



SREI EQUIPMENT FINANCE PRIVATE LIMITED

Srei Equipment Finance Private Limited ('SEFPL') was originally incorporated as Srei Infrastructure Development Limited ('SIDL') on June 13, 2006 as a wholly owned subsidiary of Srei Infrastructure Finance Limited ('SIFL'). The name of SIDL was changed to Srei Infrastructure Development Finance Limited ('SIDFL') and a fresh certificate of incorporation dated April 16, 2007 was obtained from the Registrar of Companies, Kolkata, West Bengal. Later, SIDFL was converted into a private limited company and the name of the Company was changed to Srei Infrastructure Development Finance Private Limited ('SIDFPL') and a fresh certificate of incorporation dated September 28, 2007 was obtained from the Registrar of Companies, Kolkata, West Bengal. Subsequently, the name of the Company was once again changed to its present name and a fresh certificate of incorporation dated May 30, 2008 was obtained from the Registrar of Companies, Kolkata, West Bengal.

Registered Office: 'Vishwakarma', 86C Topsis Road (South), Kolkata – 700046

Head Office: Plot No. Y-10, Block EP, Sector – V, Salt Lake City, Kolkata – 700 091

Corporate Office: Room No. 12 & 13, 6A, Kiran Shankar Roy Road, Kolkata – 700 001

Telephone: +91 33 6160 7734. **Email:** secretarial@srei.com **Website:** www.srei.com

Contact Person and Compliance Officer: Mr. Sanjay Chaurasia, Company Secretary

INFORMATION MEMORANDUM ('IM') FOR ISSUE BY WAY OF PRIVATE PLACEMENT BY SREI EQUIPMENT FINANCE PRIVATE LIMITED ('SEFPL' or THE 'COMPANY') OF ZERO COUPON SECURED, REDEEMABLE NON-CONVERTIBLE DEBENTURES ('NCDs') OF THE FACE VALUE OF RS. 10,00,000 EACH FOR CASH AGGREGATING TO RS. 4.4 CRORES (THE 'ISSUE').

RISKS IN RELATION TO ISSUE

This being an issue of Zero Coupon Secured Redeemable Non Convertible Debentures of the Company/Issuer, no assurance can be given regarding an active or sustained trading of the NCDs of the Company/Issuer nor regarding the price at which the NCDs will be traded.

GENERAL RISKS

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. For taking an investment decision, the investors must rely on their own examination of the Company and the Issue including the risks involved. The Non Convertible Debentures have not been recommended or approved by Securities and Exchange Board of India ('SEBI') nor does SEBI guarantee the accuracy or adequacy of the disclosures made in this document.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum 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 Information Memorandum is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The NCDs have been rated 'Fitch AA(ind)' by Fitch Ratings India Pvt. Ltd. (Fitch Ratings) vide their letter dated June 15, 2011. The rating of Fitch indicates stability and very low credit risk regarding timely servicing of financial obligations and carry very low credit risk. The ratings provided by Fitch may be suspended, withdrawn or revised at any time by the assigning rating agency 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 decisions.

ISSUE PROGRAMME

ISSUE OPENING DATE – 19th December ,2011

ISSUE CLOSING DATE – 19th December ,2011

The Company reserves the right to change the Issue time-table including the Date of Allotment (as defined hereinafter) at its sole discretion, without giving any reasons or prior notice. The Issue will be open for subscription at the commencement of banking hours and close at the close of banking hours on the dates indicated above. The Issue shall be subject to the terms and conditions of this Information Memorandum filed with the Stock Exchange and other documents in relation to the Issue.

TRUSTEES TO THE ISSUE

IDBI Trusteeship Services Limited

Asian Building, Ground Floor

17, R. Kamani Road, Ballard Estate

Mumbai - 400 001

Tel: +91 22 4080 7014

Fax: +91 22 6631 1776

Email: umesh.salvi@idbitrustee.co.in

Contact Person: Mr. Umesh Salvi

REGISTRAR TO THE ISSUE

S. K. Infosolutions Pvt. Ltd

34/1A Sudhir Chatterjee Road

Kolkata – 700 006

Tel : +91-33-2219 4815

Fax: +91-33-2219 4815

E-Mail: skcdilip@gmail.com

Contact Person: Mr. Dilip Bhattacharya

Important Notice: This Information Memorandum complies with all the requirements of Schedule I of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 dated 6 June 2008. It is strictly for a private placement and is only an information brochure intended for private use. Nothing in this shall constitute and/or deem to constitute an offer or an invitation to an offer to the Indian public or any section thereof to subscribe for or otherwise acquire the NCDs. As it is being made on a Private Placement basis, it cannot be accepted by any person other than to whom it has been offered. Further, this offer cannot be transferred or renounced in anyone's favour and accordingly an application can be made only by the persons to whom an offer to apply has been made. Copy of this Information Memorandum is not statutorily required to be and accordingly has not been filed or submitted to the SEBI / RoC / RBI for their review and/or approval. This Document does not constitute an offer to sell or a solicitation of an offer to buy the NCDs described herein from any person other than the persons to whom an express offer to subscribe has been made through the document. This Document is not and should not be construed as a prospectus. The NCDs are not being offered for sale or subscription, but are being privately placed with a limited number of investors and any such investors must seek legal advice as to whether they are entitled to subscribe to the NCDs and must comply with all relevant Indian laws in this respect.

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SUMMARY TERM SHEET

Issuer	Srei Equipment Finance Private Limited (Srei BNP Paribas)
Instrument	Zero Coupon Secured Redeemable Non Convertible Debentures
Face Value	Rs. 10,00,000 (Rs Ten Lacs only) per Debenture
Issue Size	Rs. 4.4 crores (Rupees Four Crores forty lakhs only)
Yield to Maturity	10.52% p.a. XIRR
Tenor	535 days
Issuance Mode	Demat Mode
Trading Mode	Demat Mode
Issue Open Date	19th December ,2011
Issue Close Date	19th December ,2011
Date of Allotment	19th December ,2011
Rating	"Fitch AA(ind)" by Fitch Ratings
Minimum Application Amount	Rs.10 Lacs and in multiples of Rs.10 Lacs thereafter
Mimimum No. of Debentures to be applied for	1 (One)
Security	<ul style="list-style-type: none"> ● 1st charge on the specific receivables of the company pertaining to construction equipment / material handling equipment/ earthmoving equipment / IT equipment with a minimum cover of 1 time of the outstanding amounts of the debentures and/or ● Pari passu charge on immovable property.
Redemption	At Premium
Maturity / Redemption	Redemption at premium at the end of 535 days from the date of Allotment
Redemption Date	6 th June 2013
Put and Call Option	Not Applicable
Listing	On the WDM segment of Bombay Stock Exchange Limited
Redemption Price	Rs.11,57,907/- (Rupees Eleven Lakhs Fifty Seven Thousand Nine Hundred Seven only) per Debenture
Trustee	IDBI Trusteeship Services Limited
Depository	NSDL / CDSL
Record Date	3 calendar days prior to the Maturity Date/Interest Payment Date on which the determination of the persons entitled to receive interest/redemption of principal in respect of the Non Convertible Debentures (i.e., persons whose names are registered in the Register of Debentureholders or NSDL/CDSL record) shall be made

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum.

General Terms

Term	Description
“SEFPL” or the “Company” or “Srei BNP Paribas” or the “Issuer” or “our Company” or “JV Company”	Srei Equipment Finance Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at ‘Vishwakarma’, 86C Topsia Road (South), Kolkata – 700046
“we”, “us”, “our”	Unless the context otherwise requires, refers to the Company

Company Related Terms

Term	Description
Articles of Association	The articles of association of the Company
Auditors	M/s S. R. Batliboi & Co, Chartered Accountants, the statutory auditors of the Company.
Board of Directors/ Board	The board of directors of the Company or a duly constituted committee thereof
BPLG	BNP Paribas Lease Group, a group company of BNP Paribas S.A. of France
Director(s)	Director(s) on the Board of the Company as appointed from time to time
Registered Office	The registered office of our Company, presently situated at ‘Vishwakarma’, 86C Topsia Road (South), Kolkata – 700046, West Bengal, India
SIBPL	Srei Insurance Broking Private Limited
SIDL	Srei Infrastructure Development Limited
SIDFL	Srei Infrastructure Development Finance Limited
SIDFPL	Srei Infrastructure Development Finance Private Limited
SIFL	Srei Infrastructure Finance Limited
Subsidiaries	Srei Insurance Broking Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at ‘Vishwakarma’, 86C Topsia Road (South), Kolkata - 700046.

Issue Related Terms

Term	Description
Allot/ Allotment/ Allotted	Unless the context otherwise requires or implies, the allotment of the Non Convertible Debentures pursuant to the Issue
Application Form	The form in which an investor can apply for subscription to the Non Convertible Debentures
Beneficial Owner(s)	Holder(s) of the Non Convertible Debentures in Dematerialized form as defined under section 2 of the Depositories Act, 1996
BSE	Bombay Stock Exchange Limited
Debentureholder(s)	Persons who are for the time being holders of the Non Convertible Debentures and whose names are last mentioned in the NCD Register and shall include Beneficial Owners
Debenture Trustee	Trustee for the Debenture holders, in this case being IDBI Trusteeship Services Limited.
Credit Rating Agency	Fitch Ratings India Private Limited (Fitch Ratings)
CSE	Calcutta Stock Exchange Association Limited

Term	Description
Debenture Trustee Regulations	Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, as amended to date
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time.
Information Memorandum / IM	This Information Memorandum through which this Issue is being made.
Issue	Issue by way of private placement of the Zero Coupon Secured Redeemable Non Convertible Debentures by the Issuer
Maturity Date / Redemption Date	The NCDs issued pursuant to this Information Memorandum have a fixed maturity date, which is 535 days from the Date of Allotment
Mutual Fund (MF)	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Non Convertible Debentures / NCDs	Zero Coupon Secured Redeemable Non-convertible Debentures aggregating to Rs. 4.4 crores
NOF	Net Owned Fund
NSE	National Stock Exchange of India Limited
Pay-in Date	The date on which the Debentureholders shall make payment for subscription to the Non Convertible Debentures.
Record Date	3 calendar days prior to the Maturity Date/Interest Payment Date on which the determination of the persons entitled to receive interest/redemption of principal in respect of the Non Convertible Debentures (i.e., persons whose names are registered in the Register of Debentureholders or NSDL/CDSL record) shall be made
Registered Debentureholder	The Debentureholder whose name appears in the Register of Debentureholders or in the beneficial ownership record furnished by NSDL/CDSL for this purpose.
Register of Debentureholders	The register maintained by the Company containing the name of Debentureholders entitled to receive interest in respect of the Non Convertible Debentures on the Record Date, which shall be maintained at the Registered Office.
Registrar	Registrar to this Issue, in this case being S. K. Infosolutions Pvt. Ltd.
Stock Exchange	BSE
Working Days	All days excluding Saturday, Sunday and any public holiday at Kolkata or Mumbai, India

Conventional and General Terms, Abbreviations and References to Other Business Entities

Abbreviation	Full form
AFC	Asset Finance Company
AUM	Asset Under Management
CDSL	Central Depository Services (India) Limited
Companies Act	The Companies Act, 1956 as amended from time to time
CSE	The Calcutta Stock Exchange Association Limited
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant/ DP	A depository participant as defined under the Depositories Act
Equity Shares	Equity shares of the Company of face value of Rs. 10 each
FY	Period of twelve months starting from April 1 of a year and ending on March 31 of the subsequent year

Abbreviation	Full form
GDP	Gross Domestic Product
HNI	High Networth Individual
HUF	Hindu Undivided Family
ISIN	International Securities Identification Number
IT Act	The Income Tax Act, 1961, as amended from time to time
LOA	Letter of Allotment
NBFC	Non Banking Finance Company
NBFI	Non Banking Financial Institution
NPA	Non-performing Asset
NSDL	National Securities Depository Limited
p.a.	Per Annum
PAN	Permanent Account Number
PAC	Persons acting in concert
RBI	The Reserve Bank of India
RoC / ROC	The Registrar of Companies, Kolkata, West Bengal
Rs.	Rupees
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
MSME	Micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time
Act	The Companies Act, 1956, as amended
SEBI Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by SEBI
SEZ	Special Economic Zone
WDM	Wholesale Debt Market Segment of BSE
RTGS	Real Time Gross Settlement
NEFT	National Electronic Fund Transfer
FII	Foreign Institutional Investors
ECS	Electronic Clearing Services
CAR	Capital Adequacy Ratio

For the purpose of this Issue, the terms “applicant” and “investor” have been used interchangeably and will have the same meaning.

FORWARD LOOKING STATEMENTS

This Information Memorandum contains certain "forward-looking statements". These forward looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "shall", "will", "will continue", "will pursue", "would", "will likely result", "is likely", "expected to", "will achieve", "contemplate", "seek to", "target", "propose to", "future", "goal", "project", "should", "can", "could", "may", "in management's judgment" or other words or phrases of similar import or variations of such expressions. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, amongst others:

- General economic and business conditions;
- Our ability to successfully implement our strategy, our growth and expansion plans;
- Our ability to compete effectively and access funds at competitive cost;
- Changes in the value of Rupee and other currency changes;
- Unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial and capital markets in India and globally;
- Availability of funds and willingness of our lenders to lend;
- Changes in political conditions in India;
- The rate of growth of our loan assets and level of NPAs in our portfolio;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Our ability to retain our management team and skilled personnel;
- Changes in Indian and foreign laws and regulations, including tax, accounting, banking, securities, insurance and other regulations, changes in competition and the pricing environment in India and regional or general changes in asset valuations; and
- Changes in laws and regulations that apply to NBFCs in India, including laws that impact our lending rates and our ability to enforce our collateral.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, our Directors and Officers nor any of their respective affiliates have any obligation 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.

GENERAL INFORMATION

REGISTERED OFFICE

'Vishwakarma'
86C, Topsia Road (South)
Kolkata – 700046
West Bengal, India
Telephone: +91 33 66022431
Fax: +91 33 22857542/8501
E-mail: patni@srei.com
Website: www.srei.com

Registration:

Corporate Identification Number: U70101WB2006PTC109898

NBFC registration: N – 05.06694 issued by the RBI

BOARD OF DIRECTORS

Name of the Director Designation	Residential Address
Mr. Bertrand Pierre Gousset Chairman	8 Villa De La Gare Clamart – 92140 France
Mr. Hemant Kanoria Vice Chairman & Managing Director	'Kanoria House' 3, Middle Road, Hastings Kolkata – 700022 West Bengal, India
Mr. Sunil Kanoria Joint Managing Director	'Kanoria House' 3, Middle Road, Hastings Kolkata – 700022 West Bengal, India
Mr. Thierry Bonetto Director	23 Rue Du Parc De Clagny Versailles – 78000 France
Mr. Kora Ipe Puthenpurockal Director	Flat No 16D, Shanaz, 90, Napeansea Rd, Mumbai- 400006, Maharashtra, India
Mr. Anjan Mitra Director	Flat No. 4, 26/2 Dover Road Kolkata – 700 019

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Sanjay Chaurasia
Srei Equipment Finance Private Limited
'Vishwakarma'
86C, Topsia Road (South)
Kolkata – 700046
West Bengal, India
Telephone: +91 33 61607734
Fax: +91 33 22857542/8501

Debentureholders can contact the compliance officer in case of any Pre-Issue or Post-Issue related problems.

DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited

Registered Office:
Asian Building, Ground Floor
17, R. Kamani Road, Ballard Estate
Mumbai - 400 001
Tel: +91 22 4080 7014
Fax: +91 22 6631 1776
Email: umesh.salvi@idbitrustee.co.in
Contact Person: Mr. Umesh Salvi

IDBI Trusteeship Services Limited has by its letter dated 19th December, 2011 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Information Memorandum in all the subsequent periodical communications sent to the holders of the Non Convertible Debentures issued pursuant to this Issue.

REGISTRAR TO THE ISSUE

S. K. Infosolutions Pvt. Ltd.

34/1A, Sudhir Chatterjee Road
Kolkata – 700 006
Tel : +91-33-2219 4815
Fax: +91-33-2219 4815
E-Mail: skcdilip@gmail.com
Contact Person: Mr. Dilip Bhattacharya

AUDITORS:

M/s. S. R. Batliboi & Co Chartered Accountants

22, Camac Street
3rd Floor, Block 'C'
Kolkata 700 016
Tel: +91 33 6615 3400
Fax: +91 33 2281 7750

CREDIT RATING AGENCY:

FITCH Ratings India Pvt. Ltd.

Room No. 401, 4th Floor
Om Towers
32 Chowringhee Road
Kolkata 700 071
Tel: +91 33 6522 3759
Fax: +91 33 4003 1734
Website: www.fitchindia.com

Impersonation

As a matter of extra precaution, attention of the investors is specifically drawn to the provisions of sub-section (1) of section 68A of the Act, in terms of which any person who a) makes in a fictitious name an application to a company of acquiring, or subscribing for any Securities therein, or b) otherwise induces a company to allot or register any transferor of Securities therein to him, or any other person in a fictitious name, shall be punishable.

Issue Programme

The subscription list for the Issue shall remain open for subscription at the commencement of banking hours and close at the close of banking hours on the dates indicated below or earlier or on such date as may be decided at the discretion of the Company. The Company reserves the right to change the Issue time-table including the Date of Allotment at its sole discretion, without giving any reasons or prior notice.

ISSUE OPENS ON	19 th December, 2011
ISSUE CLOSES ON	19 th December, 2011

HISTORY

History of our Company (SEFPL)

Our Company was originally incorporated as Srei Infrastructure Development Limited ('SIDL') on June 13, 2006 as a wholly owned subsidiary of Srei Infrastructure Finance Limited ('SIFL') with an object of carrying, inter alia, the business of equipment financing and had obtained registration as a non-deposit accepting Non-Banking Financial Institution vide registration number N-05.06694 dated June 12, 2007 from the Reserve Bank of India. Subsequent to change of name of the Company, it has obtained registration as a non-deposit taking Non-Banking Financial Institution vide registration number N-05.06694 dated September 3, 2008 from the Reserve Bank of India.

The name of SIDL was changed to Srei Infrastructure Development Finance Limited ('SIDFL') and a fresh certificate of incorporation dated April 16, 2007 was obtained from the Registrar of Companies, Kolkata, West Bengal. Later, SIDFL was converted into a private limited company and the name of the Company was changed to Srei Infrastructure Development Finance Private Limited ('SIDFPL') and a fresh certificate of incorporation dated September 28, 2007 was obtained from the Registrar of Companies, Kolkata, West Bengal. Subsequently, the name of the Company was once again changed to Srei Equipment Finance Private Limited ('SEFPL') and a fresh certificate of incorporation dated May 30, 2008 was obtained from the Registrar of Companies, Kolkata, West Bengal.

SIFL entered into a 50:50 Joint Venture ('JV') on May 31, 2007 (effective from April 2, 2008) with BNP Paribas Lease Group ('BPLG'), a group company of BNP Paribas S.A. of France and a European market leader specializing in asset financing for equipments.

Pursuant to a Scheme of Arrangement ('the Scheme') approved by shareholders and sanctioned by the Hon'ble High Court at Calcutta on January 28, 2008, all business and assets and liabilities pertaining to the project finance business and asset based financing business of the SIFL, including its shareholding in Srei Insurance Broking Private Limited (formerly Srei Insurance Services Limited) were transferred to the Company as a going concern on a slump sale basis in accordance with Sections 391 to 394 and other relevant provisions of the Companies Act with effect from January 1, 2008 ('Appointed Date'). The Scheme became operative from April 2, 2008 ('Effective Date') and the transfer in terms of the Scheme took place on and from the Effective Date.

SEFPL, the alliance of SIFL and BPLG, would be benefited from the local skills, knowledge, established base and expertise of SIFL coupled with the global skills, expertise and experience of BPLG. The JV will also have the benefit of the brand and corporate names of SIFL and BPLG respectively on the basis of license arrangements entered with the respective companies to use the same on mutually agreed terms. The JV will have the benefit of financial strength enabling lower cost of fund as well as strong relationship with first-class and reputed international and domestic construction and mining equipment manufacturers.

Srei BNP Paribas (Registered Name: Srei Equipment Finance Private Limited) started its operation from January 01, 2008 with the infrastructure and construction equipment financing and insurance businesses and has further plans to expand its business to new verticals.

Industry leader in the infrastructure and construction equipment financing, Srei BNP Paribas is aptly benefitting from the Indian expertise and insight of Srei and global leasing insight in diverse product classes of BNP Paribas.

Srei BNP Paribas has deep insight on diverse equipment used in the infrastructure and construction sector and acts a valuable advisor to its customers. It has tied up with all the leading equipment manufacturers. Over the years, Srei BNP Paribas has been innovating new marketing programmes bringing together the manufacturers and customers on a single platform, creating immense value and sharing this value with all the stake holders. "Paison Ki Nilami" and "Srei BNP Paribas Partnership Week" are two such prominent programmes.

Srei BNP Paribas has already started financing Technology Solutions (financing of IT equipment, software and services) and has effectively partnered with leading global IT vendors for financing their customers. It has also forayed into financing of new Equipment classes: Agriculture Equipment, Healthcare Equipment, Office Automation, Equipment in Education sector etc. With its foray into new equipment classes, Srei BNP Paribas has become probably the one and only Company to offer complete Equipment Solutions.

With a customer base of over 20,000, Srei BNP Paribas has grown from strength to strength enjoying a strong national presence with a network of 86 offices across India. Most of the offerings that Srei does is customized to its customer requirements, and thrives on its flexibility and innovations. The Product offerings of Srei BNP Paribas can be broadly classified as:

- New equipment Financing
- Used Equipment Financing
- Operating leases
- Refinance on existing equipments
- Imported equipments and Cross Border Transactions

Srei BNP Paribas enjoys a very healthy mutually beneficial relationship with most of the Equipment manufacturers and continues to have the highest market share with all of them.

In partnership with these manufacturers some of whom are Global leaders Like KOMATSU, VOLVO, CATERPILLER, JCB, along with Indian Giants like L&T, TELCON, and others Srei BNP Paribas has offered some of the most innovative schemes in the market over the years.

History of the Srei Infrastructure Finance Limited

Srei Infrastructure Finance Limited ('SIFL'), the flagship company of Srei Group, is one of India's leading private sector infrastructure equipment finance, project finance & project advisory and development Company and holds a significant market share in the equipment finance sector.

SIFL was originally incorporated by the name Shri Radhakrishna Export Industries Limited on March 29, 1985 with the Registrar of Companies, New Delhi (registration number 21-55352) in accordance with the Companies Act as a public limited company to undertake lease and hire purchase financing, bill discounting and manufacture and export of certain goods. The Company obtained its certificate of commencement of business on April 9, 1985. The Company's name was changed to Srei International Limited on May 29, 1992 and further changed to Srei International Finance Limited with effect from April 12, 1994 to reflect its focus on financial services. The name of the Company was further changed from Srei International Finance Limited to Srei Infrastructure Finance Limited on August 31, 2004. The Company was registered with RBI on August 1, 1998 as a Non-Banking Financial Company (NBFC) (Registration No. 05.02773) to carry on the business of a deposit taking Non-Banking Financial Company.

SIFL came out with a public issue of equity shares of Rs. 10 each for cash at par aggregating to Rs. 2.24 crores in July, 1992. Subsequently, SIFL also came out with a Rights issue of equity shares of Rs. 10 each in the ratio of 1:1 at a premium of Rs. 10 per share aggregating to Rs. 8.28 crores in November, 1993. Thereafter, SIFL entered the capital market again with a public issue of 17% Convertible Preference Shares aggregating to Rs. 100 crores with warrants attached in March-April, 1996 wherein Convertible Preference Shares aggregating to Rs. 4.4 crores were issued to the promoters, friends, relatives and associates of promoters. In July 2000, SIFL came out with an issue of Unsecured Subordinated Bonds with Detachable tradable Warrants aggregating to Rs. 54 crores on Rights Basis in the ratio of 1:10. SIFL had concluded a GDR issue on April 18, 2005 of USD 35 million, equivalent to Rs. 153 crores. SIFL's equity shares are listed on National Stock Exchange of India Limited ('NSE'), Bombay Stock Exchange Limited ('BSE') and The Calcutta Stock Exchange Association Limited ('CSE') and the GDRs are listed on the London Stock Exchange.

History of the BNP Paribas Lease Group ('BPLG')

BNP Paribas Lease Group ('BPLG') is a group company of BNP Paribas S.A. of France and is a well-established global leader in the equipment finance business having, inter alia, the largest market share in Europe with global balance sheet of Euro 20 Billion. BPLG has been in equipment finance business for over 50 years and has direct presence in Austria, Belgium, France, Germany, Hungary, India, Italy, Netherlands, Poland, Portugal, Spain and the UK, and also has presence through BNP Paribas Group entities in Algeria, Greece, Morocco (BMCI Leasing), Turkey (TEB Leasing), Ukraine (ULC) and USA (Trinity Vendor Finance).

CAPITAL STRUCTURE AND CERTAIN CORPORATE MATTERS

Share Capital Details of the Company

The share capital of SEFPL as on June 30, 2011 is set forth below:

Particulars	Amount (Rs. in Lacs)
A. Authorised Capital	
5,32,20,000 Equity Shares of Rs.10 each	5,322
B. Issued, Subscribed and Paid-Up Equity Share Capital	
5,32,20,000 Equity Shares of Rs.10 each	5,322
C. Securities Premium Account	84,660

Changes in the authorised share capital of the Company

Sr. No.	Year	Alteration detail
1	2006	The authorised share capital of the Company at the time of incorporation was Rs. 2,00,00,000 divided into 20,00,000 Equity shares of Rs.10 each
2	2007	The authorised share capital of the Company was increased from Rs. 2,00,00,000 divided into 20,00,000 Equity shares of Rs.10 each to Rs. 5,00,00,000 by further creation of 30,00,000 Equity shares of Rs.10 each.
3	2008	The authorised share capital of the Company was increased from Rs. 5,00,00,000 divided into 50,00,000 Equity shares of Rs.10 each to Rs. 50,00,00,000 by creation of further 4,50,00,000 Equity shares of Rs.10 each.
4	2011	The authorised share capital of the Company was increased from Rs. 50,00,00,000 divided into 50,00,000 Equity shares of Rs.10 each to Rs. 53,22,00,000 by creation of further 32,20,000 Equity shares of Rs.10 each.

Past Issues of the Company

(a) Equity share capital history of our Company

Date of Allotment	Number of Equity shares issued	Face value per Equity Share (Rs.)	Issue price per Equity Share (Rs.)	Consideration (cash or other than cash)	Reasons for allotment	Cumulative Securities premium (Rs. in Lacs)	Cum. share capital (Rs. in Lacs)
November 16, 2006	20,00,000	10	10	Cash	Subscribers to the Memorandum	Nil	200
May 15, 2007	50,000	10	10	Cash	Further issue of equity shares to Mr. Hemant Kanoria	Nil	205
April 2, 2008	2,29,50,000	10	10	Cash	Further issue of equity shares to SIFL	Nil	2500
April 2, 2008	2,50,00,000	10	310	Cash	Further issue of equity shares to BPLG	75000	5000

Date of Allotment	Number of Equity shares issued	Face value per Equity Share (Rs.)	Issue price per Equity Share (Rs.)	Consideration (cash or other than cash)	Reasons for allotment	Cumulative Securities premium (Rs. in Lacs)	Cum. share capital (Rs. in Lacs)
June 27, 2011	16,10,000	10	310	Cash	Further issue of equity shares to SIFL	79830	5161
June 27, 2011	16,10,000	10	310	Cash	Further issue of equity shares to BPLG	84660	5322

(b) Outstanding debt securities issued by our Company as on March 31, 2011

S No.	Issue Date	Maturity Date	Outstanding Amount (Rs. in Crores)
1	6-May-10	4-May-11	40.00
2	21-Jun-10	21-Jun-11	10.00
3	29-Nov-10	28-Nov-11	50.00
4	19-Apr-10	28-May-12	30.00
5	12-May-10	28-Mar-12	5.00
6	13-Aug-10	13-Aug-13	185.00
7	16-Sep-08	16-Sep-11	50.00
8	01-Oct-10	22-Mar-12	10.00
9	10-Oct-08	10-Oct-11	30.00
10	10-Oct-08	10-Oct-11	20.00
11	27-Aug-09	26-Aug-12	251.50
12	27-Aug-09	26-Aug-12	6.97
13	27-Aug-09	26-Aug-14	24.75
14	04-Jan-10	25-Jul-11	15.00
15	06-Jan-10	02-Nov-12	5.00
16	15-Jan-10	26-Dec-11	35.00
17	10-Mar-10	10-Mar-13	33.40
18	10-Mar-10	10-Mar-12	33.30
19	24-Mar-10	15-Sep-11	30.00
20	25-Mar-10	06-Sep-11	15.00
21	30-Mar-10	29-Mar-13	35.00
22	04-Nov-10	02-May-12	15.00
23	24-Sep-10	23-Sep-11	4.00
24	04-Oct-10	04-Oct-11	15.00
25	17-Jan-11	10-Jan-13	2.00
26	24-Feb-11	24-Apr-12	17.60
27	08-Mar-11	30-Jan-13	5.00
28	08-Mar-11	16-Jan-14	5.00
29	09-Mar-11	06-Mar-13	1.80
30	10-Mar-11	14-Jun-12	30.00
31	10-Mar-11	09-Feb-13	10.00
32	14-Mar-11	18-May-12	62.00
33	14-Mar-11	02-Jul-12	30.00
34	14-Mar-11	06-Jun-12	26.00
35	29-Mar-11	02-Jul-12	25.00
36	22-Sep-10	21-Sep-11	10.00
37	03-Dec-10	02-Dec-11	7.00
Total			1,180.32

There has been no default in payment of due interest or redemption in relation to NCDs/Bonds issued by our Company or borrowings availed by the Company prior to the date of this Information Memorandum.

The Company has not issued any NCDs (i) for consideration other than cash, neither in whole nor in part; (ii) at a premium or discount; or (iii) in pursuance of an option prior to the date of this IM.

Present Financial Indebtedness

Our Company has availed of certain credit facilities from various lenders. The loans availed of have been deployed for financing general corporate purposes.

Set forth below is a brief summary of our Company's aggregate borrowings as of March 31, 2011:

Category of Borrowings	Outstanding Amount (Rs. in Crores)
Secured Loan	6,977.15
Unsecured Loan	794.54
Total	7,771.69

Debt Equity Ratio

The debt equity ratio as on 31st March, 2011 was 7.04.

Details of Non Convertible Debentures listed, issued and sought to be listed including face value, nature of Non Convertible Debentures mode of issue i.e. public issue or private placement.

The details of NCDs issued and listed by the Company are as under:

Nature of debt	Face Value	Issue Date	Maturity date	Outstanding amount (in Rs. crores)	Listing date	Mode of issue
10.50% Secured, Redeemable, Non cumulative, Srei BNP Paribas Non Convertible Debentures Series I Option I PP	1,00,000	27-08-2009	27-08-2014	251.50	09-09-2009	Private Placement
10.75% Secured, Redeemable, Non cumulative, Srei BNP Paribas Non Convertible Debentures Series I Option II PP	1,00,000	27-08-2009	30% of the face value on 27-08-2012, 30% of the face value on 27-08-2013 & 40% of the face value on 27-08-2014	6.97	09-09-2009	Private Placement
11% Secured, Redeemable, Non cumulative, Srei BNP Paribas Non Convertible Debentures Series I Option III PP	1,00,000	27-08-2009	27-08-2014	24.75	09-09-2009	Private Placement
Srei Infra 12% 2017 (S-V) Debentures*	10,00,000	03-08-2007	03-08-2017	100	12-11-2007	Private Placement
SREIEQFIN-7.24%-B-10-03-	10,00,000	10-03-2010	10-03-2012	33.30	23-03-2010	Private Placement

Private & Confidential – For Private Circulation only

12-PVT						
SREIEQFIN-7.24%-C-10-03-13-PVT	10,00,000	10-03-2010	10-03-2013	33.40	23-03-2010	Private Placement
SREIEQFIN-10%-19-03-20-PVT	10,00,000	19-03-2010	19-03-2020	25.50	22-03-2010	Private Placement
SREIEQFIN-10%-23-12-19-PVT	10,00,000	23-12-2009	23-12-2019	100	16-06-2010	Private Placement
SREIEQFIN-10%-31-03-2020-PVT	10,00,000	31-03-2010	31-03-2020	74.50	18-06-2010	Private Placement
SREIEQFIN-9.15%-13-8-13-PVT	10,00,000	13-08-2010	13-08-2013	185	25-08-2010	Private Placement
SREIEQFIN-11.50%-31-3-18-PVT	10,00,000	31-03-2011	31-03-2018	50	25-04-2011	Private Placement
SREIEQUIP-12%-27-09-2018-PVT	10,00,000	27-09-2011	27-09-2018	68	18-10-2011	Private Placement

* Transferred to SEFPL pursuant to the Scheme approved by shareholders and sanctioned by the Hon'ble High Court at Calcutta on January 28, 2008. Part of the Tier II Capital of SEFPL.

Except the present Issue, the below NCDs are issued and sought to be listed by the Company.

Face Value	Allotment Date	Maturity date	Amount (in Rs. crores)	Mode of issue
10,00,000	30-12-2011	30-07-2017	25.00	Private Placement
10,00,000	30-12-2011	Perpetual	37.50	Private Placement

Shareholders of the Company

The shareholders of the Company as on the date of this Information Memorandum are as follows:

Shareholders	Address of Shareholders	No. of Equity Shares held	Percentage of Holding
Srei Infrastructure Finance Limited	'Vishwakarma" 86C Topsia Road (South) Kolkata – 700046	2,66,10,000	50%
BNP Paribas Lease Group	46-52 Rue Arago, 92800 Puteaux, France	2,66,10,000	50%
Total		5,32,20,000	100%

Top 10 holders of debt securities of the Company as on March 31, 2011

Rank	Debenture Holder	Address
1	ICICI Prudential MF	8 th Floor, Peninsula Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 13
2	Reliance MF	One India Bull Centre-Tower One 11 th & 12 th Floor, Jupiter Mills Compound Elphinstone Road, Mumbai – 400 013
3	Standard Chartered Bank	90, M. G. Road, Fort, Mumbai – 1
4	BNP Paribas MF	101, 10 th Floor, Sarkar Bhawan Nariman Point, Mumbai – 400 021
5	IDFC Mutual Fund	6 th Floor, "One Indiabulls Centre", Jupiter Mills Compound, 841 Senapati Bapat Marg, Elphinstone Road (West), Mumbai – 400 013
6	Axis Bank Ltd	A Wing, 3 rd Floor, Bezzola Complex, Suman Nagar, Sion, Trombay Road,

		Chembur, Mumbai – 400 071
7	Sundaram MF	B-2/202, 2 nd Floor, Marathon Innova Gen Next B2, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013
8	Indian Overseas Bank	P.B.No. 3765, 763 Anna Salai, Chennai-600 002
9	Corporation Bank	General Account Investment Division, 15 Mittal Chambers, 1st Floor Nariman Point, Mumbai - 400 021
10	Dena Bank	Integrated Treasury Branch, Dena Corporate Centre, 4th Floor, Bandra BKC, Mumbai - 400 051

Material Contracts and Agreements involving Financial Obligations

Our Company, in the ordinary course of its business, enters into various agreements, including loan agreements and joint venture agreements. However, there are no material contracts or agreements, which involves financial obligations.

Documents for inspection

The following material documents may be inspected at the Registered Office from 11.00 am to 1.00 pm from the date of this Information Memorandum, until the date of closure of this Issue.

1. Memorandum and Articles of Association of SEFPL as amended till date;
2. Letter dated June 15, 2011 from Fitch Ratings assigning "Fitch AA(ind)" rating to the Issue;
3. Annual Reports of the Company for the years ended March 31, 2011, March 31, 2010, March 31, 2009 & March 31, 2008 and for the period from June 13, 2006 to March 31, 2007;
4. Unaudited financial results of the Company for the quarter ended September 30, 2011;
5. Certificates of registration as an NBF1 from the Reserve Bank of India;
6. Tripartite Agreement between the Company, the Registrar and NSDL;
7. Board Resolution approving the Issue dated 25th January 2011, modified on 27th July 2011;
8. Letter dated 19th December ,2011 from IDBI Trusteeship Services Limited giving consent for acting as Trustees;

Material Developments since the Last Balance Sheet dated March 31, 2011

In the opinion of the Board, other than as disclosed in this Information Memorandum, there has not arisen, since the date of the last financial statements, any circumstance that materially or adversely affects the profitability of our Company or the value of our assets or our ability to pay our material liabilities over the next 12 months.

Other Material Developments

Other than as disclosed in this Information Memorandum, there are no other material events or developments or changes at the time of this Issue or subsequent to the Issue which may affect the Issue or the investors' decision to invest / continue to invest in the Issue.

OBJECTS OF THE ISSUE

Funds Requirement and Utilisation of Net Proceeds

The Company intends to utilise the proceeds of the Issue for refinancing of existing debt, working capital and general corporate purposes ('Objects'). The proceeds of this Issue, after deducting the expenses associated with this Issue ('Net Proceeds'), shall be utilised towards the Objects mentioned above and for no other purpose. The Company may undertake such activities as may be necessary for the purposes of the Objects. The Company undertakes that the Net Proceeds shall not be utilised for subscription or purchases of shares & Debentures and acquisition or purchase of land. The proceeds from the issue of NCDs shall not be used for any purpose, which may be in contravention of the RBI guidelines on bank financing to NBFCs.

Our Management, in response to the competitive and dynamic nature of the industry in which we operate, will have the discretion to revise the business plans of the Company from time to time. Our funding requirements and deployment of the Net Proceeds are based on current conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

Bridge Financing Facilities

The Company has not raised any bridge loans against the Net Proceeds.

Basic Terms of Issue

Please refer to the section titled "Issue Related Information" beginning on page no. 30 of this IM.

INDUSTRY AND BUSINESS OVERVIEW

The information in this section has been extracted from publicly available documents/ sources and has not been prepared or independently verified by us.

Introduction

The global economy, after a sustained period of expansion, is now entering into a phase of downturn on account of the global financial crisis. During the period from June 2007, concerns over losses on US sub-prime mortgage loans escalated into widespread financial stress, raising fears about the stability of banks and other financial institutions. Global credit markets experienced a large scale sell-off during the period, as broad-based de-leveraging was combined with uncertainty about the size and valuation of credit exposures. (Source: RBI website: "Report on Trend and Progress of Banking in India, 2007-08")

The Indian economy continued to record strong growth during 2007-08, *albeit* with some moderation. Real gross domestic product (GDP) growth rate at 9.0 per cent during 2007-08 moderated from 9.6 per cent during 2006-07, reflecting some slow down in industry and services. A positive feature during the year was a recovery in the growth of real GDP originating in the agricultural sector, after the slowdown experienced in the previous year. Despite this moderation, the overall growth rate of the Indian economy during 2007-08 was noteworthy in the global context. (Source: RBI website: "Report on Trend and Progress of Banking in India, 2007-08")

Sustained growth and resilience in the year of a global slowdown characterized the developments of the Indian economy in 2007-08. The economy has also been largely successful in containing domestic inflationary pressures despite global hardening of commodity prices and an upsurge in capital inflows, which had made liquidity management difficult. The overall macroeconomic fundamentals continue to inspire confidence and optimism. Buoyant growth of government revenues made it possible to strengthen fiscal consolidation as mandated under the Fiscal Responsibility and Budget Management Act (FRBMA). There was acceleration in domestic savings and investment rates to provide the resources for meeting the 9 per cent (average) growth target for the Eleventh Five-Year Plan. (Source: Macro-economic framework 2008-09 available at <http://indiabudget.nic.in/ub2008-09/frbm/frbm1.pdf>)

Business Finance in India

(Source: www.business.gov.in)

Business finance refers to the funds and monetary support required by an entrepreneur for carrying out the various activities relating to his/ her business organisation. It is needed at every stage of a business life cycle. Though the amount of the capital needed by an enterprise depends upon the nature and size of the business, but its timely and adequate supply is indispensable for any form of industrial set up (whether small, medium or large). Recognising this fact, the Government of India has evolved a well developed financial system in the country.

It operates through a network of financial markets and institutions, which are broadly categorised into money market and capital market. The former market deals in short-term funds, while the latter deals in long-term funds. For regulating the operations of money market, the Reserve Bank of India (RBI) is the supreme authority and the Securities and Exchange Board of India (SEBI) supervises the functioning of the capital market.

A growing economy needs investment to sustain its growth process. Such investments can be quickly and efficiently undertaken if investors have access to a well-developed financial market. Historically, banks have played the role of intermediaries matching savers with investors. However, the modern world of business requires a much more sophisticated level of intermediation. It is no longer sufficient to have an efficient means of allocating savers' funds to investors; one also needs financial markets to allocate risk and to re-allocate capital from inefficient to more efficient projects. Given the institutional nature of banks, it is not possible for them to provide all these functions of a modern financial market. The financial market has various intermediaries such as banks, insurance companies, pension funds, mutual funds, venture capital funds, and the stock and commodity exchanges. Together, they perform the various types of intermediation necessary in the global financial world. Since 1991, India has become one of the developed financial markets among the emerging economies; however it is still a long way to go. (Source: Economic Survey 2007-2008; Ministry of Finance, Government of India; text available at – <http://indiabudget.nic.in/es2007-08/chapt2008/chap51.pdf>)

The major constituents of the Indian financial system are:

1) Banks

As per the Reserve Bank of India Act, 1934, banks in India are classified into scheduled and non-scheduled banks. Scheduled banks are those which are entered into the second schedule of the RBI Act, 1934. It includes those banks which have a paid-up capital and reserves of an aggregate value of not less than Rs.5 lakhs and which satisfy RBI that their affairs are being carried out in the interests of the depositors. While, non-scheduled banks are those which have not been included in the second schedule of the Act, the scheduled banks comprise scheduled commercial banks and scheduled cooperative banks. Further, the scheduled commercial banks in India are categorised into five different groups according to their ownership and/or nature of operation:- (i) Nationalised Banks; (ii) State Bank of India and its associates; (iii) Regional Rural Banks (RRBs); (iv) Foreign banks; and (v) Other Indian private sector banks. Scheduled co-operative banks consist of scheduled state co-operative banks and scheduled urban co-operative banks.

2) Financial institutions

The financial institutions act as a conduit for the transfer of resources from net savers to net borrowers, that is, from those who spend less than their earnings to those who spend more than their earnings. The financial institutions have traditionally been the major source of long-term funds for the economy. These institutions provide a variety of financial products and services to fulfil the varied needs of the commercial sector. Besides, they provide assistance to new enterprises, small and medium firms as well as to the industries established in backward areas. Thus, they have helped in reducing regional disparities by inducing widespread industrial development. These financial institutions can be broadly categorised into All India institutions and State level institutions, depending upon the geographical coverage of their operations.

3) Venture capital companies

Venture Capital is an important source of finance for those small and medium-sized firms, which have very few avenues for raising funds. Although such a business firm may possess huge potential for earning large profits in the future and establishing itself into a larger enterprise, but the common investors are generally unwilling to invest their funds in such firms due to risk involved in these type of investments. In order to provide financial support to such entrepreneurial talent and business skills, the concept of venture capital emerged. Venture capital is a commitment of capital, or shareholdings, for the formation and setting up of small scale enterprises at the early stages of their life cycle.

4) Capital markets

Capital market is the market available to the companies for meeting their requirements of long-term funds. It refers to all the facilities and institutional arrangements for borrowing and lending funds. In other words, it is concerned with the raising of capital for purposes of making long-term investments. The market consists of a number of individuals and institutions (including the Government) that canalise the supply and demand for long-term capital and claims on it. The demand for long term capital comes predominantly from private sector manufacturing industries, agriculture sector, trade and the Government agencies. Whereas, the supply of funds for the capital market comes largely from individual and corporate savings, banks, insurance companies, specialised financing agencies and the surplus of Governments. The Indian capital market is broadly divided into the gilt-edged market and the industrial securities market.

5) Non-banking financial companies

Non-banking financial companies (NBFCs) are fast emerging as an important segment of Indian financial system. It is an heterogeneous group of institutions (other than commercial and co-operative banks) performing financial intermediation in a variety of ways, such as accepting deposits, making loans and advances, leasing, hire purchase, etc. They raise funds from the public, directly or indirectly, and lend them to ultimate spenders. They advance loans to various wholesale and retail traders, small-scale industries and self-employed persons. Thus, they have broadened and diversified the range of products and services offered by the financial sector.

Gradually, they are being recognised as complementary to the banking sector due to their customer-oriented services, simplified procedures, attractive rates of return on deposits, flexibility and timeliness in meeting the credit needs of specified sectors, etc.

The role of NBFCs in asset creation and infrastructure development is well acknowledged. NBFCs serve as the primary conduit for credit delivery to the 'growth engine' sectors which have so far remained under-banked, especially the micro, small & medium enterprises (MSMEs). NBFCs thrive on their inherent strengths of wider reach, intimate local knowledge, credit origination and appraisal skills, suitably trained collection machinery, close monitoring of borrowers and customised client service.

Overview of Key Financing Activities of NBFCs in India

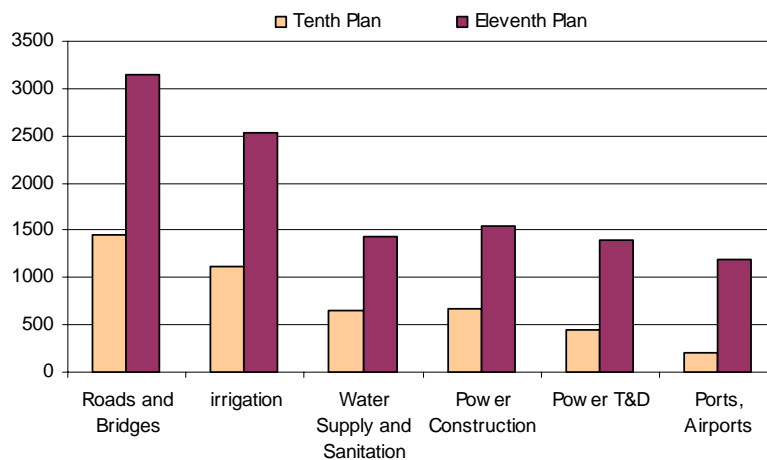
Small and Medium Enterprises Financing

SME financing is an attractive growth area targeted by most banks and NBFC. However NBFC are best suited for this segment as it is beset with inadequate financial reporting and the requirement of more personalized services which the banks and financial institutions find difficult to deal with. The sector is growing at very fast pace with ever increasing ambitions of the Indian businessmen. Today most SME business have ambitious growth plans which they are able to strive for mainly enabled by better access to technology and information systems. With adequate and prompt supply of funds, the SME can easily scale up their operations and also provide ample scope for fee based services.

Infrastructure Finance

Infrastructure is expected to be a key area of growth in a developing country like India. The Government has been actively promoting the country's infrastructure through a sustained focus on area like power, roads, ports and urban transportation. Private sector participation through public private partnerships as well as privately funded projects is being encouraged in order to enable quick scale up of government's efforts and better management. As per Planning Commission's estimates the investments in infrastructure during the Tenth Plan aggregated to Rs. 4,52,900 crores which is expected to increase to Rs. 11,25,000 crores in the Eleventh Plan. The chart below describes the anticipated and estimated investments under the two plans respectively.

Figure 3: Investment in Infrastructure during Tenth and Eleventh Plans



Source: Planning Commission, all figures in Rs. hundred crores

Power sector reforms like unbundling of the state electricity boards has paved the way for commercially viable projects in the generation, transmission as well as distribution space. The proposed ultra mega power projects, three of which have already been awarded are targeted towards easing the power shortage situation in the country and require huge investments over the next 10-15 years. Introduction of tariff based bidding will provide for better efficiencies in setting up as well as maintenance of power projects while provide better returns to investors. Measures like awarding coal mines on priority to power projects, efforts to tap the hydro electric potential of the country and opening up nuclear power generation to private sector will lead to heavy investment in the power generation sector Efforts are on to set up an integrated national power grid and enable power trading through setting up of power exchanges.

The Government of India has embarked upon massive road construction projects, under the National Highway Development Program. The Golden Quadrilateral Project as well as the North South Corridor will require a lot on investment in real estate, warehouses and container terminals besides the basic investment on the roads and bridges.

Investments will also be required in urban transportation projects like the Hyderabad Metro, the Mumbai trans harbour link project and monorail projects in several cities. The Government's decision to open the construction of roads, bridges, airports and ports to the private sector and allowing 100% foreign investment in certain real estate projects will provided a boost to the construction industry as well as generate demand for construction machinery.

Infrastructure Overview in India

(Source: <http://www.ibef.org/economy/infrastructure.aspx> as on July 21, 2009. Exchange rate used is 1 USD = 50.53 INR)

The key to sustaining India's growth rate during a global meltdown lies in developing India's infrastructure. Keeping this in mind, the government is targeting an investment of US\$ 20.38 billion over the next two years in the infrastructure sector. The scheme aims to take up infrastructure projects under public-private partnership (PPP) with minimal private investment. The government has asked the Infrastructure Investment Finance Company Ltd (IIFCL) to put together a corpus of over US\$ 8.15 billion for this purpose.

IIFCL plans to provide US\$ 1.2 billion for infrastructure projects during 2009-10, which is nearly double the amount disbursed by it during 2008-09. The company had disbursed US\$ 640.8 million for various projects during 2008-09. This is in addition to the US\$ 320 billion that the government plans to invest for the upgradation of ports, railroads, highways and airports over the next 15 years.

Further, the core sector growth is back on track. The index for six core industries—crude oil, petroleum refinery products, coal, electricity, cement and finished carbon steel—has turned in a growth of 2.9 per cent in March 2009 over March last year.

Ports

The government has identified 276 projects entailing an investment of US\$ 12 billion. According to the Planning Commission, there is an investment opportunity of US\$ 25 billion by 2011-12 in India's shipping and ports sectors, as the country seeks to double its ports capacity to 1,500 million tonnes. Segment-wise, while the ports sector would provide a US\$ 13.75 billion investment opportunity, shipping and inland waterways are likely to present a US\$ 11.25 billion investment opportunity.

Airports

The government plans to attract private players through the PPP mode for the development of over 300 airports and airstrips. It would invest US\$ 9 billion to modernise existing airports by 2010. The Civil Aviation Ministry plans to develop 35 Greenfield airports across India by 2010 with an investment of US\$ 35 billion for the proposed airports.

Railroads

The Indian Railways took up the most ambitious ever annual plan for fiscal 2008-09, entailing an enormous investment of US\$ 7.91 billion, registering a 21 per cent increase over the previous year. The plan includes a total budgetary support of US\$ 1.66 billion including US\$ 163.33 million to be provided from the Central Road Fund.

- A total investment of US\$ 5.6 billion has been planned for the two corridors, US\$ 3.3 billion for the Western and US\$ 2.3 billion for the Eastern, respectively.
- Two new rail routes have been sanctioned by the Cabinet. These are the Western corridor between Dadri in Uttar Pradesh and the Jawaharlal Nehru Port Trust in Navi Mumbai and an Eastern corridor connecting Dankuni (near Kolkata) to Ludhiana, Punjab for which construction will commence from 2010-11.

Roads

During 2007-08, US\$ 1.86 billion had been provided for the national highways and for state roads. Of this amount, US\$ 1.5 billion is for national highways and US\$ 0.36 billion for state roads. An amount of US\$ 0.04 billion has also been allocated during 2007-08 for the development of state roads.

According to a consultation paper by the Planning Commission, investment in the roads sector during the Eleventh Plan is projected at US\$ 93.11 billion.

Electricity

During the Eleventh Plan, the government aims to add power generation capacity of about 70,000 MW and provide electricity to all un-electrified hamlets and all rural households through the Rajiv Gandhi Grameen Vidyutikaran Yojna (RGGVY).

Telecom and IT

The Eleventh Plan envisages reaching a telecom subscriber base of 600 million, with 200 million rural telephone connections and attaining a broadband coverage of 20 million and 40 million Internet connections.

Investments

According to the Planning Commission consultation paper, US\$ 494 billion of investment is proposed for the Eleventh Plan period (2007-12), which would increase the share of infrastructure investment to 9 per cent of GDP from 5 per cent in 2006-07.

Private investment is expected to account for over 65 per cent of total investment in telecom, ports and airport sectors during the Eleventh Plan.

Moreover, the World Bank has said that it will lend US\$ 14 billion to India by 2012 for infrastructure development.

Japan has agreed to provide loans to the tune of US\$ 1.4 billion for four major infrastructure projects including the Delhi Metro.

Investment in Rural Infrastructure

The government has started a special programme, Bharat Nirman, for the improvement of India's rural infrastructure. Out of the total projected investment of US\$ 301.37 billion to be incurred by the centre and the states in the Eleventh Plan, US\$ 85.53 billion would be spent entirely towards improvement of rural infrastructure.

Government Initiatives

The Eleventh Plan targets a growth rate of 9 per cent. Initiatives such as the National Highways Development Programme (NHDP), the Airport Financing Plan, and the National Maritime Development Programme and the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) are efforts in the same direction.

To enhance liquidity and check depreciation of the rupee, the Ministry of Finance has modified norms to permit companies in the mining, exploration and refineries sectors to bring in up to US\$ 500 million in external commercial borrowing (ECB). Earlier, the limit was US\$ 50 million. Further, the ministry has stated a five-fold increase in the figure that companies building roads, ports and other infrastructure projects are allowed to bring in from overseas.

Business Review

The main business area of SEFPL has been in Infrastructure Equipment financing. The infrastructure sector represents the core sector of the Indian economy. The demand for infrastructure equipments generally outstrips its supply in the market. This sector will witness unprecedented growth with the Government set to

redefine the infrastructure sector and widen its definition to include the core sector of the economy. Government of India has renewed its focus in the infrastructure sector.

The Company has entered into a strategic alliance with BNP Paribas Lease Group, a subsidiary of BNP Paribas of France for equipment financing business, as well as for expanding to new areas such as financing of agriculture equipment, medical equipment, information technology and other equipment classes. SEFPL will concentrate on financing of those assets whose individual value is equal to or less than Rs. 15 crores.

During FY2010, the Company disbursed Rs 6,004 crores and retained its leadership in the Infrastructure Equipment Finance business. Many new business schemes were introduced in the market like 'Mother of all Events' - the 919 PKN-s in August - 9 editions of 'Paison ki Nilami' (Srei's flagship event of equipment financing through auction of interest rates) in 9 different cities one after the other.

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of the affairs and business of the Issuer are vested in the Board of Directors.

Details relating to Directors

Name, Designation of the Director	Date of Birth and Age	Educational Qualifications	Residential Address	Directorships in other Companies
Mr. Bertrand Pierre Gousset Chairman	April 20, 1966, 44 years	Graduate (Ecole superieure d' Electricite, Master of International finance- HEC(Hautes Etudes Commerciales)- 1990	8 Villa De La Gare Clamart – 92140 France	<ul style="list-style-type: none"> • BNP Paribas Lease Group NV (Belgium) • Fortis Lease Belgium NV • Fortis Lease SpA • BNP Paribas Lease Group SpA • Fortis Lease Holdings UK Ltd. • Fortis Lease UK Ltd. • Fortis Lease Holdings Norge AS • Fortis Lease Hungaria Zrt
Mr. Hemant Kanoria Vice Chairman and Managing Director	August 5, 1962, 48 years	B.Com (Hons)	"Kanoria House" 3 Middle Road, Hastings Kolkata – 700022	<ul style="list-style-type: none"> • Srei Infrastructure Finance Limited • Srei Capital Markets Limited • Quippo Energy Private Limited • Bengal Shristi Infrastructure Development Limited • Srei Sahaj e-Village Limited • Srei Venture Capital Limited • IIS International Infrastructure Services GmbH • Zao Srei Leasing, Russia • Viom Networks Limited • DPSC Limited • Kolkata Mass Rapid Transit Pvt Ltd • Aermid Healthcare (India) Private Limited • Texmaco Rail & Engineering Limited
Mr. Sunil Kanoria Joint Managing Director	May 4, 1965 45 years	FCA	"Kanoria House" 3 Middle Road, Hastings Kolkata – 700022	<ul style="list-style-type: none"> • Srei Infrastructure Finance Limited • Quippo Oil & Gas Infrastructure Limited • Upper Ganges Sugar & Industries Limited • Quippo Construction Equipment Limited • Quippo Energy Private Limited • Zao Srei Leasing, Russia

				<ul style="list-style-type: none"> • DPSC Limited • Viom Infra Networks (Maharashtra) Limited • Viom Networks Limited • Quippo Prakash Pte Limited. • Quippo Prakash Marine Holdings Pte Limited
<p>Mr. Thierry Bonetto</p> <p>Director</p>	<p>January 23, 1962, 49 years</p>	<p>Engineer (Mines de Douai), MBA of EDHEC Group in France</p>	<p>23 Rue Du Parc De Clagny Versailles – 78000 France</p>	<ul style="list-style-type: none"> • JCB Finance Holdings Limited • BNP Paribas Leasing Solution China
<p>Mr. Kora Ipe Puthenpurockal</p> <p>Director</p>	<p>May 25, 1951 60 years</p>	<p>Master Degree from IIT, Mumbai</p>	<p>Flat No 16D, Shanaz 90, Napeansea Rd., Mumbai-400006, Maharashtra, India.</p>	<p>Cathedral and John Connon School</p>
<p>Mr. Anjan Mitra</p> <p>Director</p>	<p>December 24, 1960 51 years</p>	<p>Graduate from St. Xaviers College, Chartered Accountant</p>	<p>Flat No. 4, 26/2 Dover Road Kolkata – 700 019</p>	<ul style="list-style-type: none"> • NAC Infrastructure Equipment Limited • Quippo Energy Private Limited • Quippo Construction Equipment Limited • Quippo Oil and Gas Infrastructure Limited • Quippo Valuers and Auctioneers Private Limited • Quippo Prakash Marine Holdings PTE Limited • Quippo Energy Yemen Limited • Quippo Holding Cooperatief UA • Quippo International BV • Quippo Prakash PTE Limited • Quippo Mara Infrastructure Limited • Quippo Infocomm Limited • Quippo Telecom Infrastructure Limited • Violet Arch Capital Advisors Private Limited.

OUR SUBSIDIARY

As on the date of this Information Memorandum the Company has one wholly owned subsidiary, the details of which are given below. The subsidiary is not listed on any of the stock exchanges.

Srei Insurance Broking Private Limited ('SIBPL') was incorporated as a public company on August 16, 2002 by the name of Srei Securities Broking Ltd. Subsequently it was converted into a private limited company on April 23, 2008. Its name was changed from time to time and on and from April 23, 2008 it is known by its present name. Its Registered Office is situated at Viswakarma, 86C Topsia Road (South), Kolkata 700 046. The Company is registered as a Composite Insurance Broker with Insurance Regulatory & Development Authority (IRDA) and is engaged in the activities of Direct Insurance Broker/Re-insurance Broker/Composite Insurance Broker. SIBPL became a subsidiary of Srei Equipment Finance Private Limited with effect from January 1, 2008.

The details of Board of Directors of the SIBPL are as follows:

Name of Directors	Address
Mr. R. N Tripathi, Chairman	B4/44, Vinay Khand, Gomti Nagar, Lucknow- 226010
Mr. Gopal Dikshit, Director	50, Ishwar Nagar, Mathura Road, New Delhi- 110065
Mr. D.K Vyas, Director.	Mani Villa, 40/34, Diamond Harbour Road, Flat-1D, Kolkata- 700 038

The authorised share capital of SIBPL comprises of 25,00,000 equity shares of Rs. 10/- each amounting to Rs. 2,50,00,000/-. The paid up capital of SIBPL comprising of 25,00,000 equity shares of Rs.10/- each aggregating to Rs. 2,50,00,000/- and the entire paid up share capital of SIBPL presently is held by Srei Equipment Finance Private Limited and its nominees.

FINANCIAL HIGHLIGHTS

The financial highlights of SEFPL is as under:

Summary statement of assets and liabilities

(Rs. in Lacs)

Particulars	Based on Audited Financial Statements				For the Period from 13-Jun-06 to 31-Mar-07*
	Year Ended 31-03-11	Year Ended 31-03-10	Year Ended 31-03-09	Year Ended 31-03-08	
Assets					
Assets for own use					
Gross Block	3,188	3,964	3,684	2,391	-
Less: Depreciation	1,099	901	424	83	-
Net Block	2,089	3,063	3,260	2,308	-
Fixed Assets on Lease					
Gross Block	70,988	48,727	42,874	41,124	-
Less: Depreciation to date	18,702	11,438	5,947	1,172	-
Net Block	52,286	37,289	36,927	39,952	-
Fixed Assets (i)	54,375	40,352	40,187	42,260	-
Investments (ii)	250	250	250	250	-
Current Assets, Loans and Advances					
Sundry Debtors	461	790	552	805	-
Cash and Bank Balances	46,787	36,575	31,191	18,205	201
Financial & Other Current Assets	8,60,683	5,95,994	5,65,007	4,31,685	4
Loans & Advances	18,742	17,788	27,771	33,922	-
(iii)	9,26,673	6,51,147	6,24,521	4,84,617	205
Total (i+ii+iii) (A)	9,81,298	6,91,749	6,64,958	5,27,127	205
Loans, Liabilities and Provisions					
Secured Loans	6,97,715	5,15,729	4,84,653	3,45,253	-
Unsecured Loans	79,454	53,864	63,356	1,26,963	-
Current Liabilities and Provisions	87,864	17,709	23,354	51,673	4
Deferred Tax Liability	6,089	7,845	5,366	1,136	-1
Total (B)	8,71,122	5,95,147	5,76,729	5,25,025	3
Net Worth (A)-(B)	1,10,176	96,602	88,229	2,102	202
<i>Represented by:</i>					
Share Capital	5,000	5,000	5,000	205	200
Reserves and Surplus	105,457	92,378	83,673	2,423	2
Less: Miscellaneous Expenditure	281	776	444	526	-
Total	1,10,176	96,602	88,229	2,102	202

Summary of statement of profits and losses

(Rs. in lacs)

Particulars	Based on Audited Financial Statements				
	Year Ended 31-03-11	Year Ended 31-03-10	Year Ended 31-03-09	Year Ended 31-03-08	For the Period from 13-Jun-06 to 31-Mar-07*
Income					
Income form Operations	1,19,173	86,842	92,938	21,854	5
Other Income	318	291	475	234	3
Total Income	1,19,491	87,133	93,413	22,088	8
Expenditure					
Financial Expenses	65,529	53,495	63,923	14,788	-
Staff Expenses	6,537	4,277	4,560	758	
Administrative and Other Expenses	7,791	4,963	4,825	1,180	4
Depreciation	8,052	6,211	5,422	1,261	-
Miscellaneous Expenditure written off	436	145	82	20	2
Total Expenditure	88,345	69,091	78,812	18,007	6
Net Profit Before Bad debts and Provisions	31,146	18,042	14,601	4,081	2
Bad Debts written off	5,796	4,604	162	173	-
Provisions as per the norms of RBI and Foreign Financial Institutions	4,025	-	3,867	366	-
Profit Before Tax	21,325	13,438	10,572	3,542	2
Provision for Taxation					
-Current tax	7,884	2,254	-	-	-
-Deferred tax	362	2,479	4,230	1,137	-
- FBT	-	-	92	15	-
Profit After Tax	13,079	8,705	6,250	2,390	2

Notes:

1. Financials for the period from 13-Jun-06 to 31-Mar-07 are not annualised
2. Srei Infrastructure Finance Limited transferred its equipment finance business and insurance broking as a going concern basis to SEFPL with effect from January 1, 2008.

A copy of the unaudited financial results for the quarter ended September 2011, Audited Financials of the Company for year ended March 31, 2011, Audited Financials of the Company for year ended March 31, 2010, Audited Financials of the Company for year ended March 31, 2009, Audited financials of the Company for the year ended March 31, 2008 and Audited financials of the Company for the period from June 13, 2006 to March 31, 2007 have been included as documents for inspection

STATUTORY AND OTHER REGULATORY DISCLOSURES

Disclaimer Clause of Fitch Ratings India Private Limited (FITCH Ratings)

Fitch Rating's ratings are not a recommendation or suggestion, directly or indirectly, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. A rating should not be viewed as a replacement for such advice or services.

Company Disclaimer Clause

The Company certifies that the disclosures made in this Information Memorandum are generally adequate and in conformity with the SEBI Regulations and other applicable enactments/rules/regulations.

Further, the Company accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Company and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at his own risk.

Cautionary Note

This Information Memorandum is not intended to provide the sole basis of any credit decision or other evaluation and should not be considered as a recommendation that any recipients of this Information Memorandum should invest in the NCD proposed to be issued by the Company. Each potential investor should make its own independent assessment of the investment merit of the NCD and the Company. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCD and should possess the appropriate resources to analyse such investment and the suitability of such investment to such investor's particular circumstance. This Information Memorandum is made available to potential investors on the strict understanding that it is private and confidential. Recipients shall not be entitled to use any of the information otherwise than for the purpose of deciding whether or not to invest in the NCD.

No person, including any employee of the Company, has been authorised to give any information or to make any representation not contained in this Information Memorandum. Any information or representation not contained herein must not be relied upon as having been authorised by or on behalf of the Company. Neither the delivery of this Information Memorandum at any time nor any statement made in connection with the offering of the NCD shall under the circumstances imply that any information/ representation contained herein is correct at any time subsequent to the date of this Information Memorandum. The distribution of this Information Memorandum or the Application Forms and the offer, sale, pledge or disposal of the NCD may be restricted by law in certain jurisdictions. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to the NCD in any jurisdiction to any addressee to whom it is unlawful to make such offer or invitation in such jurisdiction. The sale or transfer of these NCD outside India may require regulatory approvals in India, including without limitation, the approval of the RBI.

Issue of Non Convertible Debentures in Dematerialised Form

The Company has made depository arrangements with NSDL/CDSL for the issue of NCD in dematerialised form. The investors will have to hold the NCD in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996 rules as notified by NSDL & CDSL from time to time. Applicants should mention their Depository Participants' name, DP-ID and Beneficiary Account Number in the appropriate place in the Application Form. The Company shall take necessary steps to credit the Depository Account of the allottee(s) with the amount of NCD allotted.

Disclaimer Clause

This Issue is being made strictly on a private placement basis. Since our Company is a Non-Banking Financial Company, the provisions of section 67(3) of the Companies Act, 1956, restricting the offer or invitation for

subscription to fifty or more persons, are not applicable. Nothing in this Information Memorandum shall constitute and/or deem to constitute an offer or an invitation to an offer to the Indian public or any section thereof to subscribe for or otherwise acquire the NCD. This Information Memorandum should not be construed to be a prospectus or a statement in lieu of prospectus under the Companies Act.

This Information Memorandum and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Company or the Arrangers and only such recipients are eligible to apply for the NCD.

This Information Memorandum has been prepared in conformity with the SEBI Regulations. Therefore, as per the applicable provisions, copy of this Information Memorandum has not been filed or submitted to the SEBI for its review and/or approval. Further, since the Issue is being made on a private placement basis, the provisions of Section 60 of the Companies Act shall not be applicable and accordingly, a copy of this Information Memorandum has not been filed with the RoC or the SEBI.

Consents

IDBI Trusteeship Services Limited has given its written consent for its appointment as Debenture Trustee to the Issue and S. K. Infosolutions Pvt. Ltd. has given its written consent to act as the Registrar & Transfer Agent to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum and in all the subsequent periodical communications sent to the holders of NCDs.

Mechanism for redressal of investor grievances

The MoU between the Registrar to the Issue and the Company will provide for retention of records with the Registrar to the Issue for a period of at least 1 year from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue 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, address of the applicant, number of NCDs applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be 7 (seven) Working 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.

Mr. Sanjay Chaurasia, Company Secretary has been appointed as the Compliance Officer of the Company.

ISSUE RELATED INFORMATION

Terms of the Issue

The Company proposes to issue Zero Coupon Secured Redeemable Non Convertible Debentures of the face value of Rs.10,00,000 each aggregating to Rs. 4.4 crores.

The Debentures shall be issued in terms of a registered trust deed against mortgage on property owned by the Company as described below under the heading "Description of Property". The Debentures shall further be secured by first hypothecation charge / assignment of rentals and installments receivable arising out of assets financed with security cover of 1 time.

The Company shall produce to the satisfaction of the Debentureholders, a certificate stating that the title of the property offered as security is marketable. Appropriate permissions for creation of pari passu charge in favour of Debentureholders and/or the Debenture Trustee shall be obtained from all prior creditors. The Company shall furnish a confirmation certificate in favour of the Debenture Trustee that the security created by it in favour of the Debentureholders is properly maintained and is in accordance with the terms described in this Information Memorandum/ Disclosure Document. Until the Maturity Date, the Company shall not transfer the property charged as security to the Debentureholders, without the prior consent of the Debenture Trustee and the Debentureholders. The Company shall not execute any agreement for sale of any shop/Office/ or any other structure constructed on the property offered as security to the Debentureholders, without the prior consent of the Debenture Trustee and the Debentureholders.

The Debenture Trustee shall supervise the implementation of the conditions regarding creation of security for the debt securities and the Debenture redemption reserve, in compliance with provisions of the Companies Act and other applicable laws.

This Information Memorandum does not constitute an offer to sell or a solicitation of an offer to buy the NCDs described herein from any person other than the persons to whom an express offer to subscribe has been made through the private placement document. This Document is not and should not be construed as a prospectus. The NCDs are not being offered for sale or subscription, but are being privately placed with only single investor and such investor must seek legal advice as to whether they are entitled to subscribe to the NCDs and must comply with all relevant Indian laws in this respect.

Issue Period

The Company proposes to raise an aggregate amount of Rs. 4.4 crores. The Issue would open on 19th December, 2011 and would close on 19th December, 2011.

Description of Property

The security for the Debentures shall be created within a period of three months from the Date of Allotment. The description of the property so to be mortgaged is as provided herein below:

All that piece and parcel of land situated within the Jurisdiction of Sub-Registrar (Paud) Mulshi Village – Pirangute Gram Panchayat and also within the jurisdiction of Pune Zillaha Parishad, Gat. No. 1-46/A-2, New No. 267/A/2 admeasuring 24700 sq. mtrs. Land out of that 375 sq. mtrs. (i.e. 4036.50 Sq. ft.) being Plot No. 12, as per the sanctioned lay out of the Town Planning Department, which is more particularly bounded as follows:

On or towards the East by : Plot No. 10 & 11

On or towards the West by : Plot No. 13

On or towards the North by : Open space

On or towards the South by : 12 Mtr. Internal Road

along with right of way and all other easmentary rights thereto together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth.

Creation of Security

The NCDs to be issued in terms of this IM shall be secured and will be created within three months from the date of allotment. In case the company is not able to create security within the stipulated period of 3 months as mentioned above, the company shall pay an additional penal interest of 2% p.a. over and above the applicable yield for the default period (i.e. the time period between the expiry of 3 months from the Date of Allotment and the date of creation of security).

Nature of Instrument

Zero Coupon Secured Redeemable Non-Convertible Debentures to be issued on a private placement basis in dematerialised form.

List of Beneficial Owners

The Company shall request the Depositories to provide a list of Beneficial Owners as at the end of the Record Date or the Maturity Date for the NCDs held in dematerialized form. The Company would request the Registrar to provide the Register of Debenture Holders as at the end of the Record Date or the Maturity Date for the NCDs held in physical form. This shall be the list, which shall be considered for payment of interest and/or repayment of principal amount, as the case may be.

Effect of Holidays

If the due date(s) for payment of interest falls on a Sunday or a Saturday or any other holiday or a non clearing day, the payment shall be made by the Company on the next working day without any adjustment to the amount. In case of principal redemption date falls on a Saturday, Sunday or a day on which banks are closed for business in Kolkata or Mumbai, the payment due shall be made on the next working day (i.e. the effective date as mentioned above) together with interest for the intervening period.

Tax Deduction at Source

As per the amended provisions of the Income Tax Act, 1961, with effect from June 1, 2008, no tax is deductible at source from the amount of interest payable on any listed demat security. Since the NCDs shall be issued in dematerialised mode and shall be listed on the WDM of BSE, no tax will be deductible at source on the payment/credit of interest on these NCDs. However, in case the NCDs are rematerialised, tax would be deducted at source as applicable under relevant laws.

TDS on Interest on Application Money

Interest on application money, if any, is subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable, if it exceeds the prescribed limit of 5,000/- in any financial year. Tax exemption certificate/ declaration of non-deduction of tax at source on interest on application money, if any, should be submitted along with the application form.

Face Value

The Face Value of the NCDs shall be Rs.10,00,000 (Rupees Ten Lakhs only) per Debenture.

NCD Price

The Issue Price of the NCDs shall be Rs. 10,00,000 (Rupees Ten Lakhs only) per Debenture.

NCDs Amount Size

The aggregate size of NCDs is Rs. 4.4 crores.

Discount

The NCDs are being issued at face value and no discount is being offered.

Market Lot

The minimum lot size for trading of the NCDs on the Stock Exchange is 1 (One) NCD.

Minimum Number for Application of NCDs

The applications must be made for a minimum of 1 (One) NCD and in multiples of one NCD thereafter.

Minimum Trading Amount

The trading of the NCDs shall be in dematerialized form only with a minimum trade value of Rs. 10,00,000 (Rupees Ten Lakhs) only.

Application for the Debentures

How to Apply

Applications for the NCDs must be made in the Application Form received by the applicant and must be completed in block letters in English. Application Forms must be accompanied by either a demand draft or cheque or electronic transfer drawn or made payable in favour of ***“Srei Equipment Finance Private Limited”*** and should be crossed “Account Payee only”. It may be noted that payment by any other means shall not be accepted. The full amount of the Face Value applied for has to be paid along with the delivery of the fully completed and executed Application Form together with other applicable documents described below in the sub-section “Who can Apply”.

The Company assumes no responsibility for any applications/ cheques/ drafts/ transfers/ RTGS lost in mail or in transit/transfer.

Only investors who have been addressed through a communication directly are eligible to apply. Furthermore, minors can apply or hold the NCDs subject to necessary compliance as applicable and prevailing from time to time.

Who can Apply

Only investors who have been addressed through a communication directly are eligible to apply.

The categories of investors eligible to invest in the NCDs, when addressed directly, include Scheduled Commercial Bank, Private Bank, Foreign Bank, Financial Institutions and Mutual Funds. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

(a) Application by Scheduled Commercial Banks, Private Banks and Foreign Banks

The application must be accompanied by certified true copies of (i) Board Resolution authorising investments or letter of authorization or Power of Attorney and (ii) specimen signatures of authorized signatories.

(b) Application by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with the SEBI. The applications made by the Asset Management Companies (‘AMC’) or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

The applications must be accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed; (ii) resolution authorizing investment and containing operating instructions; and (iii) specimen signatures of authorized signatories.

(c) Applications by Financial institutions

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association / constitutional documents / bye-laws; (ii) resolution authorizing investment and containing operating instructions; (iii) specimen signatures of authorized signatories;

General Instructions

Do's:

- Check if you are the recipient of the Application Form;
- Read all the instructions carefully and complete the Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as allotment of NCDs will be in the dematerialized form only;
- Ensure that you mention your PAN allotted under the IT Act;
- Ensure that the Demographic and Bank Details are updated, true and correct in all respects;
- Ensure that your IFSC code is correctly mentioned on the application.

Don'ts:

- Do not apply for lower than the minimum application size;
- Do not apply on any Application Form which has not been issued to you specifically by the Company;
- Do not pay the application amount in cash;
- 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;
- Do not submit application accompanied with Stockinvest / outstation cheques / money order / postal order.

Instructions for completing the Application Form

A. Submission of Application Form

- Applications to be made in prescribed form issued specifically to the applicant only;
- The forms to be completed in block letters in English;
- Applications should be in single or joint names and should be applied by Karta in case of HUF;
- Thumb impressions and signatures other than in English / Hindi 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;
- All Application Forms duly completed together with cheque / bank draft for the amount payable on application must be delivered, , before the closing date of the subscription;
- No separate receipt will be issued for the application money;
- Every applicant should hold valid Permanent Account Number (PAN) and mention the same in the application form failing which his application is liable to be rejected;
- All applicants are required to tick the relevant column "Category of Investor" in the Application Form.

B. Applicant's Bank Account Details

It is mandatory for all the applicants to have their NCDs allotted in dematerialised form. The Registrars to the Issue will obtain the applicant's bank account details from the Depository. The Applicant should note that on the basis of the name of the Applicant, Depository Participant's (DP) name, DP identification (DP-Id) number and beneficiary account (Client Id) number provided by them in the Application Form, the Registrar to the Issue will obtain from the Applicant's DP A/c, the Applicant's bank account details. The investors are advised to ensure that bank account details are updated in their respective DP A/cs as these bank account details would be printed on the refund order(s), if any. Please note that failure to do so could result in delays in credit of refunds to Applicants at the Applicants sole risk and neither the Company, , nor the Registrar shall have any responsibility and undertake any liability for the same.

C. Applicant's Depository Account Details

IT IS MANDATORY FOR ALL THE APPLICANTS TO HAVE THEIR NCDs IN DEMATERIALISED FORM. ALL APPLICANTS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM.

Applicant should note that on the basis of name of the applicant, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the investor such as address, bank account details for printing on refund orders and occupation ('Demographic Details'). Hence, applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the applicants including mailing of the refund orders/ Allotment Advice and printing of bank particulars on the refund order and the Demographic Details given by applicant in the Application Form would not be used for these purposes by the Registrar.

Hence, applicants are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Application Form, Applicant would have deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. Refund Orders/Allotment Advice would be mailed at the address of the applicant as per the Demographic Details received from the Depositories. Applicant may note that delivery of refund orders/allotment advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicant's sole risk and neither the Company, nor the Registrar shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

However in case of applications made under power of attorney, the Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of Refund Orders/ECS refunds for credits/Allotment Advice, the demographic details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases where a specific written request has been received in writing from the Power of Attorney-holder, the Registrar shall use Demographic details as given in the Application Form instead of those obtained from the Depositories.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such applications are liable to be rejected.

D. Applications under Power of Attorney by limited companies, corporate bodies, registered societies etc.

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies etc, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Application Form, failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

E. Permanent Account Number

The applicant or in the case of applications made in joint names, each of the applicant, should mention his or her Permanent Account Number (PAN) allotted under the I.T. Act. In accordance with the SEBI Guidelines, 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 GIR number instead of the PAN as the Application is liable to be rejected on this ground.

Please note that submission of PAN number in the application form is compulsory condition for your application to be considered valid and NCDs allotted to you.

H. Terms of Payment

The entire Face Value for the NCDs is payable on application only. In case of allotment of lesser number of NCDs than the number applied, the Company shall refund the excess amount paid on application to the applicant.

I. Payment Instructions

Application Forms must be accompanied by either a demand draft or local cheque or electronic transfer drawn or made payable in favour of **“Srei Equipment Finance Private Limited”** and should be crossed “Account Payee only”. It may be noted that payment by way of cash or outstation cheque or stock invest or money order or postal order shall not be accepted. The full amount of the Face Value applied for has to be paid along with the delivery of the fully completed and executed Application Form together with other applicable documents described below in the sub-section “Who can Apply”.

J. Submission of Completed Application Forms

- All applications duly completed and accompanied by account payee cheques/ drafts/ transfers/ RTGS shall be submitted before the closure of the Issue.
- No separate receipts shall be issued for the application money.
- Applications shall be deemed to have been received by us only when submitted to us by the Applicant.

K. Joint Applications

Applications may be made in single or 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 the first named applicant whose name appears in the Application Form and at the address mentioned therein.

L. Depository Arrangements

As per the provisions of Section 68B of the Act, the allotment of NCDs of the Company can be made in dematerialised form only, (i.e. not in the form of physical certificates but be fungible and be represented by the Statement issued through electronic mode). We will make depository arrangements with NSDL for issue and holding of the NCDs in dematerialised form. Please note that an application for tripartite agreement between the Company, CDSL and the Registrar and also between NSDL, the Registrar and the Company has been made.

In this context:

- i. Tripartite Agreement dated 27th October, 2008 has been executed between us, NSDL and the Registrar for offering depository option to the investors.
- ii. Applications for NCDs can only be made in dematerialised form
- iii. An applicant who wishes to apply for NCDs must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application.
- iv. The applicant seeking allotment of NCDs must necessarily fill in the details (including the DP ID and Client ID (beneficiary account number)) appearing in the Application form.
- v. NCDs allotted to an applicant will be credited directly to the applicant’s respective beneficiary account(s) with the DP.
- vi. The names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.
- vii. Non-transferable allotment advice/refund orders, as applicable will be directly sent to the applicant by the Registrars to this Issue.
- viii. If incomplete/incorrect details are given in the application form, it will be liable to be rejected.
- ix. The address, nomination details and other details of the applicant as registered with his/her/their DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her/their demographic details given in the application form vis-à-vis those with his/her/their DP. In case the information is incorrect or insufficient, the

- Company would not be liable for losses, if any.
- x. It may be noted that NCDs in electronic form can be traded only on the Whole Debt Market Segment of Bombay Stock Exchange.
 - xi. Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those Debentureholders whose names appear on the list of beneficial owners given by the Depositories to us or whose names appear on the Register of Debenture Holders as on Maturity Date/Record Date/Book Closure 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 calendar days.
 - xii. The trading of the NCDs shall be in dematerialized form only with a minimum trade value of Rs. 10,00,000 (Rupees Ten Lakhs only).

M. Communications

All future Communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the applicant and its application. Applicants can contact the Compliance Officer of the Company or the Registrar to the Issue in case of any Pre-Issue or Post Issue related problems.

N. Rejection of Application

The Company reserves its 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 additionally be rejected on one or more technical grounds, including but not restricted to:

- **Application made by a person other than the intended recipient of the application form;**
- Applications not duly signed by the sole/joint Applicants;
- Amount paid doesn't tally with the amount payable for the NCDs applied for;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors (without the name of guardian) and insane persons;
- GIR number furnished instead of PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by any persons outside India including FIIs;
- Application for an amount below the minimum application size;
- Application for number of NCDs, which are not in multiples of one;
- Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Application Form does not have Applicant's depository account details;
- Applications accompanied by Outstation cheques or Stockinvest or money order or postal order;
- Application Forms not delivered by the applicant within the time prescribed as per the Application Form and IM and as per the instructions in the IM and the Application Form;
- In case the subscription amount is paid in cash;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the applicant, the Depository Participant's Identity and the beneficiary's account number.

For further instructions regarding application for the NCDs, investors are requested to read the application form

O. Letters of Allotment / NCD Credit / Refund Orders

The company will make allotment to the investors in due course after verification of the Application Form(s), the accompanying documents and on realisation of the application money. The Depository account of the investor with NSDL/CDSL will be credited within 3 working days from the Date of Allotment.

The unutilised portion of the application money will be refunded to the applicant by an A/c Payee cheque/demand draft/Electronic Mode, as applicable.

The Company shall credit the allotted NCDs to the respective beneficiary accounts/despatch the Letter(s) of Allotment or Letter(s) of Regret/Refund Orders in excess of Rs.1,500/-, as the case may be, by Registered Post/Speed Post at the applicant's sole risk, within 30 calendar days from the date of closure of the Issue. Refund Orders up to Rs. 1,500/- will be sent under certificate of posting. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through ECS/Direct Credit/RTGS/NEFT.

The Company will provide adequate funds to the Registrars to the Issue, for this purpose.

Filing of the Prospectus with ROC, SEBI, RBI and other regulatory authorities

Since this a Private Placement Issues, copies of the IM are not required to be filed with the RoC, SEBI, RBI or any other regulatory Authorities.

Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signatures of all authorised signatories must be lodged along with the submission of the completed Application Form. Further, modifications/additions in the power of attorney or authority should be delivered to the Company at its Corporate Office.

Applications for this Issue cannot be made by:

- Person other than the intended recipient(s)
- Minors without a guardian name
- Foreign nationals
- Non-Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs)
- Overseas Corporate Bodies (OCBs)

Minimum Subscription

Pursuant to the notification no. SEBI/MRD/SE/AT/46/2003 dated December 22, 2003 issued by SEBI, minimum subscription clause is not applicable to the privately placed debt securities. As the current Issue of NCDs is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore SEFPL shall not be liable to refund the Issue subscription(s)/ proceed(s) in the event of the total Issue collection falling short of Issue size or certain percentage of Issue size.

Withdrawal of Application

Investors may please note that Application once made cannot be withdrawn.

Coupon Rate

Not Applicable as the Issue is of Zero Coupon Secured Redeemable Non-convertible Debentures.

YTM

The YTM for the Debenture shall be 10.52% per annum XIRR.

Date of Allotment

All benefits relating to the NCDs will be available to the investors from the Date of Allotment. The date of allotment shall be on or before the closure of the Issue. The actual credit of NCDs will take place within 2 working days of the Date of Allotment.

Record Date

3 calendar days prior to the Maturity Date/Interest Payment Date on which the determination of the persons entitled to receive interest/redemption of principal in respect of the Non Convertible Debentures (i.e., persons whose names are registered in the Register of Debenture holders or NSDL record) shall be made.

Maturity Date

The NCDs issued pursuant to this Information Memorandum have a fixed maturity date. The date of maturity of the NCDs is 535 days from the Date of Allotment.

Redemption Premium

The Debentures shall be redeemed at premium on expiry of tenor of 535 days. The redemption premium will be 10.52% p.a. payable on maturity.

Call and Put Option

There is no Call and/or Put Option available to Issuer and/or Debentureholders.

Payment on Redemption

Payment of the redemption amount of the NCDs will be made by the Company to the beneficiaries as per the beneficiary list provided by the Depositories as on the Record Date or to the holders of NCDs as per the Register of Debentureholders provided by the Registrar. The NCDs shall be taken as discharged on payment of the redemption amount by the Company. Such payment will be a legal discharge of the liability of the Company towards the Debentureholders. On such payment being made, the Company will inform the Depositories/Registrar and accordingly the account of the Debentureholders with Depositories/Registrar will be adjusted. The Company's liability to the Debentureholder in respect of all their rights including for payment or otherwise shall cease and stand extinguished after the Maturity Date, in all events save and except for the Debentureholder's right of redemption as stated above. Upon dispatching the payment instrument towards payment of the redemption amount as specified above in respect of the NCDs, the liability of the Company shall stand extinguished.

Currency of Payment

All obligations under the NCDs including yield, are payable in Indian rupees only.

Issue of Debentures in Dematerialised Form

The Company will make depository arrangements with NSDL for Issue of the NCDs in the demat form. The investors will have the option to hold the NCDs in dematerialized form and deal with the same as per the provisions of Depositories Act and Rules as notified by NSDL from time to time. All the Debenture Certificates will be issued compulsorily in the dematerialized form and the investors should mention their Depository Participant's name, DP-ID and beneficiary account number in the appropriate place in the Application Form.

In case of incorrect details provided by the investors the Registrar will not credit the NCDs to the Depository Account until the details are corrected by the investors.

Credit of Debenture

The Company shall credit the depository account of the allottee within 3 working days from the Date of Allotment.

Common Form of Transfer

The Company will issue the NCDs in Demat Form only. However, the Company undertakes that it would use a common transfer form for NCDs held in physical form.

Succession

In the event of demise of a Registered Debenture holder, or the first holder in the case of joint holders, the Company will recognize the executor or administrator of the demised Debenture holder or the holder of succession certificate or other legal representative of the demised Debenture holder as the Registered Debenture holder of such NCDs, if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter and delivers a copy of the same to the Company. The Company may in its absolute discretion,

where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the NCDs standing in the name of the demised Debenture holder(s) on production of sufficient documentary proof or indemnity. In case a person other than individual holds the NCDs, the rights in the NCDs shall vest with the successor acquiring interest therein, including liquidator or such any person appointed as per the applicable law.

Transmission of NCDs in dematerialized form would be in accordance to the rules / procedures as prescribed by NSDL/ Depository Participant.

Nomination Facility

In accordance with Section 109A of the Companies Act, the sole Debenture holder or first Debenture holder, along with other joint Debenture holders (being individual(s)) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the NCD. A person, being a nominee, becoming entitled to the NCD by reason of the death of the Debenture holder(s), shall be entitled to the same rights to which he would be entitled if he were the registered holder of the NCD. Where the nominee is a minor, the Debenture holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the NCD(s), in the event of his death, during the minority. A nomination shall stand rescinded upon sale/transfer/alienation of a NCD by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the NCD is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at the Registered/ Corporate Office or at such other addresses as may be notified by us.

Debenture holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the Debenture holder(s). The signature can be provided in the application form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

- (a) to register himself or herself as the holder of the NCDs; or
- (b) to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 calendar days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

Notwithstanding anything stated above, since the allotment of NCDs in this Issue will be made only in dematerialised 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.

Issue of Duplicate Debenture Certificates

If any Debenture certificate(s) is/are mutilated or defaced, then, upon production of such certificates at the Corporate Office, the same will be cancelled and a new Debenture certificate issued in lieu thereof. If any Debenture certificate is lost, stolen or destroyed then, upon production of proof thereof to the satisfaction of the Company and upon furnishing such indemnity as the Company may deem adequate and upon payment of any expenses incurred by the Company in connection thereof, new certificate(s) shall be issued. A fee will be charged by the Company on each fresh Debenture certificate issued hereunder as per the provisions contained in the Articles of Association.

Notices

The Company agrees to send notice of all meetings of the Debentureholders specifically stating that the provisions for appointment of proxy as mentioned in Section 176 of the Companies Act shall be applicable for such meeting. The notices, communications and writings to the Debentureholder(s) required to be given by the

Company shall be deemed to have been given if sent by registered post/Speed Post/UCP or by hand delivery to the Registered Debentureholder(s) at the address of the Debentureholder(s) registered with the Company.

All notices, communications and writings to be given by the Debentureholder(s) shall be sent by registered post /Speed Post/UCP or by hand delivery to the Company or to such persons at such address as may be notified by the Company from time to time and shall be deemed to have been received on actual receipt of the same.

The Company agrees to close transfers or fix a record date for purposes of payment of interest, payment of redemption or maturity amount and to intimate the Stock Exchange and the Debenture Trustees of the same.

Rights of Debentureholders

The Debentureholder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Companies Act. The NCDs shall not confer upon the holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Company.

Modifications of Rights

The rights, privileges, terms and conditions attached to all NCDs may be varied, modified or abrogated with the consent, in writing, of those holders of the NCDs who hold at least three-fourth of the outstanding amount of NCDs or with the sanction accorded pursuant to a resolution passed at a meeting of the Debentureholders, carried by a majority consisting of not less than three-fourth of the persons voting there upon a show of hands or, if a poll is demanded by a majority representing not less than three-fourth in value of the votes cast on such poll, provided that nothing in such consent or resolution shall be operative against the Company if the same are not accepted in writing by the Company.

Future Borrowings

The Company shall be entitled, from time to time, to make further issue of NCDs, other debt securities (whether *pari passu* or junior or senior to the NCDs) and other instruments and securities to any person or persons including to the public or a section of the public and/or members of the Company and/or to raise further loans, advances and/or avail further financial and/or guarantee facilities from financial institutions, banks and/or any other person(s) without any further approval from or notice to the Debenture holders/Debenture Trustee.

Governing Laws and Jurisdiction

The NCDs are governed by and will be construed in accordance with the Indian law. The Company, the NCDs and Company's obligations under the NCDs shall, at all times, be subject to the directions of the RBI and the SEBI. The Debenture holders, by purchasing the NCDs, agree that the Kolkata High Court shall have exclusive jurisdiction with respect to matters relating to the NCDs.

Tax Benefits

In the case of our Company, the amount of interest in respect of capital borrowed for the purpose of business is allowed as a deduction under section 36(1)(iii) of the Income Tax Act, 1961. The amount of interest received/ receivable is treated as taxable income in the hands of the Debenture holders.

Note: Any statement made in this IM regarding Income Tax implications etc is not a complete analysis or listing of all potential tax consequences of purpose, ownership and disposal of the Debentures. The statements made are based on the laws in force and as interpreted by the relevant taxation authorities as of date. Investors are advised to consult their tax advisors with respect to tax consequences of their holdings.

Issue Programme

Issue Opening Date	19 th December, 2011
Issue Closing Date	19 th December, 2011
Deemed Date of Allotment	19 th December, 2011

Tenor

The NCDs issued pursuant to this Information Memorandum have a fixed maturity date. The date of maturity of the NCDs is 535 days from the Date of Allotment.

Mode of Payment

All cheques/ drafts/ transfers/ RTGS must be made payable to “*Srei Equipment Finance Private Limited*”.

Loss of Interest Cheques/Refund Cheques

Loss of interest cheques/ refund cheques should be intimated to the Company along with request for duplicate issue. The issue of duplicates in this regard shall be governed by applicable law and any other conditions as may be prescribed by the Company.

Servicing behaviour of the existing debt securities

The Company has discharged all its liabilities in time and would continue doing so in future as well. The Company has been regular in payment of interest and principal amounts, as and when due, and has not defaulted in any such payments.

Permission / Consent from the prior creditors or their Trustees

Wherever required, permission / consent from prior creditors/trustees have been obtained for the Issue.

Debenture Trustee

The Company has appointed IDBI Trusteeship Services Limited as the Debenture Trustee for the Issue. All the rights and remedies of the Debentureholders shall vest in and shall be exercised by the Debenture Trustee without referring to the Debentureholders. All investors are deemed to have irrevocably given their authority and consent to IDBI Trusteeship Services Limited to act as their Debenture Trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Company to the Debenture Trustee on behalf of the Debentureholders shall discharge the Company *pro tanto* to the Debentureholders. The Debenture Trustee shall carry out its duties and shall perform its functions under the SEBI Regulations, the Debenture Trust Deed and this Information Memorandum with due care, diligence and loyalty. Resignation/retirement of the Debenture Trustee shall be as per terms of the Debenture Trust to be entered into between the Company and the Debenture Trustee. A notice in writing to the Debentureholders shall be provided for the same.

The Debenture Trustee shall ensure disclosure of all material events on an ongoing basis. The Debenture Trustee shall duly intimate the Debentureholders on occurrence of any of the following events:

- (a) default by the Company to pay interest on the Debentures or redemption amount;
- (b) failure of the Company to create appropriate security for the NCDs; and
- (c) revision of credit rating assigned to the NCDs.

Such information shall also be placed on the websites of the Debenture Trustee, the Company and the Stock Exchange.

DECLARATION

We declare that all the relevant provisions of the Companies Act, 1956 and the relevant Regulations/Guidelines issued by SEBI have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 1956 and such Regulations/Guidelines issued by SEBI, as the case may be. The information contained in this Information Memorandum is as applicable to privately placed Non Convertible Debentures and subject to information available with the Company. The extent of disclosures made in the Information Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by companies in the past.

Signed for and on behalf of

SREI EQUIPMENT FINANCE PRIVATE LIMITED

Authorised Signatory

Place: Kolkata

Date: December 19, 2011