ended 30 June, 2018, Financial Year 2017-18, 2016-17, 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.

xviii. Cash and cash equivalents

Three months ended 30 June, 2018, Financial Year 2017-18, 2016-17, 2015-16, 2014-15 and 2013-14

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")

Three months ended 30 June, 2018, Financial Year 2017-18 and 2016-17

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 NBFC registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997, no 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.

However, as a matter of prudence, the Company, as per the management's discretion, created DRR for redemption of privately placed subordinated debentures / loans qualifying for Tier I / Tier II Capital on a 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.

xx. Segment reporting

Financial Year 2016-17, 2015-16 2014-15 and 2013-14

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.

xxi. Assets under Management

Financial Year 2016-17, 2015-16 2014-15 and 2013-14

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.

xxii. Miscellaneous Expenditure (to the extent not written off / adjusted)

Financial Year 2013-14

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.

SREI EQUIPMENT FINANCE LIMITED

Notes forming part of Refomatted Statement of Assets and Liabilities

2.1 SHARE CAPITAL

Particulars	As at 30th June, 2018		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014	
	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, ₹ 10/- par value	500,000,000	50,000	500,000,000	50,000	75,000,000	7,500	75,000,000	7,500	75,000,000	7,500	75,000,000	7,500
Preference shares, ₹ 100/- par value	50,000,000	50,000	50,000,000	50,000	-	-	-	-	-	-	-	-
		100,000		100,000		7,500		7,500		7,500		7,500
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	59,660,000	5,966
Total		5,966		5,966		5,966		5,966		5,966		5,966

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 June, 2018		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)
At the beginning of the year	59,660,000	5,966	59,660,000	5,966	59,660,000	5,966	59,660,000	5,966	59,660,000	5,966	59,660,000	5,966
Add: Issued as fully paid up during the period/year	-	-	-	-	-	-	-	-	-	-	-	-
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	59,660,000	5,966

2.1.2 Terms/rights attached to equity shares and Preference Shares

Three months ended 30th June, 2018 and Financial Year 2017-18

The Company's authorized capital consists of two classes of shares referred to as Equity Shares and Preference shares having par value of ₹ 10/- each and ₹ 100/- each, respectively. Each holder of Equity Shares is entitled to one vote per share. Preference Shareholders has a preferential right over equity shareholders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Company during the three months ended June, 2018 and year ended March, 2018 and are outstanding as at that date.

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.

Financial Year 2016-2017, 2015-2016, 2014-15 and 2013-14

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 June, 2018		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014	
	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 (Holding Company)*	59,660,000	100	59,660,000	100	59,660,000	100	29,830,000	50	29,830,000	50	29,830,000	50
BNP Paribas Lease Group*#	-	-	-	-	-	-	29,830,000	50	29,830,000	50	29,830,000	50

* Including nominee shareholders

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

SREI EQUIPMENT FINANCE LIMITED

Notes forming part of Refomatted Statement of Assets and Liabilities

2.2 RESERVES AND SURPLUS

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Capital Reserve						
Opening balance	31	31	31	31	31	31
Add/Less: Transferred from / to Surplus	-	-	-	-	-	-
Closing Balance	31	31	31	31	31	31
Securities Premium Reserve						
Opening balance	103,980	103,980	103,980	103,980	103,980	103,980
Add: Received on issue of equity shares during the period/year	-	-	-	-	-	-
Closing Balance	103,980	103,980	103,980	103,980	103,980	103,980
Debt Redemption Reserve						
Opening balance	58,600	58,600	58,600	55,747	40,956	26,776
Add: Transferred from Surplus in the Statement of Profit and Loss for the period/year [refer note 1.3 (xix)]	2,114	7,684	3,900	2,853	14,791	14,180
Less: Transfer to Surplus in the Statement of Profit and Loss for the period/year on Redemption	2,114 *	7,684 *	3,900 *	-	-	-
Closing Balance	58,600	58,600	58,600	58,600	55,747	40,956
Cash Flow Hedge Reserve						
Opening balance	695	1,042	-	-	-	-
Add: Addition during the period/ year [refer note 1.3 (xi)(e)]	113	1,236	1,048	-	-	-
Less: Utilised during the period/ year [refer note 1.3 (xi)(e)]	-	1,583	6	-	-	-
Closing balance	808	695	1,042	-	-	-
Special Reserve (created pursuant to Section 45IC of the Reserve Bank of India Act, 1934)						
Opening balance	33,576	28,306	25,329	23,023	19,939	15,431
Add: Transferred from Surplus in the Statement of Profit and Loss for the period/year	1,820	5,270	2,977	2,306	3,084	4,508
Closing Balance	35,396	33,576	28,306	25,329	23,023	19,939
Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)						
Opening balance	13,557	10,558	8,396	3,972	-	-
Add: Transferred from Surplus in the Statement of Profit and Loss for the period/year	750	2,999	2,162	4,424	3,972	-
Closing balance	14,307	13,557	10,558	8,396	3,972	-
Surplus in the Statement of Profit and Loss						
Opening balance	61,637	43,557	34,096	32,153	38,784	34,934
Less:Transition effect for Derivative Financial Instruments [Net of Deferred Tax of ₹ 150 lakhs] (refer note no : 2.4)	-	-	284	-	-	-
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	9,098	26,349	14,884	11,526	15,302	22,538
Amount available for appropriation	70,735	69,906	48,696	43,679	54,000	57,472
<u>Appropriations:</u>						
Less: Amount transferred to Special reserve	1,820	5,270	2,977	2,306	3,084	4,508
Less: Amount transferred to Income Tax special reserve	750	2,999	2,162	4,424	3,972	-
Less: Amount transferred to Debt redemption reserve	2,114	7,684	3,900	2,853	14,791	14,180
Add: Amount transferred from Debt redemption reserve on Redemption	2,114*	7,684*	3,900 *	-	-	-
Closing balance	68,165	61,637	43,557	34,096	32,153	38,784
Total Reserves and Surplus	281,287	272,076	246,074	230,432	218,906	203,690

* Pursuant to redemption of privately placed subordinated debentures/loans for the period/year, qualifying for Tier I/Tier II capital, the Company has released the Debt Redemption Reserve (DRR) created on such subordinated debentures/loans to the extent of DRR created in the current period/year on public issue of Non Convertible Debentures.

2.3 LONG TERM BORROWINGS

Non Current :

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
A. Secured						
Debentures						
Non-convertible debentures (refer note 2.3.1)	129,184	86,187	94,175	44,970	36,500	10,100
Term loans (refer note 2.3.2)						
From banks						
- Rupee loans	68,786	77,752	67,329	51,080	81,966	157,229
- Foreign currency loans	65,042	61,911	14,482	37,764	69,691	99,069
From financial institutions						
- Rupee loans	143,188	96,000	73,100	13,180	25,240	37,300
- Foreign currency loans	115,520	92,769	35,360	-	668	2,210
(A)	521,720	414,619	284,446	146,994	214,065	305,908
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]	154,232	159,727	114,990	102,140	78,680	74,580
- Non convertible debentures [refer note 2.3.7]	200	200	200	-	-	-
Term loans from banks (refer note 2.3.6)						
- Rupee subordinated loans (Tier II Capital)	5,000	5,000	6,667	25,000	25,000	25,000
- Foreign currency loans	35,095	13,535	13,206	-	-	-
(B)	198,277	182,212	138,813	130,890	107,430	103,330
Total (A+B)	719,997	596,831	423,259	277,884	321,495	409,238

SREI EQUIPMENT FINANCE LIMITED

Notes forming part of Refomatted Statement of Assets and Liabilities

2.3 LONG TERM BORROWINGS

Current Maturities:

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
A. Secured						
Debentures						
Non-convertible debentures (refer note 2.3.1)	15,633	34,583	2,795	13,500	39,100	42,924
Term loans (refer note 2.3.2)						
From banks						
- Rupee loans	38,299	38,466	29,585	59,973	81,113	85,027
- Foreign currency loans	5,134	14,554	22,412	45,573	32,797	16,324
From financial institutions						
- Rupee loans	59,512	52,350	24,330	12,060	12,060	11,810
- Foreign currency loans	5,792	2,757	-	732	1,322	1,560
Other loans from banks						
Buyer's credit in foreign currency (refer note 2.3.3)	-	-	-	-	-	3,189
(A)	124,370	142,710	79,122	131,838	166,392	160,834
B. Unsecured						
Debentures						
Subordinated redeemable non convertible debentures (Tier II Capital) [refer note 2.3.5]	21,280	15,780	17,500	7,500	-	-
Term loans from banks (refer note 2.3.6)						
- Rupee subordinated loans (Tier II Capital)	1,667	1,667	18,333	5,000	-	-
- Foreign currency loans	4,199	1,805	1,554	-	-	-
(B)	27,146	19,252	37,387	12,500	-	-
Total (A+B)	151,516	161,962	116,509	144,338	166,392	160,834
Less: Amount disclosed under the head “Other Current Liabilities” (refer note 2.9)	151516	161962	116509	144338	166392	160,834
Net amount	-	-	-	-	-	-

SREI EQUIPMENT FINANCE LIMITED

Notes forming part of Refomatted Statement of Assets and Liabilities

2.3.1 Secured Non-convertible debentures

Three months ended 30th June, 2018

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in lakhs) * As at 30th June, 2018	Interest rate (%)	Earliest redemption date
18 January 2018	1,000,000	1,000	9.00%	18 January 2028
20 December 2016	1,000,000	1,000	9.00%	20 December 2026
26 March 2018	1,000,000	1,650	9.00%	26 March 2025
03 October 2017	1,000,000	600	8.99%	03 October 2024
15 September 2017	1,000,000	2,345	8.50%	15 September 2024
22 June 2017	1,000,000	2,000	9.23%	22 June 2024
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
31 May 2017	1,000,000	1,000	9.32%	31 May 2024
26 May 2017	1,000,000	2,000	9.45%	26 May 2024
02 December 2016	1,000,000	500	9.00%	02 December 2023
04 April 2018	1,000,000	1,399	8.30%	04 April 2023
14 March 2018	1,000,000	500	8.30%	14 March 2023
06 October 2016	1,000,000	500	9.95%	06 October 2021
28 December 2017	1,000,000	500	8.80%	28 December 2020
16 October 2017	1,000,000	15,000	9.25%	16 October 2020
11 May 2015 @ #	1,000	12,638	**	**
17 January 2017 @ #	1,000	49,204	***	***
25 May 2018 @@	1,000	50,981	****	****
Total		**144,817**		

* 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 9.75% to 10.50%.

*** The above debenture are alloted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 3 - 5 Years having rate of interest ranging from 8.90% to 9.76%.

**** The above debenture are allotted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 1 - 10 Years having rate of interest ranging from 8.60% to 9.60%.

All the above debentures are redeemable at par

Security:

All the above non-convertible debentures except those issued to public marked # are secured by way of pari passu charge on the Company's immovable properties located at West Bengal, having carrying value of ₹ 18 lakhs and an exclusive first charge on the specific receivables arising from the underlying loan/lease/ assets of the Company.

@ The public Issue of Secured Non Convertible Debenture are secured by way of pari-passu charge on the Company's immovable properties located at Chennai, having carrying value of ₹ 50 lakhs and specific receivables/ assets of the Company.

@@ During the quarter ended 30th June 2018, the company raised ₹ 50,981 lakhs through Public Issue of Secured Non Convertible Debenture which are secured by exclusive charge in favour of debenture trustee on specific present and/or future receivables/assets of the company.

Financial Year 2017-2018

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in lakhs) * As at 31st March, 2018	Interest rate (%)	Earliest redemption date
18 January 2018	1,000,000	1,000	9.00%	18 January 2028
20 December 2016	1,000,000	1,000	9.00%	20 December 2026
26 March 2018	1,000,000	1,650	9.00%	26 March 2025
03 October 2017	1,000,000	600	8.99%	03 October 2024
15 September 2017	1,000,000	2,345	8.50%	15 September 2024
22 June 2017	1,000,000	2,000	9.23%	22 June 2024
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
31 May 2017	1,000,000	1,000	9.32%	31 May 2024
26 May 2017	1,000,000	2,000	9.45%	26 May 2024
02 December 2016	1,000,000	500	9.00%	02 December 2023
14 March 2018	1,000,000	500	8.30%	14 March 2023
06 October 2016	1,000,000	500	9.95%	06 October 2021
28 December 2017	1,000,000	500	8.80%	28 December 2020
16 October 2017	1,000,000	15,000	9.25%	16 October 2020
11 May 2015 @ #	1,000	40,970	**	**
17 January 2017 @ #	1,000	49,205	***	***
Total		120,770		

* 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 9.75% to 10.50%.

*** The above debenture are alloted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 1 - 5 Years having rate of interest ranging from 8.60% to 9.76%.

All the above debentures are redeemable at par except those marked # which are redeemable at a premium of Nil.

Security:

All the above non-convertible debentures except those issued to public marked # are secured by way of pari passu charge on the Company's immovable properties located at West Bengal, having carrying value of ₹ 18 lakhs and an exclusive first charge on the specific receivables arising from the underlying loan/lease/ assets of the Company.

@ The public Issue of Secured Non Convertible Debenture are secured by way of pari-passu charge on the Company's immovable properties located at Chennai, having carrying value of ₹ 50 lakhs and specific receivables/ assets of the Company.

Financial Year 2016-2017

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in lakhs) *	Interest rate (%)	Earliest redemption date
		As at 31st March, 2017		
20 December 2016	1,000,000	1,000	9.00%	20 December 2026
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
02 December 2016	1,000,000	500	9.00%	02 December 2023
06 October 2016	1,000,000	500	9.95%	06 October 2021
11 May 2015 #	1,000	40,970	**	**
17 January 2017 #	1,000	50,000	***	***
26 June 2014	1,000,000	2,000	11.15%	20 June 2017 @
Total		96,970		

* 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 9.75% to 10.50%.

*** The above debenture are alloted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 1 - 5 Years having rate of interest ranging from 8.60% to 9.76%.

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 marked # are secured by way of pari passu charge on the Company's immovable properties located at West Bengal and an exclusive first charge on the respective receivables from financial assets of the Company.

2) During the year ended 31st March 2017, the company raised ₹ 50,000 lakhs through Public Issue of Secured Non Convertible Debenture which are secured by way of paripassu 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) *	Interest rate (%)	Earliest redemption date
		As at 31st March, 2016		
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 marked # 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
19 July 2012	1,000,000	10,100	11.50%	19 July 2015
19 December 2011	1,000,000	2,500	11.35%	December 18, 2014 #
01 December 2011	1,000,000	2,500	11.35%	15 December 2014
05 December 2011	1,000,000	2,500	11.35%	December 11, 2014 #
01 December 2011	1,000,000	3,000	11.35%	November 25, 2014 #
01 November 2011	1,000,000	1,000	11.00%	23 October 2014
02 November 2011	1,000,000	300	11.00%	23 October 2014
27 August 2009	40,000	279	10.75%	26 August 2014
27 August 2009	100,000	2,475	11.00%	26 August 2014
27 August 2009	100,000	3,620	10.50%	August 26, 2014**
03 August 2012	1,000,000	19,750	10.75%	03 August 2014
01 December 2011	1,000,000	5,000	11.35%	30 April 2014
Total		53,024		

* Includes current maturities.

** Put/Call Option has been exercised on 26 August 2012 while the original maturity date is 26 August 2014.

In cases, where face value has been partially redeemed, those have been shown at outstanding face value.

All the above debentures are redeemable at par except those marked # which are redeemable at premium.

Security:

The above non-convertible debentures are secured by way of pari passu charge on the Company's immovable properties located at Pune/ West Bengal and an exclusive first charge on the respective receivables from financial assets of the Company.

2.3.2 Term Loan from banks and financial Institutions
Three months ended 30th June, 2018

Particulars	Outstanding (₹ in lakhs) * As at 30th June, 2018	Repayment terms (₹ in lakhs) Monthly	Quarterly	Half yearly	Single instalment	Tenure# (years)	Rate of Interest per annum	Nature of security
Rupee term loans								
From banks	107,085	11,644	95,441	-	-	0-5	8%-11%	Hypothecation of specific assets covered by hypothecation loan agreements and operating lease agreements with customers and receivables arising there from.
From financial institutions	202,700	2,200	45,500	155,000	-	0-6	8%-11%	
Total	**309,785**	**13,844**	**140,941**	**155,000**	**-**			
Foreign currency term loans								
From banks	70,176	-	5,134	65,042	-	0-6	5%-7%	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	121,312	-	-	112,754	8,558	2-10	3%-7%	
Total	**191,488**	**-**	**5,134**	**177,796**	**8,558**			

* Includes current maturities
# Remaining tenure

Financial Year: 2017-18

Particulars	Outstanding (₹ in lakhs) * As at 31st March, 2018	Repayment terms (₹ in lakhs) Monthly	Quarterly	Half yearly	Single instalment	Tenure# (years)	Rate of Interest per annum	Nature of security
Rupee term loans								
From banks	116,218	14,145	102,073	-	-	0-5	8%-12%	Hypothecation of specific assets covered by hypothecation loan agreements and operating lease agreements with customers and receivables arising there from.
From financial institutions	148,350	3,850	48,250	96,250	-	0-5	8%-12%	
Total	**264,568**	**17,995**	**150,323**	**96,250**	**-**			
Foreign currency term loans								
From banks	76,465	-	9,341	67,124	-	0-6	3%-7%	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	95,526	-	-	87,380	8,146	2-10	3%-7%	
Total	**171,991**	**-**	**9,341**	**154,504**	**8,146**			

* Includes current maturities
# Remaining tenure

Financial Year: 2016-17

Particulars	Outstanding * (₹ in lakhs) As at 31st March, 2017	Repayment terms (₹ in lakhs) Monthly	Quarterly	Half yearly	Single installment	Tenure# (years)	Rate of Interest per annum	Nature of security
Rupee term loans								
From banks	96,914	25,703	71,211	-	-	0 - 5	9%-12%	Hypothecation of specific assets covered by hypothecation loan agreements and operating lease agreements with customers and receivables arising there from.
From financial Institutions	97,430	13,180	34,250	50,000	-	0 - 6	8%-12%	
Total	**194,344**	**38,883**	**105,461**	**50,000**	**-**			
Foreign currency term loans								
From banks	36,894	-	11,283	25,611	-	0 - 2	<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	35,360	-	-	35,360	-	3 - 8	<10%	
Total	**72,254**	**-**	**11,283**	**60,971**	**-**			

* Includes current maturities
# Remaining tenure

Financial Year: 2015-16

Particulars	Outstanding * (₹ in lakhs) As at 31st March, 2016	Repayment terms (₹ in lakhs) Monthly	Quarterly	Half yearly	Single installment	Tenure# (years)	Rate of Interest per annum	Nature of security
Rupee term loans								
From banks	111,053	54,510	44,543	-	12,000	0 - 5	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	-	-	-	1 - 3	10%-12%	
Total	**136,293**	**79,750**	**44,543**	**-**	**12,000**			
Foreign currency term loans								
From banks	83,337	-	12,410	70,927	-	0 - 3	<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	-	0 - 1	<10%	
Total	**84,069**	**-**	**12,410**	**71,659**	**-**			

* Includes current maturities.
# Remaining tenure

2.3.2 Term Loan from banks and financial Institutions
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	0-5	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	-	-	-	2-4	11%-12%	
Total (A)	**200,379**	**87,421**	**100,958**	**-**	**12,000**			
Foreign currency term loans								
From banks	102,488	-	12,499	89,989	-	0-4	<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	-	0-2	<10%	
Total (B)	**104,478**	**-**	**12,499**	**91,979**	-			

* Includes current maturities
# Remaining tenure

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.
Original tenure

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.

2.3.4 Unsecured subordinated perpetual debentures (Tier I Capital)

Three months ended 30th June, 2018

As at 30th June, 2018, the amount outstanding in respect of unsecured subordinated perpetual debentures is ₹ 3,750 lakhs which is 1.39% of total Tier I Capital as on Balance Sheet date. These perpetual debentures have call option which is exercisable on or after 31st December, 2021 with prior approval of RBI. The coupon rate of these perpetual debentures is 12.50% per annum which shall be stepped up by 100 basis points to 13.50% per annum for subsequent years, if Call Option is not exercised by the Company at the end of 10th year from the date of allotment i.e. 31st December, 2021.

Financial Year: 2017-18

As at 31st March, 2018, the amount outstanding in respect of unsecured subordinated perpetual debentures is ₹ 3,750 lakhs which is 1.43% of total Tier I Capital as on Balance Sheet date. These perpetual debentures have call option which is exercisable on or after 31st December, 2021 with prior approval of RBI. The coupon rate of these perpetual debentures is 12.50% per annum which shall be stepped up by 100 basis points to 13.50% per annum for subsequent years, if Call Option is not exercised by the Company at the end of 10th year from the date of allotment i.e. 31st December, 2021.

Financial Year: 2016-17

As at 31st March, 2017, the amount outstanding in respect of unsecured subordinated perpetual debentures is ₹ 3,750 lakhs which is 1.56% of total Tier I Capital as on Balance Sheet date. These perpetual debentures have call option which is exercisable on or after 31st December, 2021 with prior approval of RBI. The coupon rate of these perpetual debentures is 12.50% per annum which shall be stepped up by 100 basis points to 13.50% per annum for subsequent years, if Call Option is not exercised by the Company at the end of 10th year from the date of allotment i.e. 31st December, 2021.

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.

2.3.5 Unsecured Subordinated Redeemable Non-Convertible Debentures (Tier II Capital)
Three months ended 30th June, 2018

During the quarter ended 30th June, 2018, the Company raised subordinated redeemable non-convertible debentures qualifying for Tier II Capital amounting Nil.The following table sets forth, the detail of the bonds outstanding as at the Balance Sheet date:

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in lakhs) As at 30th June, 2018	Coupon rate (%)	Earliest redemption date
8 August 2017	1,000	56,199	*	*
23 June 2017	1,000,000	4,323	9.00%	23 June 2027
30 March 2017	1,000,000	5,000	10.25%	30 March 2027
4 November 2016	1,000,000	1,000	9.85%	04 November 2026
7 October 2016	1,000,000	4,000	10.75%	07 October 2026
4 October 2016	1,000,000	1,500	10.75%	04 October 2026
24 August 2016	1,000,000	3,000	9.50%	24 August 2026
26 May 2016	1,000,000	350	10.25%	26 May 2026
25 May 2016	1,000,000	2,000	10.75%	25 May 2026
31 March 2016	1,000,000	2,000	10.00%	31 March 2026
18 March 2016	1,000,000	500	10.70%	18 March 2026
5 February 2016	1,000,000	500	10.60%	05 February 2026
20 January 2016	1,000,000	500	10.60%	20 January 2026
11 January 2016	1,000,000	1,500	10.60%	11 January 2026
24 September 2015	1,000,000	500	10.50%	24 September 2025
20 August 2015	1,000,000	1,000	10.50%	20 August 2025
13 August 2015	1,000,000	15,000	10.75%	13 August 2025
16 March 2015	1,000,000	500	11.00%	16 March 2025
1 March 2017	1,000,000	500	10.40%	01 June 2024
25 October 2016	1,000,000	5,000	9.80%	25 April 2024
10 March 2017	1,000,000	7,500	10.45%	10 March 2024
7 May 2013	1,000,000	2,080	11.25%	07 May 2023
24 September 2015	1,000,000	1,200	10.40%	24 April 2023
29 March 2016	1,000,000	200	10.70%	29 March 2023
24 January 2013	1,000,000	900	11.25%	24 January 2023
17 December 2012	1,000,000	1,700	11.50%	17 December 2022
13 August 2015	1,000,000	5,000	10.75%	13 August 2022
9 March 2017	1,000,000	500	10.18%	09 June 2022
1 February 2016	1,000,000	700	10.15%	01 May 2021
24 September 2015	1,000,000	2,360	10.30%	24 April 2021
20 December 2013	1,000,000	1,000	11.10%	20 December 2020
27 September 2013	1,000,000	1,600	11.00%	27 September 2020
31 March 2015	1,000,000	3,600	11.00%	30 June 2020
29 June 2013	1,000,000	1,000	10.85%	29 June 2020
31 March 2010	1,000,000	7,450	10.00%	31 March 2020
19 March 2010	1,000,000	2,550	10.00%	19 March 2020
24 December 2009	1,000,000	10,000	10.00%	24 December 2019
29 November 2013	1,000,000	1,000	11.00%	29 May 2019
29 November 2013	1,000,000	500	11.00%	29 May 2019
24 July 2013	1,000,000	1,500	10.75%	24 May 2019
29 June 2013	1,000,000	2,500	10.75%	29 April 2019
28 March 2013	1,000,000	2,500	11.50%	28 September 2018
27 September 2011	1,000,000	6,800	12.00%	27 September 2018
8 February 2013	1,000,000	5,000	11.60%	08 August 2018
7 May 2013	1,000,000	1,500	11.10%	07 August 2018
Total		175,512		

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

* The above debenture are alloted through public issue of Unsecured Subordinate Non Convertible Debenture and are redeemable over a tenure of 5 - 10 Years having rate of interest ranging from 9.25% per annum to 9.75% per annum.

Financial Year: 2017-18

During the year ended 31st March, 2018, the Company raised subordinated redeemable non-convertible debentures qualifying for Tier II Capital amounting 60,517 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, 2018	Coupon rate (%)	Earliest redemption date
08 August 2017	1,000	56,199	*	*
23 June 2017	1,000,000	4,318	9.00%	23 June 2027
30 March 2017	1,000,000	5,000	10.25%	30 March 2027
04 November 2016	1,000,000	1,000	9.85%	04 November 2026
07 October 2016	1,000,000	4,000	10.75%	07 October 2026
04 October 2016	1,000,000	1,500	10.75%	04 October 2026
24 August 2016	1,000,000	3,000	9.50%	24 August 2026
26 May 2016	1,000,000	350	10.25%	26 May 2026
25 May 2016	1,000,000	2,000	10.75%	25 May 2026
31 March 2016	1,000,000	2,000	10.00%	31 March 2026
18 March 2016	1,000,000	500	10.70%	18 March 2026
05 February 2016	1,000,000	500	10.60%	05 February 2026
20 January 2016	1,000,000	500	10.60%	20 January 2026
11 January 2016	1,000,000	1,500	10.60%	11 January 2026
24 September 2015	1,000,000	500	10.50%	24 September 2025
20 August 2015	1,000,000	1,000	10.50%	20 August 2025
13 August 2015	1,000,000	15,000	10.75%	13 August 2025
16 March 2015	1,000,000	500	11.00%	16 March 2025
01 March 2017	1,000,000	500	10.40%	01 June 2024
25 October 2016	1,000,000	5,000	9.80%	25 April 2024
10 March 2017	1,000,000	7,500	10.45%	10 March 2024
07 May 2013	1,000,000	2,080	11.25%	07 May 2023
24 September 2015	1,000,000	1,200	10.40%	24 April 2023
29 March 2016	1,000,000	200	10.70%	29 March 2023
24 January 2013	1,000,000	900	11.25%	24 January 2023
17 December 2012	1,000,000	1,700	11.50%	17 December 2022
13 August 2015	1,000,000	5,000	10.75%	13 August 2022
09 March 2017	1,000,000	500	10.18%	09 June 2022
01 February 2016	1,000,000	700	10.15%	01 May 2021
24 September 2015	1,000,000	2,360	10.30%	24 April 2021
20 December 2013	1,000,000	1,000	11.10%	20 December 2020
27 September 2013	1,000,000	1,600	11.00%	27 September 2020
31 March 2015	1,000,000	3,600	11.00%	30 June 2020
29 June 2013	1,000,000	1,000	10.85%	29 June 2020
31 March 2010	1,000,000	7,450	10.00%	31 March 2020
19 March 2010	1,000,000	2,550	10.00%	19 March 2020
24 December 2009	1,000,000	10,000	10.00%	24 December 2019
29 November 2013	1,000,000	1,000	11.00%	29 May 2019
29 November 2013	1,000,000	500	11.00%	29 May 2019
24 July 2013	1,000,000	1,500	10.75%	24 May 2019
29 June 2013	1,000,000	2,500	10.75%	29 April 2019
28 March 2013	1,000,000	2,500	11.50%	28 September 2018
27 September 2011	1,000,000	6,800	12.00%	27 September 2018
08 February 2013	1,000,000	5,000	11.60%	08 August 2018
07 May 2013	1,000,000	1,500	11.10%	07 August 2018
Total		**175,507**		

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

* The above debenture are alloted through public issue of Unsecured Subordinate Non Convertible Debenture and are redeemable over a tenure of 5 - 10 Years having rate of interest ranging from 9.25% per annum to 9.75% per annum.

Financial Year: 2016-17

During the year ended 31st March, 2017, the Company raised subordinated redeemable non-convertible debentures qualifying for Tier II Capital amounting ₹ 30,350 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) As at 31st March, 2017	Coupon rate (%)	Earliest redemption date
30 March 2017	10,00,000	5,000	10.25%	30 March 2027
04 November 2016	10,00,000	1,000	9.85%	04 November 2026
07 October 2016	10,00,000	4,000	10.75%	07 October 2026
04 October 2016	10,00,000	1,500	10.75%	04 October 2026
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
01 March 2017	10,00,000	500	10.40%	01 June 2024
25 October 2016	10,00,000	5,000	9.80%	25 April 2024
10 March 2017	10,00,000	7,500	10.45%	10 March 2024
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
09 March 2017	10,00,000	500	10.18%	09 June 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
Total		**132,490**		

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

SREI EQUIPMENT FINANCE LIMITED

Notes forming part of Refomatted Statement of Assets and Liabilities

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) As at 31st March, 2016	Coupon rate (%)	Earliest redemption date	
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.

2.3.6 Unsecured term loans from banks

Three months ended 30th June, 2018

Particulars	Outstanding (₹ in lakhs)*	Repayment terms (₹ in lakhs)			Tenure (years)@	Rate of Interest per annum
	As at 30th June, 2018	Quarterly	Half yearly	Single instalment		
Rupee Subordinated term loans (Tier II Capital)	6,667	-	1,667	5,000	0-4	11%-12%
Foreign currency loans	39,294	-	39,294	-	8-10	1%-2%
Total	45,961	-	40,961	5,000		

* Includes current maturities
@ Remaining tenure

Financial Year: 2017-18

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Tenure (years)@	Rate of Interest per annum
	As at 31st March, 2018	Quarterly	Half yearly	Single instalment		
Rupee Subordinated term loans (Tier II Capital)	6,667	-	1667#	5,000	0-4	11%-12%
Foreign currency loans	15,340	-	15,340	-	0-9	1%-2%
Total	22,007	-	17,007	5,000		

Principal payable after moratorium of Nil months
@ Remaning tenure

Financial Year: 2016-17

Particulars	Outstanding (₹ in lakhs)	Repayment terms (₹ in lakhs)			Tenure (years)@	Rate of Interest per annum
	As at 31st March, 2017	Quarterly	Half yearly	Single installment		
Subordinated term loans (Tier II Capital)	25,000	10,000*	5,000#	10,000	0-5	11%-12%
Foreign currency loans	14,760	-	14,760	-	10	<10%
Total	39,760	10,000	19,760	10,000		

* Payable after moratorium of Nil months
# Payable after moratorium of 3 months
@ Remaning tenure

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)	30,000	10,000**	5,000#	15,000	0-6	11%-13%
Total	30,000	10,000	5,000	15,000		

** Payable after moratorium of 12 months
# Payable after moratorium of 15 months
@ Remaning tenure

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)	25,000	10,000**	5,000#	10,000	1-4	12%-14%
Total	25,000	10,000	5,000	10,000		

** Payable after moratorium of 24 months
# Payable after moratorium of 27 months
@ Remaning tenure

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)	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
Original tenure

2.3.7 Unsecured non-convertible debentures

Three months ended 30th June, 2018

During the three months ended 30th June, 2018, the Company raised unsecured non-convertible debentures amounting ₹ Nil. The following table sets forth, the detail of the bonds outstanding as at the Balance Sheet date:

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in lakhs)	Coupon rate (%)	Earliest redemption date
		As at 30th June, 2018		
28 October 2016	10,00,000	100	9.95%	28 April 2020
28 April 2016	10,00,000	100	10.00%	28 April 2020
Total		200		

The above debentures is redeemable at par in single installment.

Financial Year: 2017-18

During the year ended 31st March, 2018, the Company raised unsecured non-convertible debentures amounting ₹ Nil. The following table sets forth, the detail of the bonds outstanding as at the Balance Sheet date:

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in lakhs)	Coupon rate (%)	Earliest redemption date
		As at 31st March, 2018		
28 October 2016	10,00,000	100	9.95%	28 April 2020
28 April 2016	10,00,000	100	10.00%	28 April 2020
Total		200		

The above debentures is redeemable at par in single installment.

Financial Year: 2016-17

During the year ended 31st March, 2017, the Company raised unsecured non-convertible debentures amounting ₹ 200 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, 2017		
28 October 2016	10,00,000	100	9.95%	28 April 2020
28 April 2016	10,00,000	100	10.00%	28 April 2020
Total		200		

The above debentures is redeemable at par in single installment.

2.4 DEFERRED TAX LIABILITIES (NET)

The break-up of major components of such Deferred tax liabilities (net) is as follows:

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Deferred tax liability on :						
Depreciation/amortization on Property,Plant and Equipment	31,126	34,928	29,028	20,722	21,342	18,010
Deferred Revenue Expenditure (Unamortized Debt Issue expenses etc.)	3,273	3,525	1,768	1,447	1,544	2,209
Gross deferred tax liability (A)	34,399	38,453	30,796	22,169	22,886	20,219
Deferred tax asset on :						
Provisions for Non Performing Assets and Standard Assets	6,851	6,715	5,068	4,771	4,535	4,441
Derivative financial Instruments (Transitional effect)	150	150	150	-	-	-
Unabsorbed Depreciation carried forward	-	-	1,524	-	-	-
Others	121	58	280	232	196	84
Gross deferred tax asset (B)	7,122	6,923	7,022	5,003	4,731	4,525
Net Deferred Tax Liability (A-B)	**27,277**	**31,530**	**23,774**	**17,166**	**18,155**	**15,694**

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.

2.5 OTHER LONG TERM LIABILITIES

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Trade Payables						
Acceptances	4,181	6,984	2,659	2,340	427	817
Others						
Interest accrued but not due on borrowings	1,007	755	1,009	557	4,444	2,711
Forward contracts payable	394	254	-	-	-	-
Sundry liabilities (Interest Capitalisation) Account *	-	-	-	-	-	943
Trade deposits received	45,561	39,855	13,969	13,299	8,699	10,079
Others liabilities**	63	68	15	60	173	-
Total	**51,206**	**47,916**	**17,652**	**16,256**	**13,743**	**14,550**

* As per Reserve Bank of India Guidelines
** It includes Deferred Payment Liability amounting to ₹ Nil for 30 June 2018, ₹ Nil for 31 March 2018, ₹ 15 lakhs for 31 March 2017, ₹ 60 lakhs for 31 March 2016, ₹ 173 lakhs for 31 March 2015

2.6 LONG-TERM PROVISIONS

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Provision for employee benefits						
Provision for Gratuity	349	167	810	669	567	248
Provision for compensated absence	1,298	1,125	1,206	1,069	1001	729
(A)	1,647	1,292	2,016	1,738	1,568	977
Less: Current portion of provision for employee benefits (refer note 2.10)						
Provision for Gratuity	-	-	-	-	100	200
Provision for compensated absence	168	281	190	148	133	108
(B)	168	281	190	148	233	308
C=(A-B)	1,479	1,011	1,826	1,590	1,335	669
Other provisions						
Contingent provision against standard assets	6,745	6,108	3,005	2,381	2,737	1,627
(D)	6,745	6,108	3,005	2,381	2,737	1,627
Total (C+D)	8,224	7,119	4,831	3,971	4,072	2,296

2.7 SHORT TERM BORROWINGS

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
A. Secured						
From Banks :						
Working capital facilities (Rupee loan) [Refre note (a) below]	878,864	857,374	677,450	726,461	711,900	657,715
Working capital facilities (Foreign Currency loan) [Refer note (a) below]	-	-	10,663	2,493	-	-
Buyer's credit foreign currency loans [Refer note (b) below]	30,197	40,638	15,716	15,195	10,882	22,737
Short- term rupee loan [Refer note (c) below]	-	-	-	12,500	12,500	7,500
From Others :						
Debentures [Refer note 2.7.1]	1,000	1,000	1,000	6,500	17,000	-
(A)	910,061	899,012	704,829	763,149	752,282	687,952
B. Unsecured						
From others :						
Short- term rupee loan [Refer note (c) below]	20,000	40,000	-	-	-	-
Commercial papers [Refer note (d) below]	228,739	184,125	48,587	-	66,284	51,569
(B)	248,739	224,125	48,587	-	66,284	51,569
Total (A+B)	**1,158,800**	**1,123,137**	**753,416**	**763,149**	**818,566**	**739,521**

Notes:

(a) Working capital facilities from banks

Three months ended 30th June, 2018

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 June, 2018 working capital facilities from banks include working capital demand loans aggregating ₹ 563,500 lakhs. Rate of interest for working capital demand loans ranges from 8% to 9% per annum and for other working capital facilities (cash credits), ranges from 9% to 13% per annum.

Financial Year: 2017-18

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, 2018 working capital facilities from banks include working capital demand loans aggregating ₹ 589,000 lakhs. Rate of interest for working capital demand loans ranges from 8% to 10% per annum and for other working capital facilities (cash credits), ranges from 9% to 13% per annum.Working capital facilities are in the form of foreign currency demand loan from bank bearing interest rate ranging from 3% to 5% per annum

Financial Year: 2016-17

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, 2017 working capital facilities from banks include working capital demand loans aggregating ₹ 384,500 lakhs. Rate of interest for working capital demand loans ranges from 8% to 10% per annum and for working capital facilities, ranges from 9% to 14% per annum. Working capital facilities in the form of foreign currency demand loan from bank bearing interest rate not exceeding 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.

(b) Buyer’s credit foreign currency loans from banks

Three months ended 30th June, 2018 and Financial Year: 2017-18

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 ranging from 0% to 5% per annum

Financial Year: 2016-17, 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.

(c) Short- term rupee loan from banks

Three months ended 30th June, 2018 and Financial Year: 2017-18

Short- term rupee loans from banks bear interest rate ranging from 8% to 9% per annum

Financial Year: 2016-17 and 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.

(d) Commercial papers - Others

Three months ended 30th June, 2018

Rate of Interest ranges from 7% to 9% per annum. The maximum amount outstanding during the three months ended was ₹ 399,500 lakhs

Financial Year: 2017-18

Rate of Interest ranges from 6% to 9% per annum. The maximum amount outstanding during the year ended was ₹ 441,500 lakhs

Financial Year: 2016-17

Rate of Interest ranges from 7% to 9% per annum. The maximum amount outstanding during the year ended was ₹ 355,700 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.

2.7.1 Secured Non-Convertible Debentures

Three months ended 30th June, 2018 and Financial Year: 2017-18

Date of allotment	Face Value per debenture (₹)	Amount outstanding (₹ in lakhs) *	Interest Rate (%)	Earliest redemption date
22 August 2016	1,000,000	1,000	10.15%	22 August 2018**
Total		1,000		

* All the above debentures are redeemable at par

** Contains put options exercisable on a three monthly basis

Security: The above non-convertible debentures are secured by way of exclusive first charge on the specific receivables arising from the underlying loan/lease/assets of the Company.

Financial Year: 2017-18

Date of allotment	Face Value per debenture (₹)	Amount outstanding (₹ in lakhs) *	Interest Rate (%)	Earliest redemption date
22 August 2016	1,000,000	1,000	10.00%	22 August 2018**
Total		1,000		

* 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 the specific receivables arising from the underlying loan/lease/assets of the Company.

Financial Year: 2016-17

Date of allotment	Face Value per debenture (₹)	Amount outstanding (₹ in lakhs) *	Interest Rate (%)	Earliest redemption date
22 August 2016	1,000,000	1,000	9.50%	22 August 2018**
Total		1,000		

* 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.

2.8 TRADE PAYABLES
2.8 (i) Due to Micro and Small Enterprises
Three months ended 30th June, 2018 and Financial Year: 2017-18

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the quarter/year and also as at the end of the quarter/year. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Financial Year 2016-17 and 2015-16

(₹ in lakhs)

Particulars	As at 31st March, 2017	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 and 2013-14

No interest was payable by the Company during the year ended 31st March, 2015 and 31st March, 2014 to the Suppliers who are covered under the Micro, Small and Medium Enterprise Development Act, 2006 based on the information available with the Company.

2.8 (ii) Due to others

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Due to others						
Acceptances	45,077	37,055	38,249	32,044	7,258	6,470
Other than acceptance	91,346	132,148	62,897	44,019	30,355	20,501
Employees payables	1,142	1,816	1,509	634	598	507
Commission payable to Directors	182	527	298	115	153	226
Total	**137,747**	**171,546**	**102,953**	**76,812**	**38,364**	**27,704**

SREI EQUIPMENT FINANCE LIMITED

Notes forming part of Refomatted Statement of Assets and Liabilities

2.9 OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
i. Current maturities of long-term borrowings (refer note 2.3)	151,516	161,962	116,509	144,338	166,392	160,834
(A)	151,516	161,962	116,509	144,338	166,392	160,834
ii. Other Current Liabilities						
Interest accrued but not due on borrowings	19,261	15,970	14,362	19,420	9,279	13,885
Sundry liablities (Interest Capitalisation) Account *	-	-	-	-	1,436	3,117
Other payables						
Trade deposits received	6,239	5,961	7,638	4,927	7,504	2,604
Forward contracts payable	2,591	2,853	2,278	740	437	877
Advances from customers for operating leases	795	1,271	958	146	75	124
Other liabilities **	3,365	2,425	1,310	2,063	1,866	1,780
(B)	32,251	28,480	26,546	27,296	20,597	22,387
Total (A + B)	183,767	190,442	143,055	171,634	186,989	183,221

* As per Reserve Bank of India Guidelines

** It includes Swap and hedging premium accrued but not due as at 30th June, 2018: ₹ 2,527 lakhs, 31st March, 2018 : ₹ 956 lakhs, 31st March, 2017 : ₹ 435 lakhs, 31st March, 2016 : ₹ 860 lakhs, 31st March, 2015 : ₹ 1,197 lakhs, 31st March, 2014 : ₹ 1,247 lakhs and Deferred Payment Liabilities as at 30th June, 2018: ₹ Nil, 31st March, 2018 : ₹ 15 lakhs, 31st March, 2017 : ₹ 49 lakhs, 31st March, 2016 : ₹ 140 lakhs, 31st March, 2015 : ₹ 127 lakhs, 31st March, 2014 : Nil and Statutory remittances as at 30the June, 2018: ₹ 683 lakhs, 31st March, 2018 : ₹ 986 lakhs, 31st March, 2017 : ₹ 469 lakhs, 31st March, 2016 : ₹ 913 lakhs, 31st March, 2015 : ₹ 410 lakhs, 31st March, 2014 : ₹ 380 lakhs

2.10 SHORT TERM PROVISIONS

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Provision for employee benefits (refer note 2.6)						
Provision for Gratuity	-	-	-	-	100	200
Provision for compensated absence	168	281	190	148	133	108
(A)	168	281	190	148	233	308
Others - provision						
Contingent provision against standard assets	3,072	3,320	1,850	1,619	578	1,653
Provision for Income taxes *	-	-	-	1,176	2,437	8,735
(B)	3,072	3,320	1,850	2,795	3,015	10,388
Total (A+B)	3,240	3,601	2,040	2,943	3,248	10,696

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
* Net of Advance tax / Tax deducted at source	-	-	-	45,001	38,234	31,173

2.11 PROPERTY PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Tangible Assets							Intangible Assets			Grand Total (I+II)
	Asset for own use							Asset for own use			
	Freehold Land	Buildings	Furniture and fixtures	Plant & Machinery	Motor vehicles	Computers and office equipment	Total (I)	Software	Tenancy right	Total (II)	
Gross Block											
As at March 31, 2013	4	92	2,036	-	186	1,245	3,563	742	8	750	4,313
Additions during the period/year	-	-	93	-	66	108	267	2,462	-	2,462	2,729
Disposals/Adjustments during the period/year	-	-	-	-	48	-	48	-	-	-	48
As at March 31, 2014	4	92	2,129	-	204	1,353	3,782	3,204	8	3,212	6,994
Additions during the period/year	-	-	98	-	69	207	374	954	-	954	1,328
Disposals/Adjustments during the period/year	-	-	-	-	40	86	126	-	-	-	126
As at March 31, 2015	4	92	2,227	-	233	1,474	4,030	4,158	8	4,166	8,196
Additions during the period/year	-	-	190	-	73	827	1,090	598	-	598	1,688
Disposals/Adjustments during the period/year	-	-	36	-	-	6	42	-	-	-	42
As at March 31, 2016	4	92	2,381	-	306	2,295	5,078	4,756	8	4,764	9,842
Additions during the period/year [Refer note (d)]	-	-	34	22,500	-	73	22,607	382	-	382	22,989
Disposals/Adjustments during the period/year	-	-	28	-	-	62	90	-	-	-	90
As at March 31, 2017	4	92	2,387	22,500	306	2,306	27,595	5,138	8	5,146	32,741
Additions during the period/year	-	-	28	-	102	109	239	168	-	168	407
Disposals/Adjustments during the period/year	-	-	-	-	45	20	65	-	-	-	65
As at March 31, 2018	4	92	2,415	22,500	363	2,395	27,769	5,306	8	5,314	33,083
Additions during the period/year	-	-	10	-	-	18	28	56	-	56	84
Disposals/Adjustments during the period/year	-	-	1	-	-	1	2	-	-	-	2
As at June 30, 2018	4	92	2,424	22,500	363	2,412	27,795	5,362	8	5,370	33,165
Depreciation/amortization/Impairment											
As at March 31, 2013	-	8	839	-	59	618	1,524	551	8	559	2,083
Charge for the period/year	-	2	258	-	19	164	443	521	-	521	964
Disposals/Adjustments during the period/year	-	-	-	-	26	-	26	-	-	-	26
Impairment charge for the period/year	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2014	-	10	1,097	-	52	782	1,941	1,072	8	1,080	3,021
Charge for the period/year	-	2	236	-	42	199	479	671	-	671	1,150
Retained Earnings /Transition Adjustment	-	-	2	-	2	96	100	3	-	3	103
Disposals/Adjustments during the period/year	-	-	-	-	38	86	124	-	-	-	124
Impairment charge for the period/year	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2015	-	12	1,335	-	58	991	2,396	1,746	8	1,754	4,150
Charge for the period/year	-	2	278	-	36	233	549	895	-	895	1,444
Disposals/Adjustments during the period/year	-	-	23	-	-	5	28	-	-	-	28
Impairment charge for the period/year	-	-	-	-	-	-	-	-	-	-	-
As at 31 March, 2016	-	14	1,590	-	94	1,219	2,917	2,641	8	2,649	5,566
Charge for the period/year	-	2	229	26	45	396	698	1,030	-	1,030	1,728
Disposals/Adjustments during the period/year	-	-	15	-	-	62	77	-	-	-	77
Impairment charge for the period/year	-	-	-	-	-	-	-	-	-	-	-
As at 31 March, 2017	-	16	1,804	26	139	1,553	3,538	3,671	8	3,679	7,217
Charge for the period/year	-	2	191	1,023	49	356	1,621	1,030	-	1,030	2,651
Disposals/Adjustments during the period/year	-	-	-	-	32	19	51	-	-	-	51
Impairment charge for the period/year	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	18	1,995	1,049	156	1,890	5,108	4,701	8	4,709	9,817
Charge for the period/year	-	1	47	256	12	83	399	100	-	100	499
Disposals/Adjustments during the period/year	-	-	-	-	-	1	1	-	-	-	1
Impairment charge for the period/year	-	-	-	-	-	-	-	-	-	-	-
As at June 30, 2018	-	19	2,042	1,305	168	1,972	5,506	4,801	8	4,809	10,315
Net Block :											
As at March 31, 2014	4	82	1,032	-	152	571	1,841	2,132	-	2,132	3,973
As at March 31, 2015	4	80	892	-	175	483	1,634	2,412	-	2,412	4,046
As at March 31, 2016	4	78	791	-	212	1,076	2,161	2,115	-	2,115	4,276
As at March 31, 2017	4	76	583	22,474	167	753	24,057	1,467	-	1,467	25,524
As at March 31, 2018	4	74	420	21,451	207	505	22,661	605	-	605	23,266
As at June 30, 2018	4	73	382	21,195	195	440	22,289	561	-	561	22,850

2.11 PROPERTY PLANT AND EQUIPMENT (Continued)

(₹ in lakhs)

Particulars	Tangible Assets								Intangible Assets		Grand Total (I+II)
	Asset given on Operating Lease								Asset given on Operating Lease		
	Aircrafts	Earthmoving Equipment	Motor vehicles	Plant & Machinery [Refer (a) (b)]	Wind Mills [Refer (a) (b)]	Computers	Furniture and fixtures	Total (I)	Software	Total (II)	
Gross Block											
As at March 31, 2013	806	27,624	54,977	23,612	40,277	23,937	4,629	175,862	3,087	3,087	178,949
Additions during the period/year	-	5,348	9,141	4,288	-	4,785	1,498	25,060	752	752	25,812
Disposals/Adjustments during the period/year	-	1,263	2,250	-	-	2,012	-	5,525	3	3	5,528
As at March 31, 2014	806	31,709	61,868	27,900	40,277	26,710	6,127	195,397	3,836	3,836	199,233
Additions during the period/year	-	14,906	28,684	10,511	3,000	6,495	1,148	64,744	578	578	65,322
Disposals/Adjustments during the period/year	-	239	1,625	34	-	1,517	-	3,415	1,197	1,197	4,612
As at March 31, 2015	806	46,376	88,927	38,377	43,277	31,688	7,275	256,726	3,217	3,217	259,943
Additions during the period/year	-	9,173	7,114	2,656	-	4,826	459	24,228	423	423	24,651
Disposals/Adjustments during the period/year	-	4,020	22,221	1,331	-	432	-	28,004	-	-	28,004
As at March 31, 2016	806	51,529	73,820	39,702	43,277	36,082	7,734	252,950	3,640	3,640	256,590
Additions during the period/year	-	36,468	20,556	41,837	-	4,783	3,113	106,757	110	110	106,867
Disposals/Adjustments during the period/year	-	977	5,107	902	-	5,961	93	13,040	281	281	13,321
As at March 31, 2017	806	87,020	89,269	80,637	43,277	34,904	10,754	346,667	3,469	3,469	350,136
Additions during the period/year	-	63,976	39,894	140,068	-	27,002	2,043	272,983	12	12	272,995
Disposals/Adjustments during the period/year	-	1,783	8,473	960	-	3,547	441	15,204	278	278	15,482
As at March 31, 2018	806	149,213	120,690	219,745	43,277	58,359	12,356	604,446	3,203	3,203	607,649
Additions during the period/year	-	13,622	9,904	4,936	-	1,003	845	30,310	-	-	30,310
Disposals/Adjustments during the period/year	-	785	3,463	1,396	24,803	147	-	30,594	-	-	30,594
As at June 30, 2018	806	162,050	127,131	223,285	18,474	59,215	13,201	604,162	3,203	3,203	607,365
Depreciation/amortization/Impairment											
As at March 31, 2013	258	10,316	23,509	5,472	5,846	6,911	1,306	53,618	1,468	1,468	55,086
Charge for the period/year	49	3,542	8,851	2,504	2,165	3,919	724	21,754	693	693	22,447
Disposals/Adjustments during the period/year	-	1,218	2,156	-	-	918	-	4,292	2	2	4,294
Impairment charge for the period/year	-	99	226	-	-	475	-	800	23	23	823
As at March 31, 2014	307	12,739	30,430	7,976	8,011	10,387	2,030	71,880	2,182	2,182	74,062
Charge for the period/year	40	4,658	8,347	4,054	2,064	6,704	592	26,459	738	738	27,197
Retained Earnings / Transition Adjustment	-	-	-	2	-	26	-	28	-	-	28
Disposals/Adjustments during the period/year	-	235	1,403	16	-	1,195	-	2,849	1,196	1,196	4,045
Impairment charge for the period/year	-	35	122	382	-	263	94	896	14	14	910
As at March 31, 2015	347	17,197	37,496	12,398	10,075	16,185	2,716	96,414	1,738	1,738	98,152
Charge for the period/year	40	6,642	8,101	4,906	2,214	6,311	627	28,841	496	496	29,337
Disposals/Adjustments during the period/year	-	3,603	5,236	772	-	291	-	9,902	-	-	9,902
Impairment charge for the period/year	-	138	179	596	351	165	6	1,435	45	45	1,480
As at 31 March, 2016	387	20,374	40,540	17,128	12,640	22,370	3,349	116,788	2,279	2,279	119,067
Charge for the period/year	40	8,511	9,258	6,630	2,189	5,194	759	32,581	496	496	33,077
Disposals/Adjustments during the period/year	-	667	4,454	535	-	5,288	63	11,007	281	281	11,288
Impairment charge for the period/year	-	261	87	345	-	83	280	1,056	68	68	1,124
As at 31 March, 2017	427	28,479	45,431	23,568	14,829	22,359	4,325	139,418	2,562	2,562	141,980
Charge for the period/year	40	17,023	13,481	14,884	2,189	5,223	1,037	53,877	345	345	54,222
Disposals/Adjustments during the period/year	-	1,114	6,735	581	-	2,479	198	11,107	262	262	11,369
Impairment charge for the period/year	-	435	402	91	-	96	20	1,044	48	48	1,092
As at 31 March, 2018	467	44,823	52,579	37,962	17,018	25,199	5,184	183,232	2,693	2,693	185,925
Charge for the period/year	11	5,567	3,918	5,058	237	2,220	274	17,285	63	63	17,348
Disposals/Adjustments during the period/year	-	634	2,616	62	7,555	122	-	10,989	-	-	10,989
Impairment charge for the period/year	-	-	-	-	-	27	-	27	-	-	27
As at 30 June, 2018	478	49,756	53,881	42,958	9,700	27,324	5,458	189,555	2,756	2,756	192,311
Net Block :											
As at March 31, 2014	499	18,970	31,438	19,924	32,266	16,323	4,097	123,517	1,654	1,654	125,171
As at March 31, 2015	459	29,179	51,431	25,979	33,202	15,503	4,559	160,312	1,479	1,479	161,791
As at March 31, 2016	419	31,155	33,280	22,574	30,637	13,712	4,385	136,162	1,361	1,361	137,523
As at March 31, 2017	379	58,541	43,838	57,069	28,448	12,545	6,429	207,249	907	907	208,156
As at March 31, 2018	339	104,390	68,111	181,783	26,259	33,160	7,172	421,214	510	510	421,724
As at June 30, 2018	328	112,294	73,250	180,327	8,774	31,891	7,743	414,607	447	447	415,054

	Net Block Tangible Assets and Intangible Assets						Depreciation, amortization and impairment expense
	Own Assets	Operating Lease Assets	Tangibles Total	Own Assets	Operating Lease Assets	Intangibles Total	
As at March 31, 2014	1,841	123,517	125,358	2,132	1,654	3,786	24,234
As at March 31, 2015	1,634	160,312	161,946	2,412	1,479	3,891	29,257
As at March 31, 2016	2,161	136,162	138,323	2,115	1,361	3,476	32,261
As at March 31, 2017	24,057	207,249	231,306	1,467	907	2,374	35,929
As at March 31, 2018	22,661	421,214	443,875	605	510	1,115	57,966
As at June 30, 2018	22,289	414,607	436,896	561	447	1,008	17,874

Notes:

(a) Gross Block as at 31st March, 2016 includes assets pending to be given on operating lease amounting to ₹ 8,256 lakhs

(b) Additions for the year ended 31st March, 2015 includes assets pending to be given on operating lease amounting to ₹ 8,635 lakhs

(c) 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

(d) The Company has tested for impairment purposes, the carrying value of certain motor vehicles, computers, software, plant and machinery, earthmoving equipment, furniture and fixtures and wind mills with due consideration to expected recovery of such carrying value based on past trends and from redeployment to customers or thereafter under highly competitive market conditions. Based on the above, impairment losses have been recognised in the statement of profit and loss for the respective years.

(e) Refer note number 2.40 for the addition of Plant and Machinary made during the financial year 31 March 2017.

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.

(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 6 years, and are usually renewable by mutual agreement.

Lease payments charged to the Statement of Profit and Loss with respect to such leasing arrangements are as follows :

(₹ in lakhs)

Particulars	For the three months / years ended					
	30th June, 2018	31st March, 2018	31st March, 2017	31st March, 2016	31st March, 2015	31st March, 2014
(i) Office Premises (Under Cancellable operating lease arrangement)	205	901	2,692	2,607	2,361	2,256
(ii) Office Premises (Under Non - Cancellable operating lease arrangement)	23	91	182	113	111	107

(iii) The future minimum lease payments in respect of above non-cancellable operating leases are as follows:

(₹ in lakhs)

Particulars	As at					
	30th June, 2018	31st March, 2018	31st March, 2017	31st March, 2016	31st March, 2015	31st March, 2014
i. Not later than one year;	65	71	98	39	108	116
ii. Later than one year and not later than five years;	39	30	81	43	74	151
iii. Later than five years;	-	-	-	-	-	8
Total	**104**	**101**	**179**	**82**	**182**	**275**

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)

Three months ended 30th June, 2018 and Financial Year 2016-17

The Company has given assets on operating lease arrangements (refer note 2.11) for periods ranging between 1 to 9 years. Some of the arrangements have clauses for contingent rent. Total contingent rent recognized as income in the statement of profit and loss for the three months ended 30th June, 2018 and year ended 31st March, 2018 is amounting to ₹ 514 lakhs and ₹ 2,326 lakhs.

Financial Year 2016-17

The Company has given assets on operating lease arrangements (refer note 2.11) for periods ranging between 1 to 12 years. Some of the arrangements have clauses for contingent rent. Total contingent rent recognized as income in the statement of profit and loss for the year amounting to ₹ 1,567 lakhs.

Financial Year 2015-16, 2014-15, 2013-14
The Company has given assets on operating lease arrangements (refer note 2.11) for periods ranging between 1 to 12 years. Such arrangements do not have clauses for contingent rent.

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

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
i. Not later than one year;	115,028	114,167	47,930	39,523	43,402	34,249
ii. Later than one year and not later than five years;	261,561	258,765	120,762	63,688	88,304	59,837
iii. Later than five years;	2,961	5,345	10,612	10,208	15,394	18,611
Total	**379,550**	**378,277**	**179,304**	**113,419**	**147,100**	**112,697**

c) In the capacity of lessor (Finance Lease)

Three months ended 30th June, 2018 and Financial Year: 2017-18

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

Financial Year: 2016-17, 2015-16, 2014-15 and 2013-14

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 year.

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

Gross Investments (₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
i. Not later than one year;	18,541	14,234	430	345	345	74
ii. Later than one year and not later than five years;	48,221	39,287	632	601	946	151
iii. Later than five years;	24	47	-	-	-	-
Total	**66,786**	**53,568**	**1,062**	**946**	**1,291**	**225**

Unearned finance Income (₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
i. Not later than one year;	5,409	4,317	97	96	132	23
ii. Later than one year and not later than five years;	6,644	5,637	58	91	187	22
iii. Later than five years;	2	2	-	-	-	-
Total	**12,055**	**9,956**	**155**	**187**	**319**	**45**

Minimum lease payments (₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
i. Not later than one year;	13,133	9,918	335	244	209	51
ii. Later than one year and not later than five years;	41,577	33,650	560	504	748	129
iii. Later than five years;	21	45	-	-	-	-
Total	**54,731**	**43,613**	**895**	**748**	**957**	**180**

2.13 INVESTMENTS

(₹ in lakhs, except number of shares)

Particulars	As at 30th June, 2018		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014	
	Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
Other 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	-	-	-	-	-	-	-	-	2	46	48	127
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 31st March, 2017 and 31st March, 2016 and of 8,52,551 each as at 31st March, 2015	-	-	-	-	4	144	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 31st March, 2017 and 31st March, 2016 and of 9,10,071 each as at 31st March, 2015	-	-	-	-	3	64	70	182	254	192	-	-
Subtotal (A)	-	-	-	-	7	208	218	572	805	725	113	171
Non trade investments (unquoted)**												
Investment in India Global Competitive Fund (IGCF)												
2,800,000 units of Face Value of ₹ 100 each	-	-	-	-	-	-	-	-	-	-	-	2,800
Subtotal (B)	-	-	-	-	-	-	-	-	-	-	-	2,800
Total (A+B)	-	-	-	-	7	208	218	572	805	725	113	2,971

* At cost
** At cost or market value, whichever is lower

2.14 FINANCIAL ASSETS

Long term financial assets (₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
(Secured, considered good, unless otherwise stated)						
Financial assets # [refer note (a) (b) (c)]	1,134,587	1,159,177	862,729	797,264	755,970	769,314
Less : Provision for Non Performing Assets and Standard Restructured Assets under CDR, SDR and S4A [refer note (d)]	4,589	3,912	5,908	10,978	12,131	6,256
(Unsecured, considered good)						
Financial assets	18,949	21,016	-	-	-	-
Total	**1,148,947**	**1,176,281**	**856,821**	**786,286**	**743,839**	**763,058**

Current maturities of long term financial assets (₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
(Secured, considered good, unless otherwise stated)						
Financial assets # [refer note (a) (b) (c)]	432,002	423,028	373,941	363,134	417,595	448,282
Less : Provision for Non Performing Assets and Standard Restructured Assets under CDR, SDR and S4A [refer note (d)]	4,162	2,622	2,249	2,626	3,812	1,825
(Unsecured, considered good)						
Financial assets	3,974	510	-	-	-	-
Total	**431,814**	**420,916**	**371,692**	**360,508**	**413,783**	**446,457**

Short term financial assets (₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
(Secured, considered good, unless otherwise stated)						
Financial assets # [refer note (a) (b) (c)]	329,492	226,413	188,995	217,843	230,954	170,482
Less : Provision for Non Performing Assets and Standard Restructured Assets under CDR, SDR and S4A [refer note (d)]	6,087	6,472	3,926	1,080	2,426	6,058
(Unsecured, considered good)						
Financial assets	33,051	18,809	-	-	-	-
Total	**356,456**	**238,750**	**185,069**	**216,763**	**228,528**	**164,424**

Three months ended 30th June, 2018, Financial Year: 2017-18, 2016-17

Financial assets are secured by underlying hypothecated assets/receivables 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.

Note:

As at period/year end, the financial assets includes the following: (₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
(a) Non-performing assets of	74,820	43,806	41,986	45,440	79,352	77,140
(b) Restructured standard assets under Corporate Debt Restructuring (CDR) / Strategic Debt Restructuring (SDR) mechanism of (refer note 2.44)	2,046**	1,992**	20,521**	52,473**	81,610	41,203

** Net of advances/deposits

(c) As at period/year end, the financial assets includes the following :

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Assets pending to be given on finance (repossessed assets)	49,528	50,297	80,739	89,334	50,193	44,632
Tangible assets/receivables acquired in satisfaction of debt (net)	46,405	44,239	47,466	24,076	44,138	9,880
Exposure under scheme for Sustainable Structuring of Stressed Assets (S4A) (refer note 2.45)	13,031	13,202	8,636	-	-	-
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	5,447	5,447	-	-	-
Debenture acquired under Corporate Debt Restructuring (CDR) Mechanism	383	383	-	-	-	-
Equity shares acquired in consideration of receivables under Corporate Debt Restructuring (CDR) Mechanism.	20	122	524	677	1,023	-
Equity shares acquired in consideration of receivables under Strategic Debt Restructuring (SDR) Mechanism	387	530	592	204	-	-
Finance lease receivables net of unearned finance lease (refer note 2.12 (c))	54,731	43,613				

(d) Provision for Non Performing Assets and Standard Restructured Assets

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Provision for Non performing assets	12,065	10,195	8,489	9,075	12,164	10,248
Standard restructured assets under Corporate Debt Restructuring (CDR) Mechanism	167	171	1,298	4,211	6,205	3,891
Standard restructured assets under Strategic Debt Restructuring (SDR) Mechanism	-	-	568	1,398	-	-
Scheme for Sustainable Structuring of Stressed Assets (S4A)	2,606	2,640	1,728	-	-	-

2.14 FINANCIAL ASSETS - (CONTD...)
Disclosure of Restructured Accounts

Three months ended June 30, 2018

In terms of Appendix IV to Annex IV of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(₹ in lakhs)

Sl No	Type of Restructuring / Asset Classification / Details		Under CDR Mechanism: Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts on 01st April, 2018	No. of Borrowers	1	1	-	-	2
		Amount Outstanding	1,992	762	-	-	2,754
		Provision there on *	171	206	-	-	377
2	Fresh restructuring during the quarter	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision there on *	-	-	-	-	-
3	Upgradation to restructured Standard category during the quarter	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 shown as restructured standard advances at the beginning of the next quarter	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision there on *	-	-	-	-	-
5	Downgradations of restructured accounts during the quarter	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision there on *	-	-	-	-	-
6	Write-Offs of restructured accounts during the quarter	No. of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision there on *	-	-	-	-	-
7	Restructured Accounts on 30th June, 2018	No. of Borrowers	1	1	-	-	2
		Amount Outstanding	2,046	647	-	-	2,693
		Provision there on *	167	248	-	-	415

Figures in the bracket indicates previous year
* Provision as stated above includes provision for diminution in fair value of restructured advances.
** It excludes one account which has been settled during the year ended 31st March, 2018
*** It excludes one account where S4A has been invoked during the Year ended 31st March, 2018.

Financial Year: 2017-18

In terms of Appendix IV to Annex IV of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(₹ 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, 2017	No. of Borrowers	3 ****	2	-	-	5
		Amount Outstanding	10,690	1,743	-	-	12,433
		Provision there on *	982	472	-	-	1,454
2	Fresh restructuring 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 shown as restructured standard advances at the beginning of the next year	No. of Borrowers	2	-	-	-	2
		Amount Outstanding	8,726	-	-	-	8,726
		Provision there on *	732	-	-	-	732
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, 2018	No. of Borrowers	1	1***			2
		Amount Outstanding	1,992	762			2,754
		Provision there on *	171	206			377

Figures in the bracket indicates previous year
* Provision as stated above includes provision for diminution in fair value of restructured advances.
** It excludes one account where strategic debt restructuring (SDR) has been invoked during the year.
*** It excludes one account which has been settled during the Year ended 31st March, 2018.
**** It excludes one account where S4A has been invoked during the Year ended 31st March, 2018.

Financial Year: 2016-17
In terms of Appendix IV to Annex IV of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(₹ in lakhs)

Sl No	Type of Restructuring		Under CDR Mechanism				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total
	Details						
1	Restructured Accounts on April 1, 2016	No. of Borrowers	6	1**	-	-	7
		Amount Outstanding	39,951	1,327**	-	-	41,278
		Provision there on *	4,211	332**	-	-	4,543
2	Fresh restucturing during the year	No. of Borrowers	1	-	-	-	1
		Amount Outstanding	781	-	-	-	781
		Provision there on *	39	-	-	-	39
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 shown as restructured standard advances at the beginning of the next year	No. of Borrowers	2	-	-	-	2
		Amount Outstanding	21,050	-	-	-	21,050
		Provision there on *	2,564	-	-	-	2,564
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, 2017	No. of Borrowers	5	1	-	-	6
		Amount Outstanding	14,845	962	-	-	15,807
		Provision there on *	1,298	433	-	-	1,731

* Provision as stated above includes provision for diminution in fair value of restructured advances
** It excludes one account where Strategic Debt Restructuring (SDR) has been invoked during the year.

Financial Year: 2015-16

(₹ in lakhs)

Sl No	Type of Restructuring		Under CDR Mechanism				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total
	Details						
1	Restructured Accounts on April 1, 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 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	(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	6	2	-	-	8
		Amount Outstanding	39,951	1,497	-	-	41,448
		Provision there on *	4,211	349	-	-	4,560

Fresh restucturing 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		Under CDR Mechanism				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total
	Details						
1	Restructured Accounts on April 1, 2014	No. of Borrowers	7	1	-	-	8
		Amount Outstanding	41,203	7,431	-	-	48,634
		Provision there on *	3,891	743	-	-	4,634
2	Fresh restucturing during the 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)	-	-	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		Under CDR Mechanism				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total
	Details						
1	Restructured Accounts on April 1, 2013	No. of Borrowers	1	2	-	-	3
		Amount Outstanding	3,864	6,010	-	-	9,874
		Provision there on *	-	601	-	-	601
2	Fresh restucturing during the year	No. of Borrowers	4	1	-	-	5
		Amount Outstanding	29,291	7,431	-	-	36,722
		Provision there on *	2,807	743	-	-	3,550
3	Upgradation to restructured Standard category during the year	No. of Borrowers	2	(2)	-	-	2
		Amount Outstanding	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 forming part of Refomatted Statement of Assets and Liabilities

2.15 OTHER LONG-TERM ADVANCES

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
(Unsecured, considered good)						
Capital advances	7,327	4,641	7,797	501	1,053	892
Security deposits						
- To Related Parties (refer note 2.30)	-	43	43	804	803	812
- To Others	386	410	319	195	195	370
Balances with Service Tax / VAT/GST Authorities etc.	13,256	13,242	388	279	848	890
Other loans and advances						
- Advances to employees	83	102	241	53	29	27
- Advance income tax (net of Income tax provision of ₹ 60,108 lakhs as at 30th June, 2018, ₹ 55,575 lakhs as at 31st March, 2018, ₹ 162 lakhs as at 31st March, 2017, ₹ 162 lakhs as at 31st March, 2016, ₹ 162 lakhs as at 31st March, 2015; ₹ 162 lakhs as at 31st March, 2014)	2,696	5,228	488	488	488	488
Advance for investment	-	-	1,200	-	-	-
MAT Credit Entitlement	-	3,899	4,599	-	-	-
Total	23,748	27,565	15,075	2,320	3,416	3,479

2.16 OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
(Unsecured, considered good)						
Non-current portion of other bank balances						
- Fixed deposit with banks (refer note 2.18)	30,035	18,598	3,620	2,754	37	2,268
Interest accrued on fixed deposits	644	401	-	-	-	-
Unamortized public issue expenses for non convertible debentures	1,566	1,536	809	385	-	-
Prepaid expenses	3,482	3,055	2,388	2,465	2,020	3,369
Receivable on forward exchange contracts	9,901	1,975	793	7,837	15,020	20,315
Derivative financial asset	258	172	-	-	-	-
Deferred Premium on Forward Contracts	155	203	-	-	-	-
Other advances	-	-	-	-	26	26
Total	46,041	25,940	7,610	13,441	17,103	25,978

2.17 TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
(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
Considered doubtful (Non Performing Assets)	-	-	-	-	-	600
	-	-	-	3,104	498	901
Other debts						
Considered good	7,132	11,284	5,579	3,879	6,092	5,741
Considered doubtful (Non Performing Assets)			-	-	-	17
	7,132	11,284	5,579	3,879	6,092	5,758
	7,132	11,284	5,579	6,983	6,590	6,659
Less: Provision for bad and doubtful debts	-	-	-	-	-	62
Total	7,132	11,284	5,579	6,983	6,590	6,597

Trade receivables includes amount due in respect of Operating leases only

SREI EQUIPMENT FINANCE LIMITED

Notes forming part of Refomatted Statement of Assets and Liabilities

2.18 CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
A. Cash and cash equivalents						
Cash in hand	330	635	742	945	671	678
Balances with banks- In current accounts	1,058	1,894	6,441	2,477	13,925	20,099
(A)	1,388	2,529	7,183	3,422	14,596	20,777
B. Other bank balances						
In fixed deposit accounts * #	107,539	79,850	32,560	20,115	20,770	43,227
Less: Non-current portion of other bank balances (refer note 2.16)	30,035	18,598	3,620	2,754	37	2,268
(B)	77,504	61,252	28,940	17,361	20,733	40,959
Total (A+B)	78,892	63,781	36,123	20,783	35,329	61,736

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
*Balances include deposits:						
Having original maturity of more than 12 months	65,085	49,022	10,576	12,168	13,211	12,230
# Balances with banks held as:						
Security against borrowings	33	33	33	33	33	34
Margin against letter of credit/Bank guarantee	61,844	52,951	14,074	3,192	143	476
Cash collateral for securitisation/assignment of receivables	33,396	26,769	18,352	16,686	20,355	42,288

2.19 OTHER SHORT TERM ADVANCES

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
(Unsecured, considered good)						
Advances to employees	442	573	340	292	615	250
Security deposits						
- To Related Parties (refer note 2.30)	1,576	1,533	1,533	747	725	647
- To Others	617	359	321	384	308	121
Balances with Service Tax / VAT/GST Authorities etc.	34,294	27,294	1,776	693	673	638
Advances to vendors	2,616	1,558	1,002	926	959	423
Advance income tax [net of Income tax provision of ₹ Nil as at 30 June 2018, ₹ Nil as at 31st March 2018, ₹ 50,867 lakhs as at 31st March 2017, ₹ Nil as at 31st March 2016, 2015 and 2014]	-	-	91	-	-	-
Total	39,545	31,317	5,063	3,042	3,280	2,079

2.20 OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Interest accrued on fixed deposits	769	941	57	53	54	258
Unamortized public issue expenses for non convertible debentures	575	538	527	275	168	-
Prepaid expenses	1,141	1,140	1,015	1,055	1,773	2,344
Receivable on forward exchange contracts	2,631	4,610	1,445	11,741	8,040	3,287
Derivative Financial Assets CCIRS	114	87	1,557	-	-	-
Others *	1,802	2,024	1,492	374	234	651
Total	7,032	9,340	6,093	13,498	10,269	6,540

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
* Includes Deferred Premium on Forward Contracts of	1,565	1,613	1,350	353	210	571

2.21 REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Three Months ended 30th June, 2018	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014
Income from Financial Assets*#	69,448	238,141	204,552	221,399	221,107	215,847
Income from Operating Lease	26,271	87,564	43,391	38,522	35,988	40,296
Interest on Fixed Deposits	1,345	3,141	1,363	1,400	3,004	5,609
Sale of Power (Refer note 2.43)	611	2,106	-	-	-	-
Interest Income from Investments	-	2	27	67	45	41
Total	97,675	330,954	249,333	261,388	260,144	261,793

Three months ended 30th June, 2018 and Financial Year ended 2017-2018, 2016-2017, 2015-2016, 2014-2015, 2013-2014

* Represents interest income from financial assets and assets securitised/assigned aggregating for the three months ended 30th June, 2018 ₹ 58,956 lakhs and for the year ended 31st March, 2018 ₹ 213,170 lakhs, fee income and other income attributable to financial assets.

* Includes interest income aggregating for the year ended 31st March, 2017 ₹ 191,566 lakhs, 31st March, 2016 ₹ 207,174 lakhs, 31st March, 2015 ₹ 210,145 lakhs.

Includes interest income amounting to ₹ 205,745 lakhs for year ended 31st March, 2014, fee income and other income attributable to financial assets.

2.22 OTHER INCOME

(₹ in lakhs)

Particulars	Three Months ended 30th June, 2018	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014
Profit on sale from current investments	-	-	-	-	754	-
Dividend income from current investments	78	1,116	94	112	72	135
Profit on sale of fixed assets (Net)	-	-	88	-	-	-
Miscellaneous income	4	21	18	9	8	5
Total	82	1,137	200	121	834	140

2.23 FINANCE COST

(₹ in lakhs)

Particulars	Three Months ended 30th June, 2018	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014
Interest expense	40,349	130,627	117,044	122,977	113,048	132,781
Other borrowing costs	7,396	28,900	16,417	18,762	31,313	20,540
Net (Gain)/Loss on foreign currency transaction and translations	(326)	(56)	(221)	32	(133)	52
Total	47,419	159,471	133,240	141,771	144,228	153,373

2.24 EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	Three Months ended 30th June, 2018	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014
Salaries, allowances,commission and bonus	4,347	18,007	14,172	13,485	12,949	8,738*
Contribution to provident and other funds	398	364	833	745	937	531
Staff welfare expenses	77	538	474	367	370	334
Total	4,822	18,909	15,479	14,597	14,256	9,603

* 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

2.25 OTHER EXPENSES

(₹ in lakhs)

Particulars	Three Months ended 30th June, 2018	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014
Communication expenses	18	483	436	434	384	369
Legal and professional fees	1,543	6,041	3,794	3,933	4,490	2,914
Electricity charges	97	356	381	363	381	339
Rent	228	992	2,874	2,720	2,472	2,363
Rates and taxes	14	256	33	28	22	27
Brokerage and service charges	874	3,254	2,354	2,019	1,598	1,060
Payment to Auditors (refer note 2.25.1 below)	33	200	159	185	127	116
Repairs to machineries	215	2,119	1,454	1,336	936	661
Repairs others	353	1,259	1,751	1,681	1,669	1,070
Travelling and conveyance	890	3,499	2,701	2,607	2,658	2,415
Director’s sitting fees	5	26	23	13	12	2
Insurance	38	208	58	106	57	28
Printing and stationery	48	233	217	221	187	187
Advertisement and subscription	115	411	409	185	197	126
Conference and seminar	258	321	164	234	75	172
Corporate social responsibility expenses	96	399	226	210	127	-
Charity and donations	-	7	6	19	379	383
Loss on sale of Fixed assets (net)	166	903	-	71	238	184
Exchange Fluctuations (Net)	-	2	-	123	-	-
Miscellaneous expenses	206	1,133	930	731	835	611
Total	5,197	22,102	17,970	17,219	16,844	13,027

2.25.1 Payment to Auditors

(₹ in lakhs)

Particulars	Three Months ended 30th June, 2018	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014
Audit Fees	10	60	60	50	50	46
Other services (certification etc.)	23	130	88	123	70*	63
Reimbursement of expenses	-	10	11	12	7#	7
Total	33	200	159	185	127	116

* Includes payment to erstwhile auditor amounting to ₹ 8 lakhs
# Includes payment to erstwhile auditor amounting to ₹ 3 lakhs

2.26 Bad debts written off, provisions and contingencies includes the following:

(₹ in lakhs)

Particulars	Three Months ended 30th June, 2018	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2015
Financial Assets/Receivable written off (net of recoveries)	6,947	28,706	27,019	42,618	29,455
Provision for non performing assets	1,870	1,706	(586)	(3,089)	1,853
Provision for standard restructured assets under Corporate Debt Restructuring (CDR) mechanism	(4)	(1,127)	(2,913)	(1,994)	2,314
Provision for standard restructured assets under Strategic Debt Restructuring (SDR) mechanism	-	(568)	(831)	1,398	-
Provision for standard restructured assets under Scheme for Sustainable Structuring of Stressed Assets (S4A)	(34)	912	1,729	-	-
Contingency provision against standard assets	389	4,573	855	685	35
Total	9,168	34,202	25,273	39,618	33,657

2.27 EARNING PER SHARE

Particulars	Three Months ended 30th June, 2018	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014
Net Profit attributable to Equity Shareholders (₹ in lakhs)	9,098	26,349	14,884	11,526	15,302	22,538
Weighted average number of Equity Shares Basic (Nos.)	59,660,000	59,660,000	59,660,000	59,660,000	59,660,000	59,660,000
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	59,660,000	59,660,000
Nominal Value of Equity per share (₹)	10	10	10	10	10	10
Basic and Diluted Earnings per share (₹)	15.25*	44.17	24.95	19.32	25.65	37.78

* Not Annualised

2.28 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in lakhs)

Particulars	Three Months ended 30th June, 2018	Year ended 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Contingent liabilities						
Claims against the company not acknowledged as debt						
Disputed demands*						
- Sales tax	48	204	204	345	171	62
- Service tax	1,828	3,484	3,557	19	55	555
- Value added tax (VAT)	1,284	970	1,273	1,282	906	527
- Income tax	5,300	5,300	5,300	5,300	397	1,232
(A)	8,460	9,958	10,334	6,946	1,529	2,376
Guarantees						
Bank guarantees**#	60,111	50,669	10,808	352	144	480
(B)	60,111	50,669	10,808	352	144	480
Total (A+B)	68,571	60,627	21,142	7,298	1,673	2,856

Commitments						
Estimated amount of capital contracts remaining to be executed (Net of advances)	25,012	13,044	35,934	1,579	1,426	3,792
Advances	7,327	4,641	7,797	501	748	892
Other commitments (refer note 2.28.1)						

Three months ended 30th June, 2018 and Financial Year 2017-18,2016-17,2015-16 and 2014-15

* 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 30 June, 2018, 31 March 2018, and 31 March 2017 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, 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 June, 2018		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014	
		No. of contracts	Amount in foreign currency (in lakhs)	No. of contracts	Amount in foreign currency (in lakhs)	No. of contracts	Amount in foreign currency (in lakhs)	No. of contracts	Amount in foreign currency (in lakhs)	No. of contracts	Amount in foreign currency (in lakhs)	No. of contracts	Amount in foreign currency (in lakhs)
Currency Options / Swaps	USD/INR	12	USD 2,306	13	USD 2,455	8	USD 1,114	12	USD 1,177	12	USD 1651	13	USD 1,922
	YEN/USD	-	-	-	-	-	-	-	-	-	-	1	YEN 13,598
	EUR/INR	7	EUR 911	2	EUR 341	1	EUR 214	-	-	1	EUR 17	1	EUR 28
	SGD/USD	-	-	-	-	1	SGD 42	1	SGD 126	1	SGD 209	1	SGD 279
Forward Contracts	USD/INR	28	USD 308	29	USD 206	47	USD 433	12	USD 174	9	USD 47	25	USD 110
	EUR/INR	62	EUR 451	71	EUR 505	43	EUR 271	21	EURO 97	14	EUR 57	21	EUR 120
	GBP/INR	1	GBP 2	1	GBP 2	1	GBP 2	-	-	-	-	-	-
	YEN/INR	-	-	-	-	-	-	-	-	-	-	1	YEN 515
	AUD/INR	-	-	-	-	-	-	-	-	1	AUD 10	-	-
	SGD/INR	-	-	-	-	-	-	-	-	1	SGD 27	-	-
	CHF/INR	-	-	-	-	-	-	-	-	-	-	-	-
Interest Rate Swaps	USD	4	USD 759	2	USD 298	3	USD 238	5	USD 722	6	USD 1101	6	USD 1,247
	EUR	-	-	-	-	-	-	1	EURO 6	1	EURO 17	1	EUR 28

Derivative Disclosure

Three months ended 30th June, 2018 and Financial Year 2017-18 and 2016-17

2.29 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-11) like forward contracts (or other financial instruments which in substance are forward contracts covered). 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.

2.29.1 Overall financial risk management objective and policies

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. 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 dates. The Board has delegated authority to Company officials in the Treasury department for entering into Generic derivative products besides Forward Contracts, on behalf of the Company, to hedge the Foreign Currency and Interest Rate Risk exposures. The Company has a Risk Management Policy which paves the way for risk reporting and risk monitoring systems. The 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.

2.29.2 Methodology used to arrive at the fair value of the derivative contracts

In estimating the fair value of derivative, the Company obtains the marked-to-market values from the banks with whom the hedge deals are done. The fair value gains/losses recognized in the statement of profit and loss and in hedge reserve (equity) are disclosed as follows:

Three months ended 30th June, 2018

(₹ in lakhs)

SL. No.	Particulars	Cross Currency Derivatives	Interest Rate Derivatives
(i)	The amount recognised in hedge reserve (equity) during the period/ year	-	113
(ii)	The amount recycled from the hedge reserve (equity) and reported in statement of profit and loss (net).	-	-
(iii)	Realised gain/loss recognized in hedge reserve (equity).	-	505
(iv)	Unrealised gain/loss recognized in hedge reserve (equity).	-	273

Financial Year 2017-18

(₹ in lakhs)

SL. No.	Particulars	Cross Currency Derivatives	Interest Rate Derivatives
(i)	The amount recognised in hedge reserve (equity) during the period/ year	(361)	14
(ii)	The amount recycled from the hedge reserve (equity) and reported in statement of profit and loss (net).	-	-
(iii)	Realised gain/loss recognized in hedge reserve (equity).	30	431
(iv)	Unrealised gain/loss recognized in hedge reserve (equity).	-	234

Financial Year 2016-17

(₹ in lakhs)

SL. No.	Particulars	Cross Currency Derivatives	Interest Rate Derivatives
(i)	The amount recognised in hedge reserve (equity) during the year	391	651
(ii)	The amount recycled from the hedge reserve (equity) and reported in statement of profit and loss (net).	-	-
(iii)	Realised gain/loss recognized in hedge reserve (equity).	1,280	355
(iv)	Unrealised gain/loss recognized in hedge reserve (equity).	(889)	296

2.29.3 Hedge accounting relationship

The Company designates derivatives instruments in respect of foreign currency risk and interest rate risk as cash flow hedges. At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

2. 30 **Related Party Disclosure**

Related party disclosures, as stipulated by “AS 18: Related Party Disclosures” are given below:

List of Related Parties

Ultimate Holding Company	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Adisri Commercial Private Limited	√	√	√	-	-	-

Holding Company	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Srei Infrastructure Finance Limited *	√	√	√	-	-	-

Fellow Subsidiares	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Srei Capital Markets Limited	√	√	√	-	-	-
Srei Alternative Investment Managers Limited	√	√	√	-	-	-
Srei Infrastructure Advisors Limited (till 12 March 2018)	-	-	√	-	-	-
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	√	√	√	-	-	-
Srei International Infrastructure Services GmbH, Germany (till 21st June 2016)	-	-	√	-	-	-
Srei Forex Limited (till 17th May 2016)	-	-	√	-	-	-
AO Srei Leasing, Russia (till 21st June 2016)	-	-	√	-	-	-
Srei Advisors Private Limited, Singapore (till 21st June 2016)	-	-	√	-	-	-
Bengal Srei Infrastructure Development Limited	√	√	√	-	-	-
Hyderabad Information Technology Venture Enterprises	√	√	√	-	-	-
Cyberabad Trustee Company Private Limited	√	√	√	-	-	-
Quippo Drilling International Private Limited	√	√	√	-	-	-

Joint Venture	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Srei Infrastructure Finance Limited *	-	-	-	√	√	√
BNP Paribas Lease Group *	-	-	-	√	√	√

* Pursuant to the Share Purchase Agreement ("SPA") dated 29th December, 2015 executed between Srei Infrastructure Finance Limited (SIFL), BNP Paribas Lease Group (BPLG), Srei Equipment Finance Limited (SEFL) and others, BPLG agreed to sell its entire shareholding of 2,98,30,000 equity shares of SEFL representing 50 per cent of the total paid-up equity share capital of SEFL to SIFL in accordance with applicable laws. The transaction received all the requisite approvals and BPLG sold its entire shareholding of 2,98,30,000 equity shares of SEFL representing 50 per cent of the total paid-up equity share capital of SEFL to SIFL. Pursuant to this transaction, SEFL became the wholly-owned subsidiary of SIFL with effect from 17th June, 2016.

Key management personnel (KMP)	Designation	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Mr. Hemant Kanoria	Chairman and Managing Director	√	√	√	-	-	-
	Vice Chairman and Managing Director	-	-	-	√	√	√
Mr. Sunil Kanoria	Vice Chairman	√	√	√	-	-	-
	Joint Managing Director	-	-	-	√	√	√
Mr. D K Vyas	Chief Executive Officer	√	√	√	√	√	√
Mr. CR Sudharsanam(Till 30th June, 2016)	Chief Financial Officer	-	-	-	√	√	√
Mr. Manoj Kumar Beriwala (with effect from 3rd November, 2016)	Chief Financial Officer	√	√	√	-	-	-
Mr. Sanjay Chaurasia (till 30th June, 2014)	Company Secretary	-	-	-	-	√	-
Mr. Naresh Mathur (till 27th November, 2017)	Company Secretary	-	-	√	√	√	-
Ms. Ritu Bhojak (with effect from 27th November, 2017)	Company Secretary	√	√	-	-	-	-

Relative of Key management personnel (KMP)	Relation	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Ms. Sangeeta Vyas	Spouse of Chief executive officer	√	√	√	√	√	√

Enterprise over which KMP is having significant influence	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Viom Networks Limited (Till 21st April, 2016)	-	-	-	√	√	√

Enterprise over which relative of KMP has significant influence	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
India Power Corporation Limited (with effect from 1 June, 2017)	√	√	-	-	-	-

√ Related party as on period/year end date.

Summary Of Transactions:

(₹ in lakhs)

Name of the Related Party & Nature of relationship	Nature of transactions	As at 30th June, 2018		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014	
		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	Amount	Outstanding as at year end
(A) Holding Company													
Srei Infrastructure Finance Limited ##	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	-	-	-	-	1,845	-	1,735	-	1,643	-	1,568	-
	Security Deposit paid for Leased Premises	-	1,576	-	1,576	26	1,576	22	1,551	69	1,528	-	1,425
(B) Subsidiary of Holding Company:													
Quippo Oil and Gas Infrastructure Limited	Loan Given	50	1,092	1,200	1,184	-	-	-	-	-	-	-	-
	Interest Income on Loan Given	34	6	117	6	-	-	-	-	-	-	-	-
	Rental income on asset given on operating lease	382	366	3,902	1,872	1,232	-	-	-	-	-	-	-
(C) Joint Venture													
BNP Paribas Lease Group ##	Professional fees	-	-	-	-	12	-	159	-	1,338	-	-	-
	Balance payable	-	-	-	-	-	-	-	-	-	1,242	-	-

(D) Key management personnel (KMP):													
Mr. Hemant Kanoria#	Remuneration	189	131	679	292	523	182	380	98	406	118	361	129
Mr. Sunil Kanoria#	Remuneration	191	120	685	290	516	172	392	78	399	101	370	128
Mr. D K Vyas	Remuneration	162	68	325	22	284	20	292	10	236	9	261	24
	Loan Given	-	67	-	84	200	186	-	-	-	-	-	-
	Repayment of loan given	17	-	103	-	14	-	-	-	-	-	(13)	-
	Interest Income on loan given	2	-	11	-	7	-	-	-	-	-	-	**
	Rent paid for leased premise	2	-	10	-	10	-	8	-	8	-	5	-
Mr. CR Sudharsanam (Till 30th June, 2016)	Remuneration	-	-	-	-	30	-	87	-	82	-	85	-
	Advance given	-	-	-	-	-	-	-	5	-	5	-	5
	Refund taken	-	-	-	-	5	-	-	-	-	-	-	-
Mr. Manoj Kumar Beriwala	Remuneration	19	9	82	8	27	6	-	-	-	-	-	-
Mr. Naresh Mathur (till 27th November, 2017)	Remuneration	-	-	17	-	24	2	26	1	18	1	-	-
Ms. Ritu Bhojak (with effect from 27th November, 2017)	Remuneration	10	3	14	2	-	-	-	-	-	-	-	-
Mr. Sanjay Chaurasia	Loan Given / (Repayment)	-	-	-	-	-	-	-	-	(****)	5	-	-
	Interest income	-	-	-	-	-	-	-	-	*****	-	-	-
	Remuneration	-	-	-	-	-	-	-	-	3	***	-	-
(D) Transaction with Relative of Key management personnel (KMP):													
Ms. Sangeeta Vyas	Refund of Security deposit for leased premise	-	-	-	-	-	-	-	-	-	-	(4)	-
	Security deposit paid for leased premise	-	-	-	-	-	-	-	-	-	-	-	-
(E) Enterprise over which KMP is having significant influence:													
Viom Networks Limited (Till 21st April, 2016)	Interest income	-	-	-	-	-	-	-	-	-	-	1,524	-
	Loan given	-	-	-	-	-	-	-	-	-	-	-	-
(F) Enterprise over which relative of KMP has significant influence:													
India Power Corporation Limited (with effect from 1 June, 2017)	Rent paid for leased premise	-	-	23	-	-	-	-	-	-	-	-	-
	Rental Income on asset given on operating lease	480	776	2,368	829	-	-	-	-	-	-	-	-

** ₹ 41,759

*** ₹ 22,525 as on 31st March, 2015

****(₹ NIL during the year ended 31st March, 2016) (₹ 25,104 during the year ended 31st March, 2015)

*****(₹ Nil during the year ended 31st March, 2016) (₹ 6,023 during the year ended 31st March'2015)

Apart from the transactions referred above, Mr. Hemant Kanoria, Vice Chairman and Managing Director and Mr. Sunil Kanoria, Joint Managing Director of the Company have extended their personal guarantees in favour of financial institution / banks, the outstanding amount of which as at 31st March, 2015 is ₹ Nil, 31st March, 2014: ₹ 840 lakhs and 31st March, 2015 is ₹ Nil, ₹ 840 lakhs respectively for the loans taken by the Company from such institutions / banks.

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

2.31 Employee Benefits

Three months ended 30th June, 2018 and Financial Year:- 2017-18, 2016-17, 2015-16, 2014-15 and 2013-14

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)					
	Three months ended June, 2018	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014
Current service cost	44	284	229	242	167	177
Interest cost	22	108	102	92	75	62
Expected return on plan assets	(19)	(66)	(56)	(55)	(50)	(42)
Past Service Cost	-	3	-	-	-	-
Net actuarial losses/(gains)	135	(793)	(63)	(140)	163	(147)
Net benefit expense (refer note no 2.24 : employee benefit expenses)	**182**	**(464)**	**212**	**139**	**355**	**50**
Expected return on plan assets	8.35%	8.35%	8.35%	8.75%	8.75%	9.25%

(₹ in lakhs)

Particulars	Compensated absence (Unfunded)					
	Three months ended June, 2018	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014
Current service cost	193	162	235	260	254	205
Interest cost	13	41	39	36	29	28
Expected return on plan assets	-	-	-	-	-	-
Past Service Cost	-	-	-	-	-	-
Net actuarial losses/(gains)	35	79	170	81	261	33
Net benefit expense (refer note no 2.24 : employee benefit expenses)	**241**	**282**	**444**	**377**	**544**	**266**
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

(b) Net Liability recognised in Balance Sheet are as follow:

(₹ in lakhs)

Particulars	Gratuity (funded)					
	Three months ended June, 2018	Year ended 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Defined benefit obligation	1,367	1,171	1,540	1,347	1,202	815
Fair value of plan assets	(1,018)	(1,004)	(730)	(678)	(635)	(567)
Net liability	**349**	**167**	**810**	**669**	**567**	**248**

(₹ in lakhs)

Particulars	Compensated absence (Unfunded)					
	Three months ended June, 2018	Year ended 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Defined benefit obligation	1,298	1,125	1,206	1,069	1,001	729
Fair value of plan assets	-	-	-	-	-	-
Net liability	**1,298**	**1,125**	**1,206**	**1,069**	**1,001**	**729**

(c) Changes in the present value of the defined benefit obligations are as follows:

(₹ in lakhs)

Particulars	Gratuity (funded)					
	Three months ended June, 2018	Year ended 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Opening defined benefit obligation	1,171	1,540	1,347	1,202	815	767
Interest cost	22	108	102	92	75	62
Current service cost	44	284	229	242	167	177
Benefit paid	(20)	(61)	(72)	(49)	(18)	(33)
Actuarial losses/(gains)	150	(797)	(66)	(140)	163	(158)
Acquisition cost	-	94	-	-	-	-
Plan Amendments	-	3	-	-	-	-
Closing defined benefit obligation	**1,367**	**1,171**	**1,540**	**1,347**	**1,202**	**815**

(₹ in lakhs)

Particulars	Compensated absence (Unfunded)					
	Three months ended June, 2018	Year ended 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Opening defined benefit obligation	1,125	1,206	1,069	1,001	729	680
Interest cost	13	41	39	36	29	28
Current service cost	193	162	235	260	254	205
Benefit paid	(68)	(363)	(307)	(309)	(272)	(217)
Actuarial losses/(gains)	35	79	170	81	261	33
Plan Amendments	-	-	-	-	-	-
Closing defined benefit obligation	**1,298**	**1,125**	**1,206**	**1,069**	**1,001**	**729**

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

(₹ in lakhs)

Particulars	Gratuity (funded)					
	Three months ended June, 2018	Year ended 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Opening fair value of plan assets	1,004	730	678	635	567	367
Expected return on plan assets *	19	66	56	55	50	42
Contribution by the Company	-	178	71	36	37	202
Acquisition Adjustment	-	94	-	-	-	-
Benefits paid	(20)	(60)	(72)	(49)	(18)	(33)
Actuarial (losses) / gains	15	(4)	(3)	1	(1)	(11)
Closing fair value of plan assets	**1,018**	**1,004**	**730**	**678**	**635**	**567**

* 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 (funded)				
	Three months ended June, 2018	Year ended 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
	%	%	%	%	%
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	Three months ended June, 2018	Year ended 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Discount rate (%)	8.00%	7.60%	7.15%	7.80%	7.80%	9.25%
Expected Return on Plan Assets (Gratuity Scheme)	8.35%	8.35%	8.35%	8.75%	8.75%	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	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult

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

(₹ in lakhs)

Particulars	Gratuity (funded)					
	Three months ended June, 2018	Year ended 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Defined benefit obligation	1,367	1,171	1,540	1,347	1,202	815
Fair value of plan assets	1,018	1,004	730	678	635	567
Deficit	349	167	810	669	567	248
Experience adjustments on plan liabilities – gains/ (losses)	31	(50)	192	139	53	28
Experience adjustments on plan assets – gains/(losses)	16	(4)	(3)	1	(1)	(10)

(₹ in lakhs)

Particulars	Compensated absence (Unfunded)					
	Three months ended June, 2018	Year ended 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Defined benefit obligation	1,298	1,125	1,206	1,069	1,001	729
Fair value of plan assets	-	-	-	-	-	-
Deficit	1,298	1,125	1,206	1,069	1,001	729
Experience adjustments on plan liabilities – gains/ (losses)	75	(439)	(124)	(81)	(170)	(89)
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 contribution for the next year ₹ Nil as at 30 June, 2018, ₹ 178 lakhs as at 31 March 2018,₹ 70 lakhs as at 31 March 2017; ₹ NIL as at 31 March, 2016.

The Company expects to contribute ₹ 100 lakhs to gratuity fund in the year 2015-16 as at 31 March 2015 and ₹ 200 lakhs to gratuity fund in the year 2014-15 as at 31 March 2014.

j) Amount provided for defined contribution plans are as follows:

(₹ in lakhs)

Particulars	Three months ended June, 2018	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014
Provident fund	194	737	560	555	522	474
Employee state insurance	12	52	21	11	9	7
Total *	**206**	**789**	**581**	**566**	**531**	**481**

* Includes in respect to Managerial Personnel

SREI EQUIPMENT FINANCE LIMITED
Notes forming part of Refomatted Statement of Assets and Liabilities

2.32 C.I.F Value of Imports

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Capital goods (for operating lease)	3,398	13,968	10,072	3,328	3,554	1,282
Total	3,398	13,968	10,072	3,328	3,554	1,282

2.33 Expenditure in Foreign Currency

(₹ in lakhs)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Finance charges	5,563	6,766	4,696	4,352	5,297	6,943
Others	8	334	345	1,715	1,475	192
Total	5,571	7,100	5,041	6,067	6,772	7,135

2.34 Financial Year 2016-17

Information as required by terms of Annex XII of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is furnished vide Annexure – I attached herewith.

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

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.

2.35 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.

2.36 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.

2.37 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

2.38 Details of Specified Bank Notes (SBN) held and transacted during the period 8th November 2016 to 30th December 2016

Financial Year 2016-2017

(₹ in lakhs)

Particulars	Specified Bank Notes (SBNs)	Other denomination notes	Total
Closing cash in hand as on 8th November 2016	477	181	658
(+) Permitted receipts	-	700	700
(+) Other receipts – (Amount directly deposited by the customers in banks)	2,553	567	3,120
(-) Permitted payments	-	31	31
(-) Amount deposited in Banks	477	690	1,167
(-) Amount deposited in Banks directly by the customers	2,553	567	3,120
Closing cash in hand as on 30th December 2016	-	160	160

Note: The figures stated in the above table is based on the certificate received from Banks.

2.39 SEGMENT REPORTING

Three months ended 30th June, 2018 and Financial Year 2017-18, 2016-17,2015-16, 2014-15

The Company is primarily 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.

2.40 DISCLOSURE OF JOINT CONTROLLED OPERATION

Three months ended 30th June, 2018

During the year ended 31st March, 2017, the Company has entered into agreements with PL Solar Renewable Limited, PL Sunrays Power Limited and PL Surya Vidut Limited (“SPVs”), respectively, for joint use and operation of certain assets in relation to Solar Power Generation project. These SPVs have already entered into purchase power agreement (PPA) with Uttarakhand Power Corporation Limited (UPCL). Pursuant to the agreement, the revenue generated from the sale of power to UPCL will be shared among the Company and SPVs in the ratio of 80:20.

Accordingly, an amount of ₹ 611 Lakhs has been recognized as “Sale of Power” under the head "Income from Operations". None of the Company’s assets has been transferred to the Joint Venture and there is no liability incurred in this respect.
There are no Contingent Liabilities or Capital Commitments in this respect.

Financial Year 2017-18

During the year ended 31st March, 2017, the Company has entered into agreements with PL Solar Renewable Limited, PL Sunrays Power Limited and PL Surya Vidut Limited (“SPVs”), respectively, for joint use and operation of certain assets in relation to Solar Power Generation project. These SPVs have already entered into purchase power agreement (PPA) with Uttarakhand Power Corporation Limited (UPCL). Pursuant to the agreement, the revenue generated from the sale of power to UPCL will be shared among the Company and SPVs in the ratio of 80:20.

Accordingly, an amount of ₹ 2,106 Lakhs has been recognized as “Sale of Power” under the head "Income from Operations". None of the Company’s assets has been transferred to the Joint Venture and there is no liability incurred in this respect.
There are no Contingent Liabilities or Capital Commitments in this respect.

2.41 Three months ended 30th June, 2018

The Company's ultimate tax liability will be decided based on the taxable profit for the year ended 31st March, 2019

2.42 COMPARATIVE FIGURES

Three months ended June 30, 2018 and Financial Year 2017-18, 2016-17, 2015-16, 2014-15, 2013-14

Previous year figures have been regrouped / rearranged wherever considered necessary to correspond with the current period/year classification/ disclosure.

Disclosure of details as per Reserve Bank of India Guidelines

2. 43 Asset under management

2.43.1 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	Three months ended June, 2018	Year ended 31st March, 2018	Year Ended 31st March, 2017	Year Ended 31st March, 2016	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Total number of contracts securitized	2,374	9,459	10,888	3,550	2,821	4,570
Book Value of contracts securitized	45,150	95,057	87,610	32,378	43,096	87,314
Sales consideration *	45,150	95,057	87,610	32,378	43,096	87,314
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 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Bank/Other deposits provided as collateral as on Balance Sheet date	33,396	26,769	18,352	16,686	20,356	16,622
Credit enhancements provided by third parties;						
-First loss facility	-	-	-	-	-	-
-Second loss facility	-	-	-	-	-	-

2.43.2 Assignment of receivables

Three months ended 30 June, 2018

In terms of Section B of Annex XVIII of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, during the quarter ended 30th June, 2018, the Company has assigned financial assets to the extent of ₹ 73,430 lakhs for purchase consideration of ₹ 73,430 lakhs. The total amount of exposures retained by the Company on such assignment to comply with the Minimum Retention Requirement (MRR) is ₹ 8,159 lakhs. Assets assigned are derecognized from the books of account.

Financial Year 2017-18

In terms of Section B of Annex XVIII of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, during the year ended 31st March, 2018, the Company has assigned financial assets to the extent of ₹ 367,526 lakhs for purchase consideration of ₹ 367,526 lakhs. The total amount of exposures retained by the Company on such assignment to comply with the Minimum Retention Requirement (MRR) is ₹ 40,836 lakhs. Assets assigned are derecognized from the books of account.

Financial Year 2016-17

In terms of Section B of Annex XVIII of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, during the year ended 31st March, 2017, the Company has assigned financial assets to the extent of ₹ 253,531 lakhs for purchase consideration of ₹ 253,531 lakhs. The total amount of exposures retained by the Company on such assignment to comply with the Minimum Retention Requirement (MRR) is ₹ 28,170 lakhs. Assets assigned are derecognized from the books of account. As at 31st March, 2017 the Company has lodged bank deposits of Nil as collateral against total assigned contracts outstanding at the year ended 31st March 2017.

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.

2.43.3 The Aggregate amount of assets derecognized/loans originated in terms of paragraphs 2.43.1 to 2.43.2 above that are Assets Under Management of the Company are as under :

Particulars	Amount outstanding (₹ in lakhs)					
	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Securitization	155,432	127,917	100,269	66,291	92,809	113,189
Assignment of Receivables	435,151	429,196	299,892	227,274	112,530	90,730
Total	**590,583**	**557,113**	**400,161**	**293,565**	**205,339**	**203,919**

2.43.4 The details of securitized contracts by the Company outstanding at the period/year ended are as under :

No. / (₹ in lakhs)

Particulars	As at 30th June, 2018 #	As at 31st March, 2018 #	As at 31st March, 2017 #	As at 31st March, 2016 #	As at 31st March, 2015 #	As at 31st March, 2014
No of SPVs sponsored by the NBFC for securitisation transactions	13	11	9	7	12	9
Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	155,432	127,917	100,269	66,291	92,809	113,189
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	33,396	26,769	17,076	15,074	17,479	15,043
Others	-	-	215	790	1,530	284
Amount of exposures to securitisation transactions other than MRR						
a) Off-balance sheet exposures						
i) Exposure to own securitisations						
First loss	-	-	-	-	-	-
Others	-	-	-	-	-	-
ii) Exposure to third party securitisations						
First loss	-	-	-	-	-	-
Others	-	-	-	-	-	-
b) On-balance sheet exposures						
i) Exposure to own securitisations						
First loss	-	-	-	-	-	-
Others	-	-	1,276	1,612	2,877	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.

Disclosure of details as per Reserve Bank of India Guidelines
2.43 Asset under management (CONTINUED)

2.43.5 The details of direct assignment contracts by the Company outstanding at the period/year ended are as under:

No. / (₹ in lakhs)

Sl.No	Particulars	30th June, 2018	31st March, 2018	31st March, 2017	31st March, 2016	31st March, 2015	31st March, 2014
1	No of transactions assigned by the Company	54	50	39	23	10	10
2	Total amount outstanding	435,151	429,196	299,892	227,274	112,530	90,730
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	-	-	-	-	-	17,205
	Others	48,355	47,697	33,373	25,389	12,564	13,495
4	Amount of exposures to securitisation transactions other than MRR						
	a) Off-balance sheet exposures						
	i) Exposure to own securitisations						
	First loss	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	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	-	-	-	-	-	-

Disclosure of details as per Reserve Bank of India Guidelines

2.44 Disclosures on Strategic Debt Restructuring (SDR) Scheme (accounts which are currently under the stand-still period)

(₹ in lakhs)

As at	No. of accounts where SDR has been invoked	Amount outstanding		Amount outstanding with respect to accounts where conversion of debt to equity is pending		Amount outstanding with respect to accounts where conversion of debt to equity has taken place	
		Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
30 June 2018	One number of Account	-	167	-	-	-	167
31 March 2018	One number of Account	-	167	-	-	-	167
31 March 2017	Two number of Accounts	5,676	167	-	-	5,676	167
31 March 2016	One number of Account	12,522	-	-	-	12,522	-

2.45 Disclosures on the scheme for Sustainable Structuring of Stressed Assets (S4A)

(₹ in lakhs)

As at	No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision held
			In part A	In part B	
30 June 2018	Three number of account classified as Standard	13,031	8,094	4937 [Refer note (a)]	2,606
31 March 2018	Three number of accounts classified as Standard	13,202	8,265	4937 [Refer note (a)]	2,640
31 March 2017	One number of account classified as Standard	8,636	4,969	3667 [Refer note (b)]	1,728

Notes:

(a) It represents the Optionally Convertible Debentures and Equity received as per the S4A scheme.

(b) It represents the Optionally Convertible Debentures received as per the S4A guidelines.

Disclosure of details as per Reserve Bank of India Guidelines
2. 46 ANNEXURE - I to Notes forming part of the Refomatted Financial Statement

1. Capital to Risk Asset Ratio (CRAR)

(₹ in lakhs)

Sl no.	Items	As at 30th June, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
i	CRAR (%)	15.22	15.94	18.66	19.62	17.05	17.13
ii	CRAR – Tier I Capital (%)	10.43	10.68	13.71	14.65	13.35	12.63
iii	CRAR – Tier II Capital (%)	4.79	5.26	4.95	4.97	3.70	4.50
iv	Amount of subordinated debt raised as Tier-II capital	-	60,517	30,350	35,960	4,100	12,680
v	Amount raised by issue of perpetual Debt Instruments	-	-	-	-	-	-

2. Exposure to Real Estate

(₹ in lakhs)

Category	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
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;	89,378	96,499	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	**89,378**	**96,499**	**50,299**	**6,000**	-

3. Exposure to Capital Market

(₹ in lakhs)

Sl no.	Category	As at 31st March, 2018	As at 31st March, 2017	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, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
(i)	Number of accounts	6,963	7,075	10,424	4,764
(ii)	Aggregate value (net of provisions) of accounts sold	367,526	253,531	204,167	101,998
(iii)	Aggregate consideration	367,526	253,531	204,167	101,998
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil	Nil	Nil

Disclosure of details as per Reserve Bank of India Guidelines (Continued)
ANNEXURE - I to Notes forming part of the Refomatted Financial Statement

5. Asset Liability Management
Three months ended June 30, 2018
Maturity pattern of certain items of assets and liabilities as at 30th June, 2018 are as follows;

(₹ in lakhs)

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	117,129	119,461	100,496	178,295	332,353	1,082,395	376,374	25,102	2,331,605
Investments	-	-	-	-	-	-	-	-	-
Borrowing	77,140	235,898	114,837	104,898	209,701	694,293	406,486	187,060	2,030,313
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	5,480	3,732	5,776	16,677	13,412	4,181	-	-	49,258

Note :

1. The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in proportion to the maturity pattern of the financial assets.

Financial Year 2017-18
Maturity pattern of certain items of assets and liabilities as at 31st March, 2018 are as follows;

(₹ in lakhs)

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	128,204	95,563	87,225	159,736	312,261	1,013,955	392,133	38,153	2,227,230
Investments	-	-	-	-	-	-	-	-	-
Borrowing	63,610	103,988	192,810	150,785	200,733	631,869	379,989	158,146	1,881,930
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	1,079	2,987	2,187	12,357	18,445	6,984	-	-	44,039

Note :

1. The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in proportion to the maturity pattern of the financial assets.

Financial Year 2016-17
Maturity pattern of certain items of assets and liabilities as at 31st March, 2017 are as follows;

(₹ in lakhs)

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	83,030	69,934	36,628	105,213	275,331	744,287	240,014	50,532	1,604,969
Investments	31	29	27	68	53	7	-	-	215
Borrowing	70,333	60,574	38,139	76,792	177,065	554,336	208,995	106,950	1,293,184
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	10,565	4,812	5,579	12,040	5,253	2,659	-	-	40,908

Notes :

1. The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in proportion to the maturity pattern of the financial assets.

Financial Year 2015-16

Maturity pattern of certain items of assets and liabilities as at 31st March, 2016 are as follows;

(₹ in lakhs)

Particulars	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	69,370	54,707	54,763	101,888	198,309	504,665	151,222	50,447	1,185,371
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	491	-	-	11,101	20,452	2,340	-	-	34,384

Notes:

1. The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in proportion to the maturity pattern of the financial assets.

Financial Year 2014-15
Maturity pattern of certain items of assets and liabilities as at 31st March, 2015 are as follows;

(₹ in lakhs)

Particulars	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	448,576	104,234	17,276	1,025,850
Market Borrowings	11,304	48,047	10,321	30,403	35,691	81,557	45,150	18,130	280,603
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 maturity pattern of working capital facilities sanctioned by the banks has been apportioned in proportion to the maturity pattern of the financial assets.

Financial Year 2013-14
Maturity pattern of certain items of assets and liabilities as at 31st March, 2014 are as follows;

(₹ in lakhs)

Particulars	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	504,065	142,406	13,721	1,073,790
Market Borrowings	5,281	26,005	28,505	29,507	18,565	43,930	46,480	37,530	235,803
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 maturity pattern of working capital facilities sanctioned by the banks has been apportioned in proportion to the maturity pattern of the financial assets.

Disclosure of details as per Reserve Bank of India Guidelines (Continued)
ANNEXURE - I to Notes forming part of the Refomatted Financial Statement

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014	
		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	127,177	-	103,787	-	70,250	-	97,803	-	61,247	-
	- Unsecured	185,979	-	141,930	-	122,666	-	88,926	-	83,828	-
	(Other than falling within the meaning of public deposits)										
	b) Deferred Credits	-	-	-	-	-	-	-	-	-	-
	c) Term loans	494,662	-	282,573	-	234,371	-	319,129	-	420,564	-
	d) Inter- corporate loans and borrowings	-	-	-	-	-	-	-	-	-	-
	e) Commercial paper	184,125	-	48,587	-	-	-	66,284	-	51,569	-
	f) Other Loans (Tier II Loan, Buyers Credit, Working Capital Demand Loan etc)	906,712	-	731,678	-	778,061	-	748,033	-	709,044	-

Financial Year 2017-18 and 2016-17

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
		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	189,214	179,159
	(b) Unsecured	97,010	13,909
	Total (a) + (b)	**286,224**	**193,068**
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	43,613	907
	(b) Assets on operating Lease	432,498	212,828
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where Assets have been repossessed	50,297	80,739
	(b) Loans other than (a) above	1,516,084	1,157,972

With respect to determining the Company's eligibility of being classified as Asset Finance Company ("AFC"), the Company has consistently included inter alia (a) written down value of operation lease of vehicles, equipment, plant and machineries, computers, furniture and fixtures, etc. (b) financing in relation to used equipment and (c) repossessed assets.
During the year, the RBI has issued their inspection report under section 45N of the RBI Act, 1934, wherein they have declassified the above items from the computation to determine the eligibility of the AFC status of the Company as at 31st March 2017. The Company is of the opinion that the basis adopted by the Company is appropriate and the matter is under discussion with the RBI.

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	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where Assets have been repossessed	89,334	50,193
	(b) Loans other than (a) above	1,330,766	1,382,809

Financial Year 2013-14

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March, 2014
		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	35,034
	Total (a) + (b)	**35,034**
8.	**Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities**	
	(a) Financial assets	1,343,446
	(b) Assets on operating Lease	131,830
	(c) Repossessed Assets	44,632
	Total (a) + (b) + (c)	**1,519,908**
9.	**Break up of Investments**	
	Long term Investments	
	1) Unquoted	
	i) Shares : (a) Equity	-
	Total	-

SREI EQUIPMENT FINANCE LIMITED

Disclosure of details as per Reserve Bank of India Guidelines (Continued)
ANNEXURE - I to Notes forming part of the Refomatted Financial Statement

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
		Amount outstanding	Amount outstanding	Amount outstanding	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)	-	215	790	1,530
	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	-	-	-	-

Investments

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
10.	Value of Investments				
(i)	**Gross Value of Investments**	-	**215**	**790**	**1,530**
	(a) In India	-	215	790	1,530
	(b) Outside India,	-	-	-	-
(ii)	**Provisions for Depreciation**	-	-	-	-
	(a) In India	-	-	-	-
	(b) Outside India,	-	-	-	-
(iii)	**Net Value of Investments**	-	**215**	**790**	**1,530**
	(a) In India	-	215	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, 2018	As at 31st March, 2017	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	Nil	Nil
(ii)	Bad debts written off (Net)/Provision for Non Performing Assets	29,629	24,418	38,933	33,622
(iii)	Provision made towards Income tax	13,092	6,758	4,517	7,434
(iv)	Other Provision and Contingencies (with details)				
	- Provision for Employee Benefits	(183)	656	516	899
	- Provision for Standard Assets	4,573	855	685	35
		47,111	**32,687**	**44,651**	**41,990**

Disclosure of details as per Reserve Bank of India Guidelines (Continued)
ANNEXURE - I to Notes forming part of the Refomatted Financial Statement

13. Borrower Group-wise Classification of assets financed as in (7) and (8) above

(₹ in lakhs)

Sl. No.	Related Parties	Amount net of provisions														
		As at 31st March, 2018			As at 31st March, 2017			As at 31st March, 2016			As at 31st March, 2015			As at 31st March, 2014		
		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	1,184	-	1,184	-	-	-	-	-	-	-	-	-	-	-	-
	c) Other related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Other than related parties	2,041,308	-	2,041,308	1,452,446	-	1,452,446	1,508,063	-	1,508,063	1,554,531	-	1,554,531	1,505,707	-	1,505,707
	Total	**2,042,492**	**-**	**2,042,492**	**1,452,446**	**-**	**1,452,446**	**1,508,063**	**-**	**1,508,063**	**1,554,531**	**-**	**1,554,531**	**1,505,707**	**-**	**1,505,707**

14. Investor Groupwise Classification of all Investments in Shares and Securities

(₹ in lakhs)

Sl. No.	Related Parties	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014	
		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

* Break up Value
** As per AS 18: Related Party Disclosures as per ICAI

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Disclosure of details as per Reserve Bank of India Guidelines (Continued)

ANNEXURE - I to Notes forming part of the Refomatted Financial Statement

15. Concentration of Advances*

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March' 2018	As at 31st March' 2017	As at 31st March' 2016	As at 31st March' 2015
(i)	Total Advances to twenty largest borrowers	323,710	347,517	309,313	287,444
(ii)	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	19.11%	20.79%	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' 2018	As at 31st March' 2017	As at 31st March' 2016	As at 31st March' 2015
(i)	Total Exposure to twenty largest borrowers / customers	334,616	272,265	274,583	290,633
(ii)	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	18.92%	21.52%	22.21%	21.64%

17. Concentration of NPAs

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March' 2018	As at 31st March' 2017	As at 31st March' 2016	As at 31st March' 2015
(i)	Total Exposure to top four NPA accounts	9,202	3,366	12,591	31,023

18. Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
		As at 31st March' 2018	As at 31st March' 2017
(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 IT, construction, mining, irrigation , earthmoving, railway projects, road projects, etc.

(₹ 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 30th June' 2018 ##	As at 31st March' 2018	As at 31st March' 2017	As at 31st March' 2016	As at 31st March' 2015
(i)	**Net NPAs to Net Advances (%) ***		#1.30%	1.76%	1.99%	3.83%
(ii)	**Movement of NPAs (Gross)**					
	(a) Opening balance	43,806	41,986	45,440	79,352	77,757
	(b) Additions during the year	36,834	24,448	22,122	22,702	50,762
	(c) Reductions during the year **	5,820	22,628	25,576	56,614	49,167
	(d) Closing balance	74,820	43,806	41,986	45,440	79,352
(iii)	**Movement of Net NPAs**					
	(a) Opening balance	30,800	29,903	30,756	60,984	63,556
	(b) Additions during the year	34,764	22,084	23,436	21,009	46,642
	(c) Reductions during the year **	5,582	21,187	24,289	51,237	49,214
	(d) Closing balance	59,982	30,800	29,903	30,756	60,984
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**					
	(a) Opening balance	13,006	12,083	14,684	18,369	14,201
	(b) Provisions made during the year	4,392	5,809	8,024	5,546	11,427
	(c) Write-off / write-back of excess provisions	2,560	4,886	10,625	9,231	7,259
	(d) Closing balance	14,838	13,006	12,083	14,684	18,369

* Net NPA on advances

** It includes write- off during the year

Net advances represents Long-term Financial Assets, Current maturities of Long-term Financial Assets, Short-term Financial Assets, Trade Receivables, Net Block of Assets given on Operating Lease, Net block of Assets for Own Use (Plant and Machinery) and balances in Fixed Deposits Accounts. Assets for Own Use (Plant and Machinery) represent assets for use under Joint Controlled Operations.

It includes Provision for Standard Restructured Assets under CDR, SDR and S4A aggregating to ₹ 167 lakhs, Nil and ₹ 2,606 lakhs respectively.

20. Details of non-performing financial assets purchased : (₹ in lakhs)

Sl. No.	Particulars	As at 31st March' 2018	As at 31st March' 2017	As at 31st March' 2016	As at 31st March' 2015
(i)	(a) No. of accounts purchased during the year	-	-	-	-
	(b) Aggregate outstanding	-	-	-	-
(ii)	(a) Of these, number of accounts restructured during the year	-	-	-	-
	(b) Aggregate outstanding	-	-	-	-

21. Details of Non-performing Financial Assets sold : (₹ in lakhs)

Sl. No.	Particulars	As at 31st March' 2018	As at 31st March' 2017	As at 31st March' 2016	As at 31st March' 2015
(i)	No. of accounts sold	-	-	-	-
(ii)	Aggregate outstanding	-	-	-	-
(iii)	Aggregate consideration received	-	-	-	-

Disclosure of details as per Reserve Bank of India Guidelines (Continued)

ANNEXURE - I to Notes forming part of the Refomatted Financial Statement

22. Other Information

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
i.	Gross Non-Performing Assets					
	(a) Related Parties	-	-	-	-	-
	(b) Other than related Parties	43,806	41,986	45,440	79,352	77,758
ii.	Net Non-Performing Assets					
	(a) Related Parties	-	-	-	-	-
	(b) Other than related Parties	30,800	29,903	30,756	60,983	63,557
iii.	Assets/Receivables acquired in satisfaction of debt	50,721*	54,029*	25,055*	45,260*	9,880

* 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) and Compulsory Convertible Preference Shares acquired in consideration of receivables under Corporate Debt Restructuring (CDR) Mechanism and debenture acquired under CDR Mechanism aggregating aggregating ₹ Nil as at 31st March, 2018, ₹ Nil as at 31st March, 2017, ₹ 98 Lakhs as at 31st March, 2016, ₹ 98 Lakhs as at 31st March, 2015, ₹ 122 lakhs as at 31st March, 2018, ₹ 524 lakhs as at 31st March 2017, ₹ 677 as at 31st March, 2016, ₹ 1,023 lakhs as at 31st March, 2015,₹ 530 lakhs as at 31st March, 2018 ₹ 592 lakhs as at 31st March, 2017, ₹ 204 lakhs as at 31st March, 2016, ₹ Nil Lakhs as at 31st March, 2015 and ₹ 5,447 lakhs as at 31st March, 2018,₹ 5,447 lakhs as at 31st March, 2017, ₹ Nil lakhs as at 31st March, 2016 and ₹ 383 lakhs as at 31st March, 2018, ₹ Nil as at 31st March, 2017 ₹ Nil as at 31st March, 2016, ₹ Nil as at 31st March, 2015 and ₹ Nil as at 31st March, 2014 respectively.

Derivatives

23. Forward Rate Agreement(FRA)/Interest Rate Swap(IRS)

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
(i)	The notional principal of swap agreements	19,447	15,433	48,266	69,952
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil	Nil	Nil
(iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps	Nil	Nil	Nil	Nil
(v)	The fair value of the swap book	234	127	(406)	(1,158)

The nature and terms of FRA/IRS as on 31st March 2018 are set out below :

Sl. No.	Nature	Notional Principal (₹ in lakhs)	Benchmark	Terms
(i)	Hedging	19,447	USD Libor	Fixed Payable Vs Floating Receivable

The nature and terms of FRA/IRS as on 31st March 2017 are set out below :

Sl. No.	Nature	Notional Principal (₹ in lakhs)	Benchmark	Terms
(i)	Hedging	15,433	USD Libor	Fixed Payable Vs Floating Receivable

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

24. Exchange Traded Interest Rate (IR) Derivatives

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	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	Nil	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as at year end	Nil	Nil	Nil	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil	Nil	Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil	Nil	Nil

25. Disclosures on Risk Exposure in Derivatives

(i) Qualitative Disclosure

Financial Year 2017-18 and 2016-2017

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 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.

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.

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.

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 2017-2018

(₹ in lakhs)

SL. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)		
	For hedging	234,936	19,447
(ii)	Marked to Market Positions [1]		
	a) Asset (+)	2,407	234
	b) Liability (-)	(3,151)	-
(iii)	Credit Exposure [2]	Nil	Nil
(iv)	Unhedged Exposures	639	709

Financial Year 2016-2017

(₹ in lakhs)

SL. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)		
	For hedging	130,281	15,433
(ii)	Marked to Market Positions [1]		
	a) Asset (+)	3,995	127
	b) Liability (-)	(649)	-
(iii)	Credit Exposure [2]	Nil	Nil
(iv)	Unhedged Exposures	Nil	53

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

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ANNEXURE - I to Notes forming part of the Refomatted Financial Statement

26 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	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	Nil	Nil

27 Registration obtained from other financial sector regulators during the financial year ended 31st March 2018, 31st March 2017, 31st March 2016 : None

28 No penalites has been imposed by RBI and other regulators during the financial year ended 31st March 2018, 31st March 2017, 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, 2018				As at 31st March, 2017				As at 31st March, 2016				As at 31st March, 2015			
Sl. No.	Particulars	CARE	ICRA	Brickwork	SMERA	CARE	ICRA	Brickwork	SMERA	CARE	ICRA	Brickwork	SMERA	CARE	ICRA	Brickwork	SMERA
i)	Long Term Banking facilities	CARE AA-	-	-	-	CARE AA-	-	-	-	CARE AA-	-	-	-	CARE AA	-	-	-
ii)	Short Term Banking Facilities	CARE A1+	-	-	-	CARE A1+	-	-	-	CARE A1+	-	-	-	CARE A1+	-	-	-
iii)	Short Term Debt Instruments	CARE A1+	ICRA A1+	-	-	-	ICRA A1+	BWR A1+	-		ICRA A1+	-	-	-	ICRA A1+	-	-
iv)	NCDs/Bonds	CARE AA-	-	BWR AA+	SMERA AA+	CARE AA-	-	BWR AA+	SMERA AA+	CARE AA-	-	BWR AA	-	CARE AA	-	BWR AA	-
v)	Unsecured Subordinated/Tier-II Debentures/Bonds	CARE A+	-	BWR AA+	SMERA AA+	CARE A+	-	BWR AA+	SMERA AA+	CARE A+	-	BWR AA	SMERA AA	CARE AA-	-	BWR AA	-
vi)	Perpetual Debentures	CARE A	-	-	-	CARE A	-	-	-	CARE A	-	-	-	CARE A+	-	-	-

30 Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Restructions

Sl. No.	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2016
(i)	Nos of Acccounts	Nil	Nil	Nil
(ii)	Aggregate value (net of provisions) of Accounts sold to SC/RC	Nil	Nil	Nil
(iii)	Aggregate consideration	Nil	Nil	Nil
(iv)	Additional Consideration realized in respect of accounts transferred in earlier years	Nil	Nil	Nil
(v)	Aggregate gain/loss over net book Value	Nil	Nil	Nil

Sl. No.	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2016
31	Overseas Assets for those with Joint Venturers and Subsidiaries abroad during the financial year	Nil	Nil	Nil
32	Off Balance Sheet SPV's sponsored during the financial year	Nil	Nil	Nil
33	Details of Financing of Parent Company Products during the financial year	N.A	N.A	N.A

34 Disclosure of Complaints

Sl. No.	Customer Complaints	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2015
(i)	No. of complaints pending at the beginning of the year	Nil	Nil	Nil	Nil
(ii)	No. of complaints received during the year	50	15	30	Nil
(iii)	No. of complaints redressed during the year	50	15	30	Nil
(iv)	No. of complaints pending at the end of the year	Nil	Nil	Nil	Nil

35 Disclosure of Fraud

DISCLOSURES RELATING TO FRAUD IN TERMS OF THE NOTIFICATION ISSUED BY RESERVE BANK OF INDIA VIDE DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17

During the year ended 31st March, 2018, 3 cases committed by the staffs aggregating to ₹ 207 lakhs were reported to the RBI. Unrecovered amounts have been fully provided for in the books.

On behalf of the Board of Directors

Hemant Kanoria
Chairman and Managing Director
(DIN : 00193015)

Devendra Kumar Vyas
Chief Executive Officer

Place : Kolkata
Date: October 12, 2018

Manoj Kumar Beriwala
Chief Financial Officer

Ritu Bhojak
Company Secretary

Deloitte Haskins & Sells

Chartered Accountants
13th & 14th Floor
Building - Omega
Bengal Intelligent Park
Block - EP & GP, Sector - V
Salt Lake Electronics Complex
Kolkata - 700 091
West Bengal, India

Tel: +91 33 6612 1000
Fax: +91 33 6612 1001

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
SREI Equipment Finance Limited

Report on the Special Purpose Interim Condensed Financial Statements

Opinion

We have audited the accompanying Special Purpose Interim Condensed Financial Statements of SREI Equipment Finance Limited (the Company), which comprise the Condensed Balance Sheet as at 30 June 2018, the Condensed Statement of Profit and Loss (including Other Comprehensive Income), the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the quarter ended on that date, and notes to the Condensed Financial Statements, including a summary of significant accounting policies and selected explanatory information (herein after collectively referred as the "Special Purpose Interim Condensed Financial Statements"), prepared in accordance with the basis of preparation as set out in Note 2.1 to the said Special Purpose Interim Condensed Financial Statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Interim Condensed Financial Statements give a true and fair view in conformity with the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under section 133 of the Companies Act, 2013 ('the Act') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 30 June 2018, the profit, total comprehensive income, changes in equity and its cash flows for the quarter ended on that date.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2.1 to the Special Purpose Interim Condensed Financial Statements, which describes the purpose and basis of preparation. The Management of the Company has prepared these condensed financial statements under the special purpose framework in connection with the proposed debt and/or equity offering of the Company.

As a result, the Special Purpose Standalone Interim Financial Statements may not be suitable for any another purpose. The Special Purpose Standalone Interim Financial Statements cannot be used for any other purpose except with our prior consent in writing. Our opinion is not modified in respect of this matter.

Basis for Opinion

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

Management's Responsibility for the Special Purpose Interim Condensed Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these Special Purpose Interim Condensed Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 34 and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Interim Condensed Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Deloitte Haskins & Sells
Chartered Accountants

Auditor's Responsibilities for the Audit of the Special Purpose Interim Condensed Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Interim Condensed Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Interim Condensed Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

Deloitte Haskins & Sells Chartered Accountants

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

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

Other Matters

The comparative financial information of the Company for the year ended 31 March 2018 and the transition date opening balance sheet as at 1 April 2017 included in these Special Purpose Interim Condensed Financial Statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

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

Shrenik Baid
Partner
(Membership No. 103884)

Mumbai, 21 September 2018

SREI EQUIPMENT FINANCE LIMITED
SPECIAL PURPOSE INTERIM CONDENSED BALANCE SHEET AS AT 30TH JUNE, 2018

(All amounts are in ₹ lakhs, unless otherwise stated)

	Particulars	Note No.	As at 30th June, 2018	As at 31st March, 2018	As at 1st April, 2017
	ASSETS				
1	Non- current assets				
(a)	Property, plant and equipment	3	4,36,896	4,43,875	2,31,306
(b)	Intangible assets	4	1,008	1,115	2,374
(c)	Financial assets				
	(i) Loans	5	11,50,292	11,56,210	8,13,779
	(ii) Investment	6	10,572	10,729	9,540
	(iii) Other balances with bank	7C	30,679	18,998	3,620
	(iv) Other financial assets	9	28,110	28,597	26,535
(d)	Non-current tax assets (Net)	10	2,696	5,228	488
(e)	Other non-current assets	11	20,666	17,985	8,426
2	Current assets				
(a)	Financial assets				
	(i) Loans	5	2,77,252	1,61,387	72,599
	(ii) Investment	6	211	465	890
	(iii) Trade receivables	12	7,132	11,284	5,579
	(iv) Cash and cash equivalents	7A	1,388	2,529	13,777
	(v) Bank balances other than (iv) above	7B	77,504	61,252	22,346
	(vi) Derivative financial instruments	8	7,019	3,864	7,406
	(vii) Other financial assets				
	- Current maturity of long term loans	5	4,66,914	4,38,473	3,53,357
	- Other financial assets	9	22,665	25,593	15,217
(b)	Other current assets	11	98,644	88,312	84,082
	Total assets		26,39,648	24,75,896	16,71,321
	EQUITY AND LIABILITIES				
1	**EQUITY**				
(a)	Share capital	13	5,966	5,966	5,966
(b)	Other equity	14	2,60,267	2,50,164	2,20,050
	LIABILITIES				
1	Non-current liabilities				
(a)	Financial Liabilities				
	(i) Borrowings	15A	7,77,076	6,50,744	4,19,380
	(ii) Other financial liabilities	16	37,701	28,911	13,888
	(iii) Trade payables		4,181	6,984	2,659
(b)	Provisions	17	349	1,011	1,826
(c)	Deferred tax liabilities (Net)		16,419	16,232	5,955
(d)	Other non-current liabilities	18	7,928	11,013	3,176
2	Current liabilities				
(a)	Financial Liabilities				
	(i) Borrowings	15B	11,58,800	11,23,137	7,53,416
	(ii) Trade payables	19	1,37,533	1,71,336	1,03,629
	(iii) Derivative financial instruments	8	1,341	4,395	4,322
	(iv) Other financial liabilities				
	- Current maturity of long term borrowing	15A	2,03,413	1,80,811	1,16,113
	- Other financial liabilities	16	23,263	23,785	19,987
(b)	Provisions	17	1,299	281	190
(c)	Other current liabilities	18	4,112	1,126	764
	Total liabilities and equity		26,39,648	24,75,896	16,71,321

Summary of Significant Accounting Policies — 2
The accompanying notes are an integral part of the special purpose interim condensed financial statements — 3 to 33

For DELOITTE HASKINS & SELLS
Chartered Accountants

Shrenik Baid
Partner

Place : Mumbai
Date: 21st September, 2018

On behalf of the Board of Directors

Hemant Kanoria
Chairman and Managing Director
(DIN : 00193015)

Devendra Kumar Vyas
Chief Executive Officer

Manoj Kumar Beriwala
Chief Financial Officer

Ritu Bhojak
Company Secretary

Place : Kolkata
Date: 3rd September, 2018

Deloitte Haskins & Sells Chartered Accountants ★

KOLKATA

SREI EQUIPMENT FINANCE LIMITED
SPECIAL PURPOSE INTERIM CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 30TH JUNE, 2018

(All amounts are in ₹ lakhs, unless otherwise stated)

	Particulars	Note	Figures for the quarter ended 30th June, 2018	Figures for the quarter ended 30th June, 2017 (unaudited)
	INCOME			
I	**Revenue from operations**	20	1,00,912	74,265
II	**Other Income**	21	(228)	62
III	**TOTAL INCOME (I+II)**		1,00,684	74,327
IV	**EXPENSES**			
(a)	Finance costs	22	48,308	37,383
(b)	Employee benefits expenses	23	4,687	4,365
(c)	Depreciation, amortization and impairment expenses	3&4	17,874	12,007
(d)	Other expenses	24	4,660	4,744
	TOTAL EXPENSES (IV)		75,529	58,499
V	**Profit before bad debts written off (net)/ Expected credit loss provision and tax expense (III-IV)**		25,155	15,828
VI	Bad debts written off (net)/Expected credit loss provision		10,092	9,819
VII	**PROFIT BEFORE TAX (V-VI)**		15,063	6,009
VIII	**TAX EXPENSES:**			
(a)	Current tax		8,432	1,527
(b)	MAT credit entitlement		-	(547)
(c)	Deferred tax		(3,629)	915
	NET TAX EXPENSE (VIII)		4,803	1,895
IX	**PROFIT AFTER TAX (VII-VIII)**		10,260	4,114
X	**OTHER COMPREHENSIVE INCOME**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans;		(135)	329
	(ii) Income tax relating to items that will be reclassified to profit or loss		47	(114)
	B (i) Items that will be reclassified to profit or loss			
	(a) The effective portion of gains and loss on hedging instruments in a cash flow hedge;		(106)	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		37	-
	OTHER COMPREHENSIVE INCOME [A(i+ii)+B(i+ii)]		(157)	215
XI	**Total Comprehensive Income for the period (IX+X)**		10,103	4,329
XII	**Earnings per equity share [Face Value of ₹ 10 each]**	25		
	Basic (Rs.)*		17.20	6.90
	Diluted (Rs.)*		17.20	6.90

* Not Annualised

Summary of Significant Accounting Policies — **2**

The accompanying notes are an integral part of the special purpose interim condensed financial statements — **3 to 33**

For DELOITTE HASKINS & SELLS
Chartered Accountants

Shrenik Baid
Partner

Place : Mumbai
Date: 21st September, 2018

On behalf of the Board of Directors

Hemant Kanoria
Chairman and Managing Director
(DIN : 00193015)

Devendra Vyas

Devendra Kumar Vyas
Chief Executive Officer

Manoj Kumar Beriwala
Chief Financial Officer

Ritu Bhojak
Company Secretary

Place : Kolkata
Date: 3rd September, 2018

Deloitte Haskins & Sells Chartered Accountants

SREI EQUIPMENT FINANCE LIMITED KOLKATA

SREI EQUIPMENT FINANCE LIMITED
SPECIAL PURPOSE INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30TH JUNE, 2018

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Figures for the quarter ended 30th June, 2018	Figures for the quarter ended 30th June, 2017 (unaudited)
A. Cash Flows from Operating Activities		
Profit Before Tax	15,063	6,009
Adjustment for :		
Depreciation, amortization and Impairment expenses	17,874	12,007
Bad Debts written off (net)/Expected credit loss provision	10,092	9,819
Loss on sale of Fixed Assets (net)	166	967
Finance costs	48,308	37,383
Fair Valuation Loss	321	122
Dividend Income	(78)	(65)
Operating profit before working capital changes	**91,746**	**66,242**
Changes in working capital :		
(Increase) / Decrease in Trade Receivables and Others assets	(8,968)	7,553
(Increase) / Decrease in Loans	(1,47,288)	(1,48,565)
Increase / (Decrease) in Trade Payables and Others liabilities	(31,519)	6,751
Decrease in Fixed Deposit (Deposits with original maturity period of more than three months)	(27,933)	(12,034)
Cash used in operations	**(1,23,962)**	**(80,053)**
Interest paid (net of foreign exchange fluctuation)	(45,004)	(38,224)
Advance taxes paid (including Tax deducted at Source)	(2,001)	(1,451)
Net Cash used in Operating Activities	**(1,70,967)**	**(1,19,728)**
B. Cash flows from Investing Activities		
Purchase of Fixed Assets	(33,080)	(55,104)
Dividend Income	78	65
Sale / (Purchase) of investments, net	89	(2,639)
Proceeds from Sale of Fixed Assets	18,247	700
Net Cash used in Investing Activities	**(14,666)**	**(56,978)**
C. Cash Flows from Financing Activities		
Proceeds from issuance of debentures	52,385	5,500
Repayment on redemption of debentures	(28,180)	(1,820)
Increase / (Decrease) in Working Capital facilities (net)	35,665	1,06,695
Increase / (Decrease) in Other Loans (net)	1,24,623	65,524
Net Cash generated from Financing Activities	**1,84,493**	**1,75,899**
Net Increase / (Decrease) in Cash and Cash Equivalents	**(1,140)**	**(807)**
Cash & Cash Equivalents at the beginning of the year	**2,529**	**13,777**
Cash and Cash Equivalents at the end of the period (refer note 7A)	**1,389**	**12,970**
Note :		
Components of Cash and Cash Equivalents:		
Cash on hand	330	303
In Current Account	1,058	12,667
	1,388	**12,970**
Cash and Bank Balance are represented by		
Cash and Cash Equivalents	30,679	5,515
Other Bank Balances	77,504	32,490
	1,08,183	**38,005**

Summary of Significant Accounting Policies 2

The accompanying notes are an integral part of the special purpose interim condensed financial statements 3 to 33

For DELOITTE HASKINS & SELLS
Chartered Accountants

Shrenik Baid
Partner

Place : Mumbai
Date: 21st September, 2018

On behalf of the Board of Directors

Hemant Kanoria
Chairman and Managing Director
(DIN : 00193015)

Devendra Kumar Vyas
Chief Executive Officer

Manoj Kumar Beriwala
Chief Financial Officer

Ritu Bhojak
Company Secretary

Place : Kolkata
Date: 3rd September, 2018

Deloitte Haskins & Sells Chartered Accountants

Srei Equipment Finance Limited Kolkata

SREI EQUIPMENT FINANCE LIMITED
SPECIAL PURPOSE INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 30TH JUNE, 2018

a. Equity Share Capital

(All amounts are in ₹ lakhs, unless otherwise stated)

Balance as at 1st April, 2017	Issued during the year	Reductions during the year	Balance as at 31st March, 2018	Issued during the quarter	Reductions during the quarter	Balance as at 30th June, 2018
5,966	-	-	5,966	-	-	5,966

b. Other Equity

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Reserves and Surplus						Effective portion of Cash Flow Hedges	Total
	Special reserve (created pursuant to Section 45IC of the Reserve Bank of India Act, 1934)	Capital Reserve	Securities Premium	Debt redemption reserve	Income Tax Special reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	Retained Earnings		
Balance as at the 1st April, 2017	28,306	31	1,03,980	58,600	10,558	18,575	-	2,20,050
Profit after tax for the year	-	-	-	-	-	29,586	-	29,586
Transfer from Other Comprehensive Income	-	-	-	-	-	528	-	528
Transfer from retained earnings (Refer Note (i))	5,270#	-	-	-	2,999	(8,269)	-	-
Balance as at 31st March, 2018	33,576	31	1,03,980	58,600	13,557	40,420	-	2,50,164
Profit after tax for the quarter	-	-	-	-	-	10,260	-	10,260
Transfer from Other Comprehensive Income	-	-	-	-	-	(88)	(69)	(157)
Transfer from retained earnings	2,052	-	-	-	750	(2,802)	-	-
Balance as at 30th June, 2018	35,628	31	1,03,980	58,600	14,307	47,790	(69)	2,60,267

#Transfer of 20% of the profit after tax before re-measurement adjustments on transition to Ind AS, if any, to the statutory reserves in accordance with the provision of Section 45-IC of the RBI Act, 1934

Summary of Significant Accounting Policies **2**
The accompanying notes are an integral part of the special purpose interim condensed financial statements **3 to 33**

For DELOITTE HASKINS & SELLS
Chartered Accountants

Sharenik Baid
Partner

Place : Mumbai
Date: 21st September, 2018

On behalf of the Board of Directors

Hemant Kanoria
Chairman and Managing Director
(DIN : 00193015)

Devendra Kumar Vyas
Chief Executive Officer

Manoj Kumar Beriwala
Chief Financial Officer

Ritu Bhojak
Company Secretary

Place : Kolkata
Date: 3rd September, 2018

Deloitte Haskins & Sells Chartered Accountants

SREI EQUIPMENT FINANCE LIMITED KOLKATA

SREI EQUIPMENT FINANCE LIMITED
NOTES TO SPECIAL PURPOSE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT AND FOR THE QUARTER ENDED 30TH JUNE 2018

1. GENERAL INFORMATION

Srei Equipment Finance Limited, a wholly owned subsidiary of Srei Infrastructure Finance Limited, is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The addresses of its registered office and principal place of business are "Vishwakarma", 86C, Topsia Road (South), Kolkata- 700046. The Company had received a Certificate of Registration from the Reserve Bank of India ('RBI') on 3 September, 2008 to commence / carry on the business of Non-Banking Financial Company ('NBFC') without accepting public deposits, classified as Systemically Important NBFC (NBFC-NDSI). Subsequently, the Company has been issued a new certificate by the RBI dated 19th February, 2014 consequent to conversion from Private Limited Company to Public Limited Company.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

In accordance with the notification issued by the Ministry of Corporate Affairs ("the MCA"), the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from 1st April, 2018 and the effective date of such transition is 1st April, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ("the RBI"), (collectively referred to as "Previous GAAP").

Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Previous GAAP to Ind AS of Shareholders' equity as at 31st March, 2018 and 1st April, 2017 and of the comprehensive income for the period ended 30th June, 2017. Refer Note 2.22 for the details of first-time adoption exemptions availed by the Company and Note 29 for Reconciliation of Equity and Total Comprehensive income for numbers reported under Previous GAAP to Ind AS.

These financial statements have been prepared in accordance with Ind AS 34 Interim Financial Reporting as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013. There is a possibility that these financial statements for the periods presented may require adjustments due to changes in financial reporting requirements arising from new standards, modifications to the existing standards, guidelines issued by the MCA and the RBI or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under

Haskins & Sells Deloitte Chartered Accountants
SREI EQUIPMENT FINANCE LIMITED KOLKATA

Ind AS 101, which may arise upon finalisation of the financial statements as at and for the year ending 31st March, 2019 prepared under Ind AS.

The Management of the Company has prepared these interim condensed financial statements under the special purpose framework in connection with the debt and/or equity offerings of the Company.

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

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity or areas where assumptions are significant to the Company are discussed in Note 3, Critical accounting judgement and key sources of estimation uncertainty.

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

The accounting policies for specific financial report items are disclosed in the respective notes. Other significant accounting policies and details of critical accounting assumptions and estimates are set out below.

2.2 Revenue recognition

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 an accrual basis as stated herein below:

(a) Income for debt instruments other than those financial assets classified as at Fair value through profit and loss ("FVTPL") is recognized based on the effective interest rate method.

(b) Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

(c) Interest income on fixed deposits/margin money is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(d) Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished or

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the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

(e) Referral income is recognized when it becomes due under the term of relevant mutually agreed arrangement.

(f) Income from dividend is recognized when the Company's right to receive such dividend is established.

(g) Revenue from sale of power is recognised to the extent of the Company's share of income of the jointly controlled operations arising out of sale of units generated as per the terms of the respective power purchase agreements with the State Electricity Boards.

(h) In case of assignment transactions, as the Company retains the contractual right to receive some of the interest amount due on the transferred assets, the present value of such interest receivable is capitalized as 'Interest retained on pools assigned' with corresponding gain recognised in the Statement of profit and loss.

2.3 Financial Instruments

2.3.1 Recognition of Financial Instruments:

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

2.3.2 Initial Measurement of Financial Instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from their respective fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

2.3.3 Subsequent Measurement:

(A) Financial Assets

Financial Assets carried at Amortised Cost (AC):

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

Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI):

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to

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cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Profit or Loss (FVTPL):

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

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

Effective Interest Rate (EIR) Method:

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

Impairment of Financial Assets:

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

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

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable

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information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

In case of debt instruments at FVTOCI, the loss allowance measured in accordance with the above requirements is recognised in other comprehensive income with a corresponding effect to the profit or loss but is not reduced from the carrying amount of the financial asset in the balance sheet; so the financial asset continues to be presented in the balance sheet at its fair value.

No Expected credit losses is recognised on equity investments.

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

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

Derecognition of Financial Assets:

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

On derecognition of a financial asset accounted under Ind AS 109 in its entirety, the difference between the asset's carrying amount and the sum of consideration received and receivable is recognized in profit or loss.

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

Modification/ revision in estimates of cash flows of financial assets:
When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with Ind AS 109, The Company recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss.

Various quantitative and qualitative factors are considered to determine whether the renegotiated terms are substantially different and whether the same would

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amount to extinguishment of financial asset and recognition of a new financial asset. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred are adjusted to the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

(B) Financial Liabilities and Equity Instruments:

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

Financial Liabilities:
Financial Liabilities are subsequently measured at amortised cost using the effective interest rate method.

Financial Guarantee Contracts:
Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

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

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

Fair value:
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the

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Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.4 Leasing

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

The Company as lessor

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

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

For the revenue recognition policy on Lease Contracts, refer note 2.2.

The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 2.6 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate

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for the lessor's expected inflationary cost increases. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.5 Foreign Currency Transactions

The financial statements are presented in Indian Rupee (INR) in lakhs, the functional currency of the Company. Functional currency is the currency of the primary economic environment in which the Company operates.

Non-Financial Instruments:

Foreign Currency Retranslation Policy:

- Initial recognition of all transactions :
  Recorded at the rates of exchange prevailing at the dates of the respective transactions.

- Conversion :
  Foreign currency monetary items are restated using the exchange rate prevailing at the reporting date.
  Non-monetary items (carried at fair value) as on reporting date are restated using the exchange rate prevailing at the date when the fair value was determined. Translation differences on such items are reported as part of the fair value gain or loss on such items.
  For non-monetary items (carried at historical cost) as on reporting date restatement is not required

Financial Assets:
Foreign Exchange Gains and Losses:
The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost, FVTOCI and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Foreign currency changes for investments in equity instruments designated at FVTOCI are recognised in other comprehensive income.

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Financial Liabilities:

Foreign Exchange Gains and Losses:
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.6 Borrowing cost

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

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.7 Employee Benefits

(A) Retirement benefit costs and other termination benefits

Defined Contribution Plans:

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

Defined Benefit Plans:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in

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retained earnings and is not reclassified to profit or loss. Past service is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

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

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

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

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

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

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

2.8 Taxation

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

Current tax

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

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The Company's current tax is calculated using tax rate that has been enacted by the end of the reporting period.
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, the said asset is created by way of a credit to profit or loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax

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

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

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

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

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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2.9 Property, Plant and Equipment

Property, plant and equipment shown in the balance sheet are consists of assets used in operations. Assets used in operations are those used in the provision of services or for administrative purposes, and include non-property assets leased by the Company as lessor under operating leases.

a) Initial and subsequent recognition

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

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses.

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

b) De-recognition

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

c) Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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Average useful life of the assets determined is as under:

Operating lease Assets

Class of Assets	Useful Life as per the Companies Act 2013	Useful Life as followed by the management
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/30 years	8 years/15 years
Windmill	22 years	20 years

Own Use Assets

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

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

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

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

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

2.10 Intangible Assets

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

The following useful lives are used in the calculation of amortisation.

Software: 5 years*
*Software includes license amortized over license life or 5 years whichever is earlier.

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

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

2.11 Impairment of tangible and intangible assets

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

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

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

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

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

2.12 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A Contingent Liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent Assets are neither recognised nor disclosed in the financial statements

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2.13 Cash and cash equivalents

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

2.14 Segment Reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating decision maker. The Chief Operating decision maker assess the financial performance and position of the Company and makes strategic decisions.

As the Company is primarily engaged in providing asset finance to customers in India, there are no separate reportable segments as per 'Ind AS 108'.

2.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

2.16 Debt Redemption Reserve ("DRR")

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 NBFC registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997, no 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.

However, as a matter of prudence, the Company, as per the management's discretion, created DRR for redemption of privately placed subordinated debentures / loans qualifying for Tier I / Tier II Capital on a straight line basis over the tenure of the respective debenture

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/ 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.

2.17 Assets held for sale

Repossessed assets and assets acquired in satisfaction of debt are classified as held for sale if their carrying amount are recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the assets are available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale is highly probable. These assets are carried at the lower of their carrying amount and fair value less costs to sell.

2.18 Offsetting Financial Instruments

The Company offsets financial assets and financial liabilities in the balance sheet when:
- the Company currently has a legally enforceable right to offset the amounts; and
- it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The terms of a master netting arrangements entered into by the Company meets the above-mentioned offsetting criteria, and accordingly, offsetting is done in the balance sheet for the related financial assets and financial liabilities.

2.19 Derivative financial instruments

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

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

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

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2.21 Hedge Accounting

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

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

Cash flow hedges

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'finance expense' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

2.22 First Time Policy Choices

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2017 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below:

- De-recognition of financial assets and financial liabilities
  The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2017 (the transition date).

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- Classification of financial instruments
  The Company has determined the classification of instruments in amortised cost, FVTOCI and FVTPL based on the facts and circumstances that existed as of the transition date.

- Impairment of financial assets
  The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

- Assessment of embedded derivatives
  The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

- Deemed cost for property, plant and equipment and intangible assets
  The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as of 1st April, 2017 measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.23. Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- Expected credit loss on loans and advances

  The Company has used its judgement in determining various parameters of expected credit loss. These parameters includes defining pools, staging, default, discount rates, expected life, significant increase in credit risk, amount and timing of future cash flows. In estimating these cash flows, the Company makes judgement about the borrower's financial situation and the net realizable value of the collateral. These assumptions are based on the assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

  A collective assessment of impairment takes into account data from the loan portfolio (such as credit quality, nature of assets underlying assets financed, levels of

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arrears, credit utilization, loan to collateral ratios etc.), and the concentration of risk and economic data (including levels of unemployment, country risk and performance of different individual groups). These critical assumptions have been applied consistently to all period presented.

- Financial assets at amortised cost

  The management has reviewed the Company's financial assets at amortised cost in the light of its business model and have confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash flows. Details of these assets are set out in notes to the financial statements.

- Hedge Designation

  The appropriateness of the designation of certain derivative instruments such as cash flow hedges, and the measurement of hedge effectiveness;

- Residual value of Leased assets

  The estimates of the residual value of assets leased under finance leases or operating leases, and more generally of assets on which depreciation is charged net of their estimated residual value;

- Provisions other than expected credit loss on loans and advances

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

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3. Property, Plant and Equipment

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Gross block				Depreciation/amortization/ impairment					Net book value
	As at 1st April, 2018	Additions	Disposals and other adjustments	As at 30th June, 2018	As at 1st April, 2018	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 30th June, 2018	As at 30th June, 2018
I. Tangible assets:										
Assets for Own use										
Land- Freehold	4	-	-	4	-	-	-	-	-	4
Buildings	76	-	-	76	2	1	-	-	3	73
Furniture and fixtures	611	10	1	620	191	47	-	-	238	382
Plant and Machinery	22,474	-	-	22,474	1,023	256	-	-	1,279	21,195
Motor vehicles	224	-	-	224	17	12	-	-	29	195
Computers and office equipments	842	18	1	859	337	83	-	1	419	440
(A)	**24,231**	**28**	**2**	**24,257**	**1,570**	**399**	**-**	**1**	**1,968**	**22,289**
Assets given on operating lease										
Aircrafts	379	-	-	379	40	11	-	-	51	328
Earthmoving Equipments	1,20,734	13,622	785	1,33,571	16,344	5,567	-	634	21,277	1,12,294
Motor vehicles	75,259	9,904	3,463	81,700	7,148	3,918	-	2,616	8,450	73,250
Plant and Machinery	1,96,177	4,936	1,396	1,99,717	14,394	5,058	-	62	19,390	1,80,327
Wind Mills	28,448	-	24,803	3,645	2,189	237	-	7,555	(5,129)	8,774
Computers	36,000	1,003	147	36,856	2,840	2,220	27	122	4,965	31,891
Furniture and fixtures	8,031	845	-	8,876	859	274	-	-	1,133	7,743
(B)	**4,65,028**	**30,310**	**30,594**	**4,64,744**	**43,814**	**17,285**	**27**	**10,989**	**50,137**	**4,14,607**
Total for Tangible assets (C)= (A+B)	**4,89,259**	**30,338**	**30,596**	**4,89,001**	**45,384**	**17,684**	**27**	**10,990**	**52,105**	**4,36,896**

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Gross block				Depreciation/ amortization/ impairment					Net book value
	As at 1st April, 2017	Additions	Disposals and other adjustments	As at 31st March, 2018	As at 1st April, 2017	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2018	As at 31st March, 2018
I. Tangible assets:										
Assets for Own use										
Land- Freehold	4	-	-	4	-	-	-	-	-	4
Buildings	76	-	-	76	-	2	-	-	2	74
Furniture and fixtures	583	28	-	611	-	191	-	-	191	420
Plant and Machinery	22,474	-	-	22,474	-	1,023	-	-	1,023	21,451
Motor vehicles	167	102	45	224	-	49	-	32	17	207
Computers and office equipments	753	109	20	842	-	356	-	19	337	505
(A)	**24,057**	**239**	**65**	**24,231**	**-**	**1,621**	**-**	**51**	**1,570**	**22,661**
Assets given on operating lease										
Aircrafts	379	-	-	379	-	40	-	-	40	339
Earthmoving Equipments	58,541	63,976	1,783	1,20,734	-	17,023	435	1,114	16,344	1,04,390
Motor vehicles	43,838	39,894	8,473	75,259	-	13,481	402	6,735	7,148	68,111
Plant and Machinery	57,069	1,40,068	960	1,96,177	-	14,884	91	581	14,394	1,81,783
Wind Mills	28,448	-	-	28,448	-	2,189	-	-	2,189	26,259
Computers	12,545	27,002	3,547	36,000	-	5,223	96	2,479	2,840	33,160
Furniture and fixtures	6,429	2,043	441	8,031	-	1,037	20	198	859	7,172
(B)	**2,07,249**	**2,72,983**	**15,204**	**4,65,028**	**-**	**53,877**	**1,044**	**11,107**	**43,814**	**4,21,214**
Total for Tangible assets (C)= (A+B)	**2,31,306**	**2,73,222**	**15,269**	**4,89,259**	**-**	**55,498**	**1,044**	**11,158**	**45,384**	**4,43,875**

Note: The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as of 1 April, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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3.1 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 quarter ended 30th June, 2018, lease payments charged to the Statement of Profit and Loss with respect to such leasing arrangements aggregate to ₹ 205 lakhs (30th June, 2017 : ₹ 198 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 6 years, and are usually renewable by mutual agreement. For the quarter ended 30th June, 2018 total lease payments aggregating to ₹ 23 lakhs (30th June, 2017 : ₹ 42 lakhs) in respect of such arrangements have been recognized in the Statement of Profit and Loss. The future minimum lease payments in respect of above non-cancellable operating leases are as follows:

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 1st April, 2017
Not later than one year	65	71	98
Later than one year but not later than five years	39	30	81
Later than five years	-	-	-
Total	**104**	**101**	**179**

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 3) for periods ranging between 1 to 9 years. Some of the arrangements have clauses for contingent rent. Total contingent rent recognized as income in the Statement of profit and loss for the quarter ended 30th June, 2018 is amounting to ₹ 514 lakhs (30th June, 2017 : ₹ 400 lakhs).

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

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 1st April, 2017
Not later than one year	1,15,028	1,14,167	47,930
Later than one year but not later than five years	2,61,561	2,58,765	1,20,762
Later than five years	2,961	5,345	10,612
Total	**3,79,550**	**3,78,277**	**1,79,304**

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4. Intangible assets

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Gross block				Depreciation/amortization/ impairment					Net book value
	As at 1st April, 2018	Additions	Disposals and other adjustments	As at 30th June, 2018	As at 1st April, 2018	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 30th June, 2018	As at 30th June, 2018
Intangible assets:										
Assets for Own use										
Softwares	1,635	56	-	1,691	1,030	100	-	-	1,130	561
(A)	**1,635**	**56**	**-**	**1,691**	**1,030**	**100**	**-**	**-**	**1,130**	**561**
Assets given on operating lease										
Softwares	641	-	-	641	131	63	-	-	194	447
(B)	**641**	**-**	**-**	**641**	**131**	**63**	**-**	**-**	**194**	**447**
Total for Intangible assets (A+B)	**2,276**	**56**	**-**	**2,332**	**1,161**	**163**	**-**	**-**	**1,324**	**1,008**

Particulars	Gross block				Depreciation/amortization/ impairment					Net book value
	As at 1st April, 2017	Additions	Disposals and other adjustments	As at 31st March, 2018	As at 1st April, 2017	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2018	As at 31st March, 2018
Intangible assets:										
Assets for Own use										
Softwares	1,467	168	-	1,635	-	1,030	-	-	1,030	605
(A)	**1,467**	**168**	**-**	**1,635**	**-**	**1,030**	**-**	**-**	**1,030**	**605**
Assets given on operating lease										
Softwares	907	12	278	641	-	345	48	262	131	510
(B)	**907**	**12**	**278**	**641**	**-**	**345**	**48**	**262**	**131**	**510**
Total for Intangible assets (A+B)	**2,374**	**180**	**278**	**2,276**	**-**	**1,375**	**48**	**262**	**1,161**	**1,115**

Note: The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as of 1st April, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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5. Loans

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018			As at 31st March, 2018			As at 1st April, 2017		
	Non-current	Current maturity of Long term loans	Current *	Non-current	Current maturity of Long term loans	Current *	Non-current	Current maturity of Long term loans	Current *
A. Secured, considered good									
Term Loans	11,69,143	4,78,283	2,53,312	11,76,793	4,49,491	1,48,860	8,52,632	3,70,227	76,065
Less: Impairment loss allowance (expected credit loss)	(37,196)	(15,217)	(8,059)	(38,906)	(14,861)	(4,922)	(38,853)	(16,870)	(3,466)
Total (A)	11,31,946	4,63,066	2,45,253	11,37,888	4,34,630	1,43,937	8,13,779	3,53,357	72,599
B. Unsecured, considered good									
Term Loans	18,949	3,974	33,051	18,949	3,974	18,046	-	-	-
Less: Impairment loss allowance (expected credit loss)	(603)	(126)	(1,052)	(626)	(131)	(597)			
Total (B)	18,346	3,848	31,999	18,323	3,843	17,449	-	-	-
Total (A+B)	11,50,292	4,66,914	2,77,252	11,56,210	4,38,473	1,61,387	8,13,779	3,53,357	72,599

Notes:

a) Loans are secured by underlying hypothecated assets/receivables 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.

b) Loans includes finance lease receivables net of unearned finance lease aggregating to Rs. 54,731 lakhs (net) (31st March, 2018 : Rs. 43,613 lakhs, 1st April, 2017: Rs. 895 lakhs) (refer note 5.1).

* Current represents loans having original maturity of less than 12 months.

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5.1 In the capacity of lessor (Finance Lease)

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

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

Gross Investments (All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 1st April, 2017
i. not later than one year;	18,541	14,234	430
ii. later than one year and not later than five years;	48,221	39,287	632
iii. later than five years;	24	47	-
Total	**66,786**	**53,568**	**1,062**

Unearned finance Income (All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 1st April, 2017
i. not later than one year;	5,409	4,317	97
ii. later than one year and not later than five years;	6,644	5,637	58
iii. later than five years;	2	2	-
Total	**12,055**	**9,956**	**155**

Minimum lease payments (All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 1st April, 2017
i. not later than one year;	13,133	9,918	335
ii. later than one year and not later than five years;	41,577	33,650	560
iii. later than five years;	21	45	-
Total	**54,731**	**43,613**	**895**

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6. Investments

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018		As at 31st March, 2018		As at 1st April, 2017	
	Non-current	Current	Non-current	Current	Non-current	Current
Investments in equity instruments (fully paid)						
At Fair Value through profit or loss						
Quoted						
IVRCL Limited						
4,694,273 shares (31st March, 2018: 7,264,225 shares, 1st April, 2017: 13,783,179 shares) of Face Value of Rs. 2 each	-	63	-	218	-	682
MIC Electronics Limited						
52,00,000 shares (31st March, 2018: 52,00,000 shares) of Face Value of Rs. 2 each	-	148	-	247	-	-
Patel Engineering Limited						
819,673 shares (31st March, 2018: 819,673 shares, 1st April, 2017: 819,673 shares) of Face Value of Rs. 1 each	337	-	494	-	644	-
Unquoted						
Vishwa Infrastructures And Services Private Limited						
61,473 shares (31st March, 2018: 61,473 shares, 1st April, 2017: 61,473 shares) of Face Value of Rs. 10 each	6	-	6	-	6	-
Investments in Compulsory Convertible Preference Shares (fully paid)						
At Fair Value through profit or loss						
Unquoted						
AMR India Limited						
54,469,871 units (31st March 2018 54,469,871 units, 1st April 2017: 54,469,871 units) of Face Value of Rs. 10 each	5,066	-	5,066	-	5,175	-
Investments in Optionally Convertible Debentures (fully paid)						
At Fair Value through profit or loss						
Unquoted						
Hindustan Constructions Limited						
366,725 units (31st March, 2018: 366,725 units, 1st April, 2017: 366,725 units) of Face Value of Rs. 1,000 each	3,532	-	3,532	-	3,708	-
Rithwik Projects Limited						
382,500 units (31st March 2018 382,500 units, 1st April 2017: Nil) of Face Value of Rs. 100 each	383	-	383	-	-	-
Patel Engineering Limited						
126,972 units (31st March 2018 126,972 units, 1st April 2017: Nil) of Face Value of Rs. 1,000 each	1,248	-	1,248	-	-	-
Investments in Pass Through Certificates (fully paid)						
Unquoted						
At Amortised Cost						
Pass Through Certificates -Series A2 in						
Indian Infrastructure Equipment Receivable Trust, October 2014						
Nil units (31st March 2018: Nil, 1st April 2017: 114 units) of initial Face Value of Rs. 10,04,717.81 each	-	-	-	-	4	144
Pass Through Certificates -Series A2 in						
Indian Infrastructure Equipment Receivable Trust, December 2014						
Nil units (31st March 2018: Nil, 1st April 2017: 49 units) of initial Face Value of Rs. 10,02,123.56 each	-	-	-	-	3	64
Total Investments	**10,572**	**211**	**10,729**	**465**	**9,540**	**890**
Aggregate book value of quoted investments	**337**	**211**	**494**	**465**	**644**	**682**
Aggregate market value of quoted investments	**337**	**211**	**494**	**465**	**644**	**682**
Aggregate carrying value of unquoted investments	**10,235**	**-**	**10,235**	**-**	**8,896**	**208**

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7. Cash and cash equivalents and other balances with banks

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 1st April, 2017
A. Cash and cash equivalents			
(a) Cash in hand	330	635	742
(b) Balances with banks			
- In current accounts	1,058	1,894	13,035
Total (A)	1,388	2,529	13,777

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 1st April, 2017
B. Bank Balances			
In fixed deposit accounts # *	1,08,183	80,250	25,966
Less: Non-current portion of other bank balances (refer note 7C)	(30,679)	(18,998)	(3,620)
Total (B)	77,504	61,252	22,346

Balances with Banks include fixed deposits of ₹ 65,085 lakhs (31st March, 2018 : ₹ 49,022 lakhs, 1st April, 2017 : ₹ 10,576 lakhs) having original maturity of more than 12 months.

* Includes balances with banks held as security against borrowings amounts to ₹ 33 lakhs (31st March, 2018 : ₹ 33 lakhs, 1st April, 2017 : ₹ 33 lakhs), margin against letter of credit/Bank guarantee amounting to ₹ 61,844 lakhs (31st March, 2018 : ₹ 52,951 lakhs, 1st April, 2017: ₹ 14,074 lakhs) and cash collateral for securitisation of receivables amounting to ₹ 33,396 lakhs (31st March, 2018 : ₹ 26,769 lakhs, 1st April, 2017: ₹ 18, 352 lakhs).

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 1st April, 2017
C. Non-Current			
Other Balances with Bank			
Bank Balance other than above - Fixed deposit with bank having maturity more than 12 months, including accrued interest	30,679	18,998	3,620
Total (C)	30,679	18,998	3,620

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8. Derivative financial Instruments

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018		As at 31st March, 2018		As at 1st April, 2017	
	Asset	Liability	Asset	Liability	Asset	Liability
(i)Currency derivatives:						
-Spot and forwards	276	552	646	706	1,094	1,743
-Currency swaps	5,354	707	511	3,624	2,550	2,556
-Options purchased	1,034	-	2,407	-	3,612	-
Subtotal (i)	**6,664**	**1,259**	**3,564**	**4,330**	**7,256**	**4,299**
(ii)Interest rate derivatives:						
-Forward Rate Agreements and Interest Rate Swaps	355	82	300	65	150	23
Subtotal(ii)	**355**	**82**	**300**	**65**	**150**	**23**
Total Derivative Financial Instruments (i)+(ii)	**7,019**	**1,341**	**3,864**	**4,395**	**7,406**	**4,322**

9. Other Financial assets

Particulars	As at 30th June, 2018		As at 31st March, 2018		As at 1st April, 2017	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Security deposits						
To Related Parties	-	1,576	43	1,533	43	1,533
To Others	386	617	410	359	319	321
Interest accrued on fixed deposits	-	769		941	-	57
Advance for Investments	-	-	-	-	-	1,200
Rental accrued but not due	-	11,105	-	13,423	-	6,003
Interest retained on pools asssigned	3,694	8,012	4,114	8,576	2,143	5,653
Claims Receivable	24,030	-	24,030	-	24,030	-
Others	-	586	-	761	-	450
Total	**28,110**	**22,665**	**28,597**	**25,593**	**26,535**	**15,217**

10. Non-current tax assets (Net)

Particulars	As at 30th June, 2018		As at 31st March, 2018		As at 1st April, 2017	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Advance income tax [net of Income tax provision of ₹ 60,108 lakhs (31st March, 2018 : ₹ 55,575 lakhs, 1st April, 2017: ₹ 50,867 lakhs)]	2,696	-	5,228	-	488	-
Total	**2,696**	**-**	**5,228**	**-**	**488**	**-**

11. Other assets

Particulars	As at 30th June, 2018		As at 31st March, 2018		As at 1st April, 2017	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Capital advances	7,327	-	4,641	-	7,797	-
Assets held for sale*	-	61,002	-	58,559	-	80,592
Advances to employees	83	442	102	573	241	340
Advance to Vendors	-	2,616	-	1,558	-	1,093
Balances with Service Tax / VAT/ GST Authorities etc.	13,256	34,294	13,242	27,294	388	1,776
Others	-	290	-	328	-	281
Total	**20,666**	**98,644**	**17,985**	**88,312**	**8,426**	**84,082**

* Assets held for sale represents repossessed assets and assets/collaterals acquired in satisfaction of debt and held for disposal.

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12. Trade Receivables:

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 1st April, 2017
Unsecured considered good#	7,132	11,284	5,579
Total	**7,132**	**11,284**	**5,579**

Trade receivables includes amount due in respect of Operating leases only.

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13. Share Capital

(Rupees in lakhs, except number of shares)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 1st April, 2017
Authorised			
Equity shares, Rs. 10/- par value			
500,000,000 (31st March, 2018 : 500,000,000, 1st April, 2017: 75,000,000) Equity shares	50,000	50,000	7,500
Preference shares, Rs. 100/- par value			
50,000,000 (31st March, 2018 : 50,000,000, 1st April, 2017: Nil) Preference shares	50,000	50,000	-
	1,00,000	**1,00,000**	**7,500**
Issued, subscribed and fully paid-up			
Equity shares, Rs. 10/- par value			
59,660,000 (31st March, 2018 : 59,660,000, 1st April, 2017: 59,660,000) Equity Shares	5,966	5,966	5,966
Total	**5,966**	**5,966**	**5,966**

13.1.1 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 June, 2018		As at 31st March, 2018		As at 1st April, 2017	
	No. of shares	Rs. In lakhs	No. of shares	Rs. In lakhs	No. of shares	Rs. In lakhs
At the beginning of the year	596,60,000	5,966	596,60,000	5,966	596,60,000	5,966
Add: Issued as fully paid during the quarter/year	-	-	-	-	-	-
At the end of the quarter/year	**596,60,000**	**5,966**	**596,60,000**	**5,966**	**596,60,000**	**5,966**

13.1.2 Terms/rights attached to Equity and Preference Shares

The Company's authorized capital consists of two classes of shares referred to as Equity Shares and Preference shares having par value of Rs. 10/- each and Rs. 100/- each, respectively. Each holder of Equity Shares is entitled to one vote per share. Preference shareholders have a preferential right over equity shareholders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Company during the quarter ended 30th June, 2018 and are outstanding as at that date

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.

13.1.3 The details of shareholders holding more than 5% shares are set out as below:

Class of shares and names of shareholders	As at 30th June, 2018		As at 31st March, 2018		As at 1st April, 2017	
Equity shares, Rs. 10/- par value	No. of shares	% held	No. of shares	% held	No. of shares	% held
Srei Infrastructure Finance Limited (Holding Company) *	596,60,000	100	596,60,000	100	596,60,000	100

* Including nominee shareholders

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14. Other Equity

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018	As at 31st March, 2018
Capital reserve		
Opening balance	31	31
Add / Less: Transferred from / to Surplus	-	
Closing balance	**31**	**31**
Securities premium		
Opening balance	1,03,980	1,03,980
Add: Received on issue of equity shares for the quarter/year	-	
Closing balance	**1,03,980**	**1,03,980**
Debt redemption reserve		
Opening balance	58,600	58,600
Add: Transferred from Surplus in the Statement of Profit and Loss for the quarter/year	2,114	7,684
Less: Transfer to Surplus in the Statement of Profit and Loss for the quarter/year on Redemption *	2,114	7,684
Closing balance	**58,600**	**58,600**
Cash flow hedge reserve		
Opening balance	-	-
Add: Addition during the quarter/year	(69)	-
Less: Utilised during the quarter/year	-	-
Closing balance	**(69)**	**-**
Special reserve (created pursuant to Section 45IC of the Reserve Bank of India Act, 1934)		
Opening balance	33,576	28,306
Add: Transferred from Surplus in the Statement of Profit and Loss for the quarter/year	2,052	5270#
Closing balance	**35,628**	**33,576**
Income tax special reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)		
Opening balance	13,557	10,558
Add: Transferred from Surplus in the Statement of Profit and Loss for the quarter/year	750	2,999
Closing balance	**14,307**	**13,557**
Surplus in the Statement of Profit and Loss		
Opening balance	40,420	18,575
Reclassification from Cash Flow Hedge to Statement of Profit and Loss	69	-
Add: Profit after tax transferred from Statement of Profit and Loss	10,103	30,114
Amount available for appropriation	50,592	48,689
Appropriations:		
Less: Amount transferred to Special reserve	2,052	5,270
Less: Amount transferred to Income Tax special reserve	750	2,999
Less: Amount transferred to Debt redemption reserve	2,114	7,684
Add: Amount transferred from Debt redemption reserve on Redemption *	2,114	7,684
Closing balance	**47,790**	**40,420**
Total	**2,60,267**	**2,50,164**

Transfer of 20% of the profit after tax before re-measurement adjustments on transition to Ind AS, if any, to the statutory reserves in accordance with the provision of Section 45-IC of the RBI Act, 1934.

* Pursuant to redemption of privately placed subordinated debentures/loans for the quarter/year, qualifying for Tier I/Tier II capital, the Company has released the Debt Redemption Reserve (DRR) created on such subordinated debentures/loans to the extent of net DRR created in the current quarter/year on public issue of Non Convertible Debentures.

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15A. Borrowings

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018		As at 31st March, 2018		As at 1st April, 2017	
	Non-Current	Current Portion of Non-Current	Non-Current	Current Portion of Non-Current	Non-Current	Current Portion of Non-Current
i. Secured						
Debentures						
Non-convertible debentures (refer note 15.1)	1,28,518	15,595	85,547	34,545	93,796	2,783
Term loans (refer note 15.2)						
From banks						
- Rupee loans	68,682	38,223	77,630	38,386	67,138	29,517
- Foreign currency loans	63,574	5,104	60,287	14,489	14,291	22,216
From Financial institutions						
- Rupee loans	1,43,169	59,507	95,982	52,343	73,083	24,299
- Foreign currency loans	1,14,849	5,790	92,391	2,755	35,300	-
(i)	5,18,792	1,24,219	4,11,837	1,42,518	2,83,608	78,815
ii. Unsecured						
Debentures						
Subordinated perpetual debentures (Tier I Capital) [refer note 15.3]	3,749	-	3,749		3,749	-
Subordinated redeemable non convertible debentures (Tier II Capital) [refer note 15.4]	1,51,334	21,265	1,72,416	-	1,12,243	17,447
Non convertible debentures [refer note 15.6]	200	-	200		200	-
Term loans from banks (refer note 15.5)						
- Rupee subordinated loans (Tier II Capital)	4,972	1,667	4,969	1,667	6,626	18,327
- Foreign currency loans	34,403	4,117	13,312	1,776	12,954	1,524
Buyer's credit foreign currency loans						
Collateralised Borrowings	63,626	52,145	44,261	34,850	-	-
(ii)	2,58,284	79,194	2,38,907	38,293	1,35,772	37,298
Total (i)+(ii)	7,77,076	2,03,413	6,50,744	1,80,811	4,19,380	1,16,113
Less: Amount disclosed under the head "Other Financial Liabilities"	-	2,03,413	-	1,80,811	-	1,16,113
Net amount	7,77,076	-	6,50,744	-	4,19,380	-

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15B. Current borrowings

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 1st April, 2017
i. Secured			
From Banks :			
Working capital facilities (Rupee loan) [Refer note (a) below]	8,78,864	8,57,374	6,77,450
Working capital facilities (Foreign Currency loan) [Refer note (a) below]	-	-	10,663
Buyer's credit foreign currency loans [Refer note (b) below]	30,197	40,638	15,716
From Others :			
Non-convertible debentures [Refer note ## below]	1,000	1,000	1,000
(i)	**9,10,061**	**8,99,012**	**7,04,829**
ii. Unsecured			
From Others :			
Short- term rupee loan [Refer note (c) below]	20,000	40,000	-
Commercial papers [Refer note (d) below]	2,28,739	1,84,125	48,587
(ii)	**2,48,739**	**2,24,125**	**48,587**
Total (i)+(ii)	**11,58,800**	**11,23,137**	**7,53,416**

Notes :

(a) Working capital facilities (earmarked against cash credit limits) from banks are secured by hypothecation of underlying assets (both short-term and long-term loan 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 June, 2018 working capital facilities from banks include working capital demand loans aggregating ₹ 563,500 lakhs (31st March, 2018: ₹ 589,000 lakhs, 1st April, 2017: ₹ 384,500 lakhs) Rate of interest for working capital demand loans ranges from 8% to 9% per annum (31st March, 2018 : from 8% to 10% per annum, 1st April, 2017 : from 8% to 10% per annum) and for other working capital facilities (cash credits), ranges from 9% to 13% per annum (31st March, 2018: from 9% to 13% per annum, 1st April, 2017: from 9% to 14% per annum).

(b) 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 ranging from 0% to 5% per annum (31st March, 2018 : 0% to 5% per annum, 1st April, 2017: 0% to 3% per annum).

(c) Short- term rupee loans from banks bear interest rate ranging from 8% to 9% per annum (31st March, 2018: 8% to 9% per annum, 1st April, 2017: 9% to 10% per annum).

(d) Rate of Interest ranges from 7% to 9% per annum (31st March, 2018 : 6% to 9% per annum, 1st April, 2017 : 7% to 9% per annum). The maximum amount outstanding during the quarter ended 30th June 2018 was ₹ 399,500 lakhs (31st March, 2018 : ₹ 441,500 Lakhs).

Secured Non-Convertible Debentures

Date of allotment	Face Value per debenture (₹)	Amount outstanding (₹ in lakhs) *			Interest Rate (%)	Earliest redemption date
		As at 30th June, 2018	As at 31st March, 2018	As at 1st April, 2017		
22 August, 2016	10,00,000	1,000	1,000	1,000	***	22 August 2018**
Total		**1,000**	**1,000**	**1,000**		

* All the above debentures are redeemable at par.
** Contains put options excercisable on a quarterly basis
*** Secured Non Convertible Debenture bearing interest rate at 10.15% per annum as at 30 June, 2018 (31st March, 2018: 10% per annum, 1st April, 2017: 9.5% per annum).
Security: The above non-convertible debentures are secured by way of exclusive first charge on the specific receivables arising from the underlying loan/lease assets of the Company.

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15.1 Secured Non-Convertible Debentures

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in lakhs) * ##			Interest rate (%)	Earliest redemption date
		As at 30th June, 2018	As at 31st March, 2018	As at 1st April, 2017		
18 January, 2018	10,00,000	1,000	1,000	-	9.00%	18 January, 2028
20 December, 2016	10,00,000	1,000	1,000	1,000	9.00%	20 December, 2026
26 March, 2018	10,00,000	1,650	1,650	-	9.00%	26 March, 2025
03 October, 2017	10,00,000	600	600	-	8.99%	03 October, 2024
15 September, 2017	10,00,000	2,345	2,345	-	8.50%	15 September, 2024
22 June, 2017	10,00,000	2,000	2,000	-	9.23%	22 June, 2024
20 June, 2014	10,00,000	1,000	1,000	1,000	10.90%	20 June, 2024
13 June, 2014	10,00,000	1,000	1,000	1,000	10.92%	13 June, 2024
31 May, 2017	10,00,000	1,000	1,000	-	9.32%	31 May, 2024
26 May, 2017	10,00,000	2,000	2,000	-	9.45%	26 May, 2024
02 December, 2016	10,00,000	500	500	500	9.00%	02 December, 2023
04 April, 2018	10,00,000	1,399	-	-	8.30%	04 April, 2023
14 March, 2018	10,00,000	500	500	-	8.30%	14 March, 2023
06 October, 2016	10,00,000	500	500	500	9.95%	06 October, 2021
28 December, 2017	10,00,000	500	500	-	8.80%	28 December, 2020
16 October, 2017	10,00,000	15,000	15,000	-	9.25%	16 October, 2020
26 June, 2014	10,00,000	-	-	2,000	11.15%	20 June 2017###
11 May, 2015 @ #	1,000	12,638	40,970	40,970	**	**
17 January, 2017 @ #	1,000	49,204	49,205	50,000	***	***
25 May 2018 $	1,000	50,981	-	-	****	****
Total		**1,44,817**	**1,20,770**	**96,970**		

* 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 9.75% to 10.50%.

*** The above debenture are alloted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 3 - 5 Years having rate of interest ranging from 8.90% to 9.76%.

**** The above debenture are alloted through public issue of Secured Non Convertible Debenture and are redeemable over a tenure of 1 - 10 Years having rate of interest ranging from 8.60% to 9.60%.

All the above debentures are redeemable at par except those marked ### which are redeemable at premium.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 1,276 lakhs (31st March, 2018: ₹ 1,120 lakhs, 1st April, 2017 : ₹ 1,401 lakhs).

Security:

All the above non-convertible debentures except those issued to public marked # are secured by way of pari passu charge on the Company's immovable properties located at West Bengal, having carrying value of ₹ 18 lakhs and an exclusive first charge on the specific receivables arising from the underlying loan/lease/ assets of the Company.

@ The public Issue of Secured Non Convertible Debenture are secured by way of pari-passu charge on the Company's immovable properties located at Chennai, having carrying value of ₹ 50 lakhs and specific receivables/ assets of the Company.

$ During the quarter ended 30th June 2018, the company raised ₹ 50,981 lakhs (31st March, 2018: NIL) through Public Issue of Secured Non Convertible Debenture which are secured by exclusive charge in favour of debenture trustee on specific present and/or future receivables/assets of the company.

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15.2 Term Loans from banks and financial Institutions

Particulars	Outstanding (₹ in lakhs) *	Repayment terms (₹ in lakhs)				Tenure (years)	Rate of Interest per annum	Nature of security
	As at 30th June, 2018	Monthly	Quarterly	Half yearly	Single instalment			
Rupee term loans								
From banks **	1,07,085	11,644	95,441	-	-	0 - 5	8%-11%	Hypothecation of specific assets covered by hypothecation loan agreements and operating lease agreements with customers and receivables arising there from.
From financial institutions ***	2,02,700	2,200	45,500	1,55,000	-	0 - 6	8%-11%	
Total	**3,09,785**	**13,844**	**1,40,941**	**1,55,000**	-			
Foreign currency term loans								
From banks #	70,176	-	5,134	65,042	-	0 - 6	5%-7%	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 ##	1,21,312	-	-	1,12,754	8,558	2 - 10	3%-7%	
Total	**1,91,488**	-	**5,134**	**1,77,796**	**8,558**			

* Includes current maturities.
** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 180 lakhs.
*** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 24 lakhs.
# Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 1,498 lakhs.
Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 673 lakhs.

Particulars	Outstanding (₹ in lakhs) *	Repayment terms (₹ in lakhs)				Tenure (years)	Rate of Interest per annum	Nature of security
	As at 31st March, 2018	Monthly	Quarterly	Half yearly	Single instalment			
Rupee term loans								
From banks **	1,16,218	14,145	1,02,073	-	-	0 - 5	8%-12%	Hypothecation of specific assets covered by hypothecation loan agreements and operating lease agreements with customers and receivables arising there from.
From financial institutions ***	1,48,350	3,850	48,250	96,250	-	0 - 5	8%-12%	
Total	**2,64,568**	**17,995**	**1,50,323**	**96,250**	-			
Foreign currency term loans								
From banks #	76,465	-	9,341	67,124	-	0 - 6	3%-7%	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 ##	95,526	-	-	87,380	8,146	2 - 10	3%-7%	
Total	**1,71,991**	-	**9,341**	**1,54,504**	**8,146**			

* Includes current maturities.
** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 202 lakhs.
*** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 25 lakhs.
# Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 1,688 lakhs.
Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 380 lakhs.

Particulars	Outstanding (₹ in lakhs) *	Repayment terms (₹ in lakhs)				Tenure (years)	Rate of Interest per annum	Nature of security
	As at 1st April, 2017	Monthly	Quarterly	Half yearly	Single instalment			
Rupee term loans								
From banks **	96,914	25,703	71,211	-	-	0 - 5	9%-12%	Hypothecation of specific assets covered by hypothecation loan agreements and operating lease agreements with customers and receivables arising there from.
From financial institutions ***	97,430	13,180	34,250	50,000	-	0 - 6	8%-12%	
Total	**1,94,344**	**38,883**	**1,05,461**	**50,000**	-			
Foreign currency term loans								
From banks #	36,894	-	11,283	25,611	-	0 - 2	3%-6%	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 ##	35,360	-	-	35,360	-	3 - 8	3%-6%	
Total	**72,254**	-	**11,283**	**60,971**	-			

* Includes current maturities.
** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 258 lakhs.
*** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 48 lakhs.
# Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 387 lakhs.
Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 60 lakhs.

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15.3 Unsecured subordinated perpetual debentures (Tier I Capital)

As at 30th June, 2018, the amount outstanding in respect of unsecured subordinated perpetual debentures is ₹ 3,749 lakhs (31st March, 2018 : ₹ 3,749 lakhs, 1st April, 2017: ₹ 3,749 lakhs) which is 1.39% (31st March, 2018 : 1.43%, 1st April, 2017: 1.56%) of total Tier I Capital, as per Previous GAAP, as on Balance Sheet date. These perpetual debentures have call option which is exercisable on or after 31st December, 2021 with prior approval of RBI. The coupon rate of these perpetual debentures is 12.50% per annum (31st March, 2018 :12.50% per annum, 1st April, 2017: 12.50% per annum) which shall be stepped up by 100 basis points to 13.50% per annum for subsequent years, if Call Option is not exercised by the Company at the end of 10th year from the date of allotment i.e. 31st December, 2021.

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

During the quarter ended 30th June, 2018, the Company raised subordinated redeemable non-convertible debentures qualifying for Tier II Capital amounting Nil (31st March, 2018 ₹ 60,517 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 June, 2018	As at 31st March, 2018	As at 1st April, 2017		
08 August, 2017	1000	56,199	56,199	-	*	*
23 June, 2017	1000000	4,323	4,318	-	9.00%	23 June, 2027
30 March, 2017	1000000	5,000	5,000	5,000	10.25%	30 March, 2027
04 November, 2016	1000000	1,000	1,000	1,000	9.85%	04 November, 2026
07 October, 2016	1000000	4,000	4,000	4,000	10.75%	07 October, 2026
04 October, 2016	1000000	1,500	1,500	1,500	10.75%	04 October, 2026
24 August, 2016	1000000	3,000	3,000	3,000	9.50%	24 August, 2026
26 May, 2016	1000000	350	350	350	10.25%	26 May, 2026
25 May, 2016	1000000	2,000	2,000	2,000	10.75%	25 May, 2026
31 March, 2016	1000000	2,000	2,000	2,000	10.00%	31 March, 2026
18 March, 2016	1000000	500	500	500	10.70%	18 March, 2026
05 February, 2016	1000000	500	500	500	10.60%	05 February, 2026
20 January, 2016	1000000	500	500	500	10.60%	20 January, 2026
11 January, 2016	1000000	1,500	1,500	1,500	10.60%	11 January, 2026
24 September, 2015	1000000	500	500	500	10.50%	24 September, 2025
20 August, 2015	1000000	1,000	1,000	1,000	10.50%	20 August, 2025
13 August, 2015	1000000	15,000	15,000	15,000	10.75%	13 August, 2025
16 March, 2015	1000000	500	500	500	11.00%	16 March, 2025
01 March, 2017	1000000	500	500	500	10.40%	01 June, 2024
25 October, 2016	1000000	5,000	5,000	5,000	9.80%	25 April, 2024
10 March, 2017	1000000	7,500	7,500	7,500	10.45%	10 March, 2024
07 May, 2013	1000000	2,080	2,080	2,080	11.25%	07 May, 2023
24 September, 2015	1000000	1,200	1,200	1,200	10.40%	24 April, 2023
29 March, 2016	1000000	200	200	200	10.70%	29 March, 2023
24 January, 2013	1000000	900	900	900	11.25%	24 January, 2023
17 December, 2012	1000000	1,700	1,700	1,700	11.50%	17 December, 2022
13 August, 2015	1000000	5,000	5,000	5,000	10.75%	13 August, 2022
09 March, 2017	1000000	500	500	500	10.18%	09 June, 2022
01 February, 2016	1000000	700	700	700	10.15%	01 May, 2021
24 September, 2015	1000000	2,360	2,360	2,360	10.30%	24 April, 2021
20 December, 2013	1000000	1,000	1,000	1,000	11.10%	20 December, 2020
27 September, 2013	1000000	1,600	1,600	1,600	11.00%	27 September, 2020
31 March, 2015	1000000	3,600	3,600	3,600	11.00%	30 June, 2020
29 June, 2013	1000000	1,000	1,000	1,000	10.85%	29 June, 2020
31 March, 2010	1000000	7,450	7,450	7,450	10.00%	31 March, 2020
19 March, 2010	1000000	2,550	2,550	2,550	10.00%	19 March, 2020
24 December, 2009	1000000	10,000	10,000	10,000	10.00%	24 December, 2019
29 November, 2013	1000000	1,000	1,000	1,000	11.00%	29 May, 2019
29 November, 2013	1000000	500	500	500	11.00%	29 May, 2019
24 July, 2013	1000000	1,500	1,500	1,500	10.75%	24 May, 2019
29 June, 2013	1000000	2,500	2,500	2,500	10.75%	29 April, 2019
28 March, 2013	1000000	2,500	2,500	2,500	11.50%	28 September, 2018
27 September, 2011	1000000	6,800	6,800	6,800	12.00%	27 September, 2018
08 February, 2013	1000000	5,000	5,000	5,000	11.60%	08 August, 2018
07 May, 2013	1000000	1,500	1,500	1,500	11.10%	07 August, 2018
31 March, 2011	1000000	-	-	5,000	11.50%	31 March, 2018
03 August, 2007	1000000	-	-	10,000	12.00%	03 August, 2017
30 December, 2011	1000000	-	-	2,500	12.60%	30 July, 2017
Total		**1,75,512**	**1,75,507**	**1,32,490**		

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

* The above debenture are allotted through public issue of Unsecured Subordinate Non Convertible Debenture and are redeemable over a tenure of 5 - 10 years having rate of interest ranging from 9.25% per annum to 9.75% per annum.

** Includes current maturities.

Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 3,347 lakhs (31st March, 2018: ₹ 3,405 lakhs, 1st April, 2017: ₹ 2,799 lakhs).

15.5 Unsecured term loans from banks

Particulars	Outstanding (₹ in lakhs) *	Repayment terms (₹ in lakhs)			Tenure (years)	Rate of Interest per annum
	As at 30th June, 2018	Quarterly	Half yearly	Single instalment		
Rupee Subordinated term loans (Tier II Capital) **	6,667	-	1,667	5,000	0 - 4	11%-12%
Foreign currency loans ***	39,294	-	39,294	-	8-10	1%-2%
Total	45,961	-	40,961	5,000		

* Includes current maturities.

** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 28 lakhs.

*** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 774 lakhs.

Particulars	Outstanding (₹ in lakhs) *	Repayment terms (₹ in lakhs)			Tenure (years)	Rate of Interest per annum
	As at 31st March, 2018	Quarterly	Half yearly	Single instalment		
Rupee Subordinated term loans (Tier II Capital) **	6,667	-	1,667	5,000	0 - 4	11%-12%
Foreign currency loans ***	15,340	-	15,340	-	0 - 9	1%-2%
Total	22,007	-	17,007	5,000		

* Includes current maturities.

** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 31 lakhs.

*** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 252 lakhs.

Particulars	Outstanding (₹ in lakhs) *	Repayment terms (₹ in lakhs)			Tenure (years)	Rate of Interest per annum
	As at 1st April, 2017	Quarterly	Half yearly	Single instalment		
Rupee Subordinated term loans (Tier II Capital) **	25,000	10,000 #	5,000 ##	10,000	0-5	11%-12%
Foreign currency loans ***	14,760	-	14,760	-	10	1%-2%
Total	39,760	10,000	19,760	10,000		

* Includes current maturities.

** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 47 lakhs.

*** Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 282 lakhs.

\# Payable after moratorium of Nil (12 months)

\## Payable after moratorium of 3 months (15 months)

15.6 Unsecured non-convertible debentures

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 June, 2018	As at 31st March, 2018	As at 1st April, 2017		
28 October, 2016	10,00,000	100	100	100	9.95%	28 April, 2020
28 April, 2016	10,00,000	100	100	100	10.00%	28 April, 2020
Total		200	200	200		

The above debentures is redeemable at par in single instalment.

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16. Other Financial Liabilities

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018		As at 31st March, 2018		As at 1st April, 2017	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Interest accrued but not due on borrowings	-	19,509	-	16,205	-	14,362
Trade deposits received	37,638	2,807	28,843	5,839	13,888	4,475
Advance From Operating Lease customer	-	795	-	1,271		958
Other Liabilities	63	152	68	470	-	192
Total	**37,701**	**23,263**	**28,911**	**23,785**	**13,888**	**19,987**

17. Provisions

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018		As at 31st March, 2018		As at 1st April, 2017	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Provision for employee benefits						
Provision for Gratuity	349	-	167	-	810	-
Provision for compensated absence	-	1,299	844	281	1,016	190
Total	**349**	**1,299**	**1,011**	**281**	**1,826**	**190**

18. Other liabilities

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018		As at 31st March, 2018		As at 1st April, 2017	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Pre-received amount for Lease Contracts	7,928	3,429	11,013	123	3,163	80
Statutory remittances	-	683	-	986	-	469
Other Liabilities	-	-	-	17	13	215
Total	**7,928**	**4,112**	**11,013**	**1,126**	**3,176**	**764**

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19. Trade Payables

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars		As at 30th June, 2018	As at 31st March, 2018	As at April 1, 2017
i. Due to Micro and Small Enterprises *	**(A)**	-	-	-
ii. Due to others				
Acceptances		44,863	36,845	38,925
Other than Acceptance		91,346	1,32,148	62,897
Employees payables		1,142	1,816	1,509
Commission payable to Directors		182	527	298
	(B)	1,37,533	1,71,336	1,03,629
Total	**(A+B)**	**1,37,533**	**1,71,336**	**1,03,629**

* There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the quarter/year and also as at the end of the quarter/year. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

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20. Revenue from operations **(All amounts are in ₹ lakhs, unless otherwise stated)**

Particulars	Figures for the quarter ended 30 June, 2018	Figures for the quarter ended 30 June, 2017 (unuadited)
Interest income from Loan Assets *	63,646	55,085
Income from Operating Lease	27,641	15,887
Sale of Power	611	489
Other Operating Income#	9,014	2,804
Total	1,00,912	74,265

*Represents interest income from loan assets and net gain from excess interest spread on assignment transactions.

Includes interest on fixed deposits ₹1,345 lakhs (30 June, 2017 ₹ 443 lakhs); net loss on certain loan assets measured at fair value through profit or loss ₹10 lakhs (30 June, 2017 ₹ 114 lakhs); liabilities no longer required now written back ₹2,205 lakhs (30 June, 2017 ₹ 278 lakhs) and referral income ₹2,097 lakhs (30 June, 2017 ₹ 1,379 lakhs).

21. Other Income

Particulars	Figures for the quarter ended 30 June, 2018	Figures for the quarter ended 30 June, 2017 (unuadited)
Net gain/ (loss) on financial instruments at fair value through profit or loss - Investments	(310)	(9)
Dividend Income	78	65
Others	4	6
Total	(228)	62

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22. Finance Costs (All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Figures for the quarter ended 30 June, 2018	Figures for the quarter ended 30 June, 2017 (unuadited)
Interest expense	41,612	27,976
Other borrowing costs	7,397	7,084
Net (Gain)/Loss on foreign currency transactions and translations	(701)	2,323
Total	**48,308**	**37,383**

23. Employee Benefits Expenses

Particulars	Figures for the quarter ended 30 June, 2018	Figures for the quarter ended 30 June, 2017 (unuadited)
Salaries and wages	4,347	3,824
Contribution to provident and other funds	263	399
Staff welfare expenses	77	142
Total	**4,687**	**4,365**

24. Other expenses

Particulars	Figures for the quarter ended 30 June, 2018	Figures for the quarter ended 30 June, 2017 (unuadited)
Communication expenses	18	100
Legal and professional fees	1,352	916
Electricity charges	97	105
Rent	228	240
Rates and taxes	14	22
Brokerage and service charges	528	1
Payment to Auditors (Refer note : 24.1)	33	33
Repairs - Machinery	215	399
- Others	353	365
Travelling and conveyance	890	845
Director's sitting fees	5	7
Insurance	38	180
Printing and stationery	48	80
Advertisement and subscription	115	126
Conference and seminar	258	43
Corporate social responsibility expenses	96	89
Charity and donations	-	4
Loss on sale of Fixed Assets (net)	166	967
Exchange Fluctuations (Net)	-	1
Miscellaneous expenses	206	221
Total	**4,660**	**4,744**

24.1 Payment to Auditors

Particulars	For the quarter ended	
	30th June, 2018	30th June, 2017
Audit Fees	10	10
Other services (certification etc.)	23	23
Total	**33**	**33**

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25. EARNINGS PER SHARE

Particulars	For the quarter ended	
	30th June, 2018	30th June, 2017
Net Profit attributable to Equity Shareholders (Rs. in lakhs)	10,260	4,114
Weighted average number of Equity Shares Basic (Nos.)	596,60,000	596,60,000
Weighted average number of Potential Equity Shares (Nos.)	-	-
Weighted average number of Equity Shares Diluted (Nos.)	596,60,000	596,60,000
Nominal Value of Equity per share (Rs.)	10	10
Basic and Diluted Earnings per share (Rs.)	17.20	6.90

26. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 30th June, 2018	As at 31st March, 2018	As at 1st April, 2017
Contingent liabilities			
Claims against the company not acknowledged as debt			
Disputed demands *			
- Sales tax	48	204	204
- Service tax	1,828	3,484	3,557
- Value added tax (VAT)	1,284	970	1,273
- Income tax	5,300	5,300	5,300
(A)	**8,460**	**9,958**	**10,334**
Guarantees			
Bank guarantees #@	60,111	50,669	10,808
(B)	**60,111**	**50,669**	**10,808**
Total (A+B)	**68,571**	**60,627**	**21,142**
Commitments			
Estimated amount of capital contracts remaining to be executed [Net of advances of ₹ 7,327 lakhs (31st March, 2018: ₹ 4,641 lakhs, 1st April, 2017: ₹ 7,797 lakhs)]	25,012	13,044	35,934

* 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 (31st March, 2018 : ₹ 56 lakhs, 1st April, 2017: ₹ 56 lakhs) issued on behalf of the holding company against which the Company holds counter guarantee.
@ Includes ₹ 59,534 lakhs (31st March, 2018 : ₹ 50,355 lakhs, 1st April, 2017: ₹ 10,410 lakhs) being the bank guarantee issued on behalf of the customer.

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27. Related Party Disclosure

List of Related Parties

Enterprises related to the Company	Nature of Relationship
Adisri Commercial Private Limited	Ultimate Holding Company
Srei Infrastructure Finance Limited	Holding Company
Srei Capital Markets Limited	Fellow Subsidiary
Srei Alternative Investment Managers Limited	Fellow Subsidiary
Srei Infrastructure Advisors Limited (ceased to be subsidiary with effect from 12th March, 2018)	Fellow Subsidiary
Controlla Electrotech Private Limited	Fellow Subsidiary
Srei Mutual Fund Asset Management Private Limited	Fellow Subsidiary
Srei Mutual Fund Trust Private Limited	Fellow Subsidiary
Srei Insurance Broking Private Limited	Fellow Subsidiary
Bengal Srei Infrastructure Development Limited	Fellow Subsidiary
Hyderabad Information Technology Venture Enterprises Limited	Fellow Subsidiary
Cyberabad Trustee Company Private Limited	Fellow Subsidiary
Quippo Oil & Gas Infrastructure Limited	Fellow Subsidiary
Quippo Drilling International Private Ltd	Fellow Subsidiary
Quippo Energy Limited	Fellow Subsidiary
Srei Asset Reconstruction Private Limited	Fellow Subsidiary
Sahaj e-Village Limited	Fellow Associate
Attivo Economic Zone (Mumbai) Private Limited	Fellow Associate
IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	Fellow Associate

Key Management Personnel (KMP)	
Name	**Designation**
Mr. Hemant Kanoria	Chairman & Managing Director
Mr. Sunil Kanoria	Vice Chairman
Mr. Devendra Kumar Vyas	Chief Executive Officer
Mr. Manoj Kumar Beriwala	Chief Financial Officer
Mr. Naresh Mathur (till 27th November, 2017)	Company Secretary
Ms. Ritu Bhojak (with effect from 27th November, 2017)	Company Secretary
Mr. Sandeep Sawhney	Chief Executive Officer - Holding Company
Mr. Sandeep Kumar Sultania (with effect from 5th July, 2018)	Chief Financial Officer - Holding Company
Mr. Malay Mukherjee	Independent Director - Holding Company
Mr. S. Rajagopal	Independent Director - Holding Company
Mr. S. Chatterjee	Independent Director - Holding Company
Dr. Punita Kumar Sinha	Independent Director - Holding Company
Mr. Ram Krishna Agarwal	Non Executive Director - Holding Company
Mr. Shyamalendu Chatterjee	Independent Director
Ms. Supriya Prakash Sen	Independent Director

Enterprise over which relative of KMP has significance influence
India Power Corporation Limited (with effect from 1st June, 2017)

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27. Related Party Disclosure (continued)

Summary of Transactions/Balance Outstanding

(₹ in lakhs)

Name of the Related Party	Nature of relationship	Nature of transactions	For the quarter ended 30th June, 2018	Balance as at 30th June, 2018	Balance as at 31st March, 2018	For the quarter ended 30th June, 2017	Balance as at 1st April, 2017
Srei Infrastructure Finance Limited	Holding Company	Rent payment	-	-	-	-	-
		Security Deposit paid for Leased Premises	-	1,576	1,576	-	1,576
Quippo Oil and Gas Infrastructure Limited	Subsidiary of Holding Company	Loan Given (Secured)	50	1,092	1,184	1,200	-
		Interest Income on Loan Given	34	6	6	6	-
		Income on Operating Lease Assets	382	366	1,872	349	-
Mr. Hemant Kanoria	Chairman and Managing Director	Short term employee benefit	180	131	292	138	183
		Post employment benefit	9	-	-	9	-
Mr. Sunil Kanoria	Vice Chairman	Short term employee benefit	182	120	290	139	172
		Post employment benefit	9	-	-	9	-
Mr. Devendra Kumar Vyas	Chief Executive Officer	Short term employee benefit	159	68	22	123	20
		Post employment benefit	4	-	-	4	-
		Rent paid for leased premise	2	-	-	2	-
		Loan Given	-	67	84	-	186
		Repayment of loan given	17	-	-	74	-
		Interest Income on Loan Given	2	-	-	4	-
Mr. Manoj Kumar Beriwala	Chief Financial Officer (with effect from 3rd November, 2016)	Short term employee benefit	18	9	8	17	6
		Post employment benefit	1	-	-	1	-
Mr. Naresh Mathur	Company Secretary (till 27th November, 2017)	Short term employee benefit	-	-	-	6	2
		Post employment benefit	-	-	-	-	-
Ms. Ritu Bhojak	Company Secretary (with effect from 27th November, 2017)	Short term employee benefit	9	3	2	-	-
		Post employment benefit	1	-	-	-	-
Mr. Shyamalendu Chatterjee	Independent Director	Sitting Fees	3	-	-	3	-
Ms. Supriya Prakash Sen	Independent Director	Sitting Fees	2	-	-	-	-
India Power Corporation Limited	Enterprise over which relative of KMP has significance influence (with effect from 1st June, 2017)	Income from operating lease assets	480	776	829	383	-
Attivo Economic Zones (Mumbai) Private Limited	Associate of Holding Company	Loan Given (Secured)	1,878	9,202	7,326	-	-
		Interest Income on Loan Given	184	-	62	-	-

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28. Fair Value Disclosure
The carrying value and fair value of financial instruments by categories as at 30th June, 2018 are as follows:

Particulars	As at 30th June, 2018		As at 31st March, 2018		As at 1st April, 2017		Fair Value Hierarchy	Valuation technique(s) and key input(s)
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value		
Financial Assets								
- Loans & Advances	18,94,458	215,55,802	17,56,070	20,81,203	12,39,735	16,76,801	L2	Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Investments (Quoted)	10,235	10,235	10,235	10,235	9,104	9,104	L1	Quoted bid prices in an active market
- Investments (Others)	549	549	959	959	1,327	1,327	L2	Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
-Receivables	7,132	7,132	11,284	11,284	5,579	5,579	L3	Cost is the approximate estimation of fair value
-Other Financial Assets	50,775	50,775	54,189	54,189	41,752	41,752	L3	Cost is the approximate estimation of fair value
Cash and cash equivalents	1,388	1,388	2,529	2,529	13,777	13,777	L3	Cost is the approximate estimation of fair value
Other Bank Balances	1,08,183	1,08,183	80,250	80,250	25,966	25,966	L3	Cost is the approximate estimation of fair value
Derivative financial instruments	7,019	7,019	3,864	3,864	7,406	7,406	L2	Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
Financial Liabilities								
- Payables	1,41,714	1,41,714	1,78,320	1,78,320	1,06,288	1,06,288	L3	Cost is the approximate estimation of fair value
- Borrowings	21,39,289	21,40,889	19,54,692	19,63,334	12,88,909	12,86,459	L2	Discounted cash flow on observable future cash flows are based on terms, discounted at a rate that reflects market risks.
Derivative financial instruments	1,341	1,341	4,395	4,395	4,322	4,322	L2	Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
-Other Financial liabilities	60,964	60,964	52,696	52,696	33,876	33,876	L3	Cost is the approximate estimation of fair value

Descriptive Information
Level 1: Level 1 hierarchy includes financial instruments measured using quoted price. This includes listed equity instruments, traded bonds, mutual funds etc. that have quoted price.
Level 2: The fair value of the financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little possible on entity specific estimates. If all significant inputs required for determining fair value of an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant input is not based on observable market data, the instrument is included in level 3.
The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

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Note 29: First Time Adoption

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of 1st April, 2017 (the transition date) by:

a. recognising all assets and liabilities whose recognition is required by Ind AS,
b. not recognising items of assets or liabilities which are not permitted by Ind AS,
c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and
d. applying Ind AS in measurement of recognised assets and liabilities.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS.
The Company has applied for the following exemptions:

(i) Estimates
The estimates at 1st April 2017 and at 31st March 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).
The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2017 and as of 31st March 2018.

(ii) Classification of Measurement of Financial Assets
The classification of financial assets to be measured at amortized cost or fair value through Profit and Loss is made on the basis of facts and circumstances that existed on the date of transition to Ind AS.

(iii) Fair value at Deemed Cost for items of Property, Plant and Equipment
The Company has elected to use the carrying amount of items of Property, Plant and Equipments under previous GAAP on the date of transition to Ind AS as deemed cost for Ind AS.

Reconciliation of Equity as previously reported under Previous GAAP to IND AS:

Particulars	Note	As at 30th June, 2018	As at 31st March, 2018	As at 1st April, 2017
Equity as per Previous GAAP		2,87,253	2,78,042	2,52,040
Re-measurements on transition to Ind AS				
a. Interest income and expenses recognition using EIR on financial assets and liabilities at amortised cost*	(i)	2,643	1,864	(374)
b. Expected credit loss	(ii)	(41,956)	(41,957)	(45,697)
c. Gain from excess interest spread on assignment transactions	(iii)	11,705	12,689	7,795
d. Fair valuation of loans and other financial assets	(iv)	(1,049)	(983)	(947)
e. Fair valuation of derivatives	(v)	(3,112)	(4,920)	(23)
f. Adjustment for Cash Flow Hedge accounting	(v)	(106)	-	-
g. Deferred tax on above adjustments	(vii)	10,855	11,395	13,222
Equity as reported under Ind AS		**2,66,233**	**2,56,130**	**2,26,016**

* Including interest upto 90 days reinstated for non performing assets

Reconciliation of Total Comprehensive Income

Particulars	Note	For the quarter ended 30th June, 2018	For the year ended 31st March, 2018
Profit after Tax as per Previous GAAP		9,098	26,349
Adjustments on account of:			
a. Interest income and expenses recognition using EIR on financial assets and liabilities at amortised cost*	(i)	1,959	5,554
b. Expected credit loss	(ii)	(1,179)	423
c. Gain from excess interest spread on assignment transactions	(iii)	(984)	4,894
d. Fair valuation of loans and other financial assets	(iv)	(66)	(36)
e. Fair valuation of derivatives	(v)	1,921	(5,244)
f. Actuarial gains/loss on employee benefit plan	(vi)	135	(803)
g. Deferred tax on above adjustments	(vii)	(624)	(1,545)
Net Profit after tax as per Ind AS		**10,260**	**29,592**
Other comprehensive income, net of tax		(157)	522
Total Comprehensive Income as per Ind AS		**10,103**	**30,114**

* Including interest upto 90 days reinstated for non performing assets

Footnotes to the reconciliation of equity as at 1st April, 2017, 31st March 2018 and 30th June 2018 and Total Comprehensive Income for the year ended 31st March 2018 and quarter ended 30th June 2018

(i) Measurement of financial assets and financial liabilities at amortised cost

Under Previous GAAP, all financial assets and financial liabilities were carried at cost.Under Ind AS, certain financial assets and financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. In applying the effective interest method, an entity identifies fees that are an integral part of the effective interest rate of a financial instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability.

(ii) Expected Credit Loss Allowances on Financial Assets measured at amortized cost

Under Previous GAAP, the impairment provisioning in respect of a NBFC-ND-SI is governed by the principles as prescribed by the RBI through NBFC-SI Directions.

Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortized cost. Expected credit losses (with the exception of purchased or original credit-impaired financial assets) are required to be measured through a loss allowance at an amount equal to the 12 month expected credit losses; or Lifetime expected credit losses if credit risk has increased significantly since initial recognition of the financial instrument.

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(iii) Gain from excess interest spread on assignment transactions

Under previous GAAP, since the assignment transactiosn were carried out at book value of the loan assets with no upfront cash profit/loss, no gain/loss on the said transaction has been recognised on the same. Under Ind AS, gains from excess interest spread on assignment transactions have been deferred and spread over the tenure of the transactions.

(iv) Measurement of financial assets at fair value through Profit or Loss (FVTPL)

Under previous GAAP, financial assets were stated at cost. Under Ind AS, if the contractual terms of the financial asset give rise on specified dates to cash flows that are not solely payments of principal and interest on the principal amount outstanding, the entity shall measure the fair value of the financial instrument with changes thereof to the statement of Profit and Loss.
Similarly, under previous GAAP, non-current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, equity instruments have been classified as Fair Value through Profit or Loss (FVTPL) on the date of transition and changes in fair value after the date of transition has been recognised in profit or loss.

(v) Measurement of derivative financial instruments at fair value

The Company uses derivative financial instruments, such as currency forwards, options and swaps to hedge its foreign currency risks. Under previous GAAP, the net mark to market losses or gains on the outstanding portfolios of such instruments were recognised in the profit or loss.

The Company uses derivative financial instruments, such as cross currency swaps and interest Rate Swaps for hedging the interest rate risk. Under previous GAAP, as per Guidance Note on Accounting for Derivative Contracts issued by ICAI, the net mark to market losses or gains on the outstanding portfolios of such instruments were recognised directly in cash flow hedges.

Under Ind AS, changes in the fair value of derivatives on adoption date has been routed through retained earnings. The changes in fair value of derivative financial instruments, after adoption date, which are designated as cash flow hedges are recognised in equity. Amounts deferred in equity are transferred to the Statement of Profit and Loss in line with the hedged transaction.

(vi) Re-measurement Gains and Losses on Defined Benefit Plans

Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity and pension plans and liabilities towards employee leave encashment were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of profit or loss.

(vii) Tax Impact on above adjustments

Under Previous GAAP, deferred tax was accounted using the income statement approach on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognised following balance sheet approach on the temporary differences between the carrying amount of assets or liabilities in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

Deloitte Haskins & Sells Chartered Accountants

SREI EQUIPMENT FINANCE LIMITED KOLKATA

SREI EQUIPMENT FINANCE LIMITED
NOTES TO SPECIAL PURPOSE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT AND FOR THE QUARTER ENDED 30TH JUNE, 2018

30. DISCLOSURE OF JOINT CONTROLLED OPERATION AS ON 30TH JUNE, 2018

During the year ended 31st March 2017, the Company has entered into agreements with PL Solar Renewable Limited, PL Sunrays Power Limited and PL Surya Vidut Limited ("SPVs"), respectively, for joint use and operation of certain assets in relation to Solar Power Generation project. These SPVs have already entered into purchase power agreement (PPA) with Uttarakhand Power Corporation Limited (UPCL). Pursuant to the agreement, the revenue generated from the sale of power to UPCL will be shared among the Company and SPVs in the ratio of 80:20.

Accordingly, an amount of ₹ 611 Lakhs (30th June, 2017 : ₹ 489 lakhs) has been recognized as "Sale of Power" under the head "Income from Operations". None of the Company's assets has been transferred to the Joint Venture and there is no liability incurred in this respect.
There are no Contingent Liabilities or Capital Commitments in this respect.

31. SEGMENT REPORTING

The Company is primarily engaged in providing asset finance to customers in India. Consequently, there are no separate reportable segments as per 'Ind AS 108'.

32. INTERIM FINANCIAL REPORTING

In terms of Ind AS 34, Interim Financial Reporting as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013, as amended, the comparative figures in the Balance Sheet are given as at 31st March 2018, while for the Statement of Profit and Loss, figures are given for quarter ended 30th June, 2017 and Cash Flow Statement, the comparative figures are given for quarter ended 30th June, 2017, which are unaudited.

33. The Company's ultimate tax liability will be decided based on the taxable profit for the year ended 31st March, 2019.

Signatories to Notes 1 to 33.

On behalf of the Board of Directors

Devendra Vyas

Hemant Kanoria
Chairman and Managing Director
(DIN : 00193015)

Devendra Kumar Vyas
Chief Executive Officer

Ritu

Place : Kolkata
Date : 3rd September, 2018

Manoj Kumar Beriwala
Chief Financial Officer

Ritu Bhojak
Company Secretary

Deloitte Haskins & Sells
Chartered Accountants

SREI EQUIPMENT FINANCE LIMITED
KOLKATA

SREI EQUIPMENT FINANCE LIMITED
Regd Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata- 700 046, Website: www.sreiequipment.com
CIN: U70101WB2006PLC109898
Statement of Profit and Loss for the six months ended 30th September, 2018

(₹ in Lakhs)

	Particulars	Six Months ended September 30, 2018 (Unaudited)	Six Months ended September 30, 2017 (Unaudited)
(I)	Revenue from operations		
	Interest Income	1,33,659	1,11,458
	Rental Income	58,875	33,937
	Fees and commission Income	2,790	1,193
	Net gain on fair value changes	18,087	1,104
	Net gain on derecognition of financial instruments under amortised cost category	4,099	5,257
	Others	10,532	5,976
	Total Revenue from operations (I)	2,28,042	1,58,925
(II)	Other Income	(18,954)	(2,256)
(III)	Total Income (I+II)	2,09,088	1,56,669
(IV)	Expenses		
	Finance Costs	1,02,566	73,389
	Fees and commission expense	1,798	1,190
	Net loss on fair value changes	545	2,337
	Net loss on derecognition of financial instruments under amortised cost category	3,572	5,619
	Impairment on financial instruments	8,215	10,502
	Loss/write-off on assets held for sale	4,920	4,839
	Employee Benefits Expenses	10,654	8,517
	Depreciation, amortization and impairment	37,028	25,615
	Others expenses	9,675	8,592
	Total Expenses (IV)	1,78,973	1,40,600
(V)	Profit before tax (III- IV)	30,115	16,069
(VI)	Tax Expense:		
	(1) Current Tax	12,665	3,423
	(2) Mat Credit Entitlement	-	(3,423)
	(3) Deferred Tax	(2,451)	5,349
(VII)	Profit for the period (V-VI)	19,901	10,720
(VIII)	Other Comprehensive Income		
	A (i) Items that will not be reclassified to profit or loss		
	(a). Remeasurements of the defined benefit plans;	(204)	644
	(ii). Income tax relating to items that will not be reclassified to profit or loss	71	(223)
	B (i) Items that will be reclassified to profit or loss		
	(a) The effective portion of gains and loss on hedging instruments in a cash flow hedge;	229	-
	(ii). Income tax relating to items that will be reclassified to profit or loss	(80)	-
	Other Comprehensive Income [A(i+ii) + B(i+ii)]	16	421
(IX)	Total Comprehensive Income for the period (VII+VIII)	19,917	11,141
(X)	Earnings per equity share (Face value of Rs. 10/- each)		
	Basic (Rs.) *	33.36	17.97
	Diluted (Rs.) *	33.36	17.97

* Not Annualised

Deloitte Haskins & Sells Chartered Accountants

SREI EQUIPMENT FINANCE LIMITED KOLKATA

SK

1. The Company has adopted Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, from 1 April, 2018 and the effective date of such transition is 1 April, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India (Collectively referred to as "the Previous GAAP")

2. These financial results have been drawn up on the basis of Ind AS that are applicable to the Company as at 30 September 2018, in pursuant to Ind AS 34 "Interim Financial Reporting", based on the notification issued by the Ministry of Corporate Affairs ("MCA") on 30 March, 2016. Any application guidance/ clarifications/ directions issued by Reserve Bank of India ("RBI") or other regulators are implemented as and when they are issued/applicable
There is a possibility that these financial results for the current and previous periods may require adjustments due to changes in financial reporting requirements arising from new standards, modifications to the existing standards, guidelines issued by the Ministry of Corporate Affairs and RBI or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS 101 which may arise upon finalisation of the financial statements as at and for the year ending 31 March 2019 prepared under Ind AS

3. In accordance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has prepared unaudited financial results for the six months ended 30th September, 2018. The above unaudited financial results were reviewed by the Audit Committee at its meeting held on 15th November, 2018 and approved by the Board of Directors at its meeting held on the same date. This result have been subjected to limited review by the statutory auditors

4. As required by paragraph 32 of Ind AS 101, net profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under:

(₹ in Lakhs)

Particulars	Six Months ended 30-Sep-17 (Unaudited)
Net Profit after tax as per Previous GAAP	**10,951**
Adjustments on account of:	
a. Interest income and expenses recognition using EIR on financial assets and liabilities at amortised cost*	4,669
b. Expected credit loss	(4,466)
c. Gain from excess interest spread on assignment transactions	2,799
d. Fair valuation of loans and other financial assets	848
e. Fair valuation of derivatives	(3,565)
f. Actuarial gains/loss on employee benefit plan	(644)
g. Deferred tax on above adjustments	128
Net Profit after tax as per Ind AS	10,720
Other comprehensive income, net of tax	421
Total Comprehensive Income as per Ind AS	**11,141**

* Including interest upto 90 days reinstated for non performing assets

5. The financial results for the six months ended 30 September 2017 have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results for the six months ended 30 September, 2017 provide a true and fair view of the Company's affairs.

6. The Company is primarily engaged in providing asset finance to customers in India. Consequently, there are no separate reportable segments as per 'Ind AS 108'.

7. Previous period figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification/disclosure adopted in the current period.

For and on behalf of the Board of Directors

Sunil Kanoria

Sunil Kanoria
Vice Chairman

Place : Kolkata
Date: 15th November, 2018

Deloitte Haskins & Sells Chartered Accountants

SK

SREI EQUIPMENT FINANCE LIMITED KOLKATA

SREI EQUIPMENT FINANCE LIMITED
Regd Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata- 700 046,
Website: www.sreiequipment.com
CIN: U70101WB2006PLC109898
Balance Sheet as at 30th September, 2018

(₹ in Lakhs)

	Particulars	As at 30th September, 2018
		Unaudited
	ASSETS	
(1)	Financial assets	
(a)	Cash and cash equivalents	23,439
(b)	Bank Balance other than (a) above	1,38,239
(c)	Derivative financial instruments	18,526
(d)	Receivables	
	i) Trade receivables	8,031
(e)	Loans	19,68,272
(f)	Investments	10,652
(g)	Other financial assets	55,131
(2)	Non-financial assets	
(a)	Current tax assets (Net)	1,613
(b)	Property, Plant and Equipment	4,60,730
(c)	Other Intangible assets	856
(d)	Other non-financial assets	1,13,757
	Total Assets	27,99,246
	LIABILITIES AND EQUITY	
	LIABILITIES	
(1)	Financial Liabilities	
(a)	Derivative financial instruments	88
(b)	Payables	
	(I)Trade Payables	
	(i) total outstanding dues of micro enterprises and small enterprises	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,00,867
(c)	Debt Securities	1,37,603
(d)	Borrowings (Other than Debt Securities)	19,17,866
(e)	Subordinated Liabilities	1,70,835
(f)	Other financial liabilities	63,191
2	Non-Financial Liabilities	
(a)	Provisions	1,879
(b)	Deferred tax liabilities (Net)	17,693
(c)	Other non-financial liabilities	13,177
3	EQUITY	
(a)	Equity Share capital	5,966
(b)	Other Equity	2,70,081
	Total Liabilities and Equity	27,99,246

For and on behalf of the Board of Directors

Place : Kolkata
Date: 15th November, 2018

Deloitte Haskins & Sells Chartered Accountants

SREI EQUIPMENT FINANCE LIMITED KOLKATA

Sunil Kanoria
Sunil Kanoria
Vice Chairman

Deloitte
Haskins & Sells

Chartered Accountants
Bengal Intelligent Park
Building Alpha, 1st floor
Block - EP & GP, Sector - V
Salt Lake Electronics Complex
Kolkata - 700091
India

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Fax: +91 (033) 6612 1001

INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
SREI EQUIPMENT FINANCE LIMITED

1. We have reviewed the accompanying Statement of Unaudited Interim Financial Results of **SREI EQUIPMENT FINANCE LIMITED** (the "Company"), for the six months ended 30 September, 2018 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/IMD/DF1/69/2016 dated 10 August, 2016 read with Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard require that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/IMD/DF1/69/2016 dated 10 August, 2016 read with Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Deloitte
Haskins & Sells

4. The comparative financial results of the Company for the six months ended 30 September, 2017 included in these Interim Financial Results, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and adjusted to comply with Indian Accounting Standard, have not been reviewed by us.

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

Shrenik Baid
Partner
(Membership No. 103884)

Mumbai, 15 November, 2018

Deloitte Haskins & Sells
Chartered Accountants

ANNEXURE B

STATEMENT OF ACCOUNTING RATIOS

Statement of Accounting Ratios **Annexure**

Sl. No.	Particulars	Three months ended 30 June, 2018	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2016	Year ended 31 March, 2015	Year ended 31 March, 2014
	Number of equity shares at the beginning of the period/year	5,96,60,000 00	5,96,60,000.00	5,96,60,000 00	5,96,60,000 00	5,96,60,000 00	5,96,60,000 00
	Number of equity shares at the end of the period/year	5,96,60,000 00	5,96,60,000 00	5,96,60,000.00	5,96,60,000 00	5,96,60,000 00	5,96,60,000.00
	Weighted average number of equity shares of ` 10/- each	5,96,60,000 00	5,96,60,000.00	5,96,60,000 00	5,96,60,000 00	5,96,60,000 00	5,96,60,000 00
	Dilutive effect on weighted average number of shares	-	-	-	-	-	-
	Weighted average number of equity shares of ` 10/- (Diluted)	5,96,60,000 00	5,96,60,000 00	5,96,60,000 00	5,96,60,000 00	5,96,60,000 00	5,96,60,000 00
	Net profit after tax available for equity shares (` in million)	909 80	2,634 90	1,486 40	1,152 60	1,530 20	2,253 80
	Net worth at the end of the period/year (` in million) * #	27,902 40	27,043 20	24,622.60	23,218 70	22,088 00	20,391 20
	Average Networth during the period/year (` in million) @@	27,472 80	25,833 00	23,920 75	22,653 35	21,239 60	10,195 60
	Shareholders' fund at the end of the period/year (` in million) @	28,644 50	27,734.70	25,099 80	23,639,80	22,487 20	20,965 60
A.	**Basic Earnings Per Share (EPS) `**	15 25**	44.17	24.95	19 32	25 65	37.78
B.	**Diluted Earnings Per Share (EPS) `**	15 25**	44.17	24.95	19 32	25 65	37.78
	Return on Net Worth (%):						
C.	**Considering Networth at the end of the period/year##**	13 04%	9 74%	6.04%	4.96%	6 93%	11,05%
D.	**Considering Average Networth during the period/year##**	13 25%	10 20%	6 22%	5 09%	7 20%	22,11%
E.	**Net Asset Value Per Equity Share `**	467 69	453 29	412 72	389 18	370 23	341 79
	Total Borrowings at the end of the period/year (` in million) ###	2,03,031 30	1,88,193.00	1,29,318 40	1,18,537 10	1,30,645 30	1,30,959 30
F.	**Debt Equity**	7.09	6.79	5 15	5 01	5.81	6 25

** Not Annualised
Annualised

Notes:

A. Earnings Per Share (Basic) = Net Profit attributable to equity shareholder / Weighted average number of Equity Shares outstanding during the period/year

B. Earnings Per Share (Diluted) = Net Profit attributable to equity shareholder / Weighted average number of Diluted Equity Shares outstanding during the period/year

C. Return on Net Worth (%) (Based on Net Worth at the end of the period/year) = Net Profit After Tax / Net Worth at end of the period/year

D. Return on Net Worth (%) (Based on Average Net Worth during the period/year) = Net Profit After Tax / Average Net Worth during the period/year

E. Net Asset Value Per Equity Share = Net Worth at end of the period/year / Number of Equity Shares outstanding at the end of the period/year

F. Debt Equity = Total borrowings / Total shareholders' funds

@ "Shareholders Fund" means the agreegate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve and cash flow hedge reserve)

* "Net worth" means the aggregate of the paid up share capital, share premium account, debit or credit balance of profit and loss account and reserves and surplus (excluding revaluation reserve, cash flow hedge reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and accumulated losses (if any).

The above Net worth calculation is based on the audited Financial Statement in compliance with the Section 2(57) of the Companies Act, 2013, as amended.

Total Borrowings as of the last day of the relevant period/year represents aggregate of Long-Term Borrowings (including Current Maturities of Long-Term Borrowings) and Short-Term Borrowings as per Reformatted Financial Statement

@@Average Net Worth represents the average of our Net Worth as of the last day of the relevant period/year and that as of the last day of the previous year

Previous year figures have been regrouped / rearranged wherever considered necessary to correspond with the current period/year classification.

For and on behalf of **Srei Equipment Finance Limited**

Authorised Signatory

SREI EQUIPMENT FINANCE LIMITED
KOLKATA

Deloitte Haskins & Sells
Chartered Accountants

ANNEXURE C
STATEMENT OF CAPITALISATION

Annexure

Statement of Capitalisation

(` In Million)

Particulars	Pre Issue As at 30 June, 2018 (A)	Proposed proceeds from the issue*(B)	Post Issue* (C= A+B)
Debt			
I. Long term borrowings [Refer Note (a)]	87,151.30	3,000.00	90,151.30
II. Short term borrowings [Refer Note (b)]	1,15,880.00	-	1,15,880.00
III. Total borrowings (I+II)	**2,03,031.30**	**3,000.00**	**2,06,031.30**
Shareholders Fund			
Share capital	596.60	-	596.60
Capital reserve	3.10	-	3.10
Securities premium reserve	10,398.00	-	10,398.00
Debt redemption reserve	5,860.00	-	5,860.00
Special reserve (created pursuant to Section 45IC of the Reserve Bank of India Act, 1934)	3,539.60	-	3,539.60
Income tax special reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	1,430.70	-	1,430.70
Surplus in the Statement of Profit and Loss	6,816.50	-	6,816.50
IV. Total Shareholders' funds	**28,644.50**	-	**28,644.50**
Total Debt/Equity (III/IV) [Refer Note (c)]	7.09	-	7.19

* The figures for the respective financial statements line items under Post Issue column are derived after considering the impact due to proposed issue of secured redeemable non convertible debentures (Secured NCDs) and/or unsecured subordinated redeemable non convertible debentures (Unsecured NCDs) and it does not consider any other transactions or movements for such financial statements line items after 30 June 2018. The debt-equity ratio post the Issue is indicative on account of the assumed inflow of ` 3,000 million from the proposed Issue in the secured ncds and/or unsecured ncds category as on 30 June 2018. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

Notes:

(a) Long term borrowings represents borrowings due after 12 months from the balance sheet date and also includes current maturities of long term borrowings.

(b) Short term borrowings represents borrowings due within 12 months from the balance sheet date.

(c) Total debt / equity has been computed as $\frac{\text{Total borrowings}}{\text{Total shareholders' funds}}$

For and on behalf of **Srei Equipment Finance Limited**

Authorised Signatory

SREI EQUIPMENT FINANCE LIMITED KOLKATA

Deloitte Haskins & Sells Chartered Accountants

ANNEXURE D
STATEMENT OF DIVIDENDS

Annexure

Statement of Dividends

S.No	Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2016	Year ended 31 March, 2015	Year ended 31 March, 2014
1	Equity Share Capital (` in million)	596.60	596.60	596.60	596.60	596.60
2	Number of Shares (Nos.)	5,96,60,000	5,96,60,000	5,96,60,000	5,96,60,000	5,96,60,000
3	Dividend %	-	-	-	-	-
4	Dividend Per share (`)	-	-	-	-	-

For and on behalf of **Srei Equipment Finance Limited**

Authorised Signatory

SREI EQUIPMENT FINANCE LIMITED KOLKATA

Deloitte Haskins & Sells Chartered Accountants

ANNEXURE E

STATEMENT OF TAX SHELTER

Statement of Tax Shelter

Annexure

(₹ In Million)

Sl. No.	Particulars	Three month ended 30 June 2018	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2016	Year ended 31 March, 2015	Year ended 31 March, 2014
1	Profit before Tax (A)	1,327.70	3,944.10	2,164.20	1,604.30	2,273.60	3,575.50
2	Income Tax Rate (B)	34.94%	34.61%	34.61%	34.61%	33.99%	33.99%
3	Long term capital gain (C)	23.30%	-	-	-	-	-
4	Tax at above rate (D) = (A*B)	464.00	1,365.00	749.00	555.20	772.80	1,215.30
	Adjustments:						
	Permanent Differences:						
5	Dividend income from mutual fund U/s 10(35)	(7.80)	(111.60)	(9.40)	(11.20)	(7.20)	(13.50)
6	(Profit)/Loss on sale of fixed assets	16.60	90.30	(8.80)	7.10	23.80	18.40
7	Donation	4.80	20.30	11.60	11.50	36.70	30.40
8	Disallowance of Income tax special reserve created pursuant to U/s 36(1)(viii) of the Income tax Act 1961	(75.00)	(299.90)	(216.20)	(327.00)	(205.10)	-
9	Others (Refer note 1 below)	-	-	0.40	-	(6.50)	0.20
10	Sub Total (E)	(61.40)	(300.90)	(222.40)	(319.60)	(158.30)	35.50
	Timing Difference						
11	Difference between tax depreciation and book depreciation	(125.10)	(1,995.00)	(2,391.70)	191.40	(917.30)	(207.80)
12	Disallowance of Provisions for Standard Asset	38.90	457.30	85.50	68.50	3.50	285.80
13	Disallowance provision for gratuity U/s 40 A (7) of the Income tax Act 1961	16.20	(64.30)	21.20	13.90	35.50	5.00
14	Deferred Revenue Expenditure	71.90	(499.20)	(97.20)	32.80	213.60	23.60
15	Sub Total (F)	1.90	(2,101.20)	(2,382.20)	306.60	(664.70)	106.60
16	Net Adjustments (G)=(E)+(F)	(59.50)	(2,402.10)	(2,604.60)	(13.00)	(823.00)	142.10
17	Tax on Adjustments (H)=(G*B)	(20.80)	(831.40)	(901.40)	(4.60)	(279.90)	48.30
	Item having different tax rate						
18	Long term capital gain/ set off against carried forward losses	1,717.20	-	-	-	-	-
19	Tax on long term capital gain adjustment = (J)=(I*C)	400.00	-	-	-	-	-
20	Net Tax after Adjustments (K)=(D)+(H)+(J)	843.20	533.60	(152.40)	550.60	492.90	1,263.60
21	Tax Adjustment on account of Unabsorbed Depreciation (H)	-	-	(152.40)	-	-	-
22	Normal Tax Provision (L)	843.20	533.60	-	550.60	492.90	1,263.60
23	Tax Liability Under MAT (M)	284.40	817.90	459.90	135.50	100.90	354.20
24	Tax Provision (N)= (Higher of L or M)	843.20	817.90	459.90	550.60	492.90	1,263.60
25	MAT Credit entitlement/adjustment (O)	-	(284.30)	(459.90)	-	-	-
26	Tax Liability after MAT credit adjustment (P))=(N)+(O)	843.20	533.60	-	550.60	492.90	1,263.60
27	Provision for Tax	843.20	533.60	-	550.60	493.06	1,281.01
28	Deferred Tax Adjustment	(425.30)	775.60	675.80	(98.90)	250.50	40.70
29	Interest u/s 234C	-	-	-	-	-	17.40

Note 1: Others includes:

Sl. No.	Particulars	Three month ended 30 June 2018	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2016	Year ended 31 March, 2015	Year ended 31 March, 2014
1	Interest on TDS	-	-	0.40	-	0.30	0.20
2	Differential rate impact	-	-	-	-	(6.80)	-
	Total	-	-	0.40	-	(6.50)	0.20

For and on behalf of Srei Equipment Finance Limited

Authorised Signatory

SREI EQUIPMENT FINANCE LIMITED KOLKATA

Deloitte Haskins & Sells Chartered Accountants

ANNEXURE F
CREDIT RATINGS AND RATIONALE

BWR/NCD/HO/ERC/VS/0030/2017-18
April 12, 2017

Mr. Samir Kejriwal
SREI Equipment Finance Ltd.
Kolkata -700 091

Dear Sir,

Sub: Rating of SREI Equipment Finance Ltd's Proposed Secured Redeemable NCD issue of Rs. 1100 Crs (Rupees One Thousand One Hundred Crores Only) with a tenor up to ten years.

Thank you for giving us an opportunity to undertake rating of proposed Secured Redeemable NCD issue of Rs. 1100 Crores of SREI Equipment Finance Ltd. Based on the draft term sheet of the proposed NCD shared with us, information and clarifications provided by your company, as well as information available in public sources, Brickwork Ratings is pleased to inform you that **SREI Equipment Finance Ltd's proposed Secured Redeemable NCD issue of Rs. 1100 Crs** has been assigned a rating of **BWR AA+(Pronounced BWR Double A Plus) (Outlook: Stable).** 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 subject to the terms of issue being in line with the draft provided to us and their compliance with the requisite terms of the issue, regulatory and legal requirements. On completion of the borrowing, please furnish executed transaction documents containing details of the issue such as date of issue, amount issued, interest rate, date of maturity, etc.

The Rating is valid for one year from the date of this letter and subject to the terms and conditions that were agreed in your mandate dated March 24, 2017 and other correspondence, if any and Brickwork Ratings standard disclaimer appended below. Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any significant information/development that may affect your Company's finances/performance without any delay.

Please let us have your acceptance for the above rating before April 17, 2017. Unless acceptance is conveyed by the said date, the rating should not be used for any purpose whatsoever.

Please note that the rating will be reviewed after receiving the FY17 financials.

Best Regards,

Vidya Shankar
Chief General Manager – Ratings

Note: In case of all valid Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com. If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com

Brickwork RATINGS

BWR/NCD/HO/ERC/VS/0031/2017-18
April 12, 2017

Mr. Samir Kejriwal
SREI Equipment Finance Ltd.
Kolkata -700 091

Dear Sir,

Sub: Rating of SREI Equipment Finance Ltd's Proposed Unsecured Redeemable NCD issue of Rs. 1100 Crs (Rupees One Thousand One Hundred Crores Only) with a tenor up to ten years.

Thank you for giving us an opportunity to undertake rating of proposed Unsecured Redeemable NCD issue of Rs. 1100 Crores of SREI Equipment Finance Ltd. Based on the draft term sheet of the proposed NCD shared with us, information and clarifications provided by your company, as well as information available in public sources, Brickwork Ratings is pleased to inform you that **SREI Equipment Finance Ltd's proposed Unsecured Redeemable NCD issue of Rs. 1100 Crs** has been assigned a rating of **BWR AA+(Pronounced BWR Double A Plus) (Outlook: Stable).** 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 subject to the terms of issue being in line with the draft provided to us and their compliance with the requisite terms of the issue, regulatory and legal requirements. On completion of the borrowing, please furnish executed transaction documents containing details of the issue such as date of issue, amount issued, interest rate, date of maturity, etc.

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Please note that the rating will be reviewed after receiving the FY17 financials.

Best Regards,

Vidya Shankar
Chief General Manager – Ratings

Note: In case of all valid Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com. If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com

BWR/NCD/HO/ERC/VS/0459/2018-19 11 Oct 2018

Mr. Samir Kejriwal
Senior Vice President
SREI Equipment Finance Ltd.
Kolkata -700 091

Dear Sir,

Sub: Validation of Rating for SREI Equipment Finance Ltd.'s Secured NCD issues aggregating to Rs 3,150 Crores (issue wise details are provided in Annexure) rated by Brickwork Ratings.

Ref: Your email dated 9 Oct 2018

We wish to advise that your Company's Secured NCD issues aggregating to Rs 3,150 Crores carries **BWR AA+ (Pronounced BWR Double A Plus) (Outlook: Stable)** rating as advised vide our letters BWR/NCD/HO/ERC/VS/0200/2017-18 and BWR/NCD/HO/ERC/VS/0152/2018-19 dated June 19, 2018 with validity up to June 18, 2019. Details of the amount raised and unutilized portion are provided in the Annexure.

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 letters BWR/NCD/HO/ERC/VS/0200/2017-18 and BWR/NCD/HO/ERC/VS/0152/2018-19 dated June 19, 2018 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

Brickwork Ratings India

Brickwork Ratings India Pvt. Ltd.
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CIN: U67190KA2007PTC043591

SEBI Registered
RBI Accredited
NSIC Empanelled

SREI Equipment Finance Ltd
Annexure: Details of Outstanding Secured NCDs

Instruments	Rated Amount (Rs. Crs)	Present O/s (Rs. Crs)	Unutilized Amount (Rs. Crs)
Secured Long Term NCD Issue	50.00	49.50	0.50
Secured Long Term NCD Issue (Public)	500.00	63.87	90.30
Secured Long Term NCD Issue (Public)	500.00	492.04	-
Secured Long Term NCD Issue	1,100.00	599.81	500.19*
Secured Long Term NCD Issue	1,000.00	30.50	969.50
Total Secured NCDs	**3,150.00**	**1,235.72**	**1,560.49**

***To be used for proposed public issue of Secured Long term NCD**

Brickwork Ratings India Pvt Ltd

BWR/NCD/HO/ERC/VS/0459/2018-19 11 Oct 2018

Mr. Samir Kejriwal
Senior Vice President
SREI Equipment Finance Ltd.
Kolkata -700 091

Dear Sir,

Sub: Validation of Rating for SREI Equipment Finance Ltd.'s Unsecured NCD issues aggregating to Rs 2,380 Crores (issue wise details are provided in Annexure) rated by Brickwork Ratings.

Ref: Your email dated 9 Oct 2018

We wish to advise that your Company's Unsecured NCD issues aggregating to Rs 2,380 Crores carries **BWR AA+ (Pronounced BWR Double A Plus) (Outlook: Stable)** rating as advised vide our letters BWR/NCD/HO/ERC/VS/0200/2017-18 and BWR/NCD/HO/ERC/VS/0152/2018-19 dated June 19, 2018 with validity up to June 18, 2019. Details of the amount raised and unutilized portion are provided in the Annexure.

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 letters BWR/NCD/HO/ERC/VS/0200/2017-18 and BWR/NCD/HO/ERC/VS/0152/2018-19 dated June 19, 2018 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

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CIN: U67190KA2007PTC043591

SEBI Registered
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SREI Equipment Finance Ltd
Annexure: Details of Outstanding Unsecured NCDs

Instruments	Rated Amount (Rs. Crs)	Matured Amount (Rs Crs	Present O/s (Rs. Crs)	Unutilized Amount (Rs. Crs)
Unsecured, Subordinated (Tier II) Redeemable NCD	100.00	40.00 *	60.00	-
Unsecured, Subordinated (Tier II) Redeemable NCD	350.00	150.00*	200.00	-
Unsecured, Subordinated (Tier II) Redeemable NCD	100.00	-	100.00	-
Unsecured, Subordinated (Tier II) Redeemable NCD	30.00	-	14.80	15.20**
Unsecured, Subordinated (Tier II) Redeemable NCD	100.00	-	100.00	-
Unsecured, Subordinated (Tier II) Redeemable NCD	100.00	-	100.00	-
Unsecured, Subordinated (Tier II) Redeemable NCD	300.00	-	300.00	-
Unsecured, Subordinated (Tier II) Redeemable NCD	200.00	-	200.00	-
Unsecured, Subordinated (Tier II) Redeemable NCD	1,100.00	-	492.09	607.91**
Total Unsecured NCDs	**2,380.00**	**190.00**	**1,566.89**	**623.11**

***As informed by the Company, Rs. 40.00 Crs out of Rs 100.00 Crs rated has been redeemed and Rs. 150.00 Crs out of Rs 350.00 Crs rated has been redeemed.**
***** To be used for proposed public issue of unsecured subordinated (Tier II) redeemable NCD.***

SEBI Registered
RBI Accredited
NSIC Empanelled

BWR/NCD/HO/ERC/VS/0537/2018-19

28 Nov 2018

Mr. Samir Kejriwal
Senior Vice President
SREI Equipment Finance Ltd.
Kolkata -700 091

Dear Sir,

Sub: Validation of Rating for SREI Equipment Finance Ltd.'s Secured NCD issues aggregating to Rs 3,150 Crores (issue wise details are provided in Annexure) rated by Brickwork Ratings.

Ref: Your email dated 28 Nov 2018

We wish to advise that your Company's Secured NCD issues aggregating to Rs 3,150 Crores carries **BWR AA+ (Pronounced BWR Double A Plus) (Outlook: Stable)** rating as advised vide our letters BWR/NCD/HO/ERC/VS/0200/2017-18 and BWR/NCD/HO/ERC/VS/0152/2018-19 dated June 19, 2018 with validity up to June 18, 2019. Details of the amount raised and unutilized portion are provided in the Annexure.

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 letters BWR/NCD/HO/ERC/VS/0200/2017-18 and BWR/NCD/HO/ERC/VS/0152/2018-19 dated June 19, 2018 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

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CIN: U67190KA2007PTC043591

SREI Equipment Finance Ltd

Annexure: Details of Outstanding Secured NCDs

Instruments	Rated Amount (Rs. Crs)	Present O/s (Rs. Crs)	Unutilized Amount (Rs. Crs)
Secured Long Term NCD Issue	50.00	49.50	0.50
Secured Long Term NCD Issue (Public)	500.00	63.87	90.30
Secured Long Term NCD Issue (Public)	500.00	492.04	-
Secured Long Term NCD Issue	1,100.00	599.81	500.19^
Secured Long Term NCD Issue	1,000.00	30.50	969.50
Total Secured NCDs	**3,150.00**	**1,235.72**	**1,560.49**

^To be used for proposed public issue of Secured Long term NCD

BWR/NCD/HO/ERC/VS/0537/2018-19 **28 Nov 2018**

Mr. Samir Kejriwal
Senior Vice President
SREI Equipment Finance Ltd.
Kolkata -700 091

Dear Sir,

Sub: Validation of Rating for SREI Equipment Finance Ltd.'s Unsecured NCD issues aggregating to Rs 2,380 Crores (issue wise details are provided in Annexure) rated by Brickwork Ratings.

Ref: Your email dated 28 Nov 2018

We wish to advise that your Company's Unsecured NCD issues aggregating to Rs 2,380 Crores carries **BWR AA+ (Pronounced BWR Double A Plus) (Outlook: Stable)** rating as advised vide our letters BWR/NCD/HO/ERC/VS/0200/2017-18 and BWR/NCD/HO/ERC/VS/0152/2018-19 dated June 19, 2018 with validity up to June 18, 2019. Details of the amount raised and unutilized portion are provided in the Annexure.

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 letters BWR/NCD/HO/ERC/VS/0200/2017-18 and BWR/NCD/HO/ERC/VS/0152/2018-19 dated June 19, 2018 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

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RBI Accredited
NSIC Empanelled

SREI Equipment Finance Ltd
Annexure: Details of Outstanding Unsecured NCDs

Instruments	Rated Amount (Rs. Crs)	Matured Amount (Rs Crs	Present O/s (Rs. Crs)	Unutilized Amount (Rs. Crs)
Unsecured, Subordinated (Tier II) Redeemable NCD	100.00	40.00 *	60.00	-
Unsecured, Subordinated (Tier II) Redeemable NCD	350.00	150.00*	200.00	-
Unsecured, Subordinated (Tier II) Redeemable NCD	100.00	-	100.00	-
Unsecured, Subordinated (Tier II) Redeemable NCD	30.00	-	19.80	10.20**
Unsecured, Subordinated (Tier II) Redeemable NCD	100.00	-	100.00	-
Unsecured, Subordinated (Tier II) Redeemable NCD	100.00	-	100.00	-
Unsecured, Subordinated (Tier II) Redeemable NCD	300.00	-	300.00	-
Unsecured, Subordinated (Tier II) Redeemable NCD	200.00	-	200.00	-
Unsecured, Subordinated (Tier II) Redeemable NCD	1,100.00	-	492.09	607.91**
Total Unsecured NCDs	**2,380.00**	**190.00**	**1,571.89**	**623.11**

**As informed by the Company, Rs. 40.00 Crs out of Rs 100.00 Crs rated has been redeemed and Rs. 150.00 Crs out of Rs 350.00 Crs rated has been redeemed.*
*** To be used for proposed public issue of unsecured subordinated (Tier II) redeemable NCD.*

Rating Rationale

SREI Equipment Finance Ltd. 27 Jun 2018

Brickwork Ratings reaffirms ratings for the various NCD Issues aggregating to ₹ 5530.00 Crores of SREI Equipment Finance Ltd (hereafter referred to as “SEFL” or the “Company”)

Particulars

Instrument	Rating Amount (Rs. Crs)	Previous Rating	Present Rating*
Unsecured, Subordinated (Tier II) Redeemable NCD issue	1100.00	BWR AA+ (Pronounced as BWR Double A Plus) (Outlook: Stable)	BWR AA+ (Pronounced as BWR Double A Plus) (Outlook:Stable) [Reaffirmed]
Unsecured, Subordinated (Tier II) Redeemable NCD issue	100.00		
Unsecured, Subordinated (Tier II) Redeemable NCD issue	350.00		
Unsecured, Subordinated (Tier II) Redeemable NCD issue	100.00		
Unsecured, Subordinated (Tier II) Redeemable NCD issue	30.00		
Unsecured, Subordinated (Tier II) Redeemable NCD issue	100.00		
Unsecured, Subordinated (Tier II) Redeemable NCD issue	100.00		
Unsecured, Subordinated (Tier II) Redeemable NCD issue	300.00		
Unsecured, Subordinated (Tier II) Redeemable NCD issue	200.00		
Total Unsecured	**2,380**	**INR Two Thousand Three Hundred Eighty Crores only**	
Secured Long Term NCD Issues	1000.00	BWR AA+ (Pronounced as BWR Double A Plus) (Outlook:Stable)	BWR AA+ (Pronounced as BWR Double A Plus) (Outlook:Stable) [Reaffirmed]
Secured Long Term NCD Issues	1100.00		
Secured Long Term NCD Issues	50.00		
Secured Long Term NCD Issues (Public)	500.00		
Secured Long Term NCD Issues (Public)	500.00		
Total Secured	**3,150**	**INR Three Thousand One Hundred Fifty Crores Only**	
Grand Total (Secured + Unsecured)	**5,530**	**INR Five Thousand Five Hundred Thirty Crores Only**	

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The rating reaffirmation, inter alia, factors the strong parentage of "SREI Infrastructure Finance Ltd" and experience of promoter group in equipment financing business, SEFL's strong financial profile buoyed by its rapid growth, sustainable growth trends in equipment financing markets, SEFL's dominant share therin, its association with reputed original equipment manufacturers (OEMs), its conservative asset classification and provisioning norms resulting in consistent improvement in asset quality and the significant growth in assets under management (AUM) and disbursements. The rating is, however, constrained by increased gearing in FY18 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 audited financial results up to FY18, publicly available information and information and clarification provided by the Company.

Description of Key Rating Drivers

Credit Strengths:

- **Dominant market share:** SEFL has strong relationship/tie ups with OEMs developed over the years coupled with its strong distribution network and (as on September 30, 2017, it operated out of 89 branches, four offices and 77 satellite locations across 21 states, and had 120 Srei Entrepreneur Partners (SEPs) across India) which enables the company to sustain its dominance in the equipment financing market. For FY17, SEFL's market share was 32.7% which was highest amongst its peers.

- **Sizeable AUM**: AUM for FY18 increased to Rs 30,073 Crs from Rs 21,232 crs in FY17 which was mainly due to increase in disbursements to Rs 16,990 Crs in FY18 from Rs 11,715 crs in FY17.

- **Strong asset quality:** While the NBFC sector as a whole has faced asset quality problems in the past few years since RBI changed provisioning norms gradually from 180 dpd to 90 dpd. SEFL has actually improved gross NPA percentages over the the past three years on account of its stringent lending policies. GNPA and NNPA for FY18 stood at 2.20% and 1.30 % respectively which is the best amongst peer group.
- **Consistent performance:** SEFL has reported consistent financial performance for the past 10 years. The company has reported total operating income of Rs 3320.91 Crs and PAT of Rs 263.49 Crs for FY18 when compared to Rs 2493.33 Crs and Rs 148.84 crs respectively.

Credit Risks:

- **Increased Gearing:** Total borrowings for FY18 increased to Rs 18,820 Crs from Rs 12,932 Crs, whereas the networth increased from Rs 2,473 crs to Rs 2,780 Crs due to retention of profits. This has resulted in a high gearing of 6.76 times and also decrease in CRAR from 18.66% in FY17 to 15.94% in FY18. Improvement in gearing and CRAR levels will hinge, *inter alia*, upon addition to SEFL's capital base in FY19.

- **Inherent risks:** The company is exposed to inherent risks associated with equipment financing business whose prospects hinge substantially upon the performance of only a few sectors. The risks are, however, mitigated by strong growth trends seen in these sectors and SEFL's diversification across various business segments including healthcare and IT

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: Stable

BWR believes the **SREI Equipment Finance Pvt. Ltd.** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

SREI Equipment Finance Ltd (SEFL) is a 100 % subsidiary of SREI Infrastructure Finance Ltd. The Company is a Non-deposit taking Systemically Important NBFC, registered with RBI. The Company is classified as an Asset Financing Company ("AFC"). 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)/ BWR A1+ for its various debt instruments.

Mr. Hemant Kanoria is the Chairman & Managing Director of the Company. 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.. Mr. Sunil Kanoria is the Vice Chairman of the Company. He has more than 28 years of experience in the financial services industry. He is the immediate past President of The Associated Chambers of Commerce & Industry of India, nominated Council member of The Institute of Chartered Accountants of India and the former Governing body member of the Construction Industry Development Council (CIDC).

Company Financial Performance

SEFL mainly generates revenue from equipment financing to various construction companies including small contractors. SEFL's Assets Under Management (AUM) was at Rs 30,073 Crores as of March 31, 2018 (Rs 21,232 Crores as of March 31, 2017). The Company has a dominant position in the equipment finance industry with an estimated market share of 32.7% and Company expects to maintain the same going forward. The Company has over 89 branches and four offices across 21 states, 77 additional satellite locations and an employee base of 2,005 employees.

SEFL's Gross NPA stood at 2.20% as of March 31, 2018 (2.50% as of March 31, 2017) which is well below its peers. The Provision Coverage ratio is at 30% (29%) and Net NPA is at 1.30% (1.80%). Its capital adequacy in the form of CRAR stood at 15.94% as of March 31, 2017 which is well above the RBI's minimum stipulated requirement of 15%. Tier I CRAR was at 10.68%.

The Company Net Interest Income increased to Rs 3,320.91 Crores in FY18 from Rs 2493.33 Crores in FY17 majorly due to increase in disbursements from Rs 11,715 Crs in FY17 to Rs 16,990 Crs in FY18 which resulted in Net Interest Margin (NIM) of 5.44 % in FY18 as compared to 4.90 % in FY17. Approximately 72% of income is generated from financial assets and round 26% is from operating lease. Total provisions and write-offs for FY18 stood at Rs 342.02 Crs when compared to Rs 252.73 Crores in FY17. PAT also increased to Rs 263.49 Crs when compared to Rs 148.84 crs.

Key Financial Indicators

Key Parameters	Units	2017	2018
Result Type		**Audited**	**Audited**
AUM	₹ Cr	21,232	30,073
Net Interest Income	₹ Cr	1,163	1,715
PAT	₹ Cr	149	263
Tangible Net worth	₹ Cr	2,473	2,780
Total Debt/Tangible Net worth	Times	5.2	6.7
CRAR	%	18.66	15.94
GNPA	%	2.50	2.20
NNPA	%	1.80	1.30

Rating History for the last three years

Sl. No.	Instrument/Facility	Current Rating (Year 2018)			Rating History		
	Instrument	Type	Amount (Rs Crs)	Rating	2017	2016	2015
1	Secured Redeemable NCD Issue	Long Term	1000	BWR AA+ (Stable)	BWR AA+ (Stable)	-	-
2	Secured Redeemable NCD Issue	Long Term	1100	BWR AA+ (Stable)	BWR AA+ (Stable)	-	-

3	Unsecured, Subordinated (Tier II) Redeemable NCD	Long Term	1100	BWR AA+ (Stable)	BWR AA+ (Stable)	-	-
4	Commercial Paper Issue	Short Term	200	-	BWR A1+ (Withdrawn)	BWR A1+	-
5	Unsecured, Subordinated (Tier II) Redeemable NCD	Long Term	200	BWR AA+ (Stable)	BWR AA+ (Stable)	BWR AA (Stable)	
6	Unsecured, Subordinated (Tier II) Redeemable NCD	Long Term	300	BWR AA+ (Stable)	BWR AA+ (Stable)	BWR AA (Stable)	BWR AA (Stable)
7	Unsecured, Subordinated (Tier II) Redeemable NCD	Long Term	100	BWR AA+ (Stable)	BWR AA+ (Stable)	BWR AA (Stable)	BWR AA (Stable)
8	Unsecured, Subordinated (Tier II) Redeemable NCD	Long Term	100	BWR AA+ (Stable)	BWR AA+ (Stable)	BWR AA (Stable)	BWR AA (Stable)
9	Secured NCD (Public Issue)	Long Term	500	BWR AA+ (Stable)	BWR AA+ (Stable)	BWR AA (Stable)	BWR AA (Stable)
10	Secured NCD (Private Placement)	Long Term	500	BWR AA+ (Stable)	BWR AA+ (Stable)	BWR AA (Stable)	BWR AA (Stable)
11	Secured NCD	Long Term	50	BWR AA+ (Stable)	BWR AA+ (Stable)	BWR AA (Stable)	BWR AA (Stable)
12	Unsecured, Subordinated (Tier II) Redeemable NCD	Long Term	30	BWR AA+ (Stable)	BWR AA+ (Stable)	BWR AA (Stable)	BWR AA (Stable)
13	Unsecured, Subordinated (Tier II) Redeemable NCD	Long Term	100	BWR AA+ (Stable)	BWR AA+ (Stable)	BWR AA (Stable)	BWR AA (Stable)
14	Unsecured, Subordinated (Tier II) Redeemable NCD	Long Term	350	BWR AA+ (Stable)	BWR AA+ (Stable)	BWR AA (Stable)	BWR AA (Stable)
15	Unsecured, Subordinated (Tier II) Redeemable NCD	Long Term	100	BWR AA+ (Stable)	BWR AA+ (Stable)	BWR AA (Stable)	BWR AA (Stable)
16	NCD	Long Term	306.22	-	-	-	BWR AA (Stable) [Withdrawn]
Total Amount for NCDs rated			5,530	INR Five Thousand Five Hundred Thirty Crores only			

Instrument Details:

ISIN	Date of Allotment	Maturity Date	Issued (Rs in Crs)	Outstanding (Rs in Crs)
INE881J07DG4	13-Jun-14	13-Jun-24	10.00	10.00
INE881J07DH2	20-Jun-14	20-Jun-24	10.00	10.00
INE881J07DS9	11-May-15	11-Aug-18	2.09	2.09

INE881J07DT7	11-May-15	11-Aug-18	56.97	56.97
INE881J07DU5	11-May-15	11-Aug-18	3.46	3.46
INE881J07DV3	11-May-15	11-May-20	8.48	8.48
INE881J07DW1	11-May-15	11-Aug-20	23.23	23.23
INE881J07DX9	11-May-15	11-May-22	32.15	32.15
INE881J08169	17-Dec-12	17-Dec-22	17.00	17.00
INE881J08045	31-Mar-10	31-Mar-20	74.50	74.50
INE881J08037	19-Mar-10	19-Mar-20	25.50	25.50
INE881J08011	23-Dec-09	23-Dec-19	100.00	100.00
INE881J08219	7-May-13	7-May-23	20.80	20.80
INE881J08201	7-May-13	7-Aug-18	15.00	15.00
INE881J08235	29-Jun-13	29-Jun-20	10.00	10.00
INE881J08227	29-Jun-13	29-Apr-19	25.00	25.00
INE881J08243	24-Jul-13	24-May-19	15.00	15.00
INE881J08250	27-Sep-13	27-Sep-20	16.00	16.00
INE881J08268	29-Nov-13	29-May-19	15.00	15.00
INE881J08276	20-Dec-13	20-Dec-20	10.00	10.00
INE881J08284	16-Mar-15	16-Mar-25	5.00	5.00
INE881J08292	31-Mar-15	30-Jun-20	36.00	36.00
INE881J08300	13-Aug-15	13-Aug-22	50.00	50.00
INE881J08318	13-Aug-15	13-Aug-25	150.00	150.00
INE881J08326	20-Aug-15	20-Aug-25	10.00	10.00
INE881J08359	24-Sep-15	24-Sep-25	5.00	5.00
INE881J08334	24-Sep-15	24-Apr-21	23.60	23.60
INE881J08342	24-Sep-15	24-Apr-23	12.00	12.00
INE881J08367	11-Jan-16	11-Jan-26	15.00	15.00
INE881J08375	20-Jan-16	20-Jan-26	5.00	5.00
INE881J08383	1-Feb-16	1-May-21	7.00	7.00
INE881J08391	5-Feb-16	5-Feb-26	5.00	5.00
INE881J08409	18-Mar-16	18-Mar-26	5.00	5.00
INE881J08417	29-Mar-16	29-Mar-23	2.00	2.00
INE881J08425	31-Mar-16	31-Mar-26	20.00	20.00
INE881J08433	28-Apr-16	28-Apr-20	1.00	1.00
INE881J08441	25-May-16	25-May-26	20.00	20.00
INE881J08458	26-May-16	26-May-26	3.50	3.50
INE881J08466	24-Aug-16	24-Aug-26	30.00	30.00
INE881J08474	4-Oct-16	4-Oct-26	15.00	15.00
INE881J07DZ4	6-Oct-16	6-Oct-21	5.00	5.00

INE881J08482	7-Oct-16	7-Oct-26	40.00	40.00
INE881J08490	25-Oct-16	25-Apr-26	50.00	50.00
INE881J08508	28-Oct-16	28-Apr-20	1.00	1.00
INE881J08516	4-Nov-16	4-Nov-26	10.00	10.00
INE881J07EA5	2-Dec-16	2-Dec-23	5.00	5.00
INE881J07EB3	20-Dec-16	20-Dec-26	10.00	10.00
INE881J07EF4	17-Jan-17	17-Jan-20	0.43	0.43
INE881J07EG2	17-Jan-17	17-Jan-20	15.55	15.55
INE881J07EH0	17-Jan-17	17-Jan-20	38.25	38.25
INE881J07EC1	17-Jan-17	17-Jan-20	79.48	79.48
INE881J07EI8	17-Jan-17	17-Jan-20	0.11	0.11
INE881J07EJ6	17-Jan-17	17-Jan-20	19.82	19.82
INE881J07EK4	17-Jan-17	17-Jan-22	50.72	50.72
INE881J07EL2	17-Jan-17	17-Jan-22	47.72	47.72
INE881J07EM0	17-Jan-17	17-Jan-22	43.09	43.09
INE881J07EN8	17-Jan-17	17-Jan-22	179.46	179.46
INE881J07EO6	17-Jan-17	17-Jan-22	0.15	0.15
INE881J07EP3	17-Jan-17	17-Jan-22	17.28	17.28
INE881J08524	1-Mar-17	1-Jun-24	5.00	5.00
INE881J08532	9-Mar-17	9-Jun-22	5.00	5.00
INE881J08557	30-Mar-17	30-Mar-27	50.00	50.00
INE881J07EQ1	26-May-17	26-May-24	20.00	20.00
INE881J07ER9	31-May-17	31-May-24	10.00	10.00
INE881J07ES7	22-Jun-17	22-Jun-24	20.00	20.00
INE881J08565	23-Jun-17	23-Jun-27	5.00	5.00
INE881J08573	8-Aug-17	8-Nov-22	176.48	176.48
INE881J08581	8-Aug-17	8-Nov-22	150.53	150.53
INE881J08599	8-Aug-17	8-Nov-22	30.91	30.91
INE881J08607	8-Aug-17	8-Aug-24	9.32	9.32
INE881J08615	8-Aug-17	8-Aug-24	11.51	11.51
INE881J08623	8-Aug-17	8-Aug-24	2.81	2.81
INE881J08631	8-Aug-17	8-Aug-27	116.64	116.64
INE881J08649	8-Aug-17	8-Aug-27	45.78	45.78
INE881J08656	8-Aug-17	8-Aug-27	17.99	17.99
INE881J07ET5	15-Sep-17	15-Sep-24	20.00	20.00
INE881J07EU3	3-Oct-17	3-Oct-24	6.00	6.00
INE881J07EW9	28-Dec-17	28-Dec-20	5.00	5.00
INE881J07ET5	9-Jan-18	15-Sep-24	2.50	2.50

INE881J07ET5	17-Jan-18	15-Sep-24	1.00	1.00
INE881J07EX7	18-Jan-18	18-Jan-28	10.00	10.00
INE881J07EY5	14-Mar-18	14-Mar-23	5.00	5.00
INE881J07EZ2	26-Mar-18	26-Mar-25	16.50	16.50
INE881J08565	23-Jun-17	23-Jun-27	40.00	40.00
INE881J07A2	4-Apr-18	4-Apr-23	5.00	5.00
INE881J07A2	6-Apr-18	4-Apr-23	5.00	5.00
INE881J07A2	12-Apr-18	4-Apr-23	4.00	4.00
INE881J07FB0	25-May-18	29-Jun-19	11.16	11.16
INE881J07FC8	25-May-18	29-Jun-19	82.67	82.67
INE881J07FD6	25-May-18	25-May-21	22.61	22.61
INE881J07FE4	25-May-18	25-May-21	60.88	60.88
INE881J07FF1	25-May-18	25-May-21	17.36	17.36
INE881J07FG9	25-May-18	25-May-23	28.39	28.39
INE881J07FH7	25-May-18	25-May-23	112.37	112.37
INE881J07FI5	25-May-18	25-May-23	11.15	11.15
INE881J07FJ3	25-May-18	25-May-28	23.25	23.25
INE881J07FK1	25-May-18	25-May-28	133.94	133.94
INE881J07FL9	25-May-18	25-May-28	6.03	6.03

Hyperlink/Reference to applicable Criteria

- [General Criteria]
- [Approach to Financial Ratio]

For any other criteria obtain hyperlinks from website

Analytical Contacts	Media
Vidya Shankar *CGM-Ratings* analyst@brickworkratings.com	media@brickworkratings.com **Relationship Contact** bd@brickworkratings.com
Phone: 1-860-425-2742	

Note on complexity levels of the rated instrument:
BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings
Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 11,99,663 Cr. In addition, BWR has rated over 6819 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹48,803 Cr have been rated.

DISCLAIMER

SMERA BOND RATINGS

SMERA
SMERA RATINGS LIMITED

Rating Letter - Intimation of Rating Action

Letter Issued on: April 06, 2017
Letter Valid till: March 23, 2018

SREI Equipment Finance Limited
Block - EP,
Plot -Y10, Sector - V,
Saltlake City,
Kolkata - 700091

Kind Attn.: Mr. S B Tiwari, Group Treasury Head

Dear Mr. Tiwari,

Sub.: Rating Assigned - Rs. 1100.00 Cr. Of SREI Equipment Finance Limited

Please note that the current rating(s) and outlook, instrument details, and latest rating action for the aforementioned instrument are as under:

	Long Term Instruments	Short Term Instruments
Total Rated Quantum (Rs. Cr.)	1100.00	NA
Quantum of Enhancement (Rs. Cr.)	NA	NA
Rating	SMERA AA+	NA
Outlook	Stable	NA
Rating Action	Assigned	NA
Date of Rating Action	April 06, 2017	NA
Rating Watch	NA	NA

SMERA reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which SMERA believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by SMERA as required under prevailing SEBI guidelines and SMERA's policies.

This letter will expire on March 23, 2018 or on the day when SMERA takes the next rating action, whichever is earlier. It may be noted that the rating is subject to change anytime even before the expiry date of this letter. Hence lenders / investors are advised to visit https://www.smera.in/ to confirm the current outstanding rating. SMERA will revalidate and re-issue this rating letter on March 24, 2018 subject to receipt of information and surveillance fee as applicable. If the rating is reviewed before the March 23, 2018, SMERA will issue a new rating letter.

Warm Regards,

Vinayak Ramkrishna Nayak
Head - Corporate Ratings
Annexures: A. Details of the Rated Instrument
B. Details of the rating prior to the above rating action

Annexure A. Details of the Rated Instrument

Instrument	Scale	Amount (Rs. Cr)	Ratings	Rating Action
Secured Unsubordinated Redeemable Non-Convertible Debentures (Proposed)	Long Term	1100.00	SMERA AA+/Stable	Assigned
Total Debt		**1100.00**		

Annexure B. Details of the rating prior to the above rating action

	Long Term Instruments	Short Term Instruments
Previous Rated Quantum	1400.00 Cr.	NA
Rating	SMERA AA+	NA
Outlook	Stable	NA

Rating Letter - Intimation of Rating Action

Letter Issued on: April 06, 2017
Letter Valid till: March 23, 2018

SREI Equipment Finance Limited
Block - EP,
Plot -Y10, Sector - V,
Saltlake City,
Kolkata - 700091

Kind Attn.: Mr. S B Tiwari, Group Treasury Head

Dear Mr. Tiwari,

Sub.: Rating Assigned - Rs. 1100.00 Cr. Of SREI Equipment Finance Limited

Please note that the current rating(s) and outlook, instrument details, and latest rating action for the aforementioned instrument are as under:

	Long Term Instruments	Short Term Instruments
Total Rated Quantum (Rs. Cr.)	1100.00	NA
Quantum of Enhancement (Rs. Cr.)	NA	NA
Rating	SMERA AA+	NA
Outlook	Stable	NA
Rating Action	Assigned	NA
Date of Rating Action	April 06, 2017	NA
Rating Watch	NA	NA

SMERA reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which SMERA believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by SMERA as required under prevailing SEBI guidelines and SMERA's policies.

This letter will expire on March 23, 2018 or on the day when SMERA takes the next rating action, whichever is earlier. It may be noted that the rating is subject to change anytime even before the expiry date of this letter. Hence lenders / investors are advised to visit https://www.smera.in/ to confirm the current outstanding rating. SMERA will revalidate and re-issue this rating letter on March 24, 2018 subject to receipt of information and surveillance fee as applicable. If the rating is reviewed before the March 23, 2018, SMERA will issue a new rating letter.

Warm Regards,

Vinayak Ramkrishna Nayak
Head - Corporate Ratings
Annexures: A. Details of the Rated Instrument
B. Details of the rating prior to the above rating action

Annexure A. Details of the Rated Instrument

Instrument	Scale	Amount (Rs. Cr)	Ratings	Rating Action
Unsecured Subordinated Redeemable Non-Convertible Debentures (Proposed)	Long Term	1100.00	SMERA AA+/Stable	Assigned
Total Debt		**1100.00**		

Annexure B. Details of the rating prior to the above rating action

	Long Term Instruments	Short Term Instruments
Previous Rated Quantum	1400.00 Cr.	NA
Rating	SMERA AA+	NA
Outlook	Stable	NA

Acuite RATINGS & RESEARCH

Rating Revalidation Letter

Private and Confidential

Scan this QR Code to verify authenticity of this rating

2018/37583/SEFL/RL/SC
September 18, 2018

Srei Equipment Finance Limited
Block - EP, Plot -Y10,
Sector - V,
Saltlake City,
Kolkata - 700091

Kind Attn.: Mr. S. B. Tiwari, Group Treasury Head

Dear Mr. Tiwari,

Sub.: Credit Rating for Proposed Secured Unsubordinated Redeemable Non-convertible Debentures (NCD) by Srei Equipment Finance Limited Aggregating Rs. 1100.00 Cr.

Acuité Ratings & Research Limited has an outstanding rating of **'ACUITE AA+'** read as **[ACUITE double A plus]** with a **'Stable'** outlook for the abovementioned debt instrument [see annexure 1]. As per Acuité'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.

Kindly inform us the details of the NCDs being issued by you, immediately, but not later than 7 days from the date of such issuances in the following format:

Type of Instrument	ISIN	Issue Size (Rs. cr.)	Date of issue	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Names of top 10 investors

Acuité reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité's policies. Hence lenders / investors are advised to visit https://www.acuite.in/ to confirm the current outstanding rating. Acuité ratings are not recommendations to buy, sell or hold any security.

Yours truly,
For Acuité Ratings & Research Limited

Suman Chowdhury

Suman Chowdhury
President – Ratings

Acuite RATINGS & RESEARCH

Rating Revalidation Letter

ANNEXURE - I

Instrument	Scale	Amount (Rs. Cr)	Ratings
Secured Unsubordinated Redeemable Non-Convertible Debentures (Proposed)	Long Term	1100.00	ACUITE AA+ / Stable
Total Debt		**1100.00**	

Acuite RATINGS & RESEARCH

Rating Revalidation Letter

Private and Confidential

Scan this QR Code to verify authenticity of this rating

2018/37582/SEFL/RL/SC
September 18, 2018

Srei Equipment Finance Limited
Block - EP, Plot -Y10,
Sector - V,
Saltlake City,
Kolkata - 700091

Kind Attn.: Mr. S. B. Tiwari, Group Treasury Head

Dear Mr. Tiwari,

Sub.: Credit Rating for Proposed Unsecured Subordinated Redeemable Non-convertible Debentures (NCD) by Srei Equipment Finance Limited Aggregating Rs. 1100.00 Cr.

Acuité Ratings & Research Limited has an outstanding rating of '**ACUITE AA+**' read as **[ACUITE double A plus]** with a **'Stable'** outlook for the abovementioned debt instrument [see annexure 1]. As per Acuité'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.

Kindly inform us the details of the NCDs being issued by you, immediately, but not later than 7 days from the date of such issuances in the following format:

Type of Instrument	ISIN	Issue Size (Rs. cr.)	Date of issue	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Names of top 10 investors

Acuité reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité's policies. Hence lenders / investors are advised to visit https://www.acuite.in/ to confirm the current outstanding rating. Acuité ratings are not recommendations to buy, sell or hold any security.

Yours truly,
For Acuité Ratings & Research Limited

Suman Chowdhury

Suman Chowdhury
President – Ratings

Rating Revalidation Letter

ANNEXURE - I

Instrument	Scale	Amount (Rs. Cr)	Ratings
Unsecured, Subordinated Redeemable Non-Convertible Debentures (Proposed)	Long Term	1100.00	ACUITE AA+ / Stable
Total Debt		**1100.00**	

Private and Confidential

October 09, 2018

Scan this QR Code to verify authenticity of this rating

Srei Equipment Finance Limited
Block - EP, Plot -Y10,
Sector - V,
Saltlake City,
Kolkata - 700091

Kind Attn.: Mr. S. B. Tiwari, Group Treasury Head

Dear Mr. Tiwari,

Sub: Credit Rating for various Non-Convertible Debentures (NCD) of SREI Equipment Finance Limited (SEFL)

With reference to our rating letters referenced in Annexure - I and revalidation letters dated September 18, 2018, Acuité Ratings & Research Limited has an outstanding rating of '**ACUITE AA+**' read as **[ACUITE double A plus]** with a **'Stable'** outlook for the abovementioned debt instruments. As per the Acuité'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.

Kindly inform us the details of the NCDs being issued by you, immediately, but not later than 7 days from the date of such issuances in the following format:

Type of Instrument	ISIN	Issue Size (Rs. cr.)	Date of issue	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Names of top 10 investors

Acuité reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité's policies. Hence lenders / investors are advised to visit https://www.acuite.in/ to confirm the current outstanding rating. Acuité ratings are not recommendations to buy, sell or hold any security.

This letter has been issued (i) on specific request of SEFL
(ii) on the basis of information furnished by SEFL

Yours truly,
For Acuité Ratings & Research Limited

Suman Chowdhury

Suman Chowdhury
President – Ratings

ANNEXURE - I

(Rs. in Crores)				
Rating Letter Date	**Instrument**	**Rated Quantum**	**Utilized Amount**	**Unutilized Amount**
August 18, 2015	Unsecured, Subordinated Redeemable Non-Convertible Debentures	500.00	500.00	-
August 10, 2016	Secured Unsubordinated Redeemable Non-Convertible Debentures	200.00	150.00	50.00
November 02, 2016	Unsecured, Subordinated Redeemable Non-Convertible Debentures	200.00	135.10	64.90
November 09, 2016	Secured Unsubordinated Redeemable Non-Convertible Debentures	500.00	500.00	-
April 06, 2017	Secured Unsubordinated Redeemable Non-Convertible Debentures (Proposed)	1,100.00	509.81	590.19*
April 06, 2017	Unsecured, Subordinated Redeemable Non-Convertible Debentures (Proposed)	1,100.00	561.99	538.01*
September 22, 2017	Secured Unsubordinated Redeemable Non-Convertible Debentures (Proposed)	1,000.00	-	1,000.00
Total		4,600.00	2,356.90	2,243.10

**Unutilized amount of ratings will be used by the company for the Proposed Public Issued of Secured and Unsecured subordinated NCD.*

Acuite
RATINGS & RESEARCH

Rating Revalidation Letter

Private and Confidential

Scan this QR Code to verify authenticity of this rating

2018/39101/SEFL/RL/VN
December 03, 2018

Srei Equipment Finance Limited
Block - EP, Plot -Y10,
Sector - V,
Saltlake City,
Kolkata - 700091

Kind Attn.: Mr. S. B. Tiwari, Group Treasury Head

Dear Mr. Tiwari,

Sub.: Credit Rating for Proposed Secured Unsubordinated Redeemable Non-convertible Debentures (NCD) by Srei Equipment Finance Limited Aggregating Rs. 1100.00 Cr.

Acuité Ratings & Research Limited has an outstanding rating of 'ACUITE AA+' read as [ACUITE double A plus] with a **'Stable'** outlook for the abovementioned debt instrument [see annexure 1]. As per Acuité'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.

Kindly inform us the details of the NCDs being issued by you, immediately, but not later than 7 days from the date of such issuances in the following format:

Type of Instrument	ISIN	Issue Size (Rs. cr.)	Date of issue	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Names of top 10 investors

Acuité reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité's policies. Hence lenders / investors are advised to visit https://www.acuite.in/ to confirm the current outstanding rating. Acuité ratings are not recommendations to buy, sell or hold any security.

Yours truly,
For Acuité Ratings & Research Limited

Suman Chowdhury

Suman Chowdhury
President – Ratings

Rating Revalidation Letter

ANNEXURE - I

Instrument	Scale	Amount (Rs. Cr)	Ratings
Secured Unsubordinated Redeemable Non-Convertible Debentures (Proposed)	Long Term	1100.00	ACUITE AA+ / Stable
Total Debt		1100.00	

Rating Revalidation Letter

Private and Confidential

Scan this QR Code to verify authenticity of this rating

2018/39100/SEFL/RL/VN
December 03, 2018

Srei Equipment Finance Limited
Block - EP, Plot -Y10,
Sector - V,
Saltlake City,
Kolkata - 700091

Kind Attn.: Mr. S. B. Tiwari, Group Treasury Head

Dear Mr. Tiwari,

Sub.: Credit Rating for Proposed Unsecured Subordinated Redeemable Non-convertible Debentures (NCD) by Srei Equipment Finance Limited Aggregating Rs. 1100.00 Cr.

Acuité Ratings & Research Limited has an outstanding rating of 'ACUITE AA+' read as [ACUITE double A plus] with a **'Stable'** outlook for the abovementioned debt instrument [see annexure 1]. As per Acuité'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.

Kindly inform us the details of the NCDs being issued by you, immediately, but not later than 7 days from the date of such issuances in the following format:

Type of Instrument	ISIN	Issue Size (Rs. cr.)	Date of issue	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Names of top 10 investors

Acuité reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité's policies. Hence lenders / investors are advised to visit https://www.acuite.in/ to confirm the current outstanding rating. Acuité ratings are not recommendations to buy, sell or hold any security.

Yours truly,
For Acuité Ratings & Research Limited

Suman Chowdhury

Suman Chowdhury
President – Ratings

Rating Revalidation Letter

ANNEXURE - I

Instrument		Scale	Amount (Rs. Cr)	Ratings
Unsecured, Subordinated Redeemable Non-Convertible Debentures (Proposed)		Long Term	1100.00	ACUITE AA+ / Stable
Total Debt			1100.00	

Press Release

Srei Equipment Finance Limited (SEFL)

July 06, 2018

Rating Reaffirmed

Total Instruments Rated*	Rs. 4600.00 Cr.
Long Term Rating	ACUITE AA+ / Outlook: Stable (Reaffirmed)

* Refer Annexure for details

Rating Rationale

Acuité has reaffirmed the long term rating of **'ACUITE AA+' (read as ACUITE double A plus)** on the Unsecured Subordinated Non-Convertible Debentures (NCDs) aggregating Rs.1800.00 Cr. and Secured Unsubordinated NCDs aggregating Rs.2,800.00 Cr. of Srei Equipment Finance Limited (SEFL). The outlook is '**Stable**'.

SEFL is a systemically important non-deposit taking non-banking finance company (NBFC-ND-SI) engaged in the business of equipment financing and providing leasing solutions for construction, mining, healthcare, agricultural and IT equipments. It is a wholly owned subsidiary of Srei Infrastructure Finance Limited (SIFL), a listed company, engaged in the financing of infrastructure projects.

Key Rating Drivers

Strengths

Strong market position in CME financing segment

SEFL holds a leadership position in construction, mining and allied equipment (CME) financing sector in India, with market share of 32.70% (as on 31st March 2017). The market position is reflected in its large assets under management (AUM) of Rs.30, 073 Cr. on March 31, 2018 (Rs.21, 232 Cr. on March 31, 2017). The mix between on-book loans to securitized/assigned portfolio was at 77:23 as on March 31, 2018. CME, Tippers, IT and allied equipment, farm equipment constituted 73%, 11%, 7%, and 2% of the AUM, respectively.

SEFL is expected to benefit substantially from the increased capital outlay towards the infrastructure sector by the government. The buoyancy in the CME segment is reflected in the sharp increase in demand witnessed by the CME manufacturers during 2017-18, after a long period - the last peak was witnessed in 2012. The revival in infrastructure spending is expected to provide buoyancy to SEFL's AUM growth over the next few years, as reflected in the 42% (year-on-year) growth in AUM in 2017-18. SEFL is also planning to increase focus on new products such as used equipment financing which will support growth, while also partly supporting profitability, over the medium term. Acuité believes that the favourable economic environment for infrastructure players will augur well for its credit profile.

With around three decades of presence in CME financing segment and its association with the group equipment leasing entity, Quippo, SEFL has built a strong understanding of the product segment and customer behavior. It provides end-to-end solution to its customers including deployment, management and resale of the assets. In addition to pan India presence, SEFL is expected to benefit from its strong relationship with CME manufacturers which will help support growth over the medium term. The presence of the entire ecosystem for CME financing segment including 80 stockyards across India supports in faster sale of repossessed assets and also transparent price discovery mechanism.

Adequate capitalization

SEFL has adequate capitalization with net worth and gearing of Rs.2780 Cr. and 6.77 times, respectively, as on March 31, 2018 as against Rs.2520 Cr. and 5.13 times, respectively, as on March 31, 2017. Overall capital adequacy ratio declined to 15.94% as on March 31, 2018 from 18.66% as on March 31, 2017 on account of the steady growth in business. In order to support the future growth plans, the company plans to raise additional equity capital through an initial public offering in the current financial year; around Rs.1500 Cr. of funds is proposed to be mobilized by dilution of 25% stake in SEFL, which will comprise of Rs.1000 Cr. of fresh equity and Rs.500 Cr. to be raised by the promoters through their stake dilution. Furthermore, the improving profitability will also support capitalization over the medium term. SEFL's adequate capitalization will provide cushion against asset quality risks.

Improved asset quality

SEFL has adequate asset quality with gross NPAs of 1.78% as on March 31, 2018 and has declined steadily over the past three years from 5.00% as on March 31, 2015. Despite the shift in NPA recognition norms from 120+DPD to 90+DPD, it has shown a significant improvement in asset quality. This has been primarily supported by the steadily improving outlook for the CME segment and the sound risk management practices followed by the company. SEFL has stringent underwriting standards, proactive recovery policies and healthy collection efficiency. The company has a policy of repossessing the assets in case the borrower delays in servicing the dues for a period of 60 days and the assets are sold off through an auction process. There is a year-on-year decline in such repossessed assets stock from Rs.807 Cr. as on March 31, 2017 to Rs.503 Cr. as on March 31, 2018. The decline in the repossessed assets stock reflects the benefits derived from the strong ecosystem built by the company for repossession and timely sell-off of these assets to maximize the realization as well as the improving outlook for the segment. SEFL typically maintain a loan to value ("LTV") ratio that ranges from 60% to 90% depending on the kind of equipment financed and the proposed use of such equipment.

SEFL's asset quality had been adversely impacted in the earlier years on account of slowdown in the infrastructure sector which mainly impacted the large and strategic customer segment – this segment accounts for nearly 67% of the AUM of SEFL. Also, the exposure of advances to top 20 accounts is 19.11 per cent as on March 31, 2018 as compared to 20.79 per cent as on March 31, 2017. The company also caters to first time buyers (FTBs)/ first time users (FTUs), who may have a limited or no credit track record. While this customer segment is comparatively riskier as the users are new to the equipment and may not possess any significant prior experience of using that asset, only 7.5%-10% of the total overall portfolio is attributed to this segment; this reduces the overall risk pertaining to the borrower profile.

Acuité believes the improvement in asset quality will be sustainable due to overall buoyancy in the infrastructure sector and the strong risk management systems and processes put in place by the company. The impact of IND-AS on the company's asset quality recognition and the related provisioning costs will remain a key rating sensitivity factor.

Weaknesses

High dependence on infrastructure sector resulting in susceptibility to economic cycles

SEFL's business is focused on the construction equipment financing sector, with a particular focus on financing of CME, and any adverse economic or regulatory developments in the infrastructure sector, may adversely affect the company's performance.

Any deterioration in the business outlook and hence the cash flows for the underlying borrowers will adversely impact the asset quality and profitability of SEFL. Infrastructure, construction and mining projects are characterized by project-specific risks as well as general risks which are generally beyond the borrowers' control and that may adversely affect project viability. Also there is a high concentration of borrowers in the infrastructure sectors including the construction and mining sectors. Nevertheless, given the Government's strong focus on the Infrastructure segment and initiatives undertaken, SEFL's operations are expected to continue to get boost over the medium term.

Average, albeit improving, profitability

SEFL has average profitability as reflected in return on assets of 1.26% in 2017-18 and remains lower than that of many of the other retail financing NBFCs. The company's profitability has been improving steadily from 0.91% in 2016-17 and 0.72% in 2015-16. The company has registered a Profit after Tax (PAT) of Rs. 263.19 Cr. in FY18 as against Rs.148.84 Cr. in FY17. The improvement in the profitability has been primarily supported by the steady increase in net interest margin (NIMs). NIMs increased to 8.68 % in 2017-18 from 7.38% in the previous year. SEFL has benefited from both increase in yield on advances and decline in borrowing costs. Also, borrowing costs declined to around 10.05% in 2017-18 from 10.75% in the previous year. While the incremental domestic borrowing cost will increase in 2018-19, the overall borrowing cost is not expected to increase significantly as the company has around 12.11% of its borrowings in the form of foreign currency borrowings.

The company's overall profitability has been impacted on account of the continued high operating and credit costs. Operating expenses to total assets stood at around 4.04% in 2017-18 vis-à-vis 4.03% in the previous year. Additionally, provisions and write-offs remained at elevated levels at around Rs.342 Cr. in 2017-18 (Rs.252.73 Cr. in the previous year).

Acuite believes that SEFL's profitability is expected to improve steadily backed by the favourable outlook for the CME industry, sustained improvement in borrowing costs, and expectation of decline in credit costs. SEFL's ability to sustain the improving trend in its profitability will remain a key rating sensitivity factor.

Analytical Approach

To arrive at the rating, Acuité has considered the standalone business and financial risk profile of SEFL.

Outlook: Stable

Acuité believes that SEFL will maintain a Stable outlook on account of the overall momentum in infrastructure investments particularly by the Government which is expected to augur well for players like SEFL and result in sustained growth in AUM and improvement in asset quality. The outlook may be revised to Positive with significantly higher than expected 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 slowdown in AUM growth or sustained pressure on profitability indicators and/or asset quality.

About the Rated Entity - Key Financials

	Unit	FY18	FY17	FY16
Total Assets	Rs. Cr.	24502	17230	15662
Total Income (Net of Interest Expense)	Rs. Cr.	1726	1163	1197
PAT	Rs. Cr.	263	149	115
Net Worth	Rs. Cr.	2,780	2,520	2,364
Return on Average Assets (RoAA)	(%)	1.26	0.91	0.72
Total Debt/Tangible Net Worth (Gearing)	Times	6.77	5.13	5.01
Gross NPAs	(%)	1.78	2.50	3.00
Net NPAs	(%)	1.30	1.80	2.00

*Total Income = Net Interest Income + Other Income

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - https://www.acuite.in/criteria-default.htm
- Financial Ratios And Adjustments - https://www.acuite.in/view-rating-criteria-20.htm
- Non - Banking Financing Entities - https://www.acuite.in/view-rating-criteria-10.htm

Note on complexity levels of the rated instrument
https://www.acuite.in/criteria-complexity-levels.htm

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
	Proposed Unsecured Subordinated Redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 1000 CR	ACUITE AA+/ Stable (Assigned)

22-Sept-2017	Proposed Secured Unsubordinated Redeemable Non-Convertible Debentures	Long Term	INR 1100 CR	ACUITE AA+/ Stable (Reaffirmed)
	Proposed Unsecured Subordinated Redeemable Non-Convertible Debentures	Long Term	INR 1100 CR	ACUITE AA+/ Stable (Reaffirmed)
	Proposed Secured Unsubordinated Redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 500 CR	ACUITE AA+/ Stable (Reaffirmed)
	Proposed Unsecured Subordinated Redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 200 CR	ACUITE AA+/ Stable (Reaffirmed)
	Unsecured subordinated redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 500 CR	ACUITE AA+/ Stable (Reaffirmed)
	Secured Unsubordinated Redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 200 CR	ACUITE AA+/ Stable (Reaffirmed)
	Proposed Secured Unsubordinated Redeemable Non-Convertible Debentures	Long Term	INR 1100 CR	ACUITE AA+/ Stable (Assigned)
	Proposed Unsecured Subordinated Redeemable Non-Convertible Debentures	Long Term	INR 1100 CR	ACUITE AA+/ Stable (Assigned)

06-April-2017	Proposed Secured Unsubordinated Redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 500 CR	ACUITE AA+/ Stable (Reaffirmed)
	Proposed Unsecured Subordinated Redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 200 CR	ACUITE AA+/ Stable (Reaffirmed)
	Unsecured subordinated redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 500 CR	ACUITE AA+/ Stable (Reaffirmed)
	Secured Unsubordinated Redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 200 CR	ACUITE AA+/ Stable (Reaffirmed)
14-Mar-17	Proposed Secured Unsubordinated Redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 500 CR	ACUITE AA+/ Stable (Upgraded from ACUITE AA/ Stable)
	Proposed Unsecured Subordinated Redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 200 CR	ACUITE AA+/ Stable (Upgraded from ACUITE AA/ Stable)
	Unsecured subordinated redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 500 CR	ACUITE AA+/ Stable (Upgraded from ACUITE AA/ Stable)
	Secured Unsubordinated Redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 200 CR	ACUITE AA+/ Stable (Upgraded from ACUITE AA/ Stable)

09-Nov-2016	Proposed Secured Unsubordinated Redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 500 CR	ACUITE AA/ Stable (Assigned)
	Proposed Unsecured Subordinated Redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 200 CR	ACUITE AA/ Stable (Reaffirmed)
	Unsecured subordinated redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 500 CR	ACUITE AA/ Stable (Reaffirmed)
	Secured Unsubordinated Redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 200 CR	ACUITE AA/ Stable (Reaffirmed)
02-Nov-2016	Proposed Unsecured subordinated redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 200 CR	ACUITE AA/ Stable (Assigned)
	Proposed Secured Unsubordinated Non-Convertible Debentures (NCDs)	Long Term	INR 200 CR	ACUITE AA/ Stable (Reaffirmed)
	Unsecured subordinated redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 500 CR	ACUITE AA/ Stable (Reaffirmed)
31-	Proposed Secured Unsubordinated Non-Convertible Debentures (NCDs)	Long Term	INR 200 CR	ACUITE AA/ Stable (Assigned)

Aug-2016	Unsecured subordinated redeemable Non-Convertible Debentures (NCDs)	Long Term	INR 500 CR	ACUITE AA/ Stable (Reaffirmed) (Outlook revised from Negative to Stable)
8-Jan-2016	Unsecured Subordinated Redeemable Non-Convertible Debentures	Long Term	INR 500 CR	ACUITE AA/ Negative (Reaffirmed)

ANNEXURE G

DEBENTURE TRUSTEE CONSENT LETTER

ATSL/CO/18-19/0098
27th September 2018

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 RS. 1,000/- EACH (THE "SECURED DEBENTURES" OR THE "SECURED NCDS") AND/OR UNSECURED SUBORDINATED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1,000/- EACH (THE "UNSECURED DEBENTURES" OR THE "UNSECURED NCDS"), AGGREGATING MAXIMUM UPTO RS. 5000 MILLION (RUPPES FIVE THOUSAND MILLION ONLY) ("OVERALL ISSUE SIZE") ("THE ISSUE"). THE SECURED NCDS AND THE UNSECURED NCDS ARE COLLECTIVELY REFERRED TO AS THE NCDS. THE UNSECURED NCDS WILL BE IN THE NATURE OF SUBORDINATED DEBT AND WILL BE ELIGIBLE FOR INCLUSION AS TIER-II CAPITAL.

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:

Name:	Axis Trustee Services Ltd.
Registered Office:	Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400025.
Corporate Office and Communication Address:	The Ruby, 2nd Floor, SW, 29, Senapati Bapat Marg, Dadar West, Mumbai - 400028.
Tel:	+91 22 6230 0451
Email:	debenturetrustee@axistrustee.com
Website:	www.axistrustee.com
Contact Person:	Chief Operating Officer
Investor Grievance e-mail	complaints@axistrustee.com
Compliance Officer	Mrs. Kadiyala Krishna Kumari
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. 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.

Axis Trustee Services Limited (ATSL) consenting to act as Debenture Trustees is purely its business decision and not an indication on the Issuer Company's standing or on the NCD Issue. By consenting to act as Debenture Trustees, ATSL does not make nor deems to have made any representation on the Company, its operations, the details and projections about the Company or the NCDs under Offer made in the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document. Applicants / Investors are advised to read carefully the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document and make their own enquiry, carry out due diligence and analysis about the Company, its performance and profitability and details in the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document before taking their investment decision. ATSL shall not be responsible for the investment decision and its consequence.

We also confirm that we are not disqualified to be appointed as Debentures Trustee within the meaning of Rule 18(2)(c) of the Companies (Share Capital and Debentures) Rules, 2014.

Sincerely,

For Axis Trustee Services Limited

Mangalagowri Bhat
Senior Manager

AXIS TRUSTEE SERVICES LTD. MUMBAI

AXIS TRUSTEE

Annexure A

ATSL/CO/18-19/ 4691
27th September 2018

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 RS. 1,000/- EACH (THE "SECURED DEBENTURES" OR THE "SECURED NCDS") AND/OR UNSECURED SUBORDINATED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1,000/- EACH (THE "UNSECURED DEBENTURES" OR THE "UNSECURED NCDS"), AGGREGATING MAXIMUM UPTO RS. 5000 MILLION (RUPPES FIVE THOUSAND MILLION ONLY) ("OVERALL ISSUE SIZE") ("THE ISSUE"). THE SECURED NCDS AND THE UNSECURED NCDS ARE COLLECTIVELY REFERRED TO AS THE NCDS. THE UNSECURED NCDS WILL BE IN THE NATURE OF SUBORDINATED DEBT AND WILL BE ELIGIBLE FOR INCLUSION AS TIER-II CAPITAL.

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.	Permanent Registration Number	IND000000494
2.	Date of registration/ date of last renewal of registration/ date of application for renewal of registration	31st January, 2014
3.	Date of expiry of registration	-
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	NIL
5.	Details of any pending inquiry/ investigation being conducted by SEBI	Show cause notice dated September 06, 2018 issued by SEBI under Rule 4(1) of SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995
6.	Details of any penalty imposed by SEBI	Adjudication Order No. EAD/PM-AA/AO/17/2018-19 dated July 11, 2018 issued by SEBI under Section 15-I of Securities and Exchange Board of India Act, 1992 read with Rule 5 of SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 imposing penalty of Rs.10,00,000.

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

K. Krishna Kumari
Krishna Kumari
Compliance Officer

AXIS TRUSTEE SERVICES LTD.
(A wholly owned subsidiary of Axis Bank)
Corporate Identity Number (CIN): U74999MH2008PLC182264
REGISTERED OFFICE: Axis House, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.
CORPORATE OFFICE: Axis Trustee Services Limited | The Ruby | 2nd Floor | SW | 29 Senapati Bapat Marg | Dadar West | Mumbai- 400 028
Tel. No.: 022 6230 0451 • Website: www.axistrustee.com