



SIFL/SECT/KK/14-15/123  
September 24, 2014

The Secretary  
**The Calcutta Stock Exchange Limited**  
7 Lyons Range  
Kolkata - 700 001  
Fax: 033-2210 4500/4491; 2230 3020  
**CSE Scrip Code: 29051**

Dear Sir,

**Sub: Public Issue by Srei Infrastructure Finance Limited (the "Company" or the "Issuer") of 150,00,000 Secured, Redeemable, Non-Convertible Debentures of Face Value of Rs. 1,000/- each (the "Debentures" or the "NCDs"), aggregating upto Rs. 15,000 Million ("Shelf Limit") ("Issue"), in one or more tranches (each being a "Tranche Issue") subject to the Shelf Limit in accordance with the terms and conditions set out in separate Tranche Prospectus for each such Tranche Issue which should be read together with the Shelf Prospectus of the Issue**

With reference to the above mentioned Issue, please find enclosed herewith a copy of the Shelf Prospectus dated September 22, 2014 (the "Shelf Prospectus") filed with the Registrar of Companies (ROC), Kolkata, West Bengal, copy of ROC's acknowledgement of receipt of the Shelf Prospectus vide Form II dated September 23, 2014 and a compact disk containing the soft copy of the Shelf Prospectus in "PDF" format. We confirm that the contents of the Shelf Prospectus in the soft copy in PDF format are same as that in the Shelf Prospectus being filed herewith.

Further, please note that the NCDs have been rated '**CARE AA- (Double A Minus)**' by Credit Analysis & Research Limited ("CARE") and '**BWR AA (BWR Double A)**' by Brickwork Ratings India Private Limited ("BRICKWORK"). Instruments with a rating of '**CARE AA- (Double A Minus)**' by CARE and '**BWR AA (BWR Double A)**' by BRICKWORK are considered to have high degree of safety regarding timely servicing of financial obligations. The NCDs are proposed to be listed on BSE Limited ("BSE") (the "Designated Stock Exchange"). BSE has granted its in-principle approval in relation to the Issue vide Letter no. DCS/RK/PI-BOND/15/14-15 dated September 19, 2014.

Thanking you.

Yours faithfully,  
For **Srei Infrastructure Finance Limited**

**Sandeep Lakhotia**  
**Company Secretary**

Encl: as above

cc: The Secretary

**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001  
Fax: 022-2272 2037/2039/2041/3121  
**BSE Scrip Code: 523756**

**National Stock Exchange of India Limited**  
Exchange Plaza, 5th Floor, Plot no. C/1, G Block  
Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051  
Fax: 022-2659 8237/38; 2659 8347/48  
**NSE Symbol: SREINFRA**

**Srei Infrastructure Finance Limited**

CIN: L29219WB1985PLC055352

Registered Office : 'Vishwakarma' 86C, Topsia Road (South), Kolkata - 700 046

Tel.: +91 33 22850112-15, 61607734 Fax: +91 33 2285 8501/7542

Website: [www.srei.com](http://www.srei.com)



## SREI INFRASTRUCTURE FINANCE LIMITED

Our Company was originally incorporated in New Delhi on March 29, 1985 by the name Shri Radha Krishna Export Industries Limited with the Registrar of Companies, Delhi & Haryana, in accordance with the Companies Act 1956 as a Public Limited Company, to undertake lease and hire purchase financing, bill discounting and manufacture and export of certain goods. Our 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 our Company was further changed from Srei International Finance Limited to its existing name Srei Infrastructure Finance Limited on August 31, 2004. Our Company is registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934. For details regarding change in the registered office see "History and Main Objects" on page 90 of this Shelf Prospectus.

**Registered Office:** 'Vishwakarma', 86C, Topsia Road (South), Kolkata 700 046; **Tel:** +91 33 6160 7734; **Fax:** +91 33 2285 7542;  
**Corporate Office:** 6A Kiran Shankar Roy Road, Kolkata – 700 001, West Bengal, India; **Tel:** +91 33 6499 0230 / 6499 0243; **Fax:** +91 33 2262 3220;  
**Website:** [www.srei.com](http://www.srei.com); **Corporate Identification No:** L29219WB1985PLC055352,  
**Compliance Officer to the Issue:** Mr Sumit Jhunjhunwala, Srei Infrastructure Finance Limited 'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046  
**Phone:** +91 33 6160 7734, **Fax:** +91 33 2285 8501, Toll Free no. :1800 419 7734, **Email-id:** [sreind1@srei.com](mailto:sreind1@srei.com).

**PUBLIC ISSUE BY SREI INFRASTRUCTURE FINANCE LIMITED (THE "COMPANY" OR THE "ISSUER") OF 15,000,000 SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000/- EACH (THE "DEBENTURES" OR THE "NCDS"), AGGREGATING UPTO ₹15,000 MILLION ("SHELF LIMIT"), ("ISSUE"). THE NCDS WILL BE ISSUED IN ONE OR MORE TRANCHE (EACH BEING A "TRANCHE ISSUE") SUBJECT TO THE SHELF LIMIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET OUT IN SEPARATE TRANCHE PROSPECTUS FOR EACH SUCH TRANCHE ISSUE WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS OF THE ISSUE. THE SHELF PROSPECTUS TOGETHER WITH THE RELEVANT TRANCHE PROSPECTUS FOR A SPECIFIC TRANCHE ISSUE SHALL CONSTITUTE THE "PROSPECTUS". THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED (THE "DEBT REGULATIONS")**

PROMOTER: MR HEMANT KANORIA					
For details of our Promoter, please see the section titled "Our Promoter" on page 103 of this Shelf Prospectus.					
GENERAL RISK					
Investors are advised to read the section titled "Risk Factors" carefully before taking an investment decision in this Issue. For the purposes of taking an investment decision, investors must rely on their own examination of the Issuer and of the Issue, including the risks involved. Specific attention of the investors is invited to the section titled "Risk Factors" starting on page no. 12 of this Shelf Prospectus before making an investment in this Issue. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), any Registrar of Companies or any Stock Exchange in India.					
COUPON RATE, COUPON PAYMENT FREQUENCY, MATURITY DATE, MATURITY AMOUNT & ELIGIBLE INVESTORS					
For details relating to eligible investors, coupon rate, coupon payment frequency, maturity date and maturity amount of the NCDS, please refer to the section titled "Terms of the Issue" in the relevant Tranche Prospectus. For details relating to Eligible Investors please see "The Issue" in the relevant Tranche Prospectus.					
ISSUER'S ABSOLUTE RESPONSIBILITY					
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Shelf Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Shelf Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other material facts, the omission of which makes this Shelf Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.					
CREDIT RATINGS					
The NCDS have been rated 'CARE AA- (Double A Minus)' by Credit Analysis & Research Limited ("CARE") pursuant to letters dated July 16, 2014 and July 3, 2014 and revalidated by letters dated September 9, 2014 and 'BWR AA (BWR Double A)' by Brickwork Ratings India Private Limited ("BRICKWORK") pursuant to letters dated November 4, 2011, September 14, 2012, June 19, 2013, June 18, 2014 and August 6, 2014 and revalidated by letters dated September 22, 2014 and September 10, 2014. Instruments with a rating of 'CARE AA- (Double A Minus)' by CARE and 'BWR AA (BWR Double A)' by BRICKWORK are considered to have high degree of safety regarding timely servicing of financial obligations. The rating provided by CARE and BRICKWORK may be suspended, withdrawn or revised at any time by the assigning rating agency on the basis of new information etc., and should be evaluated independently of any other rating. The rating is not a recommendation to buy, sell or hold securities and investors should take their own investment decisions. Please refer to the Annexure B of this Shelf Prospectus for the rationale of the above ratings.					
PUBLIC COMMENTS					
The Draft Shelf Prospectus was filed with BSE Limited (the "BSE") pursuant to the provisions of the Debt Regulations and was open for public comments. for a period of seven Working Days					
LISTING					
The NCDS offered through this Shelf Prospectus are proposed to be listed on BSE. Our Company has applied to BSE for 'in-principle' approval for the Issue and BSE has granted its in-principle approval vide its letter ref no. DCS/RK/PI-Bond/15/14-15 dated September 19, 2014. For the purposes of this Issue, BSE shall be the Designated Stock Exchange.					
LEAD MANAGERS TO THE ISSUE					DEBENTURE TRUSTEE TO THE ISSUE
<b>ICICI Securities Limited</b> ICICI Centre H.T. Parekh Marg, Churchgate, Mumbai 400 020 Tel : +91 22 2288 2460 Fax : +91 22 2282 6580 E-mail : project.srei@icicisecurities.com Investor Grievance Email: customercare@icicisecurities.com Website : <a href="http://www.icicisecurities.com">www.icicisecurities.com</a> Contact Person: Mr. Bhavin Vakil Compliance Officer : Mr Subir Saha SEBI Registration No: INM000011179	<b>A. K. Capital Services Limited</b> 30-39 Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400021 Tel: +91 22 6754 6500/ 6634 9300; Fax: +91 22 6610 0594 Email: <a href="mailto:sreind@akgroup.co.in">sreind@akgroup.co.in</a> Investor Grievance Email: <a href="mailto:investor.grievance@akgroup.co.in">investor.grievance@akgroup.co.in</a> Website: <a href="http://www.akgroup.co.in">www.akgroup.co.in</a> Contact Person: Ms Akshata Tambe / Mr Lohit Sharma Compliance Officer: Mr Vikas Agarwal SEBI Registration No.: INM000010411	<b>Edelweiss Financial Services Limited</b> Edelweiss House Off CST Road, Kalina Mumbai 400 098 Tel: +91 22 4086 3535 Fax: +91 22 4086 3610 Email: <a href="mailto:sreinf@edelweissfin.com">sreinf@edelweissfin.com</a> Investor Grievance Email: <a href="mailto:customerservice.mh@edelweissfin.com">customerservice.mh@edelweissfin.com</a> Website: <a href="http://www.edelweissfin.com">www.edelweissfin.com</a> Contact Person: Mr Lokesh Singh Compliance Officer: Mr. B Ranganathan SEBI Registration No.: INM000010650	<b>SPA Capital Advisors Limited</b> 25.C – Block, Community Centre Janak Puri, New Delhi - 110 058 Tel : +91 11 4567 5500, 2551 7371 Fax : +91 11 2553 2644 Email: <a href="mailto:srei ipo@spagroupindia.com">srei ipo@spagroupindia.com</a> Investor Grievance E mail: <a href="mailto:grievances.mh@spagroupindia.com">grievances.mh@spagroupindia.com</a> Website: <a href="http://www.spacapital.com">www.spacapital.com</a> Contact Person: Mr Nitin Somani / Ms Ashi Sood Compliance Officer: Mr Sanjay Gupta SEBI Registration No.: INM000010825	<b>Srei Capital Markets Limited*</b> 'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046 Tel: +91 33 6602 3845 Fax: +91 33 6602 3861 Email: <a href="mailto:capital@srei.com">capital@srei.com</a> Investor Grievance E mail: <a href="mailto:scmlinvestors@srei.com">scmlinvestors@srei.com</a> Website: <a href="http://www.srei.com">www.srei.com</a> Contact Person: Mr Manoj Agarwal Compliance Officer: Mr Manoj Agarwal SEBI Registration No.: INM000003762	<b>Axis Trustee Services Limited</b> 2 <sup>nd</sup> Floor, Axis House, Bombay Dyeing Mills Compound Pandurang Budhkar Marg Mumbai 400 025 Tel: +91 22 2425 5206 Fax: +91 22 2425 4200 Email: <a href="mailto:debenturetrustee@axistrustee.com">debenturetrustee@axistrustee.com</a> Investor Grievance Email : <a href="mailto:complaints@axistrustee.com">complaints@axistrustee.com</a> Website: <a href="http://www.axistrustee.com">www.axistrustee.com</a> Contact Person: Mr Neelish Baheti, Chief Operating Officer Compliance Officer: Mr D J Bora SEBI Registration No.: IND000000494
*Srei Capital Markets Limited, which is a wholly owned subsidiary of the Company, shall only be involved in marketing of the Issue.					
CO-LEAD MANAGERS TO THE ISSUE					REGISTRAR TO THE ISSUE
<b>Bajaj Capital Limited</b> Unit No.941, Building No. 9, 4 <sup>th</sup> Floor, Solitaire Corporate Park, Andheri Kurla Road, Chakala Andheri (East), Mumbai – 400 093 Telephone No.: +91 22 4009 9999 Fax: +91 22 4009 9911 Email: <a href="mailto:sreind@bajajcapital.com">sreind@bajajcapital.com</a> Investor Grievance E-mail ID: <a href="mailto:info@bajajcapital.com">info@bajajcapital.com</a> Website: <a href="http://www.bajajcapital.com">www.bajajcapital.com</a> Contact person: Sumit Dudani Compliance officer: Mr P. Janardhan SEBI Reg. No. INM000010544	<b>Integrated Enterprises (India) Limited</b> 15, 1 <sup>st</sup> Floor, Modern House Dr. V.B. Gandhi Marg, Fort Mumbai 400 023 Tel : +91 22 4066 1800 Fax : +91 22 2287 4676 E-mail : <a href="mailto:sreind@integratedindia.in">sreind@integratedindia.in</a> Investor Grievance E-mail ID: <a href="mailto:mbd@integratedindia.in">mbd@integratedindia.in</a> Website: <a href="http://www.integratedindia.in">www.integratedindia.in</a> Contact person: Mr. V Krishnan Compliance Officer: Mr Suresh Babu K SEBI Registration No: INM000002640	<b>Karvy Investor Services Limited</b> 701 Hallmark Business Plaza, , Sant Dyaneshwar Marg, Bandra (E) Mumbai – 400 051 Tel : +91 22 6149 1500 Fax: +91 22 6149 1515 Email: <a href="mailto:sreind@karvy.com">sreind@karvy.com</a> Investor Grievance E mail: <a href="mailto:igmdb@karvy.com">igmdb@karvy.com</a> , <a href="mailto:cmg@karvy.com">cmg@karvy.com</a> Website: <a href="http://www.karvy.com">www.karvy.com</a> Contact Person: Mr Swapnil Mahajan Compliance Officer : Mr V Madhusudhan Rao SEBI Registration No.: INM000008365	<b>RR Investors Capital Services Private Limited</b> 47/ MM, Road Rani Jhansi Marg, Jhandewalan, New Delhi- 110055 Tel : +91 11 2363 6362/ 63 Fax : +91 11 2363 6746 E-mail : <a href="mailto:sreind2013@rrfcl.com">sreind2013@rrfcl.com</a> Investor Grievance E-mail ID: <a href="mailto:investors@rrfcl.com">investors@rrfcl.com</a> Website: <a href="http://www.rrfcl.com">www.rrfcl.com</a> / <a href="http://www.rrfinance.com">www.rrfinance.com</a> Contact person: Mr Anurag Awasthi Compliance Officer: Mr Ravi Kant Goyal SEBI Registration No: INM000007508	<b>SMC Capitals Limited</b> 302-303, Enterprise Centre, Near Orchid Hotel, Nehru Road, Vile Parle (E) Mumbai-400099 Telephone number: +91 22 6648 1818 Fax number: +91 22 6648 1850 E-mail: <a href="mailto:srei.ncd@smccapitals.com">srei.ncd@smccapitals.com</a> Investor Grievance E-mail ID: <a href="mailto:investor.grievance@smccapitals.com">investor.grievance@smccapitals.com</a> Website: <a href="http://www.smccapitals.com">www.smccapitals.com</a> Contact person: Mr Satish Mangutkar Compliance Officer: Mr. O.P. Agrawal No.:INM000011427**	<b>Karvy Computershare Private Limited</b> Plot No. 17 to 24, Vithalrao Nagar Madhapur, Hyderabad 500 081 Toll Free No.1-800-3454001 Tel: +91 40 4465 5000 Fax: +91 40 2343 1551 Email: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> Investor Grievance Email: <a href="mailto:srei.ncdipo2@karvy.com">srei.ncdipo2@karvy.com</a> Website: <a href="http://www.karisma.karvy.com">www.karisma.karvy.com</a> Compliance Officer: Mr Rakesh Santhalia Contact Person: Mr M. Murali Krishna SEBI Registration No.: INR000000221
**The SEBI registration certificate of SMC Capitals Limited one of the Co-Lead Managers as a merchant banker has expired on December 31, 2013. As required under regulation 8A of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, an application for renewal was made to SEBI vide application dated September 25, 2013. The approval of SEBI in this regard is awaited.					
ISSUE PROGRAMME: AS SPECIFIED IN THE RELEVANT TRANCHE PROSPECTUS					

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

Axis Trustee Services Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated July 30, 2014 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

A copy of the Shelf Prospectus and relevant Tranche Prospectus(es) shall be filed with the Registrar of Companies, Kolkata, West Bengal ("RoC") in terms of Section 26 and Section 31 of the Companies Act 2013 ("Companies Act 2013"), along with the requisite endorsed/certified copies of all requisite consents and documents. For further details please refer to the section titled "Material Contracts and Documents for Inspection" beginning on page no. 198 of this Shelf Prospectus.

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## SECTION I: GENERAL

### DEFINITIONS & ABBREVIATIONS

#### CONVENTIONAL / GENERAL TERMS AND ABBREVIATIONS

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

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

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

#### **COMPANY / INDUSTRY RELATED TERMS**

<b>Term</b>	<b>Description</b>
“Srei Infra”, “Issuer”, “SIFL”, “the Company”, “we”, “us”, and “our Company”	Srei Infrastructure Finance Limited, a Public Limited Company incorporated under the Companies Act 1956 and registered as a Non-Banking Financial Company within the meaning of Reserve Bank of India Act, 1934, having its Registered Office at ‘Vishwakarma’, 86C, Topsia Road (South), Kolkata - 700 046
AFC	Asset Finance Company
ALM	Asset Liability Management
ATM	Automated Teller Machine
Articles / Articles of Association / AOA	Articles of Association of the Issuer, as amended
Auditors / Statutory Auditors	Haribhakti & Co. LLP, the statutory auditors of our Company
Board / Board of Directors	The Board of Directors of the Issuer
CC	Credit Committee
Committee of Directors	The Committee of Directors of the Issuer
CAR	Capital Adequacy Ratio
CIC	Core Investment Company
CP	Commercial Paper
CRAR	Capital-to-Risk-Weighted Assets Ratio
DIN	Director’s Identification Number
Exposure	Exposure includes credit exposure (funded and non-funded credit limits) and investment exposure. The sanctioned limit or outstanding, whichever is higher, is our exposure as at that date. In the case of fully drawn term loans, where there is no scope for further drawl of any portion of the sanctioned amount, the committed/outstanding amount, as may be applicable, is equivalent to our exposure.
Equity Shares	Equity shares of face value of ₹10 each of our Company
FIMMDA	Fixed Income, Money Markets and Derivatives Association
IC	Investment Committee
IDF-NBFC	Infrastructure Debt Fund- Non- Banking Financial Company
LC	Loan Company
IFC	‘Infrastructure Finance Company’, as defined under applicable RBI guidelines
KYC	Know Your Customer
Memorandum / MOA	Memorandum of Association of the Issuer, as amended
Mezzanine Debt	Subordinated debt instruments secured by a charge other than an exclusive charge or a first charge
NBFC	Non-Banking Financial Company as defined under Section 45-I(f) of the RBI Act, 1934
NBFC-MFI	Non-Banking Financial Company - Micro Finance Institution
NBFC-ND-SI	Systemically Important Non-Deposit Taking NBFC

Term	Description
Networth	As per Sec 2(57) of the Companies Act, 2013, Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation
NPA	Non-Performing Asset
NRI	Non Resident Indian
Portfolio	Our aggregate outstanding loans and advances including Senior Debt, Mezzanine Debt, debentures, unsecured loans, and investments by way of equity and preference shares
PFI	Public Financial Institution as defined under Section 2(72) of the Companies Act 2013
Preference Shares	Preference shares of face value of ₹ 100 each of our Company
Promoter / our Promoter	The Promoter of our Company, being Mr Hemant Kanoria
Registered Office	‘Vishwakarma’, 86C, Topsia Road (South), Kolkata - 700 046
RC	Risk Committee of the Board
Senior Debt/ Senior Loans	Debt secured by exclusive charge or first charge
Srei Group	Means Srei Infra and all its subsidiaries, sub-subsidiaries, associates, joint ventures and group companies
USD	United States Dollar, the official currency of the United States of America
WCDL	Working Capital Demand Loan
WLA	White Label Automated Teller Machines
WLAO	White Label ATM Operator

#### ISSUE RELATED TERMS

Term	Description
A. K. Capital	A. K. Capital Services Limited
Allotment / Allotted / Allot	Unless the context otherwise requires, the issue and allotment of the NCDs pursuant to the Issue to the Allottees
Allottee(s)	The successful Applicant to whom the NCDs are being / have been Allotted pursuant to the Issue, either in full or in part.
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Applicant(s) / Investor(s)	A person who makes an offer to subscribe to the NCDs pursuant to the terms of the Shelf Prospectus, relevant Tranche Prospectus(es) and Application Form for the Issue
Application	An application to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the Shelf Prospectus and the respective Tranche Prospectus.
Application Amount	Aggregate value of NCDs applied for, as indicated in the Application Form for the respective Tranche Issue.
Application Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the Direct Online Application, ASBA or non-ASBA process and which will be considered as the Application for Allotment of NCDs in terms of the Shelf Prospectus and the respective Tranche Prospectus.
Application Supported by Blocked Amount/ ASBA/ ASBA Application	The Application (whether physical or electronic) used by an ASBA Applicant to make an Application authorizing the SCSB to block the amount payable on Application in its specified bank account maintained with such SCSB.
Associate(s)	Associates of our Company as referred to in “ <i>History and Main Objects</i> ” on page 90.
ASBA Account	An account maintained by an ASBA Applicant with a SCSB which will be blocked by such SCSB to the extent of the Application Amount in relation to the Application Form made in ASBA mode.
ASBA Applicant	Any Applicant who applies for the NCDs through the ASBA Process

<b>Term</b>	<b>Description</b>
Banker(s) to the Issue/ Escrow Collection Banks	The bank(s), which are clearing members and registered with SEBI as bankers to the Issue with whom Escrow Accounts and/or Public Issue Accounts and/or Refund Accounts will be opened as specified in the relevant Tranche Prospectus(es).
Base Issue	The base issue size as may be defined in the relevant Tranche Prospectus(es)
Basis of Allotment	As specified in the relevant Tranche Prospectus(es)
BRICKWORK	Brickwork Ratings India Private Limited
CARE	Credit Analysis & Research Limited
Category I Persons	Shall mean persons who are Institutional Investors.
Category II Persons	Shall mean persons who are Non-Institutional Investors.
Category III Persons	Shall mean persons who are Individual Category Investors.
Credit Rating Agencies	CARE and BRICKWORK
Co-Lead Managers	Bajaj Capital Limited, Integrated Enterprises (India) Limited, Karvy Investor Services Limited, RR Investors Capital Services Private Limited and SMC Capitals Limited
Collection Centres	Collection Centres shall mean those branches of the Bankers to the Issue/ Escrow Collection Banks that are authorized to collect the Application Forms (other than ASBA) as per the Escrow Agreement.
Consolidated NCD Certificate	The certificate that shall be issued by the Company to the NCD Holder for the aggregate amount of the NCDs that are allotted to the NCD Holder in physical form for the aggregate amount of NCDs as allotted to the NCD Holder or issued upon rematerialisation of NCDs held in dematerialised form.
Debentures / NCDs	Secured, Redeemable, Non-Convertible Debentures of face value ₹1,000/- each aggregating upto ₹15,000 million to be issued by our Company pursuant to the Shelf Prospectus and relevant Tranche Prospectus(es).
Debenture Holder (s) / NCD Holder(s)	The holders of the NCDs whose name appears in the database of the Depository (in case of NCDs in the dematerialized form) and/or the register of NCD Holders maintained by our Company (in case of NCDs held in the physical form).
Debenture Trust Deed	Trust deed to be entered into between the Debenture Trustee and the Company which shall be executed within the time limit prescribed by applicable statutory and/or regulatory requirements, for creating appropriate security, in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs and the interest due thereon issued pursuant to the Issue.
Debenture Trusteeship Agreement	Agreement dated August 4, 2014 entered into between the Debenture Trustee and the Company wherein the appointment of the Debenture Trustee to the Issue, is agreed as between our Company and the Debenture Trustee, and the time frame within which appropriate security for ensuring 100% asset cover for the NCDs and the interest due thereon issued pursuant to the Issue are created in favour of the Debenture Trustee
Debt Listing Agreement	The listing agreement between our Company and the Stock Exchange(s) in connection with the listing of debt securities of our Company.
Deemed Date of Allotment	The Deemed Date of Allotment for the NCDs shall be the date on which the Board of Directors or duly authorized committee thereof approves the allotment of NCDs or such date as may be determined by the Board of our Company and/or a duly authorized committee thereof and notified to the Stock Exchange. All benefits under the NCDs including payment of interest will accrue to the NCD Holders from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.
Demographic Details	Details of the investor such as address, occupation, category, Permanent Account Number and bank account details for printing on refund orders, which are based on the details provided by the Applicant in the Application Form.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository(ies)	National Securities Depository Limited and /or Central Depository Services (India) Limited
DP / Depository Participant	A depository participant as defined under the Depositories Act

<b>Term</b>	<b>Description</b>
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or such other website as may be prescribed by the SEBI from time to time.
Designated Date	The date on which the Application Amounts are transferred from the Escrow Account(s) to the Public Issue Account or the Refund Account, as appropriate, the amount blocked by the SCSBs is transferred from the ASBA Accounts specified by the ASBA Applicants to the Public Issue Account, as the case may be, following which the Board approves the Allotment of the NCDs, provided that Application Amounts received will be kept in the Escrow Account(s) up to this date and our Company will have access to such funds only after creation of adequate security for the NCDs.
Designated Stock Exchange / DSE	BSE Limited
Draft Shelf Prospectus	The Draft Shelf Prospectus dated September 10, 2014 filed by our Company with the Stock Exchange on September 12, 2014 for receiving public comments, in accordance with the provisions of the Act, Act 2013 and the Debt Regulations.
Edelweiss	Edelweiss Financial Services Limited
Escrow Agreement	Agreement to be entered into amongst our Company, the Registrar, the Escrow Collection Bank(s), Lead Managers and Co-Lead Managers for collection of the Application Amounts (other than by ASBA Applicants) and for remitting refunds, if any, of the amounts collected, to the Applicants on the terms and conditions contained thereof.
Escrow Account(s)	Accounts opened in connection with the Issue with the Escrow Collection Bank(s) and in whose favour the Applicants (other than ASBA Applicants) will issue cheques or bank drafts in respect of the Application Amount while submitting the Application.
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 with whom the Escrow Accounts will be opened
I-Sec	ICICI Securities Limited
India Ratings	India Ratings and Research Private Limited
Individual Category	Category III Persons which includes: <ul style="list-style-type: none"> <li>• Resident Indian individuals; and</li> <li>• Hindu undivided families through the karta</li> </ul>
Interest/Coupon Payment Date	As specified in the Tranche Prospectus(es). If any Coupon/Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day along with interest for such additional period. Such additional interest will be deducted from the interest payable on the next date of payment of interest.
Institutional Investor(s)	Category I Persons which includes: <ul style="list-style-type: none"> <li>• Public financial institutions, statutory corporations, commercial banks, co-operative banks and regional rural banks, which are authorized to invest in the NCDs;</li> <li>• Provident funds, pension funds, superannuation funds and gratuity fund, which are authorized to invest in the NCDs;</li> <li>• Venture capital funds and / or alternative investment funds registered with SEBI;</li> <li>• Insurance companies registered with the IRDA;</li> <li>• National investment fund;</li> <li>• State industrial development corporations; and</li> <li>• Mutual funds.</li> </ul>
Institutional Portion	Applications received from Institutional Investors grouped together across all Series of NCDs, as specified in the relevant Tranche Prospectus(es).
Issue	Public Issue Secured, Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each by Srei Infrastructure Finance Limited of NCDs pursuant to the Shelf Prospectus and the relevant Tranche Prospectus(es) for an amount upto an aggregate amount of the Shelf Limit of ₹ 15,000 million. The NCDs will be issued in one or more tranches subject to the Shelf Limit.

<b>Term</b>	<b>Description</b>
Issue Size	Base Issue as mentioned in the respective Tranche Prospectus(es) with an option to retain oversubscription upto the rated size, as specified in their Shelf Prospectus.
Issue Closing Date/ Issue Closure/ Tranche Issue Closing Date	The date on which the Issue shall close for subscription and the prospective Applicants shall not be allowed to submit their Application Forms, thereafter, as specified in the respective Tranche Prospectus or such other date as may be decided by the Board of Directors or a duly authorised committee thereof.
Issue Opening Date/ Tranche Issue Opening Date	The date on which the Issue shall open for subscription and the prospective Applicants may submit their Application Forms as specified in the respective Tranche Prospectus(es).
Issue Period	Shall mean the period between the Issue Opening Date/ Tranche Issue Opening Date and Issue Closing Date/ Tranche Issue Closing Date, both dates inclusive, during which a prospective Applicant may submit their Application Form.
Joint Venture(s)	Our joint venture companies as referred to in “ <i>History and Main Objects</i> ” on page 90.
Lead Brokers	As specified in the relevant Tranche Prospectus(es)
Lead Broker MOU	Agreement to be entered into amongst our Company, the Lead Brokers, Lead Managers and Co-Lead Managers
Lead Managers	ICICI Securities Limited, A. K. Capital Services Limited, Edelweiss Financial Services Limited, SPA Capital Advisors Limited and Srei Capital Markets Limited
Market Lot	One (1) NCD
Maturity Amount or Redemption Amount	Repayment of the Face Value plus any interest that may have accrued at the Maturity Date for Individual and / or Institutional and /or Non-Institutional Investors, as the case may be.
Maturity Date or Redemption Date	The date on which the Company is liable to redeem the NCDs in full as specified in the relevant Tranche Prospectus(es).
Members of Syndicate	Members of Syndicate includes Lead Managers, Co-Lead Managers, Lead Brokers to the Issue and sub brokers.
Non-Institutional Investors	Category II Persons eligible to apply for the issue which includes: <ul style="list-style-type: none"> <li>• Companies, bodies corporate and societies registered under the applicable laws in India and authorized to invest in the NCDs;</li> <li>• Public/private charitable/religious trusts which are authorized to invest in the NCDs;</li> <li>• Scientific and/or industrial research organizations, which are authorized to invest in the NCDs;</li> <li>• Partnership firms in the name of the partners;</li> <li>• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and</li> <li>• Any other incorporated and/ or unincorporated body of persons.</li> </ul>
Non-Institutional Portion	Applications received from Non Institutional Investors grouped together across all Series of NCDs as specified in the relevant Tranche Prospectus(es).
Public Issue Account	Account(s) opened with the Bankers to the Issue to receive monies from the Escrow Account(s) and from the ASBA Accounts on the Designated Date.
Record Date	As specified in relevant Tranche Prospectus(es)
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made (excluding Application Amounts from ASBA Applicants).
Refund Bank	As specified in the relevant Tranche Prospectus.
Registrar to the Issue/Registrar	Karvy Computershare Private Limited.
Registrar Agreement	Agreement dated July 30, 2014 entered into between the Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Resident Indian Individuals	Individual who is a person resident in India as defined under the Foreign Exchange Management Act, 1999.
Residual Shelf Limit	In relation to each Tranche Issue, this shall be the Shelf Limit less the aggregate amount of NCDs allotted under all previous Tranche Issue(s).

<b>Term</b>	<b>Description</b>
Self-Certified Syndicate Banks or SCSB(s)	The banks registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or such other website as may be prescribed by the SEBI from time to time. A list of the branches of the SCSBs where Application Forms will be forwarded by such Members of the Syndicate is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> .
Series	A series of NCDs, which are identical in all respects including but not limited to specified terms and conditions, listing and ISIN number (in the event that NCDs in a single Series of NCDs carry the same coupon rate) and as further stated to be an individual “Series” in the relevant Tranche Prospectus(es).
Shelf Limit	The aggregate limit of the Issue being ₹15,000 million to be issued as per the terms of this Shelf Prospectus, in one or more tranches.
Shelf Prospectus	The Shelf Prospectus dated September 22, 2014 issued and filed with the ROC, BSE and SEBI in accordance with the SEBI Debt Regulations, Companies Act 1956 and Companies Act 2013 (to the extent notified and applicable).
SPA	SPA Capital Advisors Limited
Srei Caps	Srei Capital Markets Limited
Stock Exchange/s	BSE Limited
Subsidiaries (and each, individually, a Subsidiary)	Subsidiaries of our Company as referred to in “ <b>History and Main Objects</b> ” on page 90.
Specified Cities	Centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the Members of the Syndicate or the Trading Members of the Stock Exchange shall accept ASBA Applications in terms of the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011.
Syndicate ASBA	ASBA Applications through the Members of the Syndicate or the Trading Members of the Stock Exchange only in the Specified Cities.
Tranche Issue	Issue of NCDs as per the terms specified in each Tranche Prospectus.
Tranche Prospectus	The Tranche Prospectus containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection of the relevant Tranche Issue.
Trading Member	Intermediaries registered with a Lead Broker or a sub-broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchange.
“Transaction Registration Slip” or “TRS”	The acknowledgement slip or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his Application for the NCDs.
Tripartite Agreements	Tripartite Agreements both dated February 27, 2013 and February 26, 2013 among our Company, the Registrar to the Issue and NSDL and CDSL respectively for offering depository option to the NCD Holders.
Trustees / Debenture Trustee	Trustees for the holders of the NCDs, in this case being Axis Trustee Services Limited.
Working Day(s)	All days excluding Sundays and a public holiday in Mumbai or Kolkata or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.

Notwithstanding the foregoing, terms in “**Summary of Key Provisions of Articles of Association**”, “**Statement of Tax Benefits**”, “**Regulations and Policies**” on pages 193, 62 and 184 respectively, and “**Financial Information**”, shall have the meanings given to such terms in these respective sections.

## FORWARD-LOOKING STATEMENTS

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

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

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

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

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor any of its Directors have any obligation, or intent to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. For further discussion of the factors that could affect our Company’s future financial performance, see the section titled “**Risk Factors**” beginning on page no. 12 of this Shelf Prospectus.

## PRESENTATION OF FINANCIALS & USE OF MARKET DATA

Unless stated otherwise, the financial information used in this Shelf Prospectus is derived from our Company's audited financial statements as at March 31, 2010, March 31, 2011, March 31, 2012 and March 31, 2013 prepared in accordance with Indian GAAP and the Companies Act 1956 and audited financial statements as at March 31, 2014, and limited review for the period ended June 30, 2014 prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014 and reformatted in accordance with Section 26(1)(b) of the Companies Act 2013, the Debt Regulations, as stated in the report of our Company's Statutory Auditors, Haribhakti & Co. LLP, included in this Shelf Prospectus.

In this Shelf Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

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

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

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

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

### Currency and units of Presentation

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

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

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

### Exchange Rates

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

*\*last trading day of the respective month  
(Source :www.rbi.org.in)*

## SECTION II: RISK FACTORS

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

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

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

### INTERNAL RISKS

- 1. We, our Promoter, subsidiary companies and group companies are subject to certain legal proceedings and we cannot assure you that we will be successful in all of these actions. In the event we are unsuccessful in litigating any or all of the disputes, our business and results of operations may be adversely affected.***

We are subject to a number of legal proceedings. We incur a substantial cost in defending these proceedings before a court of law. Moreover, we are unable to assure you that we shall be successful in any or all of these actions.

For further details of the legal proceedings that we are subject to, see the section titled “***Outstanding Litigation and Statutory Defaults***” on page no. 172 of this Shelf Prospectus.

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

Our lending activities are exposed to credit risk arising from the risk of default and non-payment by borrowers and other counterparties. Our total outstanding loan (gross of provisions) was ₹ 109,721.50 million as at March 31, 2014. The size of our loan Portfolio is expected to grow as a result of our expansion strategy in existing as well as new products. Sustained growth may expose us to an increasing risk of defaults as our Portfolio expands. Our gross NPAs as a percentage of total outstanding loans was 3.53%, as of March 31, 2014, while the net NPAs as a percentage of net outstanding loans was 3.07 %, as of March 31, 2014.

The borrowers and/or guarantors and/or third parties may default in their repayment obligations due to various reasons including insolvency, lack of liquidity, and operational failure.

We cannot be certain, and cannot assure you, that we will be able to improve our collections and recoveries in relation to the NPAs or otherwise adequately control our level of NPAs in the future. Moreover, as our loan Portfolio matures, we may experience greater defaults in principal and/or interest repayments. Thus, if we are not able to control or reduce our level of NPAs, the overall quality of our loan Portfolio may deteriorate and our results of operations may be adversely affected. Furthermore, our current provisions may not be comparable to those of other financial institutions.

We have made provisions of ₹ 495.80 million in respect of gross NPAs as on March 31, 2014. In addition, we maintain a provision against standard assets, as per RBI Guidelines. As of March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010, we have made provisions of ₹ 265.60 million, ₹234.20 million, ₹218.10 million, ₹119.50 million and Nil million respectively in respect of standard assets. There can be no assurance that there will be a decrease in our NPA provisions as a percentage of assets, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. In the event of any further deterioration in our Portfolio, there could be a more significant and substantial material and adverse impact on our business, future financial performance and results of operations.

- 3. Private sector infrastructure industry in India, the sector on which we focus is still at an early stage of development and is linked to the continued growth of the Indian economy. In the event that Central and State government initiatives and regulations in the infrastructure industry do not proceed in the desired direction,***

***or if there is any downturn in the macroeconomic environment in India or in specific sectors, our business, future financial performance and results of operations could be materially and adversely affected.***

We believe that further development of India's infrastructure is dependent on formulation and effective implementation of state and central government programs and policies that facilitate and encourage private sector investment in infrastructure projects in India. Many of these programs and policies are developing and evolving and their success will depend on whether they are properly designed to address the issues facing infrastructure development in India and are effectively implemented. Additionally, these programs will need continued support from stable and experienced regulatory regimes and tax deductions that not only encourage the continued movement of private capital into infrastructure projects but also lead to increased competition, appropriate allocation of risk, transparency, effective dispute resolution and more efficient and cost effective services to the end consumer.

The availability of private capital and continued growth of the infrastructure industry are also linked to the continued growth of the Indian economy. Specific factors within each industry sector may also influence the success of the projects within those sectors, including changes in policies, regulatory frameworks and market structures. While there has been progress in sectors such as telecommunications, transportation, energy, tourism and industrial and commercial infrastructure, other sectors such as urban infrastructure and healthcare have not progressed to the same degree. Further, since infrastructure services in India have historically been provided by the central and state governments without charge or at a subsidized charge to consumers, the growth of the infrastructure industry will be impacted by consumers' income levels and the extent to which they would be willing to pay or can be induced to pay for infrastructure services. If the central and state governments' initiatives and regulations in the infrastructure industry do not proceed in the desired direction, or if there is any downturn in the macroeconomic environment in India or in specific sectors, our business, our future financial performance and results of operations could be materially and adversely affected.

***4. We may be exposed to potential losses due to a decline in value of assets secured in our favour, and due to delays in the enforcement of such security upon default by our borrowers.***

Our total loan Portfolio is secured by a mix of movable and immovable assets and/or other collaterals. The value of certain types of assets may decline due to inherent operational risks, the nature of the asset secured in our favour and adverse market and economic conditions (both global and domestic).

The value of the security or collateral, as the case may be, may also decline due to delays in insolvency, winding-up and foreclosure proceedings, defects in title, difficulty in locating movable assets, documentation relevant to the assets and the necessity of obtaining regulatory approvals for the enforcement of our collateral over those assets, and as such, we may not be able to recover the estimated value of the assets which would materially and adversely affect our business, future financial performance and results of operations.

In the event of default by our borrowers, we cannot guarantee that we will be able to realize the full value of our collateral, due to, among other things, delays on our part in taking immediate action and in bankruptcy foreclosure proceedings, stock market downturns, defects in the perfection of collateral, litigation and fraudulent transfers by borrowers. In the event a specialized regulatory agency gains jurisdiction over the borrower, creditor actions can be further delayed.

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

This Shelf Prospectus includes certain unaudited financial information in relation to our Company, for the three months ended June 30, 2014, in respect of which the Statutory Auditors of our Company have issued their Limited Review Report dated August 2, 2014. As this financial information has been subject only to limited review and not to an audit, any reliance by prospective investors on such unaudited financial information for the three months ended June 30, 2014 should, accordingly, be limited. Moreover, our financial results for any given fiscal quarter or period, including the three months ended June 30, 2014, may not be directly comparable with our financial results for any full fiscal or for any other fiscal quarter or period. Accordingly, prospective investors in the Issue are advised to read such unaudited financial information for the three months ended June 30, 2014 in conjunction with the audited financial information provided elsewhere in this Shelf Prospectus in “**Financial Information**”.

***6. If we are unable to manage our rapid growth effectively, our business, future financial performance and results of operations could be materially and adversely affected.***

The business of our Company has grown rapidly since we began our operations. From March 31, 2010 to March 31, 2014, our total loans outstanding increased by a CAGR of 54.38%. We intend to continue to grow our businesses, which could place significant demands on our operational, credit, financial and other internal risk controls. It may also exert pressure on the adequacy of our capitalization, making management of asset quality increasingly important.

Our future business plan is dependent on our ability to borrow at competitive rate to fund our growth. We may have difficulty obtaining funding on attractive terms. Adverse developments in the Indian credit markets, such as the significant increase in interest rates in the last 18 months, had increase our debt service costs and the overall cost of

our funds. An inability to manage our growth effectively and failure to secure the required funding therefore on favourable terms, or at all, could have a material and adverse effect on our business, future financial performance and results of operations.

**7. *We face increasing competition in our business which may result in declining margins if we are unable to compete effectively.***

Our primary competitors are other NBFCs, public sector banks, private sector banks and other financial institution. Banks have access to low cost funds which enables them to enjoy higher margins and / or offer finance at lower rates. NBFCs do not have access to large quantities of low cost deposits, a factor which may render them less competitive.

All of these factors have resulted in us facing increased competition from other lenders in each of our lines of businesses, including commercial banks and other NBFCs. Our ability to compete effectively will depend, to some extent, on our ability to raise funds at competitive rates or at all. Increasing competition may have an adverse effect on our net interest margin and other income, and, if we are unable to compete successfully, our market share may decline.

**8. *Infrastructure projects carry certain risks which, to the extent they materialize, could adversely affect our business and result in defaults/ delays in repayment of our loans and investments declining in value which could have a material and adverse effect on our business, future financial performance and results of operations.***

Our Company's product offerings include debt, equity and mezzanine financings, and financial advisory services related to infrastructure projects in India. As at June 30, 2014 our outstanding loans were ₹ 109,721.50 million. Infrastructure projects are characterized by project - specific risks as well as general risks. These risks are generally beyond our control, and include:

- political, regulatory and legal actions that may adversely affect project viability;
- interruptions or disruption in domestic or international financial markets, whether for equity or debt funds;
- changes in government and regulatory policies;
- delays in the construction and operation of infrastructure projects;
- adverse changes in market demand or prices for the products or services that the project, when completed, is expected to provide;
- the unwillingness or inability of consumers to pay for infrastructure services;
- shortages of, or adverse price developments in respect of raw materials and key project inputs such as oil and natural gas;
- potential defaults under financing arrangements with lenders and investors;
- failure of third parties to perform on their contractual obligations;
- adverse developments in the overall economic environment in India;
- interest rate or currency exchange rate fluctuations or changes in tax regulations;
- economic, political and social instability or occurrences such as natural disasters, armed conflict and terrorist attacks, particularly where projects are located or in the markets they are intended to serve; and
- Other risks discussed in the sub-section "***External Risks — Risks Relating to India***", on page no. 21 of this Shelf Prospectus.

To the extent these or other risks relating to the projects we finance materialize, the quality of our asset Portfolio and our profitability may decline, which would have a material and adverse effect on our business, future financial performance and results of operations.

**9. *Our Company has significant Exposure to certain sectors and to certain borrowers and if these Exposures become non-performing, such Exposure could increase the level of non-performing assets in our Portfolio and materially affect our business, future financial performance and results of operations and the quality of our asset Portfolio.***

As at March 31, 2014, we have exposure in the power, road, infrastructure park and special economic zones (SEZs) sectors. For the foreseeable future, we may have a significant concentration of loans in these four sectors. Any material negative trends or financial difficulties in these sectors could increase the level of non-performing assets in our Portfolio and may adversely affect our business, future financial performance and results of operations. The customers of our Company may default on their obligations to us as a result of their bankruptcy, lack of liquidity, operational failure, breach of contract, government or other regulatory intervention and other reasons such as their inability to adapt to changes in the macro business environment. Historically, borrowers or borrower groups have been adversely affected by economic conditions in varying degrees. Such adverse impact may limit our ability to recover the dues from the borrowers and predictability of cash flows. Credit losses due to financial difficulties of these borrowers or borrower groups in the future could materially and adversely affect our business, future financial performance and results of operations.

**10. *Our indebtedness and restrictive covenants imposed by our financing agreements could restrict our ability to conduct our business and operations.***

Our financing agreements require us to maintain certain security margins. Should we breach any financial or other covenants contained in any of our financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs.

Under the terms of some of the loan agreements, our Company is required to obtain the prior written consent of the concerned lender prior to our Company entering into any scheme of expansion, merger, amalgamation, compromise or reconstruction or selling, leasing, transferring all or a substantial portion of its fixed and other assets; making any change in ownership or control or constitution of our Company, or in the shareholding or management or majority of directors, or in the nature of business of our Company; or making amendments in the Company's Memorandum and Articles of Association. In the event that such lenders, in the future decline to consent or delay in granting the consent to our plans of expansion/modernization/diversification of our business, such declination or delay as the case may be may have adverse bearing on our future growth plan.

Our ability to execute expansion plans, including our ability to obtain additional financing on terms and conditions acceptable to us, could be severely and negatively impacted as a result of these restrictions and limitations. Our failure to comply with any of these covenants could result in an event of default, which could accelerate our need to repay the related borrowings and trigger cross - defaults under other borrowings which could materially and adversely affect our liquidity, financial condition and business operations. An event of default would also affect our ability to raise new funds or renew maturing borrowings as needed to conduct our operations and pursue our growth initiatives.

***11. We may experience delays in enforcing collateral when the borrowers who are customers of our Company default on their obligations to us, which may result in failure to recover the expected value of collateral and may materially and adversely affect our business and future financial performance.***

As at March 31, 2014, 99.53% of the loans of our Company were secured by project assets and/or other collateral.

Although we seek to maintain a collateral value to loan ratio of at least 100% for our secured loans, an economic downturn or the other project risks could result in a fall in collateral values. Additionally, the realizable value of our collateral in a liquidation may be lower than its book value.

Moreover, foreclosure of such collateral may require court or tribunal intervention that may involve protracted proceedings and the process of enforcing security interests against collateral can be difficult. Additionally, the realizable value of our collateral in liquidation may be lower than its book value, particularly in relation to projects which are not completed when default occurs and lenders initiate action in respect of enforcement of security. In general, most project loans are provided on a limited recourse basis. With respect to disbursements made on a non-recourse basis, only the related project assets are available to repay the loan in the event the borrowers are unable to meet their obligations under the loan agreements due to lower than expected cash flows. With respect to disbursements made on a limited recourse basis, project sponsors generally give undertakings for funding shortfalls and cost overruns.

We cannot guarantee that we will be able to realize the full value of our collateral, due to, among other things, defects in the perfection of collateral, delays on our part in taking immediate action in bankruptcy foreclosure proceedings, stock market downturns, claims of other lenders, legal or judicial restraint and fraudulent transfers by borrowers. In the event a specialized regulatory agency gains jurisdiction over the borrower, creditor actions can be further delayed.

***12. Our investments can be particularly volatile and may not be recovered.***

As at March 31, 2014, our investments accounted for 18.79% of our total assets. The value of investments depends on the success and continued viability of the projects we have invested. In addition to the project specific risks described in the above risk factors, we have limited control over the operations or management of these projects. Therefore, our ability to realize expected gains as a result of our equity interest in a project is highly dependent on factors outside of our control. Decline in value of our equity Portfolio may materially and adversely affect our business, future financial performance and results of operations.

***13. As a consequence of being regulated as an NBFC and IFC, and a PFI, we have to adhere to certain individual and borrower group Exposure limits under the RBI regulations.***

Our Company is regulated by the RBI as an NBFC. In terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended (the "Prudential Norms Directions") our Company is required to comply with the prescribed Exposure limits. Further, our Company has been classified as an IFC by the RBI, which classification is subject to certain conditions including a minimum 75% of the total assets of such NBFC being deployed in infrastructure loans (as defined under the Prudential Norms Directions), net owned funds of ₹ 3,000 million or more, a minimum credit rating of "A" or an equivalent credit rating of CRISIL, India Ratings, CARE or ICRA or any other accredited rating agency and a capital to risk weighted asset ratio of 15%. As an IFC, our Company's single borrower limit for lending may exceed the concentration of credit norms applicable to an NBFC that is not an IFC by an additional 10% of its owned fund, and its single group limit for lending may exceed such credit norms by an additional 15% of its owned fund.

The MCA, through its notification dated September 26, 2011, published in the Official Gazette of India notified our Company, as a Public Financial Institution under Section 4A of the Companies Act 1956 (now Section 2(72) of the Companies Act 2013). As a result of the PFI status, we are required to undertake certain continuing compliances such as the main business of our Company should be industrial/infrastructural financing, the financial statement should show that its income from industrial/ infrastructural financing exceeds 50% of its income; and the net-worth of our Company should be at least ₹ 10,000 million.

In the event that our Company is unable to comply with the Exposure norms within the specified time limit, or at all, our Company may be subject to regulatory actions by the RBI including the levy of fines or penalties and/or the cancellation of registration as an NBFC, IFC or PFI. Our Company's inability to continue being classified as an IFC and PFI may impact our growth and expansion plans by affecting our competitiveness in relation to our competitors. We cannot assure you that we may not breach the Exposure norms in the future. Any levy of fines or penalties or the cancellation of our registration as an NBFC or IFC by the RBI due to the breach of Exposure norms may adversely affect our business, prospects, results of operations, financial condition and the trading price of the NCDs.

NBFCs in India are subject to strict regulation and supervision by the RBI. We require certain approvals, licenses, registrations and permissions for operating our business, including registration with the RBI as an NBFC-ND. In addition, the RBI has classified our Company as an IFC. Further, we have been notified as a PFI under section 4A of the Companies Act 1956 (Section 2(72) of Companies Act 2013). Such approvals, licenses, registrations and permissions must be maintained/renewed over time, we may have to comply with certain conditions in relation to these approvals, applicable requirements may change and we may not be aware of or comply with all requirements all of the time. We are required to obtain and maintain a certificate of registration for carrying on business as an NBFC that is subject to numerous conditions. For further details, see the section titled “*Regulations and Policies*” on page no. 184 of this Shelf Prospectus.

Given the extensive regulation of the financial services industry, it is possible that we could be found, by a court, arbitration panel or regulatory authority not to have complied with applicable legal or regulatory requirements. Further, we may be subject to lawsuits or arbitration claims by customers, employees or other third parties in the different state jurisdictions in India in which we conduct our business. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims that we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities. We may also incur substantial costs related to litigation if we are subject to significant legal action, which may materially and adversely affect our business, future financial performance and results of operations.

**14. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, would negatively affect our net interest margin and our business.**

The NCDs are rated ‘CARE AA- (Double A Minus)’ by CARE and ‘BWR AA (BWR Double A)’ by BRICKWORK. Our on-going short-term debt instruments are rated ‘CARE A1+’ by CARE and ‘ICRA A1+’ by ICRA. Our outstanding Unsecured Subordinated NCDs (Tier II Capital) are rated ‘CARE AA-’ by CARE, ‘BWR AA’ by BRICKWORK and ‘ICRA A+’ by ICRA.

Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. Any such adverse development could adversely affect our business, financial condition and results of operations.

**15. We have entered into certain related party transactions.**

We have entered into certain transactions with related parties as disclosed in the accounts. There can be no assurance that we could not have achieved more favourable terms on such transactions had they not been entered into with related parties as disclosed in the accounts. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. Such transactions we have entered into and any future transactions with our related parties could potentially involve conflicts of interest. For more information regarding our related party transactions, see the section titled “Financial Statements” for “Related Party Disclosure”.

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

As at March 31, 2014, our financial statements disclosed and reflected the following contingent liabilities:

(₹ In million)

Particulars	As at March 31, 2014
A. Contingent Liabilities	
(a) Claims against the Company not acknowledged as debts	

Particulars	As at March 31, 2014
Disputed Income Tax	399.00
Fringe Benefit Tax	22.60
Disputed Service Tax	30.20
Central Sales Tax	21.10
Entry Tax	0.20
(b) Guarantees	
Bank Guarantees	185.80
Corporate Guarantees to Bankers and Others	1270.60
Guarantees to Banks and others, in the form of Put Options against loan facilities	4070.40
<b>Total</b>	<b>5999.90</b>
B. Commitments	
Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)	50.80
On account of Letter of Credit	6860.80
On account of Derivative Instruments *	

*\*The Company has entered into Options/Swaps/Forward Contracts (being derivative instruments) which are not intended for trading and speculation, for the purpose of hedging currency and interest rate related risks. Options, Swaps and Forward Contracts outstanding as at year end are as follows:-*

*(Amount in million)*

Category	Currency	March 31, 2014	
		No. of Contracts	Amount in Foreign Currency
Options / Swaps	USD/INR	8	USD 86.648
Options / Swaps	EUR/INR	1	EUR 15.00
Forwards	USD/INR	4	USD 1.212
Interest Rate Swaps	USD/INR	7	USD 87.863

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

**17. Material changes in the regulations that govern us and our borrowers could cause our business to suffer.**

We are regulated by the Companies Act 1956, Companies Act 2013 and some of our activities are subject to supervision and regulation by statutory authorities including the MCA, RBI, SEBI and Stock Exchange. Further, we are subject to changes in Indian law, as well as to changes in regulation and government policies and accounting principles. We also receive certain benefits and take advantage of certain exemptions available to our classification as a Public Financial Institution under Section 4A of the Companies Act 1956 (now Section 2(72) of the Companies Act 2013) and as NBFC under the RBI Act, 1934. The laws and regulations governing us could change in the future and any such changes could adversely affect our business, our future financial performance, by requiring a restructuring of our activities, which may impact our results of operations.

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

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there are various types of risks and losses for which we do not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, future financial performance and results of operations.

**19. A failure of our operational systems or infrastructure, or those of third parties, could impair our liquidity, disrupt our businesses, cause damage to our reputation and result in losses.**

Our business is highly dependent on our ability to process a large number of transactions. Our financial, accounting, data processing or other operating systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control, adversely affecting our ability to process these transactions. As we grow our business, the inability of our systems to accommodate an increasing volume of transactions could also constrain our ability to expand our businesses. Additionally, shortcomings or failures in our internal processes or

systems could lead to an impairment of our financial condition, financial loss, disruption of our business and reputational damage.

Our failure to maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations.

We may also be subject to disruptions of our operating systems, arising from events that are wholly or partially beyond our control including, for example, computer viruses or electrical or telecommunication service disruptions, which may result in a loss or liability to us.

***20. We may be required to increase our capital ratio or amount of reserve funds, which may result in changes to our business and accounting practices that may materially and adversely affect our business and results of operations.***

We are subject to the RBI minimum capital to risk weighted assets ratio regulations. Pursuant to Section 45 -IC of the RBI Act, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. Our Company has been designated an Infrastructure Finance Company as from 31<sup>st</sup> March, 2011 and as such, must maintain a capital to risk-weighted asset ratio of 15%, out of which 10% should be represented by Tier I capital.

As on March 31, 2010, 2011, 2012, 2013 and 2014 our Company's total capital to risk- asset ratio was 21.99%, 29.36%, 20.17%, 21.68% and 17.78% respectively.

The RBI may also in the future require compliance with other financial ratios and standards and/or may make the existing requirements more stringent. Compliance with such regulatory requirements in the future may require us to alter our business and accounting practices or take other actions that could materially and adversely affect our business and operating results.

***21. We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income to decline and adversely affect our return on assets and profitability.***

Our business is dependent on interest income from the loans we disburse. Accordingly, we are affected by volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility.

If interest rates rise we may have greater difficulty in maintaining a low effective cost of funds compared to our competitors which may have access to low-cost deposit funds. Further, in case our borrowings are linked to market rates, we may have to pay interest at a higher rate as compared to other lenders. Fluctuations in interest rates may also adversely affect our treasury operations. In a rising interest rate environment, especially if the rise were sudden or sharp, we could be adversely affected by the decline in the market value of our securities Portfolio and other fixed income securities. In addition, the value of any interest rate hedging instruments we may enter into in the future would be affected by changes in interest rates.

When interest rates decline, we are subject to greater repricing and prepayment risks as borrowers take advantage of the attractive interest rate environment. When assets are repriced, our spread on our loans, which is the difference between our average yield on loans and our average cost of funds, could be affected. During periods of low interest rates and high competition among lenders, borrowers may seek to reduce their borrowing cost by asking lenders to reprice loans. If we reprice loans, our results may be adversely affected in the period in which the repricing occurs. If borrowers prepay loans, the return on our capital may be impaired as any prepayment premium we receive may not fully compensate us for the redeployment of such funds elsewhere.

***22. In addition to our Rupee borrowings and financial activities, we currently have foreign currency borrowings as well as financing activities, which are likely to continue or increase in the future, which will expose us to fluctuations in foreign exchange rates, which could adversely affect our financial condition.***

As at June 30, 2014, our aggregate foreign currency borrowings amounted to USD 124.65 million and EURO 15 million, comprising 6.72% of our aggregate borrowings as at that date. Out of this USD 38 million was unhedged. We may seek to obtain additional foreign currency borrowings in the future. We are therefore affected by adverse movements in foreign exchange rates. While we seek to hedge foreign currency exposures, there can be no assurance that our hedging policies and mechanisms will remain effective or that we will enter into effective hedging with respect to any new foreign currency borrowings. To the extent we increase our foreign currency borrowing in the future, we may be further exposed to fluctuations in foreign currency rates. Volatility in foreign exchange rates could adversely affect our business, prospects, results of operations and financial condition. Further, adverse movement of foreign exchange rates may also affect our borrowers negatively, which may in turn adversely affect the quality of our exposure to these borrowers.

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

The liquidity and on-going profitability of our business are, in large part, dependent upon our timely access to, and the costs associated with, raising funds. Our funding requirements historically have been met from a combination of shareholder funds, secured and unsecured loan funds in the form of Rupee and foreign currency borrowings from banks and financial institutions, redeemable non-convertible debentures. Thus, our business depends and will continue to depend on our ability to access diversified funding sources. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition.

Due to tight monetary policy of the RBI borrowing cost has increased in last 18 months and there are difficulties in accessing funds in a cost - effective manner. Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. Scarcity of long term funds will adversely impact asset/liability profile of the company.

**24. *Our success depends in large part upon our management team and skilled personnel and our ability to attract and retain such persons.***

Our future performance will be affected by the continued service of our management team and skilled personnel. We also face a continuing challenge to recruit and retain a sufficient number of suitably skilled personnel, particularly as we continue to grow. There is significant competition for management and other skilled personnel in the various segments of the financial services industry in which we operate, and it may be difficult to attract and retain the personnel we need in the future. The loss of key personnel may have a material and adverse effect on our business, future financial performance, results of operations and ability to grow in line with our strategy and future plans.

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

As of June 30, 2014, our total employee strength was 228. Currently, none of our employees are members of any labour union. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

**26. *We are exposed to various operational risks, including the risk of fraud and other misconduct by employees or outsiders.***

As with other financial intermediaries, we are exposed to various operational risks such as fraud or misconduct by our employees or by an outsider, unauthorized transactions by employees or third parties, misreporting of and non-compliance with various statutory and legal requirements and operational errors. It may not always be possible to deter employees from or otherwise prevent misconduct or misappropriation of cash collections, and the precautions we take to detect and prevent these activities may not always be effective. Any instance of employee misconduct, fraud or improper use or disclosure of confidential information could result in regulatory and legal proceedings which if unsuccessfully defended, could materially and adversely affect our business, future financial performance and results of operations.

**27. *System failures or inadequacy and security breaches in computer systems may adversely affect our business.***

Our business is increasingly dependent on our financial accounting and information technology systems. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services.

Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security.

Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner or at all could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our

businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

**28. *Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts in India and in some developed countries.***

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, currency risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data.

Our risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon RBI's ALM Guidelines for NBFCs. Other risk management methods depend upon our internal risk management policies and principles evolved by our management. This information may not in all cases be accurate, complete, current, or properly evaluated. Although we have established these policies and procedures, they may not be fully effective.

**29. *Our business is based on the trust and confidence of our customers; any damage to that trust and confidence may materially and adversely affect our business, future financial performance and results of operations.***

We are dedicated to earning and maintaining the trust and confidence of our customers; and we believe that the good reputation created thereby, and inherent in the "Srei" brand name is essential to our business. As such, any damage to our reputation, or that of the "Srei" brand name, could substantially impair our ability to maintain or grow our business. In addition, any action on the part of any of the Srei Group companies that negatively impact the "Srei" brand could have a material and adverse effect on our business, future financial performance and results of operations.

**30. *The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.***

Our financial statements, including the financial statements provided in this Shelf Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of the International Financial Reporting Standards ("IFRS") or U.S. GAAP on the financial data included in this Shelf Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS, U.S. GAAP and IFRS differ in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Shelf Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Shelf Prospectus should accordingly be limited.

However we may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the MCA in January, 2010. The convergence of certain Indian Accounting Standards with IFRS was notified by the MCA on February 25, 2011 to be implemented in phases. The date of implementing such converged Indian accounting standards has not yet been determined, and will be notified by the MCA in due course after various tax-related and other issues are resolved.

Because there is significant lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP, which could have a material adverse effect on the price of our Equity Shares.

As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by an agreed deadline could have a material adverse effect on our business and operations.

**31. *As an infrastructure lending institution, notified as a PFI, we will receive certain additional tax benefits in the future as a result of the type of lending operations we conduct. These benefits may become unavailable as per future regulatory guidelines, which may affect our profits to the extent of the additional tax benefits we are currently availing.***

Our Company benefits from certain tax regulations and incentives that accord favourable treatment to infrastructure-related activities in accordance with Section 36(1)(vii)(c) of the Income Tax Act. Section 36(1) (vii)(c) permits a PFI to include doubtful debts as an eligible deduction under the Income Tax Act. As a consequence, our operations are subject to relatively low tax liabilities. We cannot assure you that we would continue to be eligible for such lower tax rates or any other benefits if the same become unavailable to PFIs as per future regulatory guidelines. In addition, it is likely that the Direct Tax Code, once introduced, could significantly alter the taxation regime, including incentives

and benefits, applicable to us or other infrastructure development activities. If the laws or regulations regarding the tax benefits applicable to us or the infrastructure sector as a whole were to change, our taxable income and tax liability may increase, which would adversely affect our financial results.

Additionally, if such tax benefits were not available, this could negatively affect us and be detrimental to our business, prospects, results of operations and financial condition.

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

**32. *We may not be able to successfully sustain our growth strategy. Inability to effectively manage our growth and related issues could materially and adversely affect our business and impact our future financial performance.***

We had applied to the RBI for the grant of a license under the PSSA for acting as a WLAO and have been granted license to set-up, own and operate payment system for WLAs with effect from March 25, 2014. The authorisation issued to set up WLAs shall be valid upto March 31, 2019. On its implementation, we will be able to earn 'interchange' fees from issuing banks, every time a card transaction is undertaken by customers of such issuing banks at an ATM owned and operated by us, in addition to other fee based revenue. In order to continue with this new business we must maintain net worth of at least ₹100 crore at all times. We have little or no operating experience with such businesses, and you should consider the risks and difficulties we may encounter by entering into new lines of business. New businesses may require significant capital investments and commitments of time from our senior management, and there often is little or no prospect of earnings in a new business for several years. Moreover, there is no assurance any new business we develop or enter will commence in accordance with our timelines, if at all, which could result in additional costs and time commitments from our senior management. There also can be no assurance that our management will be able to develop the skills necessary to successfully manage these new business areas. Our inability to effectively manage any of the above issues could materially and adversely affect our business and impact our future financial performance.

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

As required under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014, our Company is required to disclose that Debenture Trustee, Legal Counsel, Lead Managers and Co-Lead Managers, Registrar, Experts and the lenders of our Company have given their consents. We had duly applied to all the lenders of our Company for their respective consents as required under the said Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014. In cases of consortium/syndicate lending by lenders to our Company, we have applied for no-objection/consents from the lead bank of such consortium/syndicate for this Issue and have obtained the consent. As on the date of this Shelf Prospectus, we are yet to receive consents from the following lenders of our Company for inclusion of their name in the Shelf Prospectus:

Allahabad Bank, Bank of Baroda, Canara Bank, DBS Bank Limited, Indian Bank, Indian Overseas Bank, Punjab & Sind Bank, South Indian Bank, State Bank of Hyderabad, State Bank of Patiala, Syndicate Bank, United Bank of India, Vijaya Bank, Oesterreichische Entwicklungsbank AG, UPS Capital Business Credit and DBS Bank Limited (Singapore).

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

**34. *We face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations, profitability and/or cash flows.***

We face potential liquidity risks due to varying periods over which our assets and liabilities mature. As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as bank loans, working capital demand loans, cash credit, short term loans and commercial papers. Consequently, our inability to obtain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations, financial performance and/or cash flows. Further, mismatches between our assets and liabilities are compounded in case of pre-payments of the financing facilities we grant to our customers.

## **EXTERNAL RISKS**

### **Risks Relating to India**

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

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

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

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

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

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

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

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

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

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

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

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

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

6. ***Outbreaks of epidemic diseases may adversely affect our operations.***

Pandemic disease, caused by a virus such as H5N1 (the "avian flu" virus), or H1N1 (the "swine flu" virus), could have a severe adverse effect on our business. A new and prolonged outbreak of such diseases may have a material

adverse effect on our business and financial conditions and results of operations. Although the long - term effect of such diseases cannot currently be predicted, previous occurrences of avian flu and swine flu had an adverse effect on the economies of those countries in which they were most prevalent. In the case of any of such diseases, should the virus mutate and lead to human – to - human transmission of the disease, the consequence for our business could be severe. An outbreak of a communicable disease in India or in the particular region in which we conduct business operations would adversely affect our business, future financial performance and results of operations.

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

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

**Risks Associated with the NCDs**

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

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

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

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

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

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

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

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

- (a) the Debenture Redemption Reserve shall be created out of the profits of the company available for payment of dividend;
- (b) the company shall create Debenture Redemption Reserve equivalent to at least twenty five percent of the amount raised through the debenture issue before debenture redemption commences.

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

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

As per Companies (Share Capital and Debentures) Rules, 2014, every company required to create or maintain DRR shall before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15.00% of the amount of its debentures maturing during the year ending on the 31st day of March, following any

one or more of the following methods, namely: (a) in deposits with any scheduled bank, free from charge or lien (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilized for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year. This may have a bearing on the timely redemption of the NCDs by our Company.

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

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

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

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

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

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

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

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

## SECTION III: INTRODUCTION

### GENERAL INFORMATION

#### **Srei Infrastructure Finance Limited**

Date of Incorporation: March 29, 1985

A Public Limited Company incorporated under the Companies Act 1956.

#### **Registered Office of the Issuer**

‘Vishwakarma’, 86C Topsia Road (South), Kolkata – 700 046, West Bengal, India

For details on changes in our Registered Office, see “*History and Main Objects*” on page no. 90 of the Shelf Prospectus.

#### **Corporate Office of the Issuer**

6A Kiran Shankar Roy Road, Kolkata – 700 001, West Bengal, India

#### **Company Secretary and Compliance Officer of the Issuer**

Name : Mr Sandeep Lakhota  
Designation : Company Secretary  
Address : ‘Vishwakarma’, 86C, Topsia Road (South), Kolkata - 700 046  
Telephone : +91 33 6160 7734  
Fax : +91 33 2285 8501  
E-Mail : secretarial@srei.com

#### **Compliance Officer to the Issue**

Name : Mr Sumit Jhunhunwala  
Address : ‘Vishwakarma’, 86C, Topsia Road (South), Kolkata - 700 046  
Telephone : +91 33 6160 7734  
Fax : +91 33 2285 8501  
Toll Free no. : 1800 419 7734  
E-Mail : sreincd1@srei.com, connect@sreibonds.com

#### **Chief Financial Officer of the Issuer**

Name : Mr Kishor Kumar Lodha  
Address : ‘Vishwakarma’, 86C, Topsia Road (South), Kolkata - 700 046  
Telephone : +91 33 6160 7734  
Fax : +91 33 2285 8501  
E-Mail : sreincd1@srei.com

#### **Debenture Trustee**

##### **Axis Trustee Services Limited**

2nd Floor, Axis House  
Bombay Dyeing Mills Compound  
Pandurang Budhkar Marg  
Mumbai 400 025  
Tel: +91 22 2425 5206  
Fax: +91 22 2425 4200  
Email: debenturetrustee@axistrustee.com  
Investor Grievance Email: complaints@axistrustee.com  
Website: www.axistrustee.com  
Contact Person: Mr Neelesh Baheti, Chief Operating Officer  
Compliance Officer: Mr D J Bora  
SEBI Registration No.: IND000000494

Axis Trustee Services Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated July 30, 2014 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

All the rights and remedies of the Debenture Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the Debenture Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by

our Company for this Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company *pro tanto* from any liability to the Debenture Holders. For details on the terms of the Debenture Trust Deed, please refer to the section titled “**Issue Related Information**” on page no. 135 of this Shelf Prospectus.

### **Registrar of the Issue**

#### **Karvy Computershare Private Limited**

Plot No. 17 to 24, Vithalrao Nagar  
Madhapur, Hyderabad - 500 081  
Toll Free No.1-800-3454001  
Tel: +91 40 4465 5000  
Facsimile: +91 40 2343 1551  
Email: einward.ris@karvy.com  
Investor Grievance Email: sre.ncdipo2@karvy.com  
Website: www.karisma.karvy.com  
Compliance Officer: Mr Rakesh Santalia  
Contact Person: Mr M. Murali Krishna  
SEBI Registration No.: INR000000221

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

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

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

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

### **Credit Rating Agencies**

#### **Credit Analysis and Research Limited**

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

#### **Brickwork Ratings India Private Limited**

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

### **Statutory Auditors**

#### **Haribhakti & Co. LLP**

Chartered Accountants  
Usha Kiran Building, Flat No. 4A  
4<sup>th</sup> Floor, 12A, Camac Street,  
Kolkata – 700 017  
Tel: (+91 33) 3201 6298  
Fax: (+91 33) 22264140  
Website: www.dhc.co.in  
Firm registration no: 103523W

### **Registration**

Corporate Identification Number: L29219WB1985PLC055352 issued by the Registrar of Companies, Kolkata, West Bengal.

Certification of Incorporation dated March 29, 1985 issued by the Registrar of Companies, New Delhi and Certificate for Commencement of Business dated April 9, 1985

Certificate of Registration no. 05.02773 dated August 1, 1998 issued by the RBI allowing our Company to commence/carry on the business as a deposit taking non-banking financial institution, under Section 45-IA of the RBI Act, 1934.

Certificate of Registration no. B- 05.02773 dated March 31, 2011 issued by the RBI reclassifying our Company as a Infrastructure Finance Company – Non - Deposit Taking under Section 45-IA of the RBI Act, 1934.

The MCA through its notification vide G.S.R No. 2223 (E) dated September 26, 2011 published in the Official Gazette of India, notified our Company, as a 'Public Financial Institution' under Section 4A of the Companies Act 1956 (now Section 2(72) of the Companies Act 2013).

### Income-Tax Registration

Permanent Account Number: AAACS1425L

### Lead Managers

<b>ICICI Securities Limited</b> ICICI Centre H.T. Parekh Marg, Churchgate, Mumbai 400 020 Tel : +91 22 2288 2460 Fax : +91 22 2282 6580 E-mail : project.srei@icicisecurities.com Investor Grievance Email: customercare@icicisecurities.com Website : www.icicisecurities.com Contact Person: Mr. Bhavin Vakil Compliance Officer : Mr Subir Saha SEBI Registration No: INM000011179	<b>A. K. Capital Services Limited</b> 30-39 Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400021 Tel: +91 22 6754 6500/ 6634 9300; Fax: +91 22 6610 0594 Email: sreincd@akgroup.co.in Investor Grievance Email: investor.grievance@akgroup.co.in Website: www.akcapindia.com Contact Person: Ms Akshata Tambe / Mr Lohit Sharma Compliance Officer: Mr Vikas Agarwal SEBI Registration No.: INM000010411
<b>Edelweiss Financial Services Limited</b> Edelweiss House Off CST Road, Kalina Mumbai 400 098 Tel: +91 22 4086 3535 Fax: +91 22 4086 3610 Email: sreinfncd@edelweissfin.com Investor Grievance Email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Mr Lokesh Singhi Compliance Officer: Mr. B Renganathan SEBI Registration No.: INM0000010650	<b>SPA Capital Advisors Limited</b> 25,C – Block ,Community Centre Janak Puri ,New Delhi -110 058 Tel : +91 11 4567 5500, 2551 7371 Fax : +91 11 2553 2644 Email: sre.ipo@spagroupindia.com Investor Grievance E mail: grievances.mb@spagroupindia.com Website: www.spacapital.com Contact Person: Mr Nitin Somani /Ms Ashi Sood Compliance Officer: Mr Sanjay Gupta SEBI Registration No.: INM000010825
<b>Srei Capital Markets Limited*</b> 'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046 Tel: +91 33 6602 3845 Fax: +91 33 6602 3861 Email: capital@srei.com Investor Grievance E mail: scmlinvestors@srei.com Website: www.srei.com Contact Person: Mr Manoj Agarwal Compliance Officer: Mr Manoj Agarwal SEBI Registration No.: INM000003762	

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

### Co-Lead Managers to the Issue

<b>Bajaj Capital Limited</b> Unit No.941, Building No. 9, 4 <sup>th</sup> Floor,	<b>Integrated Enterprises (India) Limited</b> 15, 1 <sup>st</sup> Floor, Modern House
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Solitaire Corporate Park, Andheri Kurla Road, Chakala Andheri (East), Mumbai – 400 093 Telephone No.: +91 22 4009 9999 Fax: +91 22 4009 9911 Email: sreincd@bajajcapital.com Investor Grievance E-mail ID: info@bajajcapital.com Website: www.bajajcapital.com Contact person: Sumit Dudani Compliance officer: Mr P. Janardhan SEBI Reg. No. INM000010544	Dr. V.B. Gandhi Marg, Fort Mumbai 400 023 Tel :+91 22 4066 1800 Fax :+91 22 2287 4676 E-mail : sreincd@integratedindia.in Investor Grievance E-mail ID: mbd@integratedindia.in Website: www.integratedindia.in Contact person: Mr. V Krishnan Compliance Officer: Mr Suresh Babu K SEBI Registration No: INM000002640
<b>Karvy Investor Services Limited</b> 701 Hallmark Business Plaza, , Sant Dynaneshwar Marg, Bandra (E) Mumbai – 400 051 Tel: +91 22 6149 1500 Fax: +91 22 6149 1515 Email: Sreincd@karvy.com Investor Grievance E mail: igmbd@karvy.com, cmg@karvy.com Website: www.karvy.com Contact Person: Mr Swapnil Mahajan Compliance Officer : Mr V Madhusudhan Rao SEBI Registration No.:INM000008365	<b>RR Investors Capital Services Private Limited</b> 47, MM, Road Rani Jhansi Marg, Jhandelwalan, New Delhi- 110055 Tel :+91 11 2363 6362/ 63 Fax :+91 11 2363 6746 E-mail : sreincd2013@rrfcl.com Investor Grievance E-mail ID: investors@rrfcl.com Website: www.rrfcl.com / www.rrfinance.com Contact person: Mr Anurag Awasthi Compliance Officer: Mr Ravi Kant Goyal SEBI Registration No: INM000007508
<b>SMC Capitals Limited</b> 302-303, Enterprise Centre, Near Orchid Hotel, Nehru Road, Vile Parle (E) Mumbai-400099 Telephone number: +91 22 6648 1818 Fax number: +91 22 6648 1850 E-mail: sreincd@smccapitals.com Investor Grievance E-mail ID: investor.grievance@smccapitals.com Website: www.smccapitals.com Contact person: Mr Satish Mangutkar Compliance Officer: Mr. O.P. Agrawal SEBI Registration No.:INM000011427**	

*\*\*The SEBI registration certificate of SMC Capitals Limited, one of the Co-Lead Managers, as a merchant banker has expired on December 31, 2013. As required under regulation 8A of the Securities and Exchange Board of India(Merchant Bankers) Regulations, 1992, an application for renewal was made to SEBI vide application dated September 25, 2013 to SEBI. The approval of SEBI in this regard is awaited.*

#### **Legal Advisor to the Issue**

##### **Khaitan & Co LLP**

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

#### **Escrow Collection Banks / Bankers to the Issue**

As specified in the relevant Tranche Prospectus(es)

#### **Refund Bank**

As specified in the relevant Tranche Prospectus(es)

#### **Lenders to our Company**

<b>Australia and New Zealand Banking Limited</b> Mumbai Branch Cnergy Appasaheb Marathe Marg,	<b>Axis Bank Limited</b> 7 Shakespeare Sarani Kolkata - 700 071 Tel: +91 33 2289 2933	<b>Andhra Bank</b> 58, Chowringhee Road, Kolkata – 700 071 Tel: +91 33 2282 3549
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Prabhadevi, Mumbai – 400 025 Tel: +91 22 3362 0040 Email id-arshad.khan@anz.com	Email id – suma.hall@axisbank.com	Email id- bmcal770@andharbank.co.in
<b>Bank of India</b> Kolkata Large Corporate Branch 5 BTM Sarani Kolkata – 700 001 Tel: +91 33 2231 3259/2210 4257 Email id- LCB.kolkata@bankofindia.co.in	<b>Bank of Maharashtra</b> 60C, Chowringhee Road, Kolkata-700 020 Tel : +91 33 2283 2095 Email Id : brmgr376@mahabank.co.in	<b>Central Bank of India</b> Corporate Finance Branch 33, N.S. Road, Kolkata – 700 001 Tel: +91 33 2230 3606 Email id- agmcfb3842@centralbank.co.in
<b>Corporation Bank</b> Centre Point, 1 <sup>st</sup> Floor, 21, Hemant Basu Sarani, Kolkata-700 001 Tel: +91 33 2262 5411 Email: cb1127@corpbank.co.in	<b>Dena Bank</b> 112, Rabindra Sarani, Kolkata- 700 073 Tel : +91 33 2268 5764 Email Id : burrab@denabank.co.in	<b>Dhanlaxmi Bank Limited</b> Ideal Plaza, 11/1 Sarat Bose Road, Ground Floor, Kolkata - 700 020 Tel: +91 33 2281 5090 Email id- dlb.kolkata@dhanbank.co.in
<b>ICICI Bank Limited</b> 2B Gorky Terrace, Kolkata - 700 017 Tel: +91 33 2283 2209 Email id- suraj.bathwal@icicibank.com	<b>IDBI Bank Limited</b> IDBI House, 44, Shakespeare Sarani, Kolkata – 700 017 Tel: +91 33 6655 8830 Email id-pankaj.k@idbi.co.in	<b>Nederlanse Financierings- Maatschappij voor Ontwikkelingslanden N V (FMO)</b> Anna Van Saksenlaan 71, 2593 HW, The Hague, The Netherlands Tel: +31 70 314 9696 Email id-m.egellie@fmo.nl
<b>Oriental Bank of Commerce</b> 6 <sup>th</sup> Floor, Om Tower, 32 Jawaharlal Nehru Road, Kolkata- 700 071 Email Id: bm0171@obc.co.in	<b>Punjab National Bank</b> Large Corporate Branch 44, Park Street, Kolkata – 700 016 Tel: +91 33 4403 3202/ 4403 3225 Email id-bo0573@pnb.co.in	<b>State Bank of Bikaner &amp; Jaipur</b> CNW Branch, 20B, Part Street, Kolkata – 700 016 Tel: +91 33 4001 1447 Email id-sbbj10604@sbbj.co.in
<b>State Bank of India</b> Industrial Finance Branch Kolkata-700 017 Tel: +91 33 2283 5092 Email id-sbi.01936@sbi.co.in	<b>State Bank of Mysore</b> Bentinck Street Branch 1&2 Old Court House Corner, Tobacco House, Kolkata – 700 046 Tel: 91 33 2230 0991/ 2230 0987/ 2242 0742 Email id-bentinckstreet@sbm.co.in	<b>The Karur Vysya Bank Limited</b> SB Towers, 37, Shakespeare Sarani Branch, Kolkata – 700 017 Tel: +91 33 2283 6387 Email id- shakespeare@kvbmail.com
<b>The South Indian Bank Limited</b> Oswal Chambers, 2 Church Lane, Kolkata-700 001 Tel: +91 33 2262 4816 Email id- br0728@sib.co.in	<b>UCO Bank</b> IFB, India Exchange Place, Kolkata – 700 001 Tel: +91 33 6450 4480 Email id- calind@ucobank.co.in	<b>Union Bank of India</b> 1/1, Camac Street, 1st Floor, Kolkata – 700 016 Tel: +91 33 2229 7908 Email id- ifbkolkata@unionbankofindia.com

### Lead Brokers to the Issue

As specified in the relevant Tranche Prospectus(es).

### Self-Certified Syndicate Banks

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

### Syndicate SCSB Branches

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

## **Impersonation**

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

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

## **Minimum Subscription**

If our Company does not receive the minimum subscription of 75% of Base Issue for each Tranche Issue as disclosed in the relevant Tranche Prospectus(es), our Company will refund the entire application monies within 12 days from the Issue Closing Date/Tranche Issue Closing Date. If there is delay in the refund of the application monies, our Company becomes liable to refund the subscription amount along with interest for the delayed period at the rate prescribed under applicable law and in the manner as may be prescribed in accordance with Section 39(3) of the Act, 2013.

Under Section 39(3) of the Companies Act 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Company and/or Registrar, refunds will be made to the account prescribed. However, where the Company and/or Registrar does not have the necessary information for making such refunds, the Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

## **Underwriting**

The Issue is not underwritten.

## **Arrangers to the Issue**

There are no arrangers to the Issue.

## **Expert Opinion**

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

Vide letter dated September 10, 2014, our Company has received consent from Haribhakti & Co. LLP, Statutory Auditors of our Company to include their name as an expert under Section 26(5) of the Companies Act 2013 in the Draft Shelf Prospectus, Shelf Prospectus and relevant Tranche Prospectus(es) in relation to the examination report dated September 10, 2014 and statement of tax benefits dated September 10, 2014 included in the Draft Shelf Prospectus, Shelf Prospectus and relevant Tranche Prospectus(es) and such consent has not been withdrawn as on the date of this Shelf Prospectus.

## **Credit Ratings and Rationale**

By its letter dated July 16, 2014 and revalidation letter dated September 9, 2014, CARE has assigned a rating of ‘CARE AA- (Double A Minus)’ to the issue of NCDs by the Issuer to the extent of ₹ 5,000 million with a minimum tenure of 1 (one) year & maximum tenure of 10 (ten) years.

By its letter dated July 3, 2014 and revalidation letter dated September 9, 2014, CARE has assigned a rating of ‘CARE AA- (Double A Minus)’ to the issue of NCDs by the Issuer to the extent of ₹ 10,000 million with a minimum tenure of 1 (one) year & maximum tenure of 10 (ten) years.

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

*“The above ratings continue to draw strength from the satisfactory track record of the company with Infrastructure Finance Company status from RBI, established experience of the promoter group with prominent position in infrastructure financing space, continuing growth in advances, diversified resource mix, satisfactory gearing with adequate capitalisation and moderate asset quality and financial performance. The ratings are however, constrained by the risk associated with volatility in interest rates, exchange rate risks in respect of foreign currency borrowings, portfolio concentration risk and also the challenging operating environment in the infrastructure financing space. The ratings also factor in SIFL’s investment in group companies, majority of which are in infrastructure space and are yet to be divested/diluted to yield commensurate returns. Ability of the Company to monetize its strategic investments, improve its asset quality and profitability would remain the key rating sensitivities.”*

By its letter dated June 18, 2014 and revalidation letter dated September 22, 2014, BRICKWORK has assigned a rating of “BWR AA” (BWR Double A) to the issue of NCDs by the Issuer to the extent of ₹ 10,000 million. The said rating is valid till June 17, 2015.

By its letter dated November 4, 2011 and revalidation letter dated September 10, 2014, BRICKWORK has assigned a rating of “BWR AA” (BWR Double A) to the issue of NCDs by the Issuer to the extent of ₹ 50 million. The said rating is valid till June 17, 2015.

By its letter dated September 14, 2012 and revalidation letter dated September 10, 2014, BRICKWORK has assigned a rating of “BWR AA” (BWR Double A) to the issue of NCDs by the Issuer to the extent of ₹ 62.30 million. The said rating is valid till June 17, 2015.

By its letter dated June 19, 2013 and revalidation letter dated September 10, 2014, BRICKWORK has assigned a rating of “BWR AA” (BWR Double A) to the issue of NCDs by the Issuer to the extent of ₹ 973.50 million. The said rating is valid till June 17, 2015.

By its letter dated August 6, 2014 and revalidated by letter dated September 10, 2014, BRICKWORK has assigned a rating of “BWR AA” (BWR Double A) to the issue of NCDs by the Issuer to the extent of ₹ 3,930.10 million. The said rating is valid till August 5, 2015.

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

*“Brickwork Ratings (BWR) has assigned the Rating of BWR AA (BWR Double A) with a stable outlook for the long-term Secured NCD Issues of ₹ 393.01 Crs of Srei Infrastructure Finance Limited (SIFL). The rating “BWR AA” stands for an instrument that is considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. BWR has also reaffirmed the ratings for following issues of SIFL :*

<b>Instruments</b>	<b>Amount</b>	<b>Rating</b>
NCD	₹ 1000 cr	BWR AA (Stable Outlook)
NCD	₹ 300 cr	BWR AA (Stable Outlook)
NCD	₹ 200 cr	BWR AA (Stable Outlook)

*The rating, inter alia, factors the Infrastructure Finance Company status enjoyed by SIFL as per RBI’s prescribed norms, experience of the Promoter Group in the line of business, and overall management of asset quality. However, the rating is constrained by the difficult economic scenario which has adversely affected the infrastructure sector, portfolio concentration with high exposure to power sector, decline in profitability due to steep increase in financing costs, and consequential drop in Capital Adequacy Ratio.”*

#### **Statement of Inter Se Allocation of Responsibilities for the Issue**

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

<b>No</b>	<b>Activities</b>	<b>Responsibility</b>	<b>Coordinator</b>
1.	Structuring of various issuance options with relative components and formalities etc.	I-Sec, AK Capital, SPA, Edelweiss, Bajaj, Karvy, RR Investors, Integrated and SMC	I-Sec
2.	Due diligence of Company’s operations/ management/ business plans/ legal etc. Drafting and design of the Offering Document and of statutory advertisement including memorandum containing salient features of the Offering Document. (The Merchant Bankers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the BSE and SEBI including finalization of Offering Document and filing)	I-Sec, AK Capital, SPA, Edelweiss, Bajaj, Karvy, RR Investors, Integrated and SMC	I-Sec
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, etc.	I-Sec, AK Capital, SPA, Edelweiss, Bajaj, Karvy, RR Investors, Integrated and SMC	AK Capital
4.	Appointment of other intermediaries viz., Registrar(s), Printers, Advertising Agency and Bankers to the Issue	I-Sec, AK Capital, SPA, Edelweiss, Bajaj, Karvy,	I-Sec

No	Activities	Responsibility	Coordinator
		RR Investors, Integrated and SMC	
5.	Finalization of agreement with the Stock Exchange (if any) for using their platform, completing other necessary formalities in this regard and coordination in obtaining user id, password etc. from exchanges	I-Sec, AK Capital, SPA, Edelweiss, Bajaj, Karvy, RR Investors, Integrated and SMC	I-Sec
6.	Preparation of road show presentation, FAQs	I-Sec, AK Capital, SPA, Edelweiss, Bajaj, Karvy, RR Investors, Integrated and SMC	AK Capital
7.	Marketing Strategy for Institutional and Non-Institutional Investor(s) which will cover inter alia: <ul style="list-style-type: none"> <li>Finalize media, marketing and public relation strategy and publicity budget,</li> <li>Finalize centres for holding conferences for brokers, etc.</li> <li>Finalize collection centres,</li> <li>Follow-up on distribution of publicity and Issue material including form, Prospectus and deciding on the quantum of the Issue material</li> </ul>	I-Sec, AK Capital, SPA, Edelweiss, Srei Caps, Bajaj, Karvy, RR Investors, Integrated and SMC	SPA
8.	Marketing Strategy for Individual Category Investor(s) which will cover inter alia: <ul style="list-style-type: none"> <li>Finalize media, marketing and public relation strategy and publicity budget,</li> <li>Finalize centres for holding conferences for brokers, etc.</li> <li>Finalize collection centres,</li> <li>Follow-up on distribution of publicity and Issue material including form, Prospectus and deciding on the quantum of the Issue material</li> </ul>	I-Sec, AK Capital, SPA, Edelweiss, Srei Caps Bajaj, Karvy, RR Investors, Integrated and SMC	Edelweiss
9.	The Post Issue activities for the Issue will involve essential follow up steps, which include the management of escrow accounts, finalization of the basis of allotment, dispatch of refunds, demat and delivery of securities, finalization of listing and trading of instruments with the various agencies connected with the work such as the Registrar(s) to the Issue and Bankers to the Issue and the redressal of investor grievances in relation to post issue activities.	I-Sec, AK Capital, SPA, Edelweiss, Bajaj, Karvy, RR Investors, Integrated and SMC	I-Sec

### Utilisation of Issue proceeds

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

- All monies received out of the Issue shall be credited/transferred to a separate bank account maintained with a Scheduled Bank, other than the bank account referred to in Section 40(3) of the Companies Act 2013;
- details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue;
- Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;
- We shall utilize the Issue proceeds only upon creation of Security, receipt of the listing and trading approval from the Stock Exchange as stated in this Shelf Prospectus in the section titled “**Issue Structure**” beginning on page no. 135 of this Shelf Prospectus; and
- The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

### Issue Programme

ISSUE OPENS ON	AS SPECIFIED IN TRANCHE PROSPECTUS
ISSUE CLOSES ON	AS SPECIFIED IN TRANCHE PROSPECTUS

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

## THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled “**Issue Related Information**” beginning on page no. 135 of this Shelf Prospectus.

### Common Terms of NCDs

Issuer	Srei Infrastructure Finance Limited
Lead Managers	ICICI Securities Limited, A. K. Capital Services Limited, Edelweiss Financial Services Limited, SPA Capital Advisors Limited and Srei Capital Markets Limited
Co-Lead Managers	Bajaj Capital Limited, Integrated Enterprises (India) Limited, Karvy Investor Services Limited, RR Investors Capital Services Private Limited and SMC Capitals Limited
Debenture Trustee	Axis Trustee Services Limited
Registrar to the Issue	Karvy Computershare Private Limited
Issue	Public Issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each, for an amount aggregating upto ₹15,000 million (“ <b>Shelf Limit</b> ”). The NCDs will be issued in one or more tranches (each being a “ <b>Tranche Issue</b> ”) subject to the Shelf Limit. In accordance with the terms and conditions set out in separate Tranche Prospectus for each such Tranche Issue which should be read together with the Shelf Prospectus of the Issue. The Shelf Prospectus together with the relevant Tranche Prospectus for a specific Tranche Issue shall constitute the “Prospectus”
Type of Instrument	secured redeemable non-convertible debentures
Nature of Instrument	secured
Seniority	The claims of the NCD Holders shall be superior to the claims of any unsecured creditors of the Company and subject to applicable statutory and/or regulatory requirements, rank pari passu inter se to the claims of other creditors of the Company having the same security.
Mode of Issue	Public Issue
Eligible Investors	<p>The following categories of persons are eligible to apply in the Issue:</p> <p><b><u>Category I (Institutional Category)</u></b></p> <ol style="list-style-type: none"> <li>1. Public financial institutions, statutory corporations, commercial banks, co-operative banks and regional rural banks, which are authorized to invest in the NCDs;</li> <li>2. Provident funds, pension funds, superannuation funds and gratuity fund, which are authorized to invest in the NCDs;</li> <li>3. Venture capital funds and / or Alternative Investment Funds registered with SEBI;</li> <li>4. Insurance companies registered with the IRDA;</li> <li>5. National Investment Fund;</li> <li>6. State industrial development corporations; and</li> <li>7. Mutual funds</li> </ol> <p><b><u>Category II (Non-Institutional Category)</u></b></p> <ol style="list-style-type: none"> <li>1. Companies, bodies corporate and societies registered under the applicable laws in India and authorized to invest in the NCDs;</li> <li>2. Public/private charitable/religious trusts which are authorized to invest in the NCDs;</li> <li>3. Scientific and/or industrial research organizations, which are authorized to invest in the NCDs;</li> <li>4. Partnership firms in the name of the partners;</li> <li>5. Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and</li> <li>6. Any other incorporated and/ or unincorporated body of persons.</li> </ol> <p><b><u>Category III (Individual Category)</u></b></p> <ol style="list-style-type: none"> <li>1. Resident Indian individuals; and</li> <li>2. Hindu undivided families through the karta.</li> </ol> <p>Please see the section titled “<b>Who can Apply</b>” under Issue Procedure at page no. 154 of this Shelf Prospectus</p>
Listing	The NCDs are proposed to be listed on BSE. The NCDs shall be listed within 12 Working Days from the date of Issue Closure.

	For more information, see “ <b>Other Regulatory And Statutory Disclosures – Listing</b> ” on page no. 179 of this Shelf Prospectus.
Rating of the Instrument	The NCDs have been rated ‘CARE AA- (Double A Minus)’ by CARE pursuant to letters dated July 16, 2014 and July 3, 2014 and revalidation letters dated September 9, 2014 and ‘BWR AA (BWR Double A)’ by BRICKWORK pursuant to letters dated November 4, 2011, September 14, 2012, June 19, 2013, June 18, 2014 and August 6, 2014 and revalidation letters dated September 22, 2014 and September 10, 2014. Instruments with a rating of ‘CARE AA- (Double A Minus)’ by CARE and ‘BWR AA (BWR Double A)’ by BRICKWORK are considered to have high degree of safety regarding timely servicing of financial obligations. The rating provided by CARE and BRICKWORK may be suspended, withdrawn or revised at any time by the assigning rating agency on the basis of new information etc., and should be evaluated independently of any other rating. The rating is not a recommendation to buy, sell or hold securities and investors should take their own investment decisions.
Base Issue	As mentioned in the respective Tranche Prospectus(es).
Option to retain Oversubscription Amount	As mentioned in the respective Tranche Prospectus(es).
Total Issue Size	Base Issue as mentioned in the respective Tranche Prospectus(es) with an option to retain oversubscription upto the rated size, as specified in the Shelf Prospectus
Objects of the Issue	Please see “ <b>Objects of the Issue</b> ” on page no. 56 of this Shelf Prospectus.
Details of the utilization of the Proceeds	Please see “ <b>Objects of the Issue</b> ” on page no. 56 of this Shelf Prospectus.
Coupon Rate	As mentioned in the respective Tranche Prospectus(es).
Step Up/Step Down Coupon Rate	As mentioned in the respective Tranche Prospectus(es).
Coupon Payment Frequency	As mentioned in the respective Tranche Prospectus(es).
Coupon payment dates	As mentioned in the respective Tranche Prospectus(es).
Coupon Type	As mentioned in the respective Tranche Prospectus(es).
Coupon Reset Process	As mentioned in the respective Tranche Prospectus(es).
Day Count Basis	Actual/Actual
Interest on Application Amount	Please see “ <b>Interest on Application &amp; Refund Amount</b> ” on page no. 142 of this Shelf Prospectus.
Default Interest Rate	As mentioned in the respective Tranche Prospectus(es).
Tenor	As mentioned in the respective Tranche Prospectus(es).
Redemption/Maturity Date	As mentioned in the respective Tranche Prospectus(es).
Maturity/ Redemption Amount	As mentioned in the respective Tranche Prospectus(es).
Maturity/Redemption Premium/Discount	As mentioned in the respective Tranche Prospectus(es).
Issue Price (₹ per NCD)	₹ 1,000/-
Face Value (₹ per NCD)	₹ 1,000/-
Discount at which security is issued and the effective yield as a result of such discount	As mentioned in the respective Tranche Prospectus(es).
Call Option/Put Option	As mentioned in the respective Tranche Prospectus(es).
Minimum Application and in multiples of 1(one) NCD thereafter	As mentioned in the respective Tranche Prospectus(es)
In Multiples of	As mentioned in the respective Tranche Prospectus(es)
Issue Opening Date	As mentioned in the respective Tranche Prospectus(es).
Issue Closing Date	As mentioned in the respective Tranche Prospectus(es).
Pay-in Date	The date of Application. The entire Application Amount is payable on Application.
Deemed Date of Allotment	The Deemed Date of Allotment for the NCDs shall be the date on which the Board of Directors or duly authorized committee thereof approves the allotment of NCDs or such date as may be determined by the Board of our Company and/or a duly authorized committee thereof and notified to the Stock Exchange. All benefits under the NCDs including payment of interest will accrue to the NCD Holders from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.

Issuance mode of the Instrument	Compulsorily in dematerialized form to all categories of investors other than Individual Category Investors who have opted for allotment of NCDs in the physical form in accordance with Section 8 (1) of the Depositories Act, 1996. Only Category III Investors can apply for allotment of NCDs in the physical form.
Trading Lot	1(one) NCD
Trading mode of the Instrument	The trading of the NCDs on the Stock Exchange shall be in dematerialized form only.
Settlement mode of the Instrument	Through various modes. Please see page no. 145 of this Shelf Prospectus
Depositories	NSDL and CDSL
Working Day Convention	If any Coupon/Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day along with interest for such additional period. Such additional interest will be deducted from the interest payable on the next date of payment of interest. If the Redemption Date/Maturity Date of any Series of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment.
Record Date	As specified in relevant Tranche Prospectus(es)
Security	The principal amount of the NCDs to be issued in terms of the Shelf Prospectus and respective Tranche Prospectus(es) together with all interest due on the NCDs in respect thereof shall be secured by way of first charge in favour of the Debenture Trustee on an identified immovable property and specific future receivables/assets of our Company as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs (along with the interest due thereon), which shall be free from any encumbrances. For further details please refer to the section titled “Terms of the Issue – Security” on page 139 of this Shelf Prospectus.
Transaction Documents	Issue Agreement dated August 20, 2014 between our Company, the Lead Managers and Co-Lead Managers; Registrar Agreement dated July 30, 2014 executed between our Company and the Registrar to the Issue; Debenture Trusteeship Agreement dated August 4, 2014 executed between our Company and the Debenture Trustee, the agreed form of the Escrow Agreement to be executed between the Company, the Registrar, the Escrow Collection Banks, the Lead Managers and Co-Lead Managers, the agreed form of the Lead Broker MOU to be executed between the Company, the Lead Brokers, the Lead Managers and the Co-Lead Managers and the agreed form of the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.
Conditions Precedent to Disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent to disbursement. See “ <b>General Information - Utilisation of Issue Proceeds</b> ” on page no. 32.
Condition Subsequent to Disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement. See “ <b>General Information - Utilisation of Issue Proceeds</b> ” on page no. 32.
Events of Default	See “ <b>Terms of the Issue – Events of Default</b> ” on page no. 149.
Provisions related to Cross Default Clause	As provided in the Debenture Trust Deed.
Role and Responsibilities of Debenture Trustee	See “ <b>Terms of the Issue - Debenture Trustee</b> ” on page no. 149.
Governing Law	The NCDs are governed by and shall be construed in accordance with the existing Indian laws. Any dispute between the Company and the NCD Holders will be subject to the jurisdiction of competent courts in Kolkata
Jurisdiction	The courts at Kolkata will have exclusive jurisdiction for the purposes of the Issue.

**Market Lot & Trading Lot:** The trading of the NCDs on the Stock Exchange shall be in dematerialized form only. Since trading of the NCDs is in dematerialized form on the Stock Exchange, the tradable lot is one NCD. Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable

premium for such NCDs) prior to redemption of the NCDs. NCDs shall be allotted Compulsorily in dematerialized form to all categories of investors other than Individual Category Investors who have opted for allotment of NCDs in the physical form in accordance with Section 8(1) of the Depositories Act, 1996. Only Category III Investors can apply for allotment of NCDs in the physical form. Such NCDs which are allotted in the physical form shall not be eligible for being traded on the Stock Exchange unless such NCDs are converted into the dematerialized form, but shall be freely transferable otherwise, subject to applicable statutory and/or regulatory requirements. For details of allotment refer to chapter titled “Issue Procedure” under section titled “Issue Related Information” beginning on page no. 153 of this Shelf Prospectus.

**Specific terms of each Instrument**

As specified in the relevant Tranche Prospectus.

## SUMMARY FINANCIAL INFORMATION

Srei Infrastructure Finance Ltd. (Standalone)

### Statement of Assets and Liabilities, As Reformatted

(₹in Million)

Description	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	5,032.40	5,032.40	5,032.40	5,032.40	1,162.90
Reserves and Surplus	21,741.90	21,443.00	20,787.70	20,498.90	6,738.10
	<b>26,774.30</b>	<b>26,475.40</b>	<b>25,820.10</b>	<b>25,531.30</b>	<b>7,901.00</b>
<b>Non-Current Liabilities</b>					
Long-Term Borrowings	49,273.10	44,123.20	31,965.40	16,218.90	19,057.30
Deferred Tax Liabilities (Net)	1,014.40	948.40	798.80	679.00	344.00
Other Long-Term Liabilities	62.30	36.00	83.20	100.00	120.60
Long-Term Provisions	717.50	533.30	207.60	75.20	19.90
	<b>51,067.30</b>	<b>45,640.90</b>	<b>33,055.00</b>	<b>17,073.10</b>	<b>19,541.80</b>
<b>Current Liabilities</b>					
Short-Term Borrowings	69,145.80	57,522.70	58,663.30	27,649.90	12,797.60
Trade Payables	189.60	156.40	26.60	25.70	1.80
Other Current Liabilities					
-Current Maturities of Long-Term Borrowings	11,182.40	10,138.20	7,844.50	9,027.60	3,527.30
-Others	2,297.20	1,933.90	1,162.00	717.10	448.40
Short-Term Provisions	386.30	390.40	461.20	553.10	179.70
	<b>83,201.30</b>	<b>70,141.60</b>	<b>68,157.60</b>	<b>37,973.40</b>	<b>16,954.80</b>
<b>Total</b>	<b>161,042.90</b>	<b>142,257.90</b>	<b>127,032.70</b>	<b>80,577.80</b>	<b>44,397.60</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets					
-Tangible Assets	5,368.80	4,981.20	4,350.90	3,919.40	829.30
-Intangible Assets	31.10	6.10	8.40	6.20	1.80
-Capital work in Progress	312.00	562.70	627.80	91.10	14,003.00
Non-Current Investments	26,977.20	27,368.70	26,221.30	25,055.10	7,073.30
Long-Term Loans and Advances					
-Loan Assets	75,180.80	60,697.60	26,651.10	19,946.60	14,289.40
-Other Long-Term Advances	2,709.30	1,111.20	1,121.10	303.10	327.40
Other Non-Current Assets	668.70	2,900.50	636.50	838.00	521.30
	<b>111,247.90</b>	<b>97,628.00</b>	<b>59,617.10</b>	<b>50,159.50</b>	<b>37,045.50</b>
<b>Current Assets</b>					
Current Investments	3,285.10	3,505.00	220.00	-	-
Trade Receivables	1,459.10	1,237.50	335.50	464.10	36.50
Cash and Bank Balances	2,279.00	221.40	1,493.60	226.50	525.50
Short-Term Loans and Advances					
-Loan Assets	720.00	5,424.60	2,766.40	4,370.90	1,376.40
-Other Advances	286.20	1,423.50	1,345.10	1,493.90	1,591.20
Other Current Assets					
-Current Maturities of Long-Term Loan Assets	33,820.70	31,043.50	58,820.60	23,471.80	3,649.90
-Other Current Assets	7,944.90	1,774.40	2,434.40	391.10	172.60
	<b>49,795.00</b>	<b>44,629.90</b>	<b>67,415.60</b>	<b>30,418.30</b>	<b>7,352.10</b>
<b>Total</b>	<b>161,042.90</b>	<b>142,257.90</b>	<b>127,032.70</b>	<b>80,577.80</b>	<b>44,397.60</b>

**Srei Infrastructure Finance Ltd (Standalone)**

**Statement of Profit & Loss, As Reformatted**

(₹ in Million)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
<b>INCOME</b>					
Revenue from Operations	17,989.70	16,612.80	11,765.00	7,346.50	4,569.90
Other Income	68.80	51.90	41.90	115.90	132.40
	<b>18,058.50</b>	<b>16,664.70</b>	<b>11,806.90</b>	<b>7,462.40</b>	<b>4,702.30</b>
<b>EXPENSES</b>					
Finance Cost	15,357.80	13,574.10	9,480.00	4,350.50	2,497.60
Employee Benefit Expenses	429.80	437.70	412.60	302.20	196.80
Administrative and Other Expenses	793.10	681.80	455.10	387.80	396.30
Depreciation and Amortisation Expense	261.20	309.60	154.00	180.80	101.40
	<b>16,841.90</b>	<b>15,003.20</b>	<b>10,501.70</b>	<b>5,221.30</b>	<b>3,192.10</b>
<b>Profit before Bad Debts, Provisions &amp; Tax</b>	<b>1,216.60</b>	<b>1,661.50</b>	<b>1,305.20</b>	<b>2,241.10</b>	<b>1,510.20</b>
Bad Debts/Advances written off (net of recovery)	148.40	12.00	5.00	0.10	28.90
Provision for Bad & Doubtful Debts	5.60	39.00	3.70	-	-
Provision for Non-Performing Assets	145.50	240.30	110.00	-	-
Contingent Provisions against Standard Assets	31.40	16.10	98.60	119.60	-
Provision for Restructured Assets	9.40	-	-	-	-
	<b>340.30</b>	<b>307.40</b>	<b>217.30</b>	<b>119.70</b>	<b>28.90</b>
<b>Profit Before Tax</b>	<b>876.30</b>	<b>1,354.10</b>	<b>1,087.90</b>	<b>2,121.40</b>	<b>1,481.30</b>
<b>Tax Expense :</b>					
Current Tax	215.70	262.00	176.00	418.50	219.00
Mat Credit Entitlement	-	(7.10)	(4.90)	-	(219.00)
Deferred Tax	66.00	149.60	119.80	335.00	344.00
<b>Total Tax for current year</b>	<b>281.70</b>	<b>404.50</b>	<b>290.90</b>	<b>753.50</b>	<b>344.00</b>
<b>Profit After Tax for current year</b>	<b>594.60</b>	<b>949.60</b>	<b>797.00</b>	<b>1,367.90</b>	<b>1,137.30</b>
Income tax in respect of earlier years	1.40	-	217.40	24.90	22.40
<b>Profit After Tax</b>	<b>593.20</b>	<b>949.60</b>	<b>579.60</b>	<b>1,343.00</b>	<b>1,114.90</b>
<b>Earnings per equity share (Basic and Diluted) (in ₹)</b>	1.18	1.89	1.15	5.80	5.33
(Par Value ₹ 10/- per Equity Share)					

**Srei Infrastructure Finance Ltd (Standalone)**
**Cash Flow Statement, As Reformatted**
**(₹in Million)**

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
<b>A. Cash Flows from Operating Activities</b>					
<b>Net Profit Before Tax</b>	876.30	1,354.10	1,087.90	2,121.40	1,481.30
Adjustment for :					
Depreciation /Amortisation & Impairment	261.20	309.60	154.00	180.80	101.40
Bad Debts/ Advances/Stock for Trade written off	148.40	12.00	5.00	0.10	28.90
Provision for Bad & Doubtful Debts	5.60	39.00	3.70	-	-
Provision for Non- Performing Assets	145.50	240.30	110.00	-	-
Contingent Provisions against Standard Assets	31.40	16.10	98.60	119.60	-
Provision for Restructured Assets	9.40	-	-	-	-
Provision for Premium on Unsecured Subordinated Bonds	-	-	8.80	8.80	8.80
Loss on sale of Fixed Assets(net)	-	3.20	5.30	-	-
Profit on Sale of Long term Trade Investments (Net)	27.90	(0.70)	-	(7.00)	(112.30)
Profit on Sale of Current Investments (Net)	(5.10)	-	-	-	-
Profit on Sale of Stock for Trade (Net)	(1.10)	(0.30)	-	-	-
Liabilities No Longer Required written back	(28.60)	(0.40)	-	(4.40)	-
Income from Trade Investments	-	-	-	(2.80)	(118.50)
Dividend Income	(6.20)	(3.80)	(2.80)	(4.00)	(14.30)
Provision for Diminution in value of Stock for Trade	-	(4.10)	1.60	9.00	0.70
Provision for Diminution in value of Long-Term Trade Investment	49.70	-	-	-	13.80
<b>Operating Profit before Working Capital Changes</b>	<b>1,514.40</b>	<b>1,965.00</b>	<b>1,472.10</b>	<b>2,421.50</b>	<b>1,398.80</b>
Adjustments for:					
(Increase) / Decrease in Receivables/Others	(4,466.70)	(2,612.30)	(1,789.50)	13,416.40	(14,163.60)
(Increase) / Decrease in Loan Assets	(12,555.80)	(8,927.60)	(40,448.80)	(28,473.60)	(9,503.70)
(Increase) / Decrease in Current Investments / Stock for Trade	234.30	(3,269.20)	(220.00)	(34.10)	2.60
(Increase) / Decrease in Fixed Deposit (Deposit with balance maturity period of more than three months)	(699.20)	210.30	(47.50)	(154.80)	40.10
(Decrease) / Increase in Trade Payables	445.50	851.50	608.20	224.00	339.40
<b>Cash Generated from Operations</b>	<b>(15,527.50)</b>	<b>(11,782.30)</b>	<b>(40,425.50)</b>	<b>(12,600.60)</b>	<b>(21,895.40)</b>
Direct Taxes paid	(594.30)	(225.90)	(988.00)	(339.40)	(214.80)
<b>Net Cash (Used in) / Generated from Operating Activities</b>	<b>(16,121.80)</b>	<b>(12,008.20)</b>	<b>(41,413.50)</b>	<b>(12,940.00)</b>	<b>(22,110.20)</b>
<b>B. Cash Flows from Investing Activities</b>					
Purchase of Fixed Assets	(423.10)	(993.10)	(1,147.40)	(3,319.10)	(129.00)
Proceeds from Sale of Fixed Assets	-	117.40	17.70	-	-
(Increase) in Investments (Other than Subsidiary)	305.70	(138.00)	(631.60)	(1,341.70)	(2,168.20)
(Increase) of Investments in Subsidiary	8.20	10.50	(35.50)	(199.00)	(1.50)
Investments in Joint Venture	-	(998.20)	(499.10)	-	-
Income from Trade Investments	-	-	-	2.80	118.50
Dividend Received	6.20	3.80	2.80	4.00	14.30
<b>Net Cash (Used) / Generated in Investing Activities</b>	<b>(103.00)</b>	<b>(2,018.60)</b>	<b>(2,293.10)</b>	<b>(4,853.00)</b>	<b>(2,165.90)</b>
<b>C. Cash Flows from Financing Activities</b>					
Increase/ (Decrease) in Debentures (net)	6,195.20	8,354.10	9,419.90	(2,100.00)	4,971.00
Increase/ (Decrease) in Working Capital facilities (net)	14,465.00	8,479.60	21,977.60	14,964.90	6,400.70
Increase/ (Decrease) in Other Loans (net)	(2,843.00)	(3,522.80)	13,951.80	4,649.30	10,634.90
Dividend Paid	(251.80)	(251.60)	(377.10)	(139.30)	(116.00)
Corporate Dividend Tax Paid	(42.80)	(40.80)	(61.20)	(23.10)	(19.70)
<b>Net Cash (Used) / Generated in Financing Activities</b>	<b>17,522.60</b>	<b>13,018.50</b>	<b>44,911.00</b>	<b>17,351.80</b>	<b>21,870.90</b>

<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>1,297.80</b>	<b>(1,008.30)</b>	<b>1,204.40</b>	<b>(441.20)</b>	<b>(2,405.20)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	217.70	1,226.00	21.60	450.50	2,855.70
Add: Cash & Cash Equivalents acquired on Amalgamation	-	-	-	12.30	-
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>1,515.50</b>	<b>217.70</b>	<b>1,226.00</b>	<b>21.60</b>	<b>450.50</b>

**Explanation:**

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 (AS 3) 'Cash Flow Statements' notified by the Central Government under Companies (Accounting Standards) Rules, 2006
2. Previous year's figures have been regrouped/ reclassified wherever necessary to conform to the current year's classification.

**Srei Infrastructure Finance Ltd. (Consolidated)**

**Statement of Assets and Liabilities, As Reformatted**

**(₹ in Million)**

<b>Description</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>	<b>As at 31.03.2011</b>	<b>As at 31.03.2010</b>
<b>EQUITY AND LIABILITIES</b>					
Shareholders' Funds					
Share Capital	5,032.40	5,032.40	5,032.40	5,032.40	1,162.90
Reserves and Surplus	29,936.20	28,938.00	26,754.30	25,648.20	11,733.80
	<b>34,968.60</b>	<b>33,970.40</b>	<b>31,786.70</b>	<b>30,680.60</b>	<b>12,896.70</b>
<b>Minority Interest</b>	<b>296.80</b>	<b>274.20</b>	<b>912.80</b>	<b>737.90</b>	<b>236.10</b>
<b>Non-Current Liabilities</b>					
Long-Term Borrowings	71,036.60	67,540.40	57,275.80	42,360.10	36,306.30
Deferred Tax Liabilities (Net)	1,830.60	1,743.80	1,405.30	1,015.00	736.30
Other Long-Term Liabilities	799.50	828.30	714.10	439.70	114.20
Long-Term Provisions	1,525.50	1,354.60	1,036.90	826.70	530.50
	<b>75,192.20</b>	<b>71,467.10</b>	<b>60,432.10</b>	<b>44,641.50</b>	<b>37,687.30</b>
<b>Current Liabilities</b>					
Short-Term Borrowings	106,085.70	94,749.10	82,120.20	40,714.90	20,415.40
Trade Payables	1,831.90	2,188.20	4,276.50	2,895.90	2,8887.40
Other Current Liabilities					
- Current Maturities of Long-Term Borrowings	20,550.70	20,525.80	19,762.50	16,863.40	8,827.60
- Others	3,602.40	2,915.40	2,212.10	1,739.90	1,062.10
Short-Term Provisions	520.10	501.10	534.80	899.60	187.70
	<b>132,590.80</b>	<b>120,879.60</b>	<b>108,906.10</b>	<b>63,113.70</b>	<b>33,380.20</b>
<b>Total</b>	<b>243,048.40</b>	<b>226,591.30</b>	<b>202,037.70</b>	<b>139,173.70</b>	<b>84,200.30</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets					
- Tangible Assets	13,297.40	13,029.40	18,691.10	14,458.70	3,046.50
- Intangible Assets	229.90	91.40	159.40	159.10	124.30
- Capital work in Progress	3,619.00	1,802.40	1,902.10	776.20	14,166.70
Goodwill	3,874.80	3,874.80	4,398.80	4,253.40	62.20
Non-Current Investments	20,762.80	21,136.80	21,005.10	20,314.40	6,707.40
Deferred Tax Assets	204.80	132.90	318.30	358.30	8.40
Long-Term Loans and Advances					
- Financial Assets	38,465.70	42,050.30	30,789.60	24,623.10	19,231.50
- Loan Assets	71,113.70	58,991.20	22,345.70	16,865.50	14,038.40
- Other Long-Term Advances	3,585.60	1,604.90	1804.30	1,063.60	428.80
Other Non-Current Assets	1,836.70	3,701.70	2035.20	2,060.00	767.80
	<b>156,990.40</b>	<b>146,415.80</b>	<b>103,449.60</b>	<b>84,932.30</b>	<b>58,582.00</b>
<b>Current Assets</b>					
Inventories	104.50	47.40	131.80	169.20	100.70
Current Investments	3,433.60	3,652.70	220.00	-	-
Trade Receivables	2,124.50	1,886.60	3,469.10	2,336.10	1,076.20
Cash and Bank Balances	5,637.20	5,798.50	6,713.40	2,202.40	2,870.70
Short-Term Loans and Advances					
- Financial Assets	8,524.10	5,171.40	4,054.40	4,656.50	3,928.80
- Loan Assets	2,384.30	7,267.00	4,446.30	5,371.40	1,027.90
- Other Advances	699.50	1,994.90	2,074.50	2,106.10	1,857.00
Other Current Assets					
- Current Maturities of Long-Term Financial Assets	22,414.10	21,385.50	15,880.70	13,639.80	10,815.10
- Current Maturities of Long-Term Loan Assets	32,602.00	30,765.80	58,474.80	23,205.60	3,529.40
- Other Current Assets	8,134.20	2,205.70	3,123.10	554.30	412.50
	<b>86,058.00</b>	<b>80,175.50</b>	<b>98,588.10</b>	<b>54,241.40</b>	<b>25,618.30</b>
<b>Total</b>	<b>243,048.40</b>	<b>226,591.30</b>	<b>202,037.70</b>	<b>139,173.70</b>	<b>84,200.30</b>

**Srei Infrastructure Finance Ltd (Consolidated)**

**Statement of Profit & Loss, As Reformatted**

(₹in Million)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
<b>INCOME</b>					
Revenue from Operations	32,331.90	30,834.00	24,334.20	16,205.60	9,973.90
Other Income	271.10	265.20	129.10	175.30	156.20
<b>Total</b>	<b>32,603.00</b>	<b>31,099.20</b>	<b>24,463.30</b>	<b>16,380.90</b>	<b>10,130.10</b>
<b>EXPENSES</b>					
Finance Cost	23,502.80	21,392.50	15,650.30	8,300.80	5,343.60
Employee Benefit Expenses	1,294.40	1,614.40	1,713.00	1,234.40	718.40
Administrative and Other Expenses	2,240.50	2,474.40	2,236.80	1,931.10	907.30
Depreciation / Amortization and Impairment	1,633.50	1,936.20	1,650.30	1,240.90	432.80
<b>Total</b>	<b>28,671.20</b>	<b>27,417.50</b>	<b>21,250.40</b>	<b>12,707.20</b>	<b>7402.10</b>
<b>Profit before Bad Debts, Provisions &amp; Tax</b>	<b>3,931.80</b>	<b>3,681.70</b>	<b>3,212.90</b>	<b>3,673.70</b>	<b>2728.00</b>
Bad Debts/Advances written off (net of recovery)	1,330.80	708.30	512.10	350.70	530.40
Provision for Bad & Doubtful Debts	48.30	64.00	36.70	48.50	-
Provision for Non-Performing Assets	258.00	263.10	179.50	161.20	21.00
Contingent Provisions against Standard Assets	29.70	59.50	116.90	223.60	-
Provision for Restructured Assets	9.40	-	-	-	-
	<b>1,666.80</b>	<b>1,094.90</b>	<b>845.20</b>	<b>784.00</b>	<b>551.40</b>
<b>Profit Before Prior Period Items, Exceptional Items &amp; Tax</b>	<b>2,255.60</b>	<b>2,586.80</b>	<b>2,367.70</b>	<b>2,889.70</b>	<b>2,176.60</b>
Prior Period items	-	(5.20)	-	-	-
Adjustment on disposal/cessation of Subsidiaries, Step Down Subsidiaries and Joint Venture of Subsidiaries	0.60	1,046.20	-	-	-
<b>Profit Before Tax</b>	<b>2,256.20</b>	<b>3,627.80</b>	<b>2,367.70</b>	<b>2,889.70</b>	<b>2,176.60</b>
Tax Expense :					
Current Tax	865.40	727.40	546.60	826.70	343.70
Mat Credit Entitlement	(0.50)	(7.10)	(18.90)	(9.40)	(219.00)
Fringe Benefit tax expense	-	-	-	-	-
Deferred Tax	14.20	307.20	367.40	(20.30)	461.90
<b>Total Tax for current year / period</b>	<b>879.10</b>	<b>1,027.50</b>	<b>895.10</b>	<b>797.00</b>	<b>586.60</b>
<b>Profit After Tax for current year / period</b>	<b>1,377.10</b>	<b>2,600.30</b>	<b>1,472.60</b>	<b>2,092.70</b>	<b>1,590.00</b>
Income tax in respect of earlier years / periods	2.00	(0.40)	241.10	130.90	22.00
<b>Profit After Tax Before Share of results of Associate and Minority Interests</b>	<b>1,375.10</b>	<b>2,600.70</b>	<b>1,231.50</b>	<b>1,961.80</b>	<b>1,568.00</b>
Share of Loss of Associates	-	10.00	-	-	-
<b>Profit After Tax before Minority Interests</b>	<b>1,375.10</b>	<b>2,590.70</b>	<b>1231.50</b>	<b>1961.80</b>	<b>1,568.00</b>
Minority Interests	(10.00)	(41.10)	113.40	169.40	9.40
<b>Net Profit</b>	<b>1,385.10</b>	<b>2,631.80</b>	<b>1118.10</b>	<b>1,792.40</b>	<b>1,558.60</b>
Pre Acquisition Profit/(Loss)	-	-	-	47.40	-
Minority Interest of Pre Acquisition (Profit)/Loss	-	-	(3.90)	(47.40)	-
<b>Profit After Tax after adjustment of Minority Interests</b>	<b>1,385.10</b>	<b>2,631.80</b>	<b>1114.20</b>	<b>1,792.40</b>	<b>1,558.60</b>

**Srei Infrastructure Finance Ltd. (Consolidated)**

**Cash Flow Statement, As Reformatted**

(₹in Million)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
<b>A. Cash Flows from Operating Activities</b>					
<b>Profit Before Tax</b>	2,256.20	3,627.80	2,367.70	2,889.70	2,176.60
Adjustment for:					
Depreciation/Amortizations and Impairment	1,633.50	1,936.20	1,650.30	1,240.90	432.80
Bad Debts/Advances written off (net of recovery)	1,330.80	708.30	512.10	350.70	530.40
Provision for Bad & doubtful debts	48.30	64.00	36.70	48.50	-
Provision for Non-Performing Assets	258.00	263.10	179.50	161.20	21.00
Contingent Provision against Standard Assets	29.70	59.50	116.90	223.60	-
Provision for Restructured Assets	9.40	-	-	-	-
Adjustment on disposal/cessation of Subsidiaries, Step Down Subsidiaries and Joint Venture of Subsidiaries	(0.60)	(1,046.20)	-	-	-
Miscellaneous Expenditure written off	4.30	4.20	4.30	-	-
Liabilities No Longer Required written back	(29.10)	(79.30)	22.90	(11.30)	(0.40)
Investment written off	-	-	1.20	-	-
Fixed Assets written off	-	-	0.30	-	-
Dividend Income	(13.00)	(6.20)	(4.80)	(4.60)	(14.50)
Income from Trade Investments	33.30	(0.70)	-	(2.80)	(118.50)
Provision for Diminution in value of Stock for Trade	-	(4.10)	1.60	9.00	0.70
Provision for Diminution in value of Investments	50.30	-	-	4.50	13.80
(Profit)/ Loss on sale of Fixed Assets(net)	(4.30)	82.20	55.60	94.30	10.20
Profit on Sale of Current Investments (net)	(5.10)	-	-	-	-
Profit on Sale of Stock for Trade	(1.10)	(0.30)	-	-	-
Foreign Exchange Fluctuation Reserve	(92.30)	(73.90)	119.50	27.10	6.80
<b>Operating Profit before Working Capital Changes</b>	<b>5,508.30</b>	<b>5,534.60</b>	<b>5,063.80</b>	<b>5,030.80</b>	<b>3,058.90</b>
Adjustments for:					
(Increase) / Decrease in Receivables/Others	(6,213.90)	(3,298.50)	(5,042.10)	13,488.20	(14,058.70)
(Increase) / Decrease in Financial & Loan Assets	(9,872.70)	(26,559.20)	(47,629.70)	(35,790.80)	(11,989.50)
(Increase) / Decrease in Current Investments / Stock for Trade	176.40	(3,403.80)	37.40	(58.30)	2.60
(Increase) / Decrease in Fixed Deposit (having balance maturity of more than 3 months and less than 12 months)	1,138.40	672.90	(2,668.80)	(651.60)	62.30
(Decrease) / Increase in Trade Payables	223.80	(30.00)	2,143.20	(237.30)	1,424.40
<b>Cash Generated from Operations</b>	<b>(9,039.70)</b>	<b>(27,084.00)</b>	<b>(48,096.20)</b>	<b>(18,219.00)</b>	<b>(21,500.00)</b>
Direct Taxes paid	(1,069.40)	(778.40)	(1,435.70)	(580.90)	(276.80)
<b>Net Cash (Used in) / Generated from Operating Activities</b>	<b>(10,109.10)</b>	<b>(27,862.40)</b>	<b>(49,531.90)</b>	<b>(18,799.90)</b>	<b>(21,776.80)</b>
<b>B. Cash Flows from Investing Activities</b>					
Purchase of Fixed Assets	(3,947.10)	(2,591.90)	(7,167.10)	(5,698.90)	(562.10)
Proceeds from Sale of Fixed Assets	94.80	92.40	102.30	94.80	11.30
(Increase) / Decrease in Non-Current Investments (net)	290.40	(46.30)	(842.10)	(1,424.20)	(2,296.80)
Income from Trade Investments	-	-	-	2.80	118.50
Dividend Received	13.00	6.20	4.80	4.60	14.50
<b>Net Cash (Used) / Generated in Investing Activities</b>	<b>(3,548.90)</b>	<b>(2,359.60)</b>	<b>(7,902.10)</b>	<b>(7,020.90)</b>	<b>(2,714.60)</b>
<b>C. Cash Flows from Financing Activities</b>					
Issue of Equity Capital (including premium)	-	99.40	-	-	-
(Increase) / Decrease of Goodwill on consolidation	-	(84.90)	-	-	-
Adjustment on disposal of Step- down subsidiaries and Joint Venture of Subsidiary	0.60	686.30	-	-	-
Increase/(Decrease )in Debentures (net)	3,964.70	8,588.20	12,533.50	296.00	6,505.30

Increase / (Decrease) in Working Capital facilities (net)	13,360.10	21,880.80	34,069.20	21,261.20	5,481.90
Increase / (Decrease) in Other Loans (net)	(2,434.50)	(768.60)	12,661.20	3,790.20	10,781.40
Dividend Paid	(251.80)	(418.00)	(374.50)	(139.30)	(116.20)
Corporate Dividend Tax Paid	(42.80)	(40.80)	(61.30)	(23.20)	(19.80)
<b>Net Cash (Used) / Generated in Financing Activities</b>	<b>14,596.30</b>	<b>29,942.40</b>	<b>58,828.10</b>	<b>25,184.90</b>	<b>22,632.60</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>938.30</b>	<b>(459.60)</b>	<b>1,394.10</b>	<b>(635.90)</b>	<b>(1,858.80)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year / period</b>	<b>1,853.40</b>	<b>2,408.30</b>	<b>1,014.20</b>	<b>1,399.00</b>	<b>3,257.80</b>
Add: Cash & Cash Equivalents acquired on Amalgamation	-	-	-	251.10	-
Less: Adjustment of Cash & Cash Equivalents on disposal/cessation of Subsidiaries	-	(95.30)	-	-	-
<b>Cash &amp; Cash Equivalents at the end of the year / period</b>	<b>2,791.70</b>	<b>1,853.40</b>	<b>2,408.30</b>	<b>1,014.20</b>	<b>1,399.00</b>

**Explanation:**

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 (AS 3) 'Cash Flow Statements' notified by the Central Government under Companies (Accounting Standards) Rules, 2006
2. Previous year's figures have been regrouped/ reclassified wherever necessary to conform to the current period's classification.

# FINANCIAL HIGHLIGHTS OF OUR COMPANY (ON CONSOLIDATED BASIS)

(₹ In Million)

Particulars	As on/For the year ended 31.03.14 (Audited)	As on/For the year ended 31.03.13 (Audited)	As on/ For the year ended 31.03.12 (Audited)	As on/ For the year ended 31.03.11 (Audited)
Net worth	33,719.70	32,668.60	30,527.00	29,553.90
Total Debt	197,673.00	182,815.30	159,158.50	99,938.40
of which –Long Term Borrowing	71,036.60	67,540.40	57,275.80	42,360.10
- Short Term Borrowing	106,085.70	94,749.10	82,120.20	40,714.90
- Current Maturities of Long Term Borrowing	20,550.70	20,525.80	19,762.50	16,863.40
Fixed Assets(Tangible Assets+ Intangible Assets+ Capital work in Progress)	171,46.30	14,923.20	20,752.60	15,394.00
Non-Current Assets (Excluding Fixed Assets)	139,844.10	131,492.60	82,697.00	69,538.30
Cash and Bank Balances	56,37.20	5,798.50	6,713.40	2,202.40
Current Investments	3,433.60	3,652.70	220.00	0.00
Current Assets (Excluding Cash and Bank Balances & Current Investments)	76,987.20	70,724.30	91,654.70	52,039.00
Current Liabilities (Excluding Short Term Borrowing and Current Maturities of Long Term Borrowings)	5,954.40	5604.70	6,821.20	5,419.80
Asset Under Management	340,699.85	333,296.45	307,643.50	205,052.40
Off Balance Sheet Assets (Securitisation)	20,391.90	28,281.00	45,923.80	21,542.60
Income from Loans/Financial Assets	26,832.10	23,779.40	18,114.10	11,250.50
Finance Cost ( Interest expense and other borrowing costs)	23,502.80	21,392.50	15,650.30	8,300.80
Provisioning & Write-offs (Bad Debts/Advances written off (net of recovery) +Stock for Trade Written-off +Provision for Bad & Doubtful Debts+ Provision for Non-Performing Assets+ Contingent Provisions against Standard Assets )	1,676.20	1,094.90	845.2	784.00
Profit After Tax before Minority Interests	1,375.10	2,600.70	1,231.50	1,961.80
Gross NPA (%)	3.25%	2.77	1.58	1.04
Net NPA (%)	2.75%	2.30	1.18	0.65
Tier I Capital Adequacy Ratio (%) *	10.69	14.28	14.59	25.13
Tier II Capital Adequacy Ratio (%) *	7.09	7.40	5.58	4.23

\*Standalone Basis

## CAPITAL STRUCTURE

### Details of Share Capital

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

Share Capital	Amount (in ₹ Mn)
<b>Authorised Capital</b>	
1000,000,000 Equity Shares of ₹ 10/- each	10,000.00
50,000,000 Preference Shares of ₹ 100/- each	5,000.00
<b>Total</b>	<b>15,000.00</b>
<b>Issued and Subscribed Capital</b>	
503,559,160 Equity Shares of ₹10/- each	5,035.60
<b>Paid-up Capital</b>	
503,086,333* Equity Shares of ₹10/- each	5,030.90
Add : Share Forfeiture Account	1.50
<b>Total</b>	<b>5,032.40</b>

\* of the above Equity Shares, the Equity Shares allotted for consideration other than cash are as follows:

- 92,915,839 Equity Shares (previous year 92,915,839) were allotted as Bonus Shares by capitalisation of Securities Premium.
- 294,025,696 Equity Shares (previous year 294,025,696) were allotted pursuant to Scheme of Amalgamation, without payment being received in cash and includes 48,600,000 shares allotted to 'Srei Growth Trust'.

### Details of share capital as on the date of this Shelf Prospectus

Share Capital	₹ in Mn
Authorized Share Capital	15,000.00
Issued, Subscribed and Paid-up Share Capital	5,032.40

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

Sl. No.	Date of Shareholders' Resolution	Alteration of authorized share capital of our Company
1.	January 15, 1990 (Extraordinary General Meeting)	The authorised share capital of our Company was increased from ₹ 2.45 million divided into 0.245 million of Equity Shares of ₹10/- each to ₹7.00 million divided into 0.7 million of Equity Shares of ₹10/- each.
2.	March 19, 1991 (Extraordinary General Meeting)	The authorised share capital of our Company was increased from ₹ 7.00 million divided into 0.7 million of Equity Shares of ₹10/- each to ₹50.00 million divided into 5 million of Equity Shares of ₹10/- each
3.	June 7, 1991 (Extraordinary General Meeting)	The authorised share capital of our Company was increased from ₹ 50.00 million divided into 5 million of Equity Shares of ₹10/- each to ₹ 75.00 million divided into 7.5 million of Equity Shares of ₹10/- each.
4.	June 17, 1993 (Annual General Meeting)	The authorised share capital of our Company was increased from ₹ 75.00 million divided into 7.5 million of Equity Shares of ₹10/- each to ₹ 250.00 million divided into 25 million Equity Shares of ₹10/- each.
5.	January 30, 1995 (Extraordinary General Meeting)	The authorised share capital of our Company was increased from ₹ 250.00 million divided into 25 million Equity Shares of ₹10/- each into ₹ 4000.00 million divided into 100 million of Equity Shares of ₹10/- each and 15 million Preference shares of ₹ 200/- each.
6.	June 20, 1995 (Extraordinary General Meeting)	The authorised share capital of our Company was increased from ₹ 4000.00 million divided into 100 million of Equity Shares of ₹10/- each and 15 million Preference shares of ₹ 200/- each to ₹ 7000.00 million divided into 100 million Equity Shares of ₹10/- each, 15 million Preference shares of ₹ 200/- each, 20 million Preference shares of ₹ 100/- each and 20 million Preference shares of ₹ 50/- each.
7.	March 10, 2005 (Extraordinary General Meeting)	The authorised share capital of our Company was reclassified by converting 15 million Preference shares of ₹ 200/- each into 300 million Equity shares of ₹ 10 each/- and by further conversion of 20 million Preference shares of ₹ 100/- each and 20 million Preference shares of ₹ 50/- each into 30 million Preference shares of ₹100/- each. The revised authorised capital of our Company is divided into 400 million Equity

Sl. No.	Date of Shareholders' Resolution	Alteration of authorized share capital of our Company
		Shares of ₹10/- each and 30 million Preference Shares of ₹ 100 each.
8.	March 4, 2011 (Effective Date)	The authorized share capital of our Company had been enhanced and reclassified from existing ₹ 7000.00 million (divided into 400 million Equity Shares of ₹10/- each and 30 million Preference Shares of ₹ 100 each) to 710 million equity shares of ₹ 10 each and 10 million preference shares of ₹ 100 each, pursuant to the Scheme of Amalgamation of Quippo Infrastructure Equipment Limited into and with our Company sanctioned by the Hon'ble High Court at Calcutta vide its Order made on January 18, 2011 and effective w.e.f. March 4, 2011.
9.	August 14, 2013 (Annual General Meeting)	The authorised share capital of our Company has been increased from ₹ 8100.00 million divided into 710 million of Equity Shares of ₹10/- each and 10 million Preference shares of ₹ 100/- each to ₹ 15000.00 million divided into 1000 million Equity Shares of ₹10/- each and 50 million Preference shares of ₹ 100/- each.

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

Date of Allotment	Number of Equity shares	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Consideration (cash or other than cash)	Nature of allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (in ₹)	Equity Share Premium (₹)	
March 30, 1985	2742	10	10	Cash	Subscribers to the Memorandum of Association	2742	27420	-	[Ref Note 1]
June 27, 1986	31,600	10	10	Cash	Preferential Allotment	34,342	343,420	-	[Ref Note 2]
May 24, 1987	16,000	10	10	Cash	Preferential Allotment	50,342	503,420	-	[Ref Note 3]
December 13, 1988	5,000	10	10	Cash	Preferential Allotment	55,342	553,420	-	[Ref Note 4]
May 30, 1990	608,558	10	10	Cash	Preferential Allotment	663,900	6,639,000	-	[Ref Note 5]
April 20, 1991	256,100	10	10	Cash	Preferential Allotment	920,000	9,200,000	-	[Ref Note 6]
August 31, 1992	3,220,000	10	10	Cash	3220000 Equity Shares of ₹10 each allotted under Public Issue.	4,140,000	41,400,000	-	
January 13, 1994	4,140,000	10	20	Cash	Rights Issue of shares in the ratio of one Equity Share for every one Equity share held on the Record Date i.e. October 20, 1993.	8,280,000	82,800,000	41,400,000	
November 21, 1997	45,454,545	10	22	Cash	Conversion of 10 million 17% Compulsorily convertible Preference Shares (CPS) of ₹ 100 each into Equity Shares.	53,734,545	537,345,450	586,854,540	[Ref Note 7]
September 5, 1998	27,688	10	15	Cash	Conversion of optional warrant "A" issued along with 17% Compulsorily Convertible Preference Shares.	53,762,233	537,622,330	586,992,980	[Ref Note 7]
June 1, 1999	5500	10	10	Cash	Conversion of optional warrant "B" issued along with 17% Compulsorily Convertible Preference Shares.	53,767,733	537,677,330	586,992,980	[Ref Note 7]
April 18, 2005	34,594,000	10	44.38	Cash	Being underlying shares to the Global Depositories Receipts issued by our Company.	88,361,733	883,617,330	1,776,334,700	[Ref note 8]
November 22, 2005	21,050,056	10	33	Cash	Issue of fully paid up Equity shares pursuant to exercise of option by the holders of 21050056 detachable tradable warrants between August 25, 2005 to August 24, 2007.	109,411,789	1,094,117,890	2,260,485,988	[Ref note 9]

Date of Allotment	Number of Equity shares	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Consideration (cash or other than cash)	Nature of allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (in ₹)	Equity Share Premium (₹)	
February 20, 2006	3556	10	37	Cash	Issue of fully paid up Equity shares pursuant to exercise of option by the holders of 3556 detachable tradable warrants between August 25, 2005 to August 24, 2007.	109,415,345	1,094,153,450	2,260,582,000	[Ref note 10]
May 13, 2006	880	10	39	Cash	Issue of fully paid up Equity shares pursuant to exercise of option by the holders of 880 detachable tradable warrants between August 25, 2005 to August 24, 2007.	109,416,225	1,094,162,250	2,260,607,520	[Ref note 10]
February 19, 2007	200	10	28	Cash	Issue of fully paid up Equity shares pursuant to exercise of option by the holders of 200 detachable tradable warrants between August 25, 2005 to August 24, 2007.	109,416,425	1,094,164,250	2,260,611,120	[Ref note 10]
May 11, 2007	400	10	29	Cash	Issue of fully paid up Equity shares pursuant to exercise of option by the holders of 400 detachable tradable warrants between August 25, 2005 to August 24, 2007.	109,416,825	1,094,168,250	2,260,618,720	[Ref note 10]
November 8, 2007	800	10	41	Cash	Issue of fully paid up Equity shares pursuant to exercise of option by the holders of 800 detachable tradable warrants between August 25, 2005 to August 24, 2007.	109,417,625	1,094,176,250	2,260,643,520	[Ref note 10]
March 31, 2008	7,200,000	10	100	Cash	Preferential Allotment.	116,617,625	1,166,176,250	2,908,643,520	[Ref note 10]
March 5, 2011	386,941,535	10	-	Other than Cash	Equity shares issued pursuant to the Scheme of Amalgamation of Quippo Infrastructure Equipment Limited into and with our Company	503,559,160	5,035,591,600	2,908,643,520	[Ref Note 11]
Less : Shares forfeited on March 14, 2000						472,827			
Total						503,086,333			

### Notes

- 2,742 Equity Shares were allotted to Hari Prasad Kanoria, Hemant Kanoria, Bimal Kumar Singhania, Ramotar Agarwal, Anjani Rungata, Devendra Mohan and Pradeep Kumar
- 31,600 Equity Shares were allotted to Shyam Sunder Jhunjunwala, Durjan Singh, Radheshyam Periwala, Economic Metals (P) Ltd and Pragma Constructions (P) Ltd.
- 16,000 Equity Shares were allotted to Saraswati Devi Jalan, Beharilal Jalan, Sajjan Kumar Drolia, Vishnu Kr Gupta, Manoj Kr Jalan and Mahesh Kr Gupta.
- 5,000 Equity Shares were allotted to Anju Das and Sunita Kanoria.
- 608,558 Equity Shares were allotted to Sanjeev Kanoria, Sangita Kanoria, Madhulika Kanoria, Manisha Kanoria, Hemant Kanoria, Hari Prasad Kanoria, Sunil Kanoria, Sunita Kanoria, Champa Devi Kanoria, Hari Prasad Kanoria (Karta Hari Prasad Hemant Kumar (HUF) Hanumandas Hari Prasad), Hemant Kanoria (C/o M/s. Kedarnath Hari & Sons), Hari Prasad Kanoria (C/o M/s. Sivasakti), Opulent Fiscal Services Limited, Jyotirmoy Roy, Mahabir Prasad Agarwal, Anil Chandra Das, Paresh Chandra Bose, Suresh Bose, Ajit Halder, Sudhin Mazumdar and Rahul Bhaduri.
- 256,100 Equity Shares were allotted to the Sanjeev Kanoria, Anjiya Finance & Housing Ltd, Hari Prasad Kanoria and Sangita Kanoria.

7. There was Public Issue of 10,000,000, 17 % Convertible Preference Shares (CPS) of ₹ 100 each out of which there was Firm allotment of 2,500,000 17 % Convertible Preference Shares and issue to the public to the extent of 7,500,000 17 % Convertible Preference Shares. Every two CPS had two detachable tradable warrants attached to it -Warrant A and Warrant B. The holders of Warrant A had the right to subscribe to one Equity share of ₹ 10 each of our Company to be exercised within 24 months from the date of allotment of CPS. Such right was exercised on September 5, 1998. The holders of Warrant B had the right to subscribe to one Equity share of ₹ 10 each of our Company to be exercised within 36 months from the date of allotment of CPS. Such right was exercised on June 1, 1999. Each CPS were compulsorily convertible into within 18 months from the date of allotment into 45,454,545 number of Equity shares of ₹ 10 each at ₹22 each (including premium) as decided by the Board of Directors of our Company which was calculated based on the following formula: 75% of the average daily closing price of the Equity shares of our Company at the Regional Stock exchange in Calcutta during the 3 months prior to the date of conversion and to be more than ₹ 10 and not to exceed ₹ 100. The CPS were converted and allotted on November 21, 1997 into 45,454,545 Equity shares, out of which 37,780,454 were fully paid up and 7,674,091 were partly paid up. The Managing Director and the Deputy Secretary were authorized to issue call notices on partly paid up Equity shareholders for payment of call money. 472,827 number of partly paid up Equity shares were forfeited on March 14, 2000 for non-payment of call money.
8. Our Company vide its Letter of Offer dated April 18, 2005 had offered up to 8,648,500 Global Depository Receipts ("GDR"), each representing four equity shares of nominal value ₹10 each, at the offer price of US\$ 4.05 per GDR.
9. Our Company issued 5,400,000 Unsecured Subordinated NCDs, non-convertible in nature with an overall tenure of 12 years, of ₹ 100 each for cash at par with four detachable tradable warrants attached thereto to the Equity Shareholders of our Company on Rights basis in the ratio of one NCD for every ten Equity shares held as on the record date i.e. May 9, 2000.
- Vide the Board meeting held on August 25, 2000, our Company allotted 5,266,075 NCDs and 21,064,300 Warrants, and the unsubscribed portion of issue of 133,925 NCDs lapsed. Each warrant entitled the holder to an option to apply for and be allotted one equity share of our Company after the end of 5<sup>th</sup> year and before completion of the 7<sup>th</sup> year from the date of the allotment. The conversion rights of balance 8408 Warrant holders who did not exercise their option at the last determination date i.e. August 24, 2007 extinguished and the same were cancelled by our Company.
10. Our Company on October 30, 2007 issued and allotted 25,000,000 warrants of ₹10 each to the Promoter group of our Company by way of preferential allotment. Each warrant was convertible into Equity shares of ₹ 10 each in one or more tranches at a price of ₹ 100 per share (including premium of ₹ 90) within a period of 18 months from the date of allotment of the warrants. Out of 25,000,000 warrants, conversion option for 7,200,000 warrants was exercised in 2007-08. Conversion option for balance warrants were not exercised during the year ended March 31, 2009 and has since expired and hence forfeited on April 29, 2009. The Application Amount is disclosed as 'Equity Warrants Issued and Subscribed' as on March 31, 2009.
11. Pursuant to the Scheme of Amalgamation of Quippo Infrastructure Equipment Limited (Quippo) into and with our Company sanctioned by the Hon'ble High Court at Calcutta, our Company had issued and allotted 294,025,696 Equity Shares of ₹ 10 each fully paid up of our Company to the shareholders of Quippo based on the share exchange ratio of 27:10, in consideration of the transfer and vesting of all assets and liabilities of Quippo into and with our Company. Further, the Company had issued and allotted 9,29,15,839 Equity Shares of ₹ 10/- each fully paid up to the equity shareholders of Srei Infra as bonus shares in the ratio of 4 (four) equity shares of ₹10/- each (fully paid-up) for every 5 (five) equity shares of ₹10/- each of Srei Infra held by them as on the record date, by way of capitalization of free reserves, pursuant to the aforesaid Scheme of Amalgamation.

**Preference Share Capital History of our Company till the date of this Shelf Prospectus is set forth below :**

Date of allotment	Number of preference shares	Issue price per preference share (in ₹)	Face value per preference share (in ₹)	Consideration (cash or other than cash)	Reasons for allotment
May 14, 1996	10,000,000	100	100	Cash	Public issue [Ref Note 1]

**Note:**

1. There was Public Issue of 10,000,000 17 % Convertible Preference Shares ("CPS") of ₹100 each out of which there was Firm allotment of 2,500,000 CPS and issue to the public to the extent of 7,500,000 CPS. Every two CPS had two detachable tradable warrants attached to it -Warrant A and Warrant B. The holders of Warrant A had the right to subscribe to one Equity share of ₹ 10 each of our Company to be exercised within 24 months from the date of allotment of CPS. Such right was exercised on September 5, 1998. The holders of Warrant B had the right to subscribe to one Equity share of ₹ 10 each of our Company to be exercised within 36 months from the date of allotment of CPS. Such right was exercised on June 1, 1999. Each CPS were compulsorily convertible within 18 months from the date of allotment into 45,454,545 number of Equity shares of ₹ 10 each at ₹22 each (including

premium) as decided by the Board of Directors of our Company which was calculated based on the formula - 75% of the average daily closing price of the Equity shares of our Company at the Regional Stock exchange in Calcutta during the 3 months prior to the date of conversion and to be more than ₹ 10 and not to exceed ₹ 100. The CPS were converted and allotted on November 21, 1997 into 45,454,545 Equity shares, out of which 37,780,454 were fully paid up and 7,674,091 were partly paid up. The Managing Director and the Deputy Secretary were authorized to issue call notices on partly paid up Equity shareholders for payment of call money. 472,827 number of partly paid up Equity shares were forfeited on March 14, 2000 for non-payment of call money. 741 Equity shares, being fractional entitlements arising out of the conversion of the aforesaid CPS, were allotted to Ajay Kumar Agarwal, trustee, with authority to sell the same and distribute the proceeds to the allottees to the extent of their fractional entitlements after meeting necessary charges and expenses of the trustee in this connection.

#### Details of any Acquisition or Amalgamation in the last 1 year

There have been no acquisitions or amalgamations in our Company in the last one year preceding the date of this Shelf Prospectus.

#### Details of any Reorganization or Reconstruction in the last 1 year

There have been no reorganizations or reconstructions in our Company in the last one year preceding the date of this Shelf Prospectus.

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

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

##### A. Promoter Group Companies - Bharat Connect Private Limited

Name of the Company	No. of Securities		Nature of Security	Date of Transaction	No. of Shares held pre-transaction	No. of Shares held post transactions	Consideration (₹)
	Purchased	Sold					
SIFL	25,00,000 (Off Market)	Nil	Equity Shares	03.07.2014	11,55,89,420	11,80,89,420	13,00,00,000

##### B. Promoter Group Companies – Adisri Commercial Private Limited

Name of the Company	No. of Securities		Nature of Security	Date of Transaction	No. of Shares held pre-transaction	No. of Shares held post transactions	Consideration (₹)
	Purchased	Sold					
SIFL	10,000 (Open Market)	Nil	Equity Shares	12.08.2014	Nil	10,000	4,44,970

##### C. Promoter Group Companies – Bhavah Enterprise Private Limited

Name of the Company	No. of Securities		Nature of Security	Date of Transaction	No. of Shares held pre-transaction	No. of Shares held post transactions	Consideration (₹)
	Purchased	Sold					
SIFL	10,000 (Open Market)	Nil	Equity Shares	12.08.2014	Nil	10,000	4,42,790

##### D. Promoter Group Companies – Param Commercial Private Limited

Name of the Company	No. of Securities		Nature of Security	Date of Transaction	No. of Shares held pre-transaction	No. of Shares held post transactions	Consideration (₹)
	Purchased	Sold					
SIFL	10,000 (Open Market)	Nil	Equity Shares	12.08.2014	Nil	10,000	4,44,493

#### Details of Promoter's contribution in our Company:

Transaction	Date of Allotment/Sale	Shares						Source of Funds
		No. of Shares	Share Capital (₹)	Face Value (₹)	Issue Price (₹)	Total Sale Consideration (₹)	Cumulative	

							Shareholding	
Subscription to Memorandum of Association	March 30, 1985	1,121	11,210	10.00	10.00	-	1,121	Own
Subscription to Public Issue	May 30, 1990	43,300	433,000	10.00	10.00	-	44,421	Own
Subscription to Rights Issue	January 13, 1994	44,421	444,210	10.00	20.00	-	88,842	Own
Allotment of Equity shares upon conversion of Cumulative Convertible Preference Shares	November 21, 1997	45,454	454,540	10.00	22.00	-	134,296	Own
Shares issued against Detachable Tradable Warrants	November 22, 2005	100,000	1,000,000	10.00	33.00	-	234,296	Own
Subscription to Bonus shares	March 05, 2011	187,436	1,874,360	10.00	-	-	421,732	Not Applicable
Off Market Sale	June 26, 2013	(21,732)	(217,320)	10.00	-	4,88,970	400,000	Not Applicable
Off Market Sale	November 28, 2013	(20,000)	(200,000)	10.00	-	4,18,600	380,000	Not Applicable
	<b>Net Shares</b>	<b>380,000</b>	<b>3,800,000</b>				<b>380,000</b>	

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

Other than as referred herein below, our Promoter does not hold any shares in any of our subsidiary companies as on June 30, 2014.

Name of Nominee Shareholder	Beneficiary	Name of the Subsidiary Company	No. of Shares	% of Subsidiary's total share capital
Hemant Kanoria	Srei Infrastructure Finance Limited*	Srei Capital Markets Limited	100	0.002
		Srei Alternative Investment Managers Limited	100	0.04
		Controlla Electrotech Private Limited	500	1.42
		Quippo Oil & Gas Infrastructure Limited	500	0.0017
		Global Investment Trust Limited	100	0.20
	Srei Infrastructure Advisors Limited	Bengal Srei Infrastructure Development Limited (Subsidiary of Srei Infrastructure Advisors Limited)	100	0.20

\*The Promoter holds shares in the Company as a registered shareholder. Our Promoter has not sold any shares held by him in the subsidiary companies (referred hereinabove), during the preceding 5(five) years.

**Except as set forth below, none of our Directors hold any Equity Shares of the Company as on June 30, 2014:-**

Sl. No.	Name of the Director	Total No. of Equity Shares	% of total number of Equity Shares
1.	Mr. Hemant Kanoria	3,80,000	0.08

2.	Mr. Sunil Kanoria	18,02,714	0.36
3.	Mr. Saud Ibne Siddique	3,00,000	0.06

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

**Shareholding pattern of our Company as on June 30, 2014 is set forth below:-**

Category of Shareholder	No. of Share-holders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)=(VI I)/(III)*100
<b>(A) Shareholding of Promoter and Promoter Group</b>							
<b>(1) Indian</b>							
Individuals / Hindu Undivided Family	2	2182714	2182714	0.43	0.43	0	0.00
Bodies Corporate	3	243181250	243181250	48.34	48.34	0	0.00
<b>Sub Total (A)(1)</b>	<b>5</b>	<b>245363964</b>	<b>245363964</b>	<b>48.77</b>	<b>48.77</b>	<b>0</b>	<b>0.00</b>
<b>(2) Foreign</b>							
Bodies Corporate	0	0	0	0.00	0.00	0	0.00
<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>Total shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>5</b>	<b>245363964</b>	<b>245363964</b>	<b>48.77</b>	<b>48.77</b>	<b>0</b>	<b>0.00</b>
<b>(B) Public Shareholding</b>							
<b>(1) Institutions</b>						N.A.	N.A.
Mutual Funds / UTI	3	1128638	1112518	0.22	0.22		
Financial Institutions / Banks	4	277937	277937	0.06	0.06		
Foreign Institutional Investors	45	59868231	59688231	11.90	11.90		
<b>Sub Total (B)(1)</b>	<b>52</b>	<b>61274806</b>	<b>61078686</b>	<b>12.18</b>	<b>12.18</b>		
<b>(2) Non-Institutions</b>						N.A.	N.A.
Bodies Corporate	1143	28650048	28542769	5.70	5.70		
Individuals -							
Individual shareholders holding nominal share capital up to ₹ 1 lakh	53615	27306471	26141900	5.43	5.43		
Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	429	76528590	76517954	15.21	15.21		
Any Others (Specify) -							0
Non Resident Individual	715	1980924	1964567	0.39	0.39		
Trusts	6	58020175	58020175	11.53	11.53		
Clearing Members	346	2204038	2204038	0.44	0.44		
Foreign Corporate Bodies	1	1735717	0	0.35	0.35		
<b>Sub Total (B)(2)</b>	<b>56255</b>	<b>196425963</b>	<b>193391403</b>	<b>39.05</b>	<b>39.04</b>		
<b>Total Public shareholding (B) = (B)(1)+(B)(2)</b>	<b>56307</b>	<b>257700769</b>	<b>254470089</b>	<b>51.23</b>	<b>51.22</b>	<b>N.A.</b>	<b>N.A.</b>
<b>Total (A)+(B)</b>	<b>56312</b>	<b>503064733</b>	<b>499834053</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>				N.A.		N.A.	N.A.
<b>(1) Promoter and Promoter Group</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0.00</b>		
<b>(2) Public</b>	<b>1</b>	<b>21600</b>	<b>21600</b>		<b>0.00</b>		
<b>Sub Total (C)</b>	<b>1</b>	<b>21600</b>	<b>21600</b>		<b>0.00</b>		
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>56313</b>	<b>503086333</b>	<b>499855653</b>	<b>N.A.</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>

None of the shares held by the Promoter/Promoters' Group is under pledge or otherwise encumbered as on June 30, 2014.

**Top 10 Holders of Equity Shares as on June 30, 2014:**

Sl.	Name of the Shareholder	Address of the Shareholder	Total No. of Shares	No. of Shares in demat form	Total Shareholding as a percentage of total number of equity shares
1.	Bharat Connect Private Limited	3, Middle Road, Hastings, Kolkata - 700022	118089420	118089420	23.47
2.	Adisri Investment Private Limited	3, Middle Road, Hastings, Kolkata - 700022	86702840	86702840	17.23

3.	Opulent Venture Capital Trust	Shree Ganesh Centre No.216, A J C Bose Road. Room No 1/ 2 C Kolkata - 700017	57974595	57974595	11.52
4.	Salil Kumar Gupta JH – Srinivasachari Rajagopal (Trustee of Srei Growth Trust)	86C Topsia Road ( S) Vishwakarma, Kolkata - 700046	48600000	48600000	9.66
5.	Fidelity Investment Trust Fidelity Series Emerging Markets Fund	Citibank N.A. Custody Services Fifc-11th Flr, G Block, Plot C-54 and C-55, BKC Bandra-East, Mumbai - 400051	47462511	47462511	9.43
6.	Adhyatma Commercial Private Limited	3, Middle Road, Hastings, Kolkata - 700022	40888990	40888990	8.13
7.	Milan Commercial Private Limited	216 A J C Bose Road, 2nd Floor, Room No 2C, Kolkata - 700017	9714286	9714286	1.93
8.	Subrata Ghosh (Trustee of Shrestha Trust)	Plot No-43, Mirania Garden, 10B, Topsia Road(East) Kolkata - 700046	8204986	8204986	1.63
9.	Roopchand Bhanshali	12 Laxmi Vilas, 87 Nepeansea Road, Mumbai - 400006	3936934	3936934	0.78
10.	Jai-Vijay Resources Private Limited	7 / 19, Khatau Building, 2nd Floor, 44, Bank Street Mumbai - 400001	2854209	2854209	0.57

#### Long Term Debt–Equity Ratio:

The long term debt-equity ratio of our Company prior to this Issue is based on a total outstanding debt of ₹129601.30 million and shareholder funds amounting to ₹26774.30 million, which was 2.26 times, as on March 31, 2014. The long term debt-equity ratio post the Issue (assuming subscription of ₹15000 million) will be 2.82 times, assuming total outstanding debt of ₹144601.30 million and shareholders' fund of ₹26774.30 million as on March 31, 2014.

(₹In million)

Particulars	Pre Issue as at March 31, 2014 (Audited)	Post Issue*
Long Term	60455.50	75455.50
Short Term	69145.80	69145.80
	<b>129601.30</b>	<b>144601.30</b>
<b>Shareholders Fund</b>		
<b>Share Capital</b>	5032.40	5032.40
<b>Reserves &amp; Surplus</b>		
Special Reserve under section 45-IC of Reserve Bank of India Act, 1934	Nil	Nil
General Reserve	1767.10	1767.10
Capital Reserve	13960.40	13960.40
Securities Premium Account	194.50	194.50
Debenture Redemption Reserve	1975.40	1975.40
Surplus in Profit and Loss Account	1220.10	1220.10
	2624.40	2624.40
	21741.90	21741.90
<b>Total Shareholders' Fund</b>	<b>26774.30</b>	<b>26774.30</b>
<b>Long Term Debt-Equity Ratio (Number of times)</b>	<b>2.26</b>	<b>2.82</b>
Long Term	60455.50	75455.50

*\* The debt-equity ratio post the Issue is indicative on account of the assumed inflow of ₹15000million from the proposed Issue in the secured debt category as on March 31, 2014 only. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

**Note**

1. Our Company has not issued any debt securities issued for consideration other than cash, whether in whole or part, since its incorporation.
2. Our Company has not, since incorporation, issued any debt securities at a premium or at a discount, or in pursuance of an option.
3. For details of the outstanding borrowings of the Company as on June 30, 2014, see “**Disclosure on Existing Financial Indebtedness**” on page no.104 of this Shelf Prospectus.

## OBJECTS OF THE ISSUE

Our Company has filed this Shelf Prospectus for a public issue of Secured Redeemable Non-Convertible Debentures aggregating upto ₹15,000 million (“Shelf Limit”).

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

(₹in million)		
Sr. No.	Description	Amount
1	Gross proceeds of the Issue	As specified in the relevant Tranche Prospectus(es)
2	Issue related expenses	As specified in the relevant Tranche Prospectus(es)
3	Net Proceeds of the Issue	As specified in the relevant Tranche Prospectus(es)

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

- I. For the purpose of lending/ repayment of loan - minimum 75% of the Net Proceeds of the Issue .
- II. For General Corporate Purposes – up to 25% of the Net Proceeds of the Issue. The unutilized amount if any will be used for purpose of lending/ repayment of loan.

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

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

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

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

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

### General Corporate Purposes

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

### Issue related expenses

The expenses of this Issue include, among others, fees for the Lead Managers and / or the Co-Lead Managers, printing and distribution expenses, legal fees, advertisement expenses and listing fees.

The estimated breakdown of the total expenses shall be as specified in the relevant Tranche Prospectus(es).

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

### Interim Use of Proceeds

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

### **Monitoring of Utilization of Funds**

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

### **Variation in terms of contract or objects in Prospectus**

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

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

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

### **Details regarding lending out of issue proceeds of Previous Issues**

#### **A. Lending Policy:**

Please refer to the paragraph titled 'Lending Policies' under the section titled 'Business' at page no.77 of this Shelf Prospectus.

#### **B. Classification of loans/advances given to associates, entities /person relating to Board, Senior Management, Promoters, Others, etc. ;**

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

#### **C. Details of Utilisation of previous Issues :**

The loans given by the Company out of the proceeds of Previous Issues are

#### **I. Issue of long term infrastructure bonds of face value of ₹1,000 each, in the nature of secured, redeemable, non-convertible debentures, having benefits under Section 80 CCF of the Income Tax Act, 1961 aggregating upto ₹3,000 million in December 2011 :**

<b>Date of Allotment</b>	<b>Amount Raised(₹ in million)</b>
March 22, 2012	248.90

<b>Borrower Name</b>	<b>Address</b>	<b>Geographical Classification</b>	<b>Sector</b>	<b>Loan Tenor in Months</b>	<b>Loan Tenor Bucket</b>	<b>Amount disbursed from issue proceeds (₹ in million)</b>
Krishanpatanam Power Corporation Limited	Plot No.379, Road No.10, Jubilee hills Hyderabad Andhra Pradesh	South	Power	36	1-3 Yrs	1050.00*

#### **II. Issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each aggregating upto ₹1,500 million in September 2012 :**

Date of Allotment	Amount raised (₹ in million)
November 5, 2012	767.90

Party Name	Address	Geographical Classification	Sector	Loan Tenor in Months	Loan Tenor Bucket	Amount disbursed from issue proceeds (₹ in million)
AMRL Hitech City Limited	Flat # 6, 1st Floor, Crystal Cove, Door No. 93/59, Satyadev Avenue MRC Nagar Main Road, R.A. Puram Chennai - 600028 Tamil Nadu	South	SEZ/Industrial Park	84	5-10 Yrs	548.90
Himachal Sorang Power Limited	C/o NCC House, 6th Floor, Madhapur Hyderabad - 500081	South	Power	154	5-10 Years	290.00*
HCC Concessions Limited	Hincon House, 11th Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (W), HCC Concessions Limited Mumbai, Maharashtra	West	Road	24	1-3 Yrs	160.00

**III. Issue of secured redeemable non-convertible debentures of face value of ₹1,000 each aggregating upto ₹1,500 million in March 2013 :**

Date of Allotment	Amount raised(₹ in million)
May 6, 2013	1337.0

Party Name	Address	Geographical Classification	Sector	Loan Tenor in Months	Loan Tenor Bucket	Amount disbursed from issue proceeds (₹ in million)
Essar Projects India Ltd.	Equinox Business Park (Peninsula Techno Park),	West	Coal/Power	61	5-10 Yrs	1,060.00

Party Name	Address	Geographical Classification	Sector	Loan Tenor in Months	Loan Tenor Bucket	Amount disbursed from issue proceeds (₹ in million)
	off Bandra Kurla Complex, LBS Marg, Kurla (W) Mumbai – 400 070 Maharashtra					
Prakash Industries Limited	“SRIVAN”, Near I.O.C.L. Depot, Najafgarh - Bijwasan Road, New Delhi	North	Power	60	5-10 Yrs	700.00*

**IV. Issue of secured redeemable non-convertible debentures of face value of ₹1,000 each aggregating upto ₹ 1,500 million in August 2013 :**

Date of Allotment	Amount raised(₹ in million)
September 26, 2013	1026.50

Party Name	Address	Geographical Classification	Sector	Loan Tenor in Months	Loan Tenor Bucket	Amount disbursed from issue proceeds (₹ in million)
Korba West Power Company Limited	6th & 7th Floor, Vatika City Point, MG Road DLF PH-II Police Station Gurgaon, Haryana	North	Power	85	5-10 Yrs	1,000.00
Prag Jyoti Textile Park Private Limited	R.G. Barua Road, Nilgiri Path, House No. 4, Near Doordarshan Guwahati, Kamrup Assam - 781005	East	SEZ/Industrial Park	24	1-3 Yrs	93.00*

**V. Issue of secured redeemable non-convertible debentures of face value of ₹1,000 each aggregating upto ₹1,500 million in December 2013 :**

Date of Allotment	Amount raised(₹ in million)
February 11, 2014	1000.00

Party Name	Address	Geographical Classification	Sector	Loan Tenor in Months	Loan Tenor Bucket	Amount disbursed from issue proceeds (₹ in million)
Navayuga Engineering Company Limited	48-9-17,Dwarakanagar Vishakhapatnam Andhra Pradesh - 530016	South	Road	60	3-5 Yrs	1,000.00

**VI. Issue of secured redeemable non-convertible debentures of face value of ₹1,000 each aggregating upto ₹1,500 million in May 2014 :**

Date of Allotment	Amount raised(₹ in million)
May 28, 2014	1500.00

Party Name	Address	Geographical Classification	Sector	Loan Tenor in Months	Loan Tenor Bucket	Amount disbursed from issue proceeds (₹ in million)
Utkal Coal Limited	Bomikhal, PO Rasulgarh, Bhubaneswar Orissa - 751010	East	Power	82	5-10 Yrs	610.00
Havelock Properties Limited	Basement 6, Community Centre, Saket, New Delhi - 110017	North	SEZ/Industrial Park	60	3-5 Yrs	450*
Orissa Manganese & Minerals Limited	2/1A, Sarat Bose Road, 6 <sup>th</sup> Floor Kolkata - 700020 West Bengal	East	Power	106	5-10 Yrs	228.90
Takshasila Hospitals Operating Private Limited	Embassy Star, 7th Floor No.8 Palace Road, Vasanthnagar Bangalore - 560052	South	Hospital	36	1-3 Yrs	200.00
Transtel Infrastructure Limited	"The Millennium", 3rd Floor, 235/2A, A J C Bose Road, Kolkata –	East	Power	44	3-5 Yrs	96.40

Party Name	Address	Geographical Classification	Sector	Loan Tenor in Months	Loan Tenor Bucket	Amount disbursed from issue proceeds (₹ in million)
	700 020 West Bengal					

**Note: All the loans disbursed from the proceed of the above mention public Issue are term loan for Infrastructure Financing and are classified as standard assets as on the date of the Shelf Prospectus. None of the loans disbursed from the proceed of the above mention public Issues are classified as non-performing in accordance with RBI Guidelines, in terms of exposure to those entities.**

\* Includes amount disbursed from other sources.

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

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

## STATEMENT OF TAX BENEFITS

### Statement of Possible Tax Benefits available to the Debenture holders of Srei Infrastructure Finance Limited

#### The Board of Directors

Srei Infrastructure Finance Limited  
“Vishwakarma”,  
86 C Topsia Road (South)  
Kolkata 700 046

Dear Sirs,

We hereby report that the enclosed statement states the possible tax benefits available to the debenture holders of Srei Infrastructure Finance Limited (“the Company”) under the Income-tax Act, 1961 and the Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its debenture holders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon fulfilment of such conditions, which, based on business imperatives the Company faces in the future, it may or may not choose to fulfil.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

*No assurance is given that the revenue authorities/ Courts will concur with the views expressed herein. Our views are based on existing provisions of law and their interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We are not liable to any other person in respect of this statement.*

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

#### For Haribhakti & Co. LLP

Chartered Accountants  
ICAI Firm Registration No. 103523W

#### Anand Kumar Jhunjhunwala

Partner  
Membership No. 056613

Place: Bhubaneswar

Date: September 10, 2014

## **STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS**

Under the current tax laws, the following tax benefits, inter alia, will be available to the Debenture Holders. The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holder is advised to consider in their own case the tax implications in respect of subscription to the Debentures after consulting their tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

### **A. IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961('I.T. ACT')**

#### **I. To the Resident Debenture Holder**

1. Interest on Debenture received by Debenture Holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following :
  - a. In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family ('HUF') Debenture Holder does not or is not likely to exceed ₹ 5,000 in the aggregate during the Financial year and the interest is paid by an account payee cheque.
  - b. In case of payment of interest on any security issued by a company in dematerialized form and listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made there under.
  - c. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; **and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.**
  - d. (i) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A (1A) of the I.T. Act in the prescribed Form 15G, verified in the prescribed manner, to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under section 197A (1B) of the I.T. Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the Financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax.

To illustrate, as on 01.04.2013, the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is ₹ 2,00,000; in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial year (Senior Citizen) is ₹ 2,50,000; and in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial year (Super Senior Citizen) is ₹ 5,00,000 for Financial Year 2013-14. Further, Section 87A of the I.T. Act provides a tax rebate of 100 percent of income-tax or an amount of ₹2,000 whichever is less to a resident individual whose total income does not exceed ₹ 500,000 during the Financial year.
  - (ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A (1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.
  - (iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN/Form No. 15H with PAN/Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.
2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required

to deduct surcharge, education cess and secondary and higher education cess.

3. Under section 2(29A) of the I.T. Act, read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

Under section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration.

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

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

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

## **II. To the Non Resident Debenture Holder**

1. A non-resident Indian has an option to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under :
  - (a) Under section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.
  - (b) Under section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gains tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any savings certificates referred to in Section 10(4B) of the I.T. Act, in accordance with and subject to the provisions contained therein. However, if the new assets are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the new assets are transferred or converted into money.
  - (c) Under section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.
  - (d) Under section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

2. In accordance with and subject to the provisions of section 115-I of the I.T. Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,
  - (a) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10%, computed without indexation.
  - (b) Investment income and Short-term capital gains on the transfer of listed debentures (debentures are held for a period of not more than 12 months preceding the date of transfer) would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act.
  - (c) Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.
3. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per section 115E and 30% for Short Term Capital Gains if the payee Debenture Holder is a Non Resident Indian.
4. The Income tax deducted shall be increased by a surcharge as under :
  - (i) In the case of a non-resident Indian, surcharge at the rate of 10% of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds ₹ 1, 00,00,000/-.
  - (ii) In the case of a non-domestic company, at the rate of 2% of such income tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds ₹1,00,00,000/- but does not exceed ₹10,00,00,000/-.
  - (iii) In the case of a non-domestic company, at the rate of 5% of such income tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds ₹10,00,00,000/.  
2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge) is also deductible.
5. As per Section 90(2) of the I.T. Act read with Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate, containing prescribed particulars, is a mandatory condition for availing benefits under any DTAA.  
  
In terms of Chapter X-A of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, an arrangement entered into by an assessee may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be, inter alia, denial of tax benefit. This Chapter comes into force with effect from Financial Year 2015-16.
6. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate obtained under section 197(1) of the I.T. Act, from the Assessing Officer, before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN, as per the provisions of section 206AA of the I.T. Act, except in case of interest on certain long-term bonds as referred to in Section 206AA(7) of the I.T. Act.

### **III. To the Foreign Institutional Investors (FIIs)**

1. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and education and secondary and higher education cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and education and secondary and higher education cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.
2. Income other than capital gains arising out of debentures is taxable at 20% in accordance with and subject to the provisions of Section 115AD.
3. Section 194LD of the I.T. Act provides for lower rate of withholding tax at the rate of 5% (plus applicable surcharge and education and secondary and higher education cess), on payment by way of interest paid by an Indian company to FIIs and Qualified Foreign Investors in respect of rupee denominated bonds of such company, the said interest being payable between June 1, 2013 and May 31, 2015. This benefit is subject to the condition that the rate of interest on the rupee denominated bond shall not exceed the rate as may be notified by the Central Government in this behalf.

4. In accordance with and subject to the provisions of section 196D (2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs.
5. The provisions at Para II (4, 5 and 6) above would also apply to FIIs.

#### **IV. To the Other Eligible Institutions**

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

#### **V. Benefits under Section 54EC and Section 54F of the I.T. Act**

1. Under section 54EC of the I.T Act, long term capital gains arising to the debenture holders on transfer of their debentures shall not be chargeable to tax, to the extent such capital gains are invested in specified bonds, within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said specified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. However, the exemption is subject to a limit of investment of Rs. 50 Lakhs in the specified bonds, as mentioned in Section 54 EC. Where the benefit of section 54EC has been availed of, a deduction from the income with reference to such cost shall not be allowed under section 80C of the I.T. Act.
2. As per the provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before or two years after the date of transfer, in the purchase of a new residential house in India or for construction of a residential house in India, within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

This exemption is available subject to the condition that the Debenture Holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the Debenture Holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

#### **VI. Requirement to furnish Permanent Account Number ('PAN') under the I.T. Act**

1. Section 139A(5A) requires every person from whose income tax has been deducted at source under chapter XVIIIB of the I.T. Act, to furnish his PAN to the person responsible for deduction of tax at source.
2. Sec.206AA:
  - a. Section 206AA of the I.T. Act requires every person entitled to receive any sum on which tax is deductible under Chapter XVIIIB ('deductee'), to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:
    - (i) at the rate specified in the relevant provision of the I.T. Act; or
    - (ii) at the rate or rates in force; or
    - (iii) at the rate of twenty per cent.
  - b. A declaration under Section 197A (1A) or 197A(IC) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.
  - c. No certificate under Section 197 of the I.T. Act would be granted unless the application made under that section contains the PAN of the applicant.
  - d. Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (a) above will apply.

#### **VII. Taxability of Gifts received for nil or inadequate consideration**

As per section 56(2) (vii) of the I.T. Act, where an individual or a Hindu Undivided Family receives debentures

from any person on or after 1st October, 2009:

- (i) without any consideration, the aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;
- (ii) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration;

shall be taxable as the income of the recipient at the normal rates of tax.

However, this provision would not apply to any receipt:

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

## **B. IMPLICATION UNDER THE WEALTH TAX ACT, 1957**

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

### ***Notes***

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

## SECTION IV: ABOUT THE ISSUER AND THE INDUSTRY

### INDUSTRY

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

#### GLOBAL ECONOMY

Global activity has broadly strengthened and is expected to improve further in 2014–15, with much of the impetus coming from advanced economies. Inflation in these economies, however, has undershot projections, reflecting still-large output gaps and recent commodity price declines. Activity in many emerging market economies has disappointed in a less favourable external financial environment, although they continue to contribute more than two-thirds of global growth. Their output growth is expected to be lifted by stronger exports to advanced economies. In this setting, downside risks identified in previous World Economic Outlook reports have diminished somewhat. There are three caveats: emerging market risks have increased, there are risks to activity from lower-than-expected inflation in advanced economies, and geopolitical risks have resurfaced. Overall, the balance of risks, while improved, remains on the downside.

The renewed increase in financial volatility in late January of this year highlights the challenges for emerging market economies posed by the changing external environment. The proximate cause seems to have been renewed market concern about emerging market fundamentals. Although market pressures were relatively broadly based, countries with higher inflation and wider current account deficits were generally more affected. Some of these weaknesses have been present for some time, but with prospects of improved returns in advanced economies, investor sentiment is now less favourable toward emerging market risks. In view of possible capital flow reversals, risks related to sizable external funding needs and disorderly currency depreciations area concern. Some emerging market economies have tightened macroeconomic policies to shore up confidence and strengthen their commitment to policy objectives. Overall, financial conditions have tightened further in some emerging market economies compared with the October 2013 World Economic Outlook. The cost of capital has increased as a result, and this is expected to dampen investment and weigh on growth.

Looking ahead, global growth is projected to strengthen from 3 percent in 2013 to 3.6 percent in 2014 and 3.9 percent in 2015, broadly unchanged from the October 2013 outlook. In advanced economies, growth is expected to increase to about 2¼ percent in 2014–15, an improvement of about 1 percentage point compared with 2013. Key drivers are a reduction in fiscal tightening, except in Japan, and still highly accommodative monetary conditions. Growth will be strongest in the United States at about 2¾ percent. Growth is projected to be positive but varied in the euro area: stronger in the core, but weaker in countries with high debt (both private and public) and financial fragmentation, which will both weigh on domestic demand. In emerging market and developing economies, growth is projected to pick up gradually from 4.7 percent in 2013 to about 5 percent in 2014 and 5¼ percent in 2015. Growth will be helped by stronger external demand from advanced economies, but tighter financial conditions will dampen domestic demand growth. In China, growth is projected to remain at about 7½ percent in 2014 as the authorities seek to rein in credit and advance reforms while ensuring a gradual transition to a more balanced and sustainable growth path.

(Source- <http://www.imf.org/external/pubs/ft/weo/2014/01/pdf/text.pdf> )

#### THE INDIAN ECONOMY

##### Overview

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

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

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

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

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

<b>Table VI.1: Growth expected to be higher in 2014-15</b>															
<i>Median Forecasts of Select Macroeconomic Indicators by Professional Forecasters 2013-14 and 2014-15</i>															
	Actua l 2012- 13	Annual forecasts						Quarterly Forecast							
		2013-14		2014-15		2013-14		2014-15							
						Q4		Q1		Q2		Q3		Q4	
		E	L	E	L	E	L	E	L	E	L	E	L	E	L
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1. Real GDP growth rate at factor cost (%)	4.5	4.8	4.7	5.6	5.5	5.2	4.9	5.3	5.0	5.6	5.3	5.6	5.7	-	5.9
a. Agriculture and Allied Activities	1.4	4.1	4.0	2.9	3.0	4.8	4.8	3.4	3.1	3.0	3.0	3.0	3.3	-	3.0
b. Industry	0.9	1.5	0.6	3.6	3.5	2.0	1.0	3.0	2.0	3.2	2.0	3.7	3.5	-	3.9
c. Services	6.2	6.2	6.5	7.0	6.9	6.3	6.2	6.5	7.0	6.8	6.8	7.2	7.2	-	7.4
2. Gross Domestic Saving (% of GDP at current market price)	30.1	30.5	30.4	31.0	31.0	-	-	-	-	-	-	-	-	-	-
3. Average WPI-Inflation	7.4	6.4	6.0	6.0	5.8	6.6	5.2	6.8	5.8	6.0	4.6	5.5	4.9	-	6.0
4. Average CPI-Combined Inflation	10.2	9.9	9.5	8.5	8.0	9.7	8.3	9.5	8.2	8.9	7.6	8.0	7.3	-	8.4
5. Exchange Rate (₹/ US\$ end period)	54.4	-	-	-	-	-	-	61.5	61.0	61.5	61.0	61.0	60.0	-	59.8
6. Current Account Deficit (% of GDP)	4.8	2.7	2.0	2.8	2.4	-	-	-	-	-	-	-	-	-	-
7. Central Government Fiscal Deficit (% of GDP)	4.9	5.0	4.6	4.7	4.3	-	-	-	-	-	-	-	-	-	-
<i>E: Previous Round Projection. L: Latest Round Projection. - : Not Available.</i>															
<i>Note: The latest round refers to 27th Round.</i>															
<i>Source: Survey of Professional Forecasters, 27th Round.</i>															

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

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

- The overall growth of GDP at factor cost at constant (2004-05) prices (real GDP) for 2013-14 is placed at 4.7 per cent as compared to 4.5 per cent for 2012-13 (as per the Provisional Estimates released on 30<sup>th</sup> May, 2014). The GDP growth rate is placed at 4.7 per cent and 5.2 per cent respectively in the first and second quarters and 4.6 per cent each in third and fourth quarters of 2013-14.
- Food grains (rice and wheat) stocks held by FCI and State agencies were 65.34 million tonnes as on July 1, 2014 vis-à-vis the buffer stock norm of 31.90 million tonnes as on July 1, 2014.
- Growth in the Index of Industrial Production (IIP) was 4.7 per cent during May 2014 as compared to (-) 2.5 per cent in May 2013. During April-May, 2014-15, IIP growth was 4.0 per cent as compared to (-) 0.5 per cent during the corresponding period in 2013-14. Eight core infrastructure industries registered 2.3 per cent growth

in May 2014 as compared to growth of 5.9 per cent in May 2013. During April-May, 2014-15, these sectors grew by 3.3 per cent as compared to 4.9 per cent during the corresponding period in 2013-14.

- (iv) Broad money (M3) for 2014-15 (up to June 27, 2014) increased by 3.3 per cent as compared to 4.2 per cent during the corresponding period of 2013-14. The year-on-year growth in 2014, as on June 27, 2014 was 12.2 per cent as compared to 12.7 per cent in the previous year.
- (v) Exports and imports increased by 10.2 per cent and 8.3 per cent, in US dollar terms, during June 2014 over June 2013.
- (vi) Foreign Currency Assets stood at US\$ 291.3 billion at end-June 2014 as compared to US\$ 255.4 billion at end-June 2013.
- (vii) The Rupee appreciated against Euro and depreciated against US dollar, Pound sterling, and Japanese yen in June 2014 over May 2014.
- (viii) The WPI inflation for all commodities for the month of June 2014 eased to 5.43 per cent from 6.01 per cent in the previous month.
- (ix) Gross tax revenue, at ₹ 84,516 crore during 2014-15 (April-May), recorded growth of 8.7 per cent over the corresponding period of 2013-14.
- (x) As a proportion of Budget estimate, fiscal deficit and revenue deficit during 2014-15 (April-May) was 45.3 per cent and 54.2 per cent respectively.

(Source: [http://finmin.nic.in/stats\\_data/monthly\\_economic\\_report/2014/indjun14.pdf](http://finmin.nic.in/stats_data/monthly_economic_report/2014/indjun14.pdf))

## STRUCTURE OF INDIA'S FINANCIAL SERVICES INDUSTRY

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

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

1. Commercial banks;
2. Non-Banking Finance Companies (“NBFCs”);
3. Specialized financial institutions, such as the National Bank for Agriculture and Rural Development, the Export-Import Bank of India, the Small Industries development Bank of India and the Tourism Finance Corporation of India;
4. Securities brokers;
5. Investment banks;
6. Insurance companies;
7. Mutual funds;
8. Alternative Investment Funds; and
9. Venture capital funds.

## NON-BANKING FINANCE COMPANIES

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

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

Under the provisions of the RBI Act, it is mandatory for a NBFC to be registered with the RBI. For such registration with the RBI, a company incorporated under the Companies Act 1956 and which wishes to commence business as a NBFC, must have a minimum Net Owned Fund (“NOF”) of ₹ 20,000,000. A NOF refers to funds (paid-up capital and free reserves, less accumulated losses, deferred revenue expenditure and other intangible assets) less, (i) investments

in shares of subsidiaries/companies in the same group or all other NBFCs; and (ii) the book value of debentures/bonds/outstanding loans and advances, including hire-purchase and lease finance made to, and deposits with, subsidiaries/companies in the same group, in excess of 10% of the owned funds.

The registration process involves the submission of an Application by the company in prescribed format along with the necessary documents for the RBI's consideration. If the RBI is satisfied that the conditions set out in the RBI Act are fulfilled, it issues a "Certificate of Registration" to the company. There are two broad categories of NBFCs based on whether they accept public deposits, namely deposit-taking NBFCs (NBFCs-D) and non-deposit-taking NBFCs (NBFCs-ND). Only those NBFCs holding a valid Certificate of Registration with authorization to accept public deposits can accept and hold public deposits. In addition to having the minimum stipulated NOF, NBFCs should also comply with separate prudential norms prescribed for NBFCs-D and NBFCs-ND. The detailed regulations applicable to NBFCs are available at the RBI website of RBI ([www.nbfc.rbi.org.in](http://www.nbfc.rbi.org.in)).

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

NBFCs are also required to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges in terms of the RBI circular dated May 24, 2007. In addition to the aforesaid, NBFCs are required to adopt an interest rate model for regulating the rates of interest charged by the them in accordance with the Master Circular on Fair Practices Code dated July 1, 2010 issued by the RBI to all NBFCs. See the section titled "**Regulations and Policies**" on page no 184 of this Shelf Prospectus.

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

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

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

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

The above mentioned companies may be further classified into those accepting deposits or those not accepting deposits. In addition, and following the *Second Quarter Review of the Monetary Policy for the Year 2009-10*, the RBI introduced a fourth category of NBFCs known as "Infrastructure Finance Companies", which were defined as entities which hold a minimum of 75% of their total assets for the purposes of financing infrastructure projects. NBFCs have been further classified into the following categories w.e.f. December 2, 2011:

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

- *Non-Banking Financial Company – Factor*

## **Policy Initiatives**

### *Draft Guidelines for NBFCs*

The Reserve Bank of India constituted a Working Group (Chairperson: Smt. Usha Thorat) to reflect on the broad principles that underpin the regulatory architecture for NBFCs keeping in view the economic role and heterogeneity of this sector and the recent international experience. Based on the recommendations of the Working Group, the Reserve Bank of India on December 12, 2012 placed on its website draft guidelines to address issues and concerns in the NBFC sector, inviting comments and suggestions thereon till January 10, 2013. The key provisions of the said draft guidelines are as follows:

**Corporate Governance-** According to the new regulation in line with the Clause 49 of listing agreement now all registered NBFCs both deposit taking and non-deposit taking should take prior approval from the Reserve Bank where there is a change in control and / or increase of shareholding to the extent of 25 per cent or in excess thereof, of the paid up equity capital of the company by individuals or groups, directly or indirectly. Appointment of CEOs of NBFCs with asset size of ₹ 1000 crore and above would require the Reserve Bank's prior approval. All NBFCs-ND-SI and NBFCs-D shall ensure that there is a policy in place for ascertaining the fit and proper criteria for appointment of directors. To ensure continuing due diligence on directors, the Nomination Committee of all NBFCs with asset size ₹ 100 crore and above shall certify annually to RBI on 'fit and proper' status of directors. NBFCs with asset size of ₹ 1000 crore and above will need to comply with mandatory disclosures under Clause 49 of the SEBI listing agreement, irrespective of whether they are listed or not. Additionally, they will need to disclose their provision coverage ratio, liquidity ratio, asset liability profile, extent of financing of parent company products, NPAs and movement of NPAs, details of all off-balance sheet exposures, structured products issued by them as also securitization/assignment transactions and other disclosures.

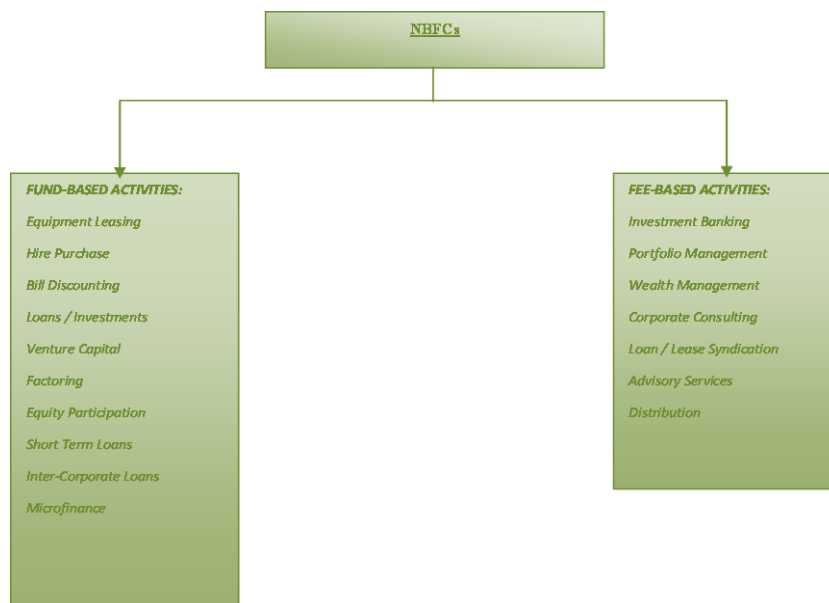
**Entry Point Norms, Principal Business Criteria (PBC), Multiple and Captive NBFCs:** According to this particular guidelines now onwards, NBFCs would henceforth be classified under two categories - exempted NBFCs and registered NBFCs. All registered NBFCs would be under RBI regulation. The Bank reserves the right to bring exempted NBFCs under regulation, should the need arise thereof at a later date. (i) NBFCs with asset size below ₹ 25 crore whether accepting public funds or not. (ii) NBFCs with asset size below ₹ 500 crore and not accepting public funds, directly or indirectly. Foreign owned companies will however require the CoR from the Bank before commencing any non-banking financial activity. They will also continue to follow the minimum capitalization norm as under FEMA. As per the revised PBC (i) A company not accepting deposits, will qualify for registration as NBFC if and when its financial assets aggregate ₹25 crore and constitute 75 per cent and above of its total assets (net of intangible assets) and financial income constitutes 75 per cent or above of its gross income subject to conditions at para 5 above. (ii) Financial entities having asset size of ₹1000 crore or above, holding financial assets which constitute 50% of the total assets OR generate financial income which as a proportion of the gross income is at least 50%, will need to be registered and regulated by the Bank.

**Liquidity Management:** Henceforth, all registered NBFCs - deposit taking and non-deposit taking, should maintain high quality liquid assets in cash, bank deposits available within 30 days, money market instruments maturing within 30 days, investment in actively traded debt securities (valued at 90 per cent of the quoted price) and carrying a rating not lower than AA or equivalent, equal to the gap between total net cash inflows and outflows over the 1 to 30 day time bucket as a liquidity coverage requirement. In other words, there should not be any liquidity gap in the 1-30 day bucket.

**Prudential Regulations:** Tier I capital be raised to 12% for all captive NBFCs (90 per cent and above of total assets (net of intangibles) are on financing parent company's products/services), and for NBFCs that are into lending to / investment in sensitive sectors namely, capital market, commodities and real estate, to the extent of 75% or more of their total assets net of intangible assets. Other NBFCs including IFCs, shall maintain Tier I capital at 10%. Existing NBFCs that do not fulfil the requirement would be given a period of three years from the date of this notification to comply, upon which they shall produce a statutory auditor's certificate to the effect. As regards asset classification, the RBI has sought to put NBFCs at par with banks, mandating a 90 day period for classification as an NPA. However, this is proposed in a phased manner, with a 120 day norm from the year commencing April 1, 2014 and a 90 day norm from the subsequent year. Provisioning for all standard assets also stands increased to 0.4% from the former 0.25%. To address concentration, the group recommended Tier I capital to be raised to 12%, introduction of a liquidity ratio and alignment of prudential norms with those of banks. Captive NBFCs, financing parent company's products, may maintain Tier I capital at 12% and supervisory risk assessment of such companies should take into account the risk of the parent company. Further, the risk weights for NBFCs that are not sponsored by banks or that are not part of a group that contains a bank may be raised to 150 per cent for capital market exposures and 125 per cent for CRE exposures. All existing NBFCs-D, including AFCs, should be credit rated and that unrated NBFCs, including AFCs, should not be permitted to accept deposits. Existing unrated NBFCs-D will be given a period of one year to get themselves rated if they wish to continue to accept deposits.

(Source- Review of NBFC Regulatory Framework – Recommendations of the Working Group on Issues and Concerns in the NBFC Sector -[http://www.rbi.org.in/scripts/bs\\_viewcontent.aspx?Id=2620](http://www.rbi.org.in/scripts/bs_viewcontent.aspx?Id=2620) )

The indicative list of commercial activities that NBFCs typically undertake in India are illustrated in the following diagram:



## THE INFRASTRUCTURE FINANCE INDUSTRY IN INDIA

### Providers of Infrastructure Finance

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

#### *Financial institutions*

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

#### *Specialized financial institutions*

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

#### *State level financial institutions*

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

#### *Public sector banks and other public sector institutions*

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

#### *Private sector banks*

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

### ***Infrastructure Finance Companies (“IFCs”)***

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

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

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

### **Sectoral Focus**

Traditionally, infrastructure development used to occur through the public sector. However, given the scarcity of public resources, and need to shift scarce public resources into health and education, efforts have been made to induct private participation in the development of infrastructure. These efforts have met with a fair degree of success. As of 31 March 2012, 390 PPP projects have been approved involving an investment of ₹ 3,05,010 crore. According to a report published by World Bank, India has been top recipient of PPP investment since 2006 and has accounted for almost half of the investment in new PPP projects implemented in first half of 2011 in developing countries. An Asian Development Bank report states that India stands in the same degree as developed economies like South Korea and Japan on implementation of PPP projects and Model Concession Agreements prepared in India and used in our PPP projects have also been commended.

The total investment in the infrastructure sectors in the Twelfth Plan is estimated to be ₹ 55.7 lakh crore, which is roughly one trillion dollars at prevailing exchange rates. The share of private investment in the total investment in infrastructure rose from 22 percent in the Tenth Plan to 33.61 per cent in the Eleventh Plan. It will have to increase to about 48 percent during the Twelfth Plan if the infrastructure investment target is to meet.

(Source: [http://planningcommission.gov.in/plans/planrel/12thplan/pdf/12fyp\\_vol1.pdf](http://planningcommission.gov.in/plans/planrel/12thplan/pdf/12fyp_vol1.pdf))

### **Initiatives announced in Union Budget, 2014-15**

- I. An institution to provide support to mainstreaming PPPs called 4PIndia to be set up with a corpus of ₹ 500 crores.
- II. ₹ 11635 crore will be allocated for the development of Outer Harbour Project in Tuticorin for phase I.
- III. Scheme for development of new airports in Tier I and Tier II Cities to be launched.
- IV. An investment of an amount of ₹ 37,880 crores in NHAI and State Roads is proposed which includes ₹ 3000 crores for the North East.
- V. Target of NH construction of 8500 km will be achieved in current financial year
- VI. ₹ 100 crore is allocated for a new scheme “Ultra-Modern Super Critical Coal Based Thermal Power Technology.”
- VII. Comprehensive measures for enhancing domestic coal production are being put in place.
- VIII. A Green Energy Corridor Project is being implemented to facilitate evacuation of renewable energy across the country.
- IX. Proposal to develop pipelines using appropriate PPP models
- X. Changes if necessary, in the MMDR Act, 1957 to be introduced to encourage investment in mining sector and promote sustainable mining practices.

(Source: <http://indiabudget.nic.in/ub2014-15/bh/bh1.pdf>)

### **Road Sectors**

A good road network is a critical infrastructure requirement for rapid growth. It provides connectivity to remote areas; provides accessibility to markets, schools, and hospitals; and opens up backward regions to trade and investment. Road transport plays a pivotal role in the economic development of the country. In India, roads carry about 65% of the total freight traffic and 80% of the total passenger traffic. As of June 30, 2014, India has a road network of about 4.2 million km – the second largest in the world. The road network in India comprises of National Highways (NHs), Expressways, State Highways, District roads and Rural roads. NHs and state highways together constitute about 5% of the total road network in the country while 95% comprises rural and district roads.

Some of the highlights and government policy initiatives for the development of road sector,

- A. Target of NH construction of 8,500 km to be achieved in FY 15.
- B. An allocation of ₹ 37,880 crore for road development in NHAI and State Road which includes ₹3,000 crore for the north east. Allocation of ₹ 14,389 crore towards PMGSY.
- C. To develop more nuanced models of contracting in order to remove the rigidities in contractual arrangements and develop quick dispute redressal mechanism, an institution called 4P India will be set up with a corpus of ₹500 crore.
- D. Work on select expressways in parallel to the development of industrial corridors to be initiated. For the purpose of project preparation, NHAI shall set aside a sum of Rs.500 crore.
- E. Banks to be permitted to raise long-term funds for lending to infrastructure sector with minimum regulatory pre-emption such as CRR, SLR and Priority Sector Lending (PSL).
- F. A modified REITS type structure for infrastructure projects is introduced as Infrastructure Investment Trusts (InvITs), which would have a similar tax efficient pass through status for PPP and other infrastructure projects.
- G. Increase in the corpus from ₹5, 000 crore to ₹50, 000crore under Pooled Municipal Debt Obligation Facility.

(Source: *Analysis of Union Budget by CARE Rating, Professional Risk Opinion*)

### **Power Sector:**

The all-India installed capacity stood at 248.5GW as on 31st May, 2014. In FY2014 (period refers to April 1st to March 31st), India added 17.3GW of capacity. In FY2013, the base power deficit was 8.7%, which shrunk 450bps to 4.2% in FY2014, while peak deficit also narrowed by 550bps to 4.5% over the same period.

Despite the record capacity addition of 17.3GW in FY2014, the sector is plagued by 1) fuel constraints i.e. coal and (lack of) gas adversely impacting the operating levels of various power plants and 2) weak financial health of power distribution companies.

Encouraging policy framework in renewable energy (RE) sector has resulted in rising share of capacity addition for RE from 5.9% (7.7GW) in FY2007 to 12.9% (31.7GW) in FY2014.

- A. Some of the highlights and government policy initiatives for the development of power sector, Extension of 10-year tax holiday (u/s 80IA) till FY17.
- B. Launch of feeder separation scheme in rural areas.
- C. Increase in clean energy cess
- D. Reduction in basic customs duty for machinery and equipment for Solar power plants

(Source: *Analysis of Union Budget by CARE Rating, Professional Risk Opinion*)

### **Ports:**

India has 7,517-km long coastline with 13 major ports and 187 non major ports, which handle around 90% of India's total international trade in terms of volume and 70% in terms of value. The total volume of traffic handled by all the major Indian ports during FY14 (refers to the period April 1 to March 31) was about 555 million tonnes as compared with about 546 million tonnes handled in FY13, a Y-o-Y growth of about 2%

The key challenges faced by the sector are full utilization of capacities at the major ports, draft constraints and operating inefficiencies. On the other hand, development of new minor ports have been affected by inadequate connectivity with the hinterland, the absence of multi-modal connectivity to and from ports and the differential royalties and revenue sharing among ports.

As a result of allowance of the 100% FDI in the port sector, the port privatization has gained momentum. While in the past, most of the private initiative in ports was restricted to development of container terminals, the past couple of years have witnessed significant investment in the minor ports, dominated by bulk capacities added in Gujarat and the eastern coast, predominantly through PPP projects.

The Planning Commission has estimated the total traffic growth at about 14% during the 12th Five Year Plan (2012 to 2017). However, given the plethora of issues surrounding the projects in the power, steel and coal sectors coupled with the slowdown in overall economic growth, CARE expects the total annual traffic at all ports to grow at a CAGR (Cumulative Annual Growth Rate) of 6.2% and reach a level of 1,232 million tonnes by FY17.

Proposed to award 16 new port projects in FY2015 and has also allocated Rs.11,635 crore for the development of outer harbour project in Tuticorin.

*(Source: Analysis of Union Budget by CARE Rating, Professional Risk Opinion)*

#### **Oil and Gas:**

Indian Oil & Gas sector comprises of primarily three segments, namely Exploration & Production(upstream), Midstream and Downstream (Refining & Marketing). The size of the oil and gas industry in terms of turnover stands at about US\$ 180bn, contributing about 15 per cent to the national GDP. In India, oil and gas sector is dominated by few large players, mainly Public Sector Undertakings (PSUs)and is highly regulated by the government. The sector caters to the energy needs of the economy and hence is directly linked to the economic activity of any country or region.

India's natural gas industry is also characterized by a supply deficit due to low domestic production and inadequate distribution infrastructure. Domestic gas production has been on a declining trend particularly due to fall in Reliance Industries' KG-D6 production. Decline in most of the country's ageing fields has further compounded the supply deficit. Going forward, domestic gas supply is expected to grow at a CAGR of 6% in the next two fiscal while gas demand to grow at a CAGR of 17% during the same period; thus, aggravating the deficit situation. India is expected to continuously rely on expensive imported LNG to meet its energy needs. LNG imports are anticipated to grow at a CAGR of 29% during the same period to partially meet the shortfall

Some of the highlights and government policy initiatives for the development of oil and gas,

- A. To develop 15,000 km gas pipeline grid by using appropriate PPP mode
- B. Usage of PNG to be rapidly scaled up
- C. To accelerate production and exploitation of Coal Bed Methane (CBM) reserves
- D. To revive aged or closed wells

*(Source: Analysis of Union Budget by CARE Rating, Professional Risk Opinion)*

#### **Disclaimer clause of Credit Analysis & Research Limited ("CARE Rating") for issue of one of CARE Rating's Report titled 'Analysis of Union Budget 2014-15':**

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## BUSINESS

### OVERVIEW

When Srei Infra entered the segment of infrastructure financing in 1989 even before the country's economy was liberalised, its role was limited to that of construction equipment financier. This was also the environment when the country's infrastructure segment was dominated by few players with negligible role for private sector players.

As the country opened up following economic liberalisation in 1991, opportunity widened for Srei Infra to mobilise resource and fund a larger number of customers. Srei Infra persisted and persevered through the ups and downs of the business cycles and today the Company is one of the players in the infrastructure space with a 25 year track record of past performance and credentials.

Our Company was originally incorporated by the name Shri Radha Krishna Export Industries Limited on March 29, 1985 with the Registrar of Companies, NCT Delhi and Haryana (Registration No. 21-55352) in accordance with the Companies Act 1956 as a Public Limited Company to undertake lease and hire purchase financing, bill discounting and manufacture and export of certain goods. Our Company obtained its certificate of commencement of business on April 9, 1985. Our 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 our Company was further changed from Srei International Finance Limited to its existing name of Srei Infrastructure Finance Limited on August 31, 2004.

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

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

The business model of our Company encompasses providing financial products and services for our customers engaged in infrastructure development and construction, with particular focus on power, road, telecom, port, oil and gas & special economic zone sectors in India with a medium to long term perspective. Our Company being an IFC, by accessing long term funding resources, can optimise its funding structure by way of issuing long term infrastructure NCDs, raising external commercial borrowings and issuing of debentures to Foreign Institutional Investors thereby expanding its financing operations while maintaining its competitive cost of funds.

We are among the few Indian NBFCs to have accessed the international market for funds and get listed on the London Stock Exchange. Many multilateral funding institutions including KfW & DEG Germany (Financial Institutions owned by the Government of Germany), FMO (Financial Institution owned by the Government of Netherlands), BIO (Financial Institution owned by the Government of Belgium), FINFUND (Financial Institution owned by the Government of Finland), Nordic Investment Bank, UPS Capital Business Credit, PROPARCO, etc. are among the lenders in Srei Group.

With a large customer base and over ₹ 340,699.85 million of Consolidated Assets Under Management as at March 31, 2014. Srei Group has a pan-India presence with a network of 99 offices.

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

We have also partnered with BNP Paribas Leasing Solutions, a wholly owned subsidiary of BNP Paribas, France to form a 50:50 joint venture entity, Srei Equipment Finance Limited ("Srei BNP Paribas"), to capitalise on the equipment financing business in India. Srei Infra having been involved in financing infrastructure sectors since its inception, this experience has helped Srei BNP Paribas to expand its presence in the infrastructure equipment sector in India

We have also formed QUIPPO - equipment rental company which is today a infrastructure equipment rental company in India with a focus on verticals like Construction, Oil & Gas, and Energy and Sahaj e-Village for harnessing new age technologies and thereby creating an integrated rural network of Common Services Centres (CSCs), touching the lives of millions people across India.

We have also partnered with the TATAs in the Shared Passive Telecom Infrastructure industry in India to create Viom Networks which has become an independent telecom infrastructure company.

We currently operate one office in Russia involved in leasing of construction equipment in that market and one in Germany involved in financial advisory services.

Our standalone disbursements have grown at a CAGR of 11.79% between fiscal 2010 and 2014. The total income of our Company on a standalone basis for the year ended March 31, 2014 and March 31, 2013 was ₹ 18,058.50 million and ₹ 16,664.70 million, respectively and the loans outstanding (gross of provisions) as at March 31, 2014 were ₹ 109,721.50 million and total disbursements for the year ended March 31, 2014 and March 31 2013 were ₹ 47,056.43 million and ₹ 47,174.76 million, respectively. Srei Group has registered disbursement for ₹ 127,055.50 million and ₹ 156,670.58 million for year ended March 31, 2014 and year ended March 31, 2013 respectively.

## **OPERATIONS OF SREI GROUP**

Srei Group is involved in the following businesses which are categorised as fund based, fee based and strategic investments.

### ***FUND BASED BUSINESS***

#### ***Infrastructure Equipment Finance - Srei Equipment Finance Limited (Srei BNP Paribas)***

Srei BNP Paribas, 50:50 joint venture between Srei Infrastructure Finance Limited and BNP Paribas Lease Group, entered into in the year 2007, is registered with the RBI as a Non-Deposit Taking NBFC (Category - Asset Finance) and is in the business of equipment financing.

Srei BNP Paribas has emerged as one of the major construction equipment financiers in India by specialising in the infrastructure and construction equipment space and continues to grow with consistency and follows prudent credit practises. It has long relationships with its customers and manufacturer partners.

Srei BNP Paribas caters to customers ranging from first time users and buyers to large corporate construction houses and project developers. Srei BNP Paribas provides finance for infrastructure and construction equipment. Some of the equipment and machineries that Srei BNP Paribas finances include excavators, compactors, dozers, cranes, heavy dumpers, compressors, surface miners, motor graders, backhoe loaders, tool carriers, road building equipment, mechanical and sensor pavers, etc. Srei BNP Paribas has also expanded its business in technology equipment like IT, healthcare, logistic rural and pre-owned equipment to tap the growth opportunity in these emerging sectors

Catering to the equipment finance requirements of the infrastructure and mining industries, today Srei BNP Paribas is a construction equipment financier in India , having branch offices over 86 locations with an employee base of over 1500, covering almost the entire geography of India.

#### ***Project Financing***

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

The Company offers a wide range of financial services for infrastructure projects and is a niche player in the infrastructure space leveraging on its core expertise of asset-financing. SIFL's financing approach and ability to offer a package of fund and non-fund facilities enables sponsors to procure key equipment in the early stages of project development and substantially reduce implementation time and risks. SIFL has financed bridges, approach roads, bypasses and roads, independent power projects, captive power projects and small-to-medium sized power projects, renewable energy projects and equipment in the power sector; port equipment, private berths and container handling jetties in the port sector, SEZs, industrial parks and hotels in the social and commercial infrastructure sector. Over the 25 years of business, our Company has substantial exposure in all infrastructure sectors.

As at March 31, 2014, our total loans were ₹ 109,721.50million and recorded total loan disbursements of ₹ 47,056.43 million for the year ended March 31, 2014 as compared to total loans of ₹ 97,165.70 million as at March 31, 2013 and

total disbursements of ₹ 47,174.76 million in fiscal 2013. From April 01 2009 to March 31, 2014, we made cumulative loan disbursements of ₹ 230,864.26 million.

### ***International Business Operations***

The Company has leasing operations in Russia.

The Company's Russian business, ZAO Srei Leasing, has been operational for over eight years and is involved in leasing of infrastructure equipment in that market.

The Company will continue to enhance its Russian operations and develop its advisory services in various other countries. The Company, in Germany, is mainly involved in conception and implementation of domestic and international projects including financing and all necessary and useful transactions related therewith, leasing and letting of movable assets and equipments, in particular for infrastructure projects;. The Company has also come across various business opportunities in various African countries in the Infrastructure and Infrastructure enabling sectors which the Company is in the process of exploring.

### ***FEE BASED BUSINESS***

#### ***Infrastructure Project Development:***

The Infrastructure Project Development (IPD) vertical at Srei Infra sponsors PPP ventures and / or business in road sector in our country. These projects are a diversified mix of annuity and toll-based projects and have been awarded by the National Highway Authority of India (NHAI) under National Highways Development Programme (NHDP), Ministry of Road Transport & Highways and various state governments.

Currently IPD is managing projects on BOT/Annuity awarded by National Highway Authority of India (NHAI), Ministry of Road Transport and Highways (MORTH) and various State Governments under joint management with various partners. The projects are situated across the states of Orissa, Haryana, Rajasthan, Maharashtra, Madhya Pradesh, Uttar Pradesh, Tamil Nadu, Arunachal Pradesh and Kerala.

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

#### ***Infrastructure Project Advisory***

As part of our products and services, we provide a variety of infrastructure advisory services to the Government and private organisations. The technical and financial advisory services segment was started in order to complement the business of our project development, strategic investment segments and diversify the revenue portfolio of our Company to include fee-based income. Owing to our specialized sector-specific knowledge and experience, our technical and financial advisory services segment is able to leverage the existing relationships in the industry, while advising our customers on project structuring capabilities. The Infrastructure advisory services segment of our Company provides the following services:

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

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

Some of the major achievements of our Company are,

- (a) Accomplished Bus Funding Studies with Andhra Pradesh State Road Transport Corporation through Jawaharlal Nehru National Urban Renewal Mission (JnNURM) programme for eight major towns in AP.
- (b) Kerala Government has retained our Company as the Transaction Advisor for Khozikode City Improvement Projects.

- (c) MOUD (Ministry of Urban Development) has empanelled our Company for preparation of mobility and city development plans pan India for various cities and towns emerging in near future.
- (d) Our Company has empanelled as Transaction Advisor for DTTDC (Delhi Tourism and Transportation Development Corporation) for construction of Budget Hotels on existing Bus Depots of Delhi Transport Corporation (DTC).
- (e) Secured assignments in water sector with Sewerage Infrastructure Development Corporation of Goa Limited as Process Management Consultants.
- (f) In tourism sector, our Company is providing Project Management Support in Tourism Infrastructure Projects in West Bengal and Odhisa.
- (g) Has bagged a prestigious assignments from Department of International Development (DFID) in association with PWC for identification of bankable infrastructure projects in eight states in India.

### ***Investment Banking***

Srei Capital Markets Limited is one of the merchant bankers in India to provide a wide gamut of services from initial public offers (IPOs), delisting, buy-back, open offers, debenture placement to private placements of equity, debt syndication and merger and acquisition advisory.

### ***Private Equity & Venture Capital***

As a player in the infrastructure financing space and to complete the value chain for our clients, we decided to offer our services in the equity space as well. Srei Alternative Investment Managers Limited the wholly owned subsidiary of Srei Infrastructure Finance Limited, is currently managing six Equity Funds and two Debt Funds. It has significant industry experience and deep domain knowledge of investment in project SPV's. The funds have invested mainly in equity shares of various infrastructure companies. The fund manager has an established investment team consisting of seasoned professionals with strong track record and extensive relevant experience.

### ***Insurance Broking***

Srei Insurance Broking Private Limited ("SIBPL") is IRDA approved insurance broker with a composite broking license (it can sell both Life Insurance & General Insurance product plus it is also into reinsurance business). SIBPL is one of the insurance broking companies of India that facilitates insurance services for corporates and individuals. We believe that we have expertise in assessing the insurance requirements of large and medium enterprises as well as individuals; recommending to them optimal products available in the market; and we provide assistance in claim ensuring smooth settlement.

## **STRATEGIC INVESTMENTS**

Our Company has several strategic investments in infrastructure and financial services space. These are all long term investments held for long term returns. Our philosophy is to invest at an early stage, nurture & grow these businesses. Once these investments reach a critical size/stage Srei looks to bring in strategic or financial partners with similar long term view. Once matured we look to list or bring financial investors to provide growth capital, create some capital gains and create liquidity windows. Each of these investments are presently at different investment life cycles.

Portfolio of key strategic investment consist of the following businesses:

- ✓ Road BOTs : Most of the BOT Road Projects are operational and revenue generating entity as on date, which increase the future cash flows of the strategic investment by Srei Infra.
- ✓ Telecom Infrastructure (Viom) : Srei Infra has partnered with Tata Teleservices Limited to create Viom Networks which is a telecommunication infrastructure service provider in the Country. Its strategic pan India tower locations, strategic relationships with all leading telecom operators in India, long term contract, has given Viom an edge over its competitors.
- ✓ Rural IT (Sahaj) - Sahaj e- Village is a unique PPP and offers significant longer term opportunities on the back of rural growth, as the Company has deep distribution reach into rural markets. This provides a platform for both product distribution and financial inclusion. The unique model of Sahaj e-Village enables the VLE (Village Level Entrepreneur) to render various services like ticket booking, e-governance, utility bill payment, mobile recharge, offline services, life insurance, e-learning etc. to the consumers at remote areas.
- ✓ SEZ/Industrial Park: Srei ventured into the development of SEZs (Special Economic Zone) and Industrial Parks in the year 2008-09 to tap growing need for industrial growth. At present Srei has strategic investment in three such projects viz. Engineering SEZ/Industrial Park, Mumbai, Bengal Auto Industrial Park and Multi Product SEZ at Nanguneri, Tamil Nadu.
- ✓ Environment Management: An unique investment in "Swachh" projects which is an integrated solution to water and waste water management, solid waste management and recycling. The project has global technology partners to provide cutting edge solution in the water treatment.

## **OUR FUNDING STRUCTURE**

Our Company is an NBFC-ND-SI. Accordingly, our Company does not accept deposits, and as such, we rely on equity (in the form of shareholders' funds) and loan funds (in the form of various secured and unsecured borrowings) in order to meet our capital and funding requirements. Of these funding sources, secured loans remain the most significant source of funding across all three of our core finance business groups. Secured loans of the total source of funds of our Company as at March 31, 2014, 2013, 2012, 2011 and 2010 stood at 74.44%, 70.06%, 66.15%, 57.61% and 65.63% respectively.

As a general principle, we prefer to borrow long-term funds from a diversified lender base and we accordingly aim to develop our balance sheet by matching such funds with the maturities of our assets and interest rate structure. We believe that a diversified lender profile ensures that we are not overly dependent on any one source or a few financial institutions. In light of this, and our growing funding requirements, we have made conscious efforts to diversify our lender base to include a larger number of different types of banks (public sector banks, domestic private banks and foreign banks), financial institutions (principally in the form of debt) and retail investors (principally in the form of debt through public issue of debt).

The following table sets out the standalone funding structure of our Company as at March 31, 2014, 2013, 2012, 2011, and 2010 respectively:

(₹ In million, except percentages)

Source of Funding	As at March 31		As at March 31		As at March 31		As at March 31		As at March 31	
	2014	% of Total Funding	2013	% of Total Funding	2012	% of Total Funding	2011	% of Total Funding	2010	% of Total Funding
<b>SHAREHOLDERS' FUNDS</b>	<b>26774.30</b>	<b>17.12%</b>	<b>26475.40</b>	<b>19.15%</b>	<b>25,820.10</b>	<b>20.77%</b>	<b>25,531.30</b>	<b>32.55%</b>	<b>7,901.00</b>	<b>18.25%</b>
<b>Secured Loan Funds:</b>	<b>116407.60</b>	<b>74.44%</b>	<b>96860.40</b>	<b>70.06%</b>	<b>82,220.00</b>	<b>66.15%</b>	<b>45,185.60</b>	<b>57.61%</b>	<b>28,407.10</b>	<b>65.63%</b>
Debtentures	16481.00	10.54%	11438.80	8.27%	6,948.90	5.59%	170.00	0.22%	-	0.00%
<b>Term Loans</b>	<b>32395.70</b>	<b>20.72%</b>	<b>32355.70</b>	<b>23.40%</b>	<b>30,683.20</b>	<b>24.69%</b>	<b>22,402.20</b>	<b>28.56%</b>	<b>20,716.40</b>	<b>47.86%</b>
-Domestic Banks	23692.20	15.15%	23233.70	16.80%	20,801.10	16.74%	12,192.50	15.55%	13,170.20	30.43%
-Foreign Banks	3632.20	2.32%	3215.30	2.33%	3,816.00	3.07%	4,459.00	5.69%	4,489.00	10.37%
-Foreign Financial Institutions	5071.30	3.24%	5906.70	4.27%	6,066.10	4.88%	5,750.70	7.33%	3,057.20	7.06%
Working Capital Facilities from Banks	67530.90	43.19%	53065.90	38.38%	44,586.30	35.87%	22,608.80	28.83%	7,643.90	17.66%
Public Deposits	-	0.00%	0.00	0.00%	1.60	0.00%	4.60	0.01%	46.80	0.11%
<b>Unsecured Loan Funds :</b>	<b>13193.70</b>	<b>8.44%</b>	<b>14923.70</b>	<b>10.79%</b>	<b>16,253.20</b>	<b>13.08%</b>	<b>7,710.80</b>	<b>9.83%</b>	<b>6,975.10</b>	<b>16.12%</b>
Debtentures	-	0.00%	-	-	-	-	780.00	0.99%	3,050.00	7.05%
Subordinated NCDs	11569.90	7.40%	10416.90	7.53%	6,552.70	5.27%	3,131.70	3.99%	2,710.60	6.26%
<b>Short Term Loans and Advances</b>	<b>1623.80</b>	<b>1.04%</b>	<b>4506.80</b>	<b>3.26%</b>	<b>9,700.50</b>	<b>7.80%</b>	<b>3,799.10</b>	<b>4.84%</b>	<b>1,214.50</b>	<b>2.81%</b>
-Domestic Financial Institution	-	0.00%	-	-	-	-	500.00	0.64%	-	0.00%
-Domestic Bank	-	0.00%	900.00	0.65%	1,500.00	1.21%	-	0.00%	-	0.00%
-Commercial Paper	-	0.00%	1986.30	1.44%	6,575.80	5.29%	2,497.30	3.18%	1,199.50	2.77%
-Others	1623.80	1.04%	1620.50	1.17%	1,624.70	1.31%	801.80	1.02%	15.00	0.03%
<b>TOTAL SOURCE OF FUNDS</b>	<b>156375.60</b>	<b>100.00%</b>	<b>138,259.50</b>	<b>100.00%</b>	<b>124,293.30</b>	<b>100.00%</b>	<b>78,427.70</b>	<b>100.00%</b>	<b>43,283.20</b>	<b>100.00%</b>

## OUR LOAN PORTFOLIO AND POLICIES

Our Company is currently an NBFC with the classification of IFC. By nature of its business, our Company is primarily exposed to industries related to infrastructure development. Our Company has in place a proper and elaborate credit policy manual and guidance manual for credit appraisal, processing, operations, disbursement, accounting, recovery and risk management. The objectives of the said policies are:

- Improve the risk adjusted returns of our Company from lending operations thereby improving profitability by its professional and pragmatic approach
- Improve the quality of the loan assets
- Achieve credit growth, while complying with all statutory and regulatory framework and guidelines
- Expand the clientele base
- Minimize and mitigate the magnitude of credit and market risks
- Diversify the credit risk
- Developing a thorough and complete understanding of the markets, products and clients it serves

The policy is formally reviewed & updated at least on an annual basis by the credit department of our Company and approved by the Credit Committee (CC) of our Company.

## Lending Policies

As such, our Company maintains its own internal credit policies and approval processes, which, at a holistic level is an embodiment of our Company's approach to sanctioning, managing and monitoring credit risk and aims at making the systems and controls effective. The policies apply to all credit facilities within our Company. The policy is guided

by the best practices of commercial prudence and the highest standards of ethical norms including the RBI's directives on 'Fair Practices Code for Lenders'.

Our Company is currently an NBFC with the classification of Infrastructure Finance Company (IFC) and notified as Public Financial Institution (PFI) with effect from 26/09/2011. By nature of its business, our Company is primarily exposed to industries related to infrastructure development.

Our Company offers both secured and un-secured fund based and non-fund based products to its borrowers. Being an IFC, our Company predominantly focuses on infrastructure lending. As an IFC, 75% of its total assets are in the infrastructure sector. Also our Company has laid out target segments for lending viz. in Fund based - Leasing, Project Financing, Equipment Financing, Corporate/Term Loan, Structured Finance and Syndicate Loan; in non-fund based – Letter of Credit and Bank Guarantee.

As per Reserve Bank of India notification, being an NBFC, our Company does business in following infrastructure sectors:

- a) Road Projects
- b) Power Projects
- c) Port Projects
- d) Special Economic Zone (SEZ) Projects
- e) Logistic Projects
- f) Pipeline Projects (Oil, Gas and Petroleum)
- g) Aviation Sector
- h) Agro Sector (Agro processing & preservation)

We follow the following procedures for each proposal to be placed before the Committee for approval.

#### **1. Appraisal**

The business team does the credit appraisal considering all aspects (e.g. Purpose, tenure, pricing, security & risk) and forwards every business proposal either in Flash Note Form (Short note on appraisal) or in detail in the Detailed Appraisal Report (DAR) Form to Credit and Risk for their independent review.

#### **2. Credit Validation**

Credit team independently reviews and validates the appraisal report, credit structuring, pricing of the transactions and provides the observations on the credit proposal to business and consequently to the Credit Committee.

#### **3. Risk Validation**

Similarly, Risk team also reviews the credit rating of each proposal and highlights the risk for each transaction along with the possible mitigants before submission to the Credit Committee.

#### **4. Legal Validation**

Further, the structuring and legal due diligence is under the purview of the legal team before placing any proposal in Credit Committee. Post approval, the legal team is also responsible for negotiation and documentation.

#### **5. Environmental & Social Risk Assessment**

This division is basically responsible for carrying out environment impact assessment of the projects financed by our Company.

#### **6. Treasury function**

Treasury team takes care of fund mobilization in addition to disbursement of loan and arranging Letter of Credit ("LC")/Bank Guarantee ("BG"). They indicate cost of and availability of funds to the business. They also monitor and report the prudential exposure limits.

#### **7. Credit Pricing**

Pricing is essentially a function of risk, tenure and market forces. As far as fund-based exposure is concerned it has two components, viz., benchmark and spread. The benchmark and spread are a function of cost of funds, overheads and credit losses. The decision of the interest rate being either fixed or floating will be dependent on the nature of the product being offered, market conditions, cost and source of funds.

Interest rates on loans and advances are generally linked to the SREI Benchmark Rate ("SBR"). The SBR is determined by the interest rate risk (function of tenure and interest rate outlook), market risk, cost of operations and minimum returns required on capital. Our Company constantly monitors and if required, resets the SBR, taking into account the

various factors mentioned above. The asset liability management committee (“ALCO”) of our Company has the authority to set and reset the SBR.

Our Company may also set a term premium which would vary from time to time depending on the changes in the market rates.

It is necessary that the spread is determined by credit risk rating, structure of the transaction, instrument design, etc. Our Company therefore ensures that the pricing, in general, is in a broad indicative band, based on the credit rating and tenure.

## **8. Security**

Our loans are mostly secured loans. It is usually backed by a) Movable & Immovable plant & machinery, b) Land & buildings, c) Pledge of Shares (both listed and unlisted), d) Project asset, e) Personal Guarantee & Corporate Guarantee.

## **9. Valuation of land & building**

Site visit and valuation of land & building by our internal team is mandatory for each transaction before disbursement if applicable.

## **10. Credit Authority – Credit Committee (CC)**

Credit Committee (CC), the credit authority has the power to approve new credit limits as well as increase or extend the existing credit limits. The authority for approval of credit proposals, within limits stipulated is delegated by the Board of Directors to the Credit Committee (CC). The Committee thus exercises their powers within the framework of the norms prescribed by the Board of Directors from time to time.

### **Post sanction/Pre-disbursement**

After sanction and before disbursement of any loan, Credit Administration shall ensure compliance to KYC and AML policy of SREI. They also ensure compliance of sanction terms and conditions and completion of legal documentation. Credit admin is also the owner of all documents. In addition Internal Audit team also carries out pre disbursement audit.

Post disbursement, our Company also carries out site visit and asset review on regular basis to keep track on the asset in addition the review of exposure.

### **Disbursement and Portfolio Management**

Finally Treasury disburses the amount to the borrower and thereafter business team will monitor the portfolio.

### **Release of Security**

Credit admin will release of security only after full repayment and closure of account.

### **Investment and Credit Approval Process**

Credit authority has the power to approve new credit limits as well as increase or extend the existing credit limits. The authority for approval of credit proposals (including investments), within limits stipulated, is delegated by the Board of Directors to committees such as the CC. The authorities would exercise their powers within the framework of the norms prescribed by the Board of Directors from time to time. Before a credit facility (both secured as well unsecured) is provided, various approvals are required to be obtained at different stages of the credit sanctioning and disbursement process, keeping in view the specific requirements of the transactions. The approval process is done by adhering to separate stages which are pre-sanction and post-sanction. It is only after obtaining the approval of CC, the sanction letter is prepared for verification by the legal department before disbursement. It is always ensured that the prospective borrower has fulfilled all the pre disbursement and pre commitment conditions. At this stage, compliance to KYC and Anti-Money Laundering (‘AML’) Policy of the Company is also ensured.

### **Eligibility**

Public sector and private sector companies, public-private sector SPVs under PPP initiatives, partnership firms, unincorporated joint ventures (but only where the joint venture partners are incorporated entities) and trusts and societies (aimed at establishing educational or medical facilities, or for commercial purposes) are eligible borrowers from our Company.

### **Repayment Schedule**

The repayment of loans and facilities is normally fixed on a case-by-case basis, depending on the nature of the project, its projected cash flows and the maturity profile of our Company’s own funding mix. A pre-payment premium may be charged in case of early repayment of the facility.

## Security

The project assets typically form the security for the credit facilities we provide. The details of the security to be charged in favour of our Company, are stipulated by the CC and suitably reflected in the security documents in the credit approval process. The security package for each facility is structured in such a manner so as to adequately cover the risks associated with the facility.

Appropriate processes to create enforceable security in the form of a mortgage and / or hypothecation are rigorously followed. The margin requirements for different types of security are decided by the CC from time to time, and exceptions, if any, will be handled in accordance with the policies of our Company. The main security agreements are the hypothecation deed and / or the indenture of mortgage.

## Documentation

Legal documents increase the clarity and predictability of our Company's rights in the event of litigation or bankruptcy. Key credit mitigants are often incorporated in the legal documents, such as loan agreements, collateral agreements, etc. Documentation standards vary by product. Terms and conditions are influenced by market convention as well as creditworthiness of the counterpart. The legal department along with business team is responsible for the negotiation, preparation and execution of loan agreements, collateral agreements and other agreements/documents (if any). Business group is involved in the process of establishing and communicating credit terms to the legal department. In addition, the legal department performs an analysis regarding the legal enforceability of netting rights under the document. This analysis takes into consideration the legal structure of the counterpart, jurisdictional issues of the counterpart country and governing laws of the agreement. Legal department endorses the level of risk mitigation provided by the terms in the document and the level of legal certainty. The process attempts to ensure that:

- The borrower's / guarantor's obligation to the Company is clearly established by the documents
- The charge created on the borrower's / third party's assets as security for the debt is maintained and enforceable
- The Company's right to enforce recovery of the debt through court of law is not allowed to become time-barred under the Law of Limitation

In addition, we also ensure that comprehensive insurance of the secured assets is in place, and that such insurance policies are kept updated and valid. The insurance policies are typically issued to our infrastructure customers, and assigned in favour of our Company and any co-financiers sharing the security on a pari passu basis, where applicable, as the loss-payees.

## Concentration of Total Exposure

As an NBFC, and in accordance with RBI norms, our policy is to limit our Exposure to a single "group" of borrowers (based on a commonality of management and effective control) and a single "borrower" to the prescribed percentages of our owned funds (which comprises share capital and free reserves), respectively.

As a result of our Company being classified as an IFC by the RBI, (i) in lending to (a) our single borrower limit for loans has been increased by an additional 10% of our Company's owned fund and (b) our single group limit for loans has been increased by an additional 15% of our Company's owned fund; (ii) in lending and investing (loans/investments taken together) by (a) 5% of our owned fund to a single party; and (b) 10% of our owned fund to a single group of parties

## Classification of Assets

Our Company classifies its assets (including leases) in accordance with RBI guidelines. In accordance with these guidelines, assets are regarded as "non-performing" if any amount of interest or principal remains overdue for more than 180 days.

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

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

	its continuance as a bankable asset is not warranted, although there may be some salvage or recovery value.
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### Provisioning and Write-off Policies

The Company makes provision for standard and non-performing assets ('NPA') as per the Non-Banking Financial (Non-Deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time. The Company also makes additional provision towards loan assets, to the extent considered necessary, based on the management's best estimate. Provision for doubtful debtors towards fee based income is also made on similar basis.

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

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

Class of Asset	Provisioning Requirement
Sub-standard Assets:	A general provision of 10% of the total outstanding amount.
Doubtful Assets:	<ul style="list-style-type: none"> <li>100% provision to the extent to which the loan is not covered by the realizable value of the security to which we have valid recourse.</li> <li>For the secured portion, depending upon the period for which the asset has remained doubtful, provision is made at the following rates: <ul style="list-style-type: none"> <li>Up to one year: 20%</li> <li>Up to three years: 30%</li> <li>More than three years: 50%</li> </ul> </li> </ul>
Loss Assets:	The entire asset is written-off. If the assets are permitted to remain on our books for any reason, 100% of the outstanding amount.

The Company also maintains a provision of 0.25% on standard assets as per applicable RBI guidelines.

### Non-Performing Assets

The following table sets out information about the non-performing assets Portfolio of our Company as at March 31, 2014, 2013, 2012, 2011 and 2010 respectively:

	As at March 31,				
	2014	2013	2012	2011	2010
	<i>(in ₹ million, except percentage)</i>				
<b>Total Loans:</b>					
Gross NPAs	3868.30	3502.30	1099.70	-	-
Less: Provision for NPAs	495.80	350.30	110.00	-	-
Net NPAs	3372.50	3152.00	989.70	-	-
<b>Gross NPA Ratio * (%)</b>	<b>2.40%</b>	<b>2.46%</b>	<b>0.87%</b>	-	-
<b>Net NPA Ratio * (%)</b>	<b>2.09%</b>	<b>2.22%</b>	<b>0.78%</b>	-	-

\*On total assets

### RISK MANAGEMENT

Our Company being in the financing industry, has always been cautious and focused to keep its risks well under manageable levels. While doing business, our Company is exposed to various risks and endeavours to identify and manage them effectively by adopting best industry and regulatory practices, as inability to manage them may have serious repercussions. Our Company promotes a high degree of awareness in identifying its business risks and adopting internal control measures to reduce them to an acceptable level.

A robust risk management framework is in place to manage and mitigate risks present at all levels and across all aspects of its functioning, including business, strategic, operational, market, credit, liquidity, reputation and processes, among others. Gaining knowledge and experience of the various micro and macro operating fundamentals and situations under which the Company operates is the first step of risk management. With this knowledge, the Company identifies various factors that are affecting its operations or may be a potential threat in the future. Risk quantification, integration and assessment are the next steps of risk management at Srei Infra. Based on these, strategic decisions are taken and implemented to mitigate risks and maintain the required risk-return profile.

Post decision making, the management continuously monitors these risks to determine the effectiveness of the risk management framework. An overview of some of the major risks to the Company has been evaluated below.

## **Credit Risk**

### *Risk explanation*

This is the financial risk that results in a loss to the Company owing to non-payment of financial obligation by its borrowers in accordance with agreed terms. The Company's direct lending, leasing business and derivatives transactions are subject to these risks.

### *Risk mitigation*

Equipment financing – The Company undertakes a stringent credit appraisal system for financing, as its customers belong to micro, small and medium enterprise (MSME) category. Its multi-check credit appraisal system analyses the transaction in details along with tracking the entrepreneur's credit worthiness. Also, the Company maintains a close relationship with the borrower, which helps in closely tracking their business operations and providing timely assistance to address the business uncertainties.

Project finance – Srei Infra provides finance to various infrastructure projects as both sole lender and consortium lender. Each project / transaction is analysed in great detail by a team of highly qualified and experienced professional to understand the various risk attached with it. After understanding the risk profile, suitable mitigants are identified and then lending decision is taken on the basis of risk return analysis and our risk appetite.

The Company has a documented Credit Risk Management Policy which is formally reviewed and updated at least annually by the Risk Committee of the Board (RC).

## **Liquidity & Funding Risk**

### *Risk explanation*

The Company's ability to meet its financial obligations in a timely manner and have adequate funding options, whenever required, are critical for maintaining a constant business cycle.

### *Risk mitigation*

Srei Infra regularly maps its assets and liabilities position, cash-flow situation and market conditions, which help it determine the average liquidity position that the Company needs to maintain at any given point. It also aligns the various payment dates with receipts to achieve the maximum possible liquidity. Strong credit worthiness and relationship with a large number of domestic and international banks ensure adequate funding arrangement for the Company. The Company's excellent track record with zero default and sound lending practices make it a preferred borrower. Post-merger with Quippo, additional equity base has resulted in improved capital adequacy and increased borrowing ability.

## **Market Risk**

### *Risk explanation*

Financing business is strongly driven by market factors such as interest rates, foreign exchange rates, market prices, equity prices and credit spreads which are highly fluctuating in nature. Inability to control these factors can lead to reduced profitability for the Company.

### *Risk mitigation*

Majority of Company's assets and liabilities are floating in nature. Any mismatch in the form of a basis risk between the benchmark used on the liabilities against the ones on the assets is continuously monitored by Asset Liability Management (ALM) Committee and strategies are made to manage them. For foreign currency exposure, proper hedging strategies are in place and if required, open position is kept on the basis of our view on interest rate movement. A cap for the open position is also defined and it is regularly monitored, so that appropriate action for hedging can be taken, if required.

## **Residual Value Risk**

### *Risk explanation*

If the amount realized on disposing of leased assets or re-letting them at the end of the leased term is less than the amount projected at the lease inception, then it may lead to losses to the firm.

### *Risk mitigation*

An experienced and knowledgeable team, along with a robust operating process, ensures that lease period is less than economic life of the leased equipment in lease transactions. The team regularly scrutinizes the residual value exposure by evaluating the recoverability of the residual value of the leased equipment at the lease inception. This provides opportunity of re-letting the leased assets and also evaluating their projected disposal value at the end of the period.

The Company makes impairment provisions if and when required. The Company also has options to use the leased assets in-house, should there be erosion in its market value.

### **Legal and Compliance Risk**

#### *Risk explanation*

The inability of the Company to meet rules and regulations of the jurisdiction in which Srei Infra operates, involvement in illegal contractual agreements resulting in disputes, illegal infringement of assets or any other legal matter may lead to losses.

#### *Risk mitigation*

The Company has competent teams, who are conversant with the local regulatory environment. These teams keep themselves updated of all relevant regulations, makes sure that the Company adheres to them and in case of any change in the regulatory environment, appropriate steps are taken in the Company. Srei Infra's qualified and experienced legal team is involved in each transaction from the documentation to the final closure. The team makes sure that all documents are properly reviewed. The legal team works closely with the business teams to ensure that the transactions are based on unambiguous legal opinions; it provides legal support in cases of customer default, facilitating faster resolution.

### **Business Processing Risk**

#### *Risk explanation*

The Company may incur monetary and productive time loss on account of an operational error or breakdowns or any kind of malfunction in the corporate systems.

#### *Risk mitigation*

Srei, over the years, has developed a very systematic, defined and stringent operating processes and policies that direct functioning of all the departments within the organization. The process also has a proper operations control mechanism whereby all the transactions and events are cross-checked to mitigate business processing risk.

### **Information Security Risk**

#### *Risk explanation*

Business loss for the Company owing to unauthorized access, use, disclosure, disruption or modification of information and data systems.

#### *Risk mitigation*

The Company believes that it has a robust information technology set-up with adequate security measures being adopted to prevent any unauthorized use of information and its disclosure. The system also has features like off-site disaster recovery system that minimises any loss of data. Standard globally accepted security features covering firewalls, encryption technologies and spam-guards are also in place. All the documentation and processes in the system are password-protected with appropriate document back-up management systems. The system is also capable of generating reports on deviations and / or irregularities which is checked by the internal audit team and necessary actions are being taken.

### **Reputation Risk**

#### *Risk explanation*

Any misconduct by Srei Infra's stakeholders or negligence by the Company to follow environmental norms, undertake social responsibility and follow proper governance may hamper goodwill and reputation.

#### *Risk mitigation*

Srei Infra has a stringent policy to mitigate the risk arising from this issue. Regular reviews are conducted to improve its policies and procedures to safeguard itself against reputation and operational risks. Srei has a clean credit history with not a single instance of the Company failing to meet any of its financial obligations.

### **Sustainability Risk**

#### *Risk explanation*

Srei Infra's financing activities make it highly susceptible to this risk. Inability of the Company to identify a business model whereby the economic benefits are always higher than the environmental and social benefits may lead to huge losses and even termination of the business in the long run.

### *Risk mitigation*

Srei Infra's risk management framework assesses the environmental and social impact of projects financed by it. Srei Infra's environmental and social management system screens all medium and large projects for categorization based on the sensitivity of the environmental issues involved. Small projects, which mainly involve individual financing, are assessed informally by verbal questioning for environmental impact. Srei Infra's environment policy is based on the guidelines and norms of best international practices, also referred to as IFC standards and incorporates requirements under Indian environmental rules and regulations. The Company regularly reviews its environmental and social policies.

The following table sets out an analysis of the maturity profile of certain of our Company's interest-bearing assets and interest-bearing liabilities across time buckets as at March 31, 2014:

(₹ In Million)

Particulars	1 day to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowings from Banks	2395.70	2431.70	5224.90	3205.30	14877.10	32190.60	22863.10	11667.00	94855.40
Market Borrowings	399.30	95.00	-	3228.40	1933.60	9771.80	8529.70	10788.10	34745.90
<b>Assets</b>									
Advances (refer note-1 below)	3530.90	3239.60	7256.50	2394.70	18875.50	31403.40	27808.10	19032.30	113541.00
Investments (including Current Investments & Stock for trade)	-	-	-	3290.10	-	-	-	26977.20	30267.30

#### Notes:

1 Advances represent the maturity pattern of loan assets and rentals on operating lease assets.

2 The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in ratio to the maturity pattern of Advances.

### **OUR BUSINESS SUPPORT SERVICES**

We believe that the commercial success of our diverse finance operations is largely dependent upon strong and seamless business support services. As such, the following are the key elements of business support to our Company:

#### **Credit Analysis & Risk Management**

Our Company has evolved and adopted comprehensive Investment & Credit Policy as well as Risk Management Policy that guide our credit analysis and risk management processes. While preliminary screening is done by the executive management, all the credit and investment decisions are taken by the Credit Committee ("CC"). The Risk Committee ("RC") periodically reviews the various risk parameters that could affect our assets portfolio quality. RC is being headed by an independent director and CCI is being headed by the Chairman and Managing Director of the Company.

Further, we have a dedicated credit risk team that evaluates credit proposals at pre-approval stage, and suggest due risk mitigation measures in consultation with business groups so as to strengthen the credit proposals. Our Company has evolved an internal rating model, which is akin to that in usage with the external rating agencies in terms of both methodology and rating scales. Accordingly, all credit proposals are duly evaluated and their internal ratings presented to the CC as an input for its decision-making process. Also, these internal ratings are periodically reviewed, based on operational performance and external developments, if any. We have a dedicated Asset Management Group for regular assessment and review of the Portfolio.

#### **Legal**

We have an in-house legal department, with a dedicated team of well qualified law graduates and experienced panel of advocates, lawyers and consultants who specialize in various aspects of a NBFCs' operations. The legal department extends its services to all the operational and business heads and others of our Company, and provides advice on all legal issues on various aspects including commercial and in the drafting of various agreements and legal documents which we may enter into from time to time. The legal department is also responsible for monitoring and advising management with respect to changes in legislation, statutory rules and regulations, judicial precedent set by courts, updates of current legal practices, and news, journals and reviews regarding the industry. The legal department also provides advice on the means and modes of recovery of outstanding loans, and initiating recovery proceedings and also filing and defending the cases either civil and/or criminal in nature for and against the company in order to facilitate to recover the legitimate dues of the Company.

#### **Internal Audit and Compliance**

Our audit and compliance department is responsible for evaluating the effectiveness of governance, risk management and controls within the organization as a whole, as well as ensuring compliance with respect to RBI and other Indian statutory guidelines and regulations. Our audit team carries out various types of audits, such as concurrent audits, operational and management audits, compliance audits and special assurance audits. Reports are disseminated by the

audit team to the business departments directly or indirectly related to the audit. The audit team provides suggestions to the audit committee on the composition of the panel of external audit firms for conducting audits.

### **Treasury**

Treasury performs the functions of procurement, deployment, disbursement, collection and disposal of funds. The responsibility of treasury department is classified into borrowing and underlying research; money market research; ratings, compliance with RBI directives, contractual obligations agreed with the Debenture Trustees, management information systems and compliance documentation.

### **Secretarial Department**

The Secretarial department is responsible for the compliances with the provisions of Companies Act, Listing Agreements, laws governing NBFCs in India and other applicable laws. With a view to meet the applicable regulatory compliances, the Secretarial department interacts regularly with the Registrar and Share Transfer Agents (RTA), Debenture Trustees and external regulatory agencies like, MCA, SEBI, Stock Exchange, Depositories and others.

### **Corporate Accounts Department**

The corporate accounts department is responsible for accounts and assessing and computing direct and indirect taxation in respect of our Company. Our office administration is managed by a dedicated administration department.

### **Information Technology**

We believe that the Information Technology (“IT”) department performs a crucial function in creating and maintaining scalable, cost-effective and sustainable operating models for our business. We have built, and continue to enhance, our IT systems in order to create competitive advantages for our organization, and enable us to achieve and maintain optimum levels of customer service and operational efficiency.

We have appropriate systems and processes to manage the timeliness, accuracy and reliability of our operational data and information. Our IT department is responsible for the efficient functioning and maintenance of our systems, and IT hardware requirements. In addition, our IT department is also responsible for the maintenance and management of our networking technologies and various business Applications including data management systems which we believe will enhance service delivery to our customers and meet our operational requirements.

### **COMPETITION**

We face competition from the full spectrum of public sector banks, private sector banks (including foreign banks), financial institutions and other NBFCs who are active in infrastructure.

### **LITIGATION**

There are legal proceedings and claims pending against us which have arisen in the ordinary course of business. A brief discussion of such litigation is set in the section titled “*Outstanding Litigation and Statutory Defaults*” on page no. 172 of this Shelf Prospectus.

## HISTORY AND MAIN OBJECTS

Our Company was originally incorporated by the name Shri Radha Krishna Export Industries Limited on March 29, 1985 with the Registrar of Companies, New Delhi (Registration No. 21-55352) in accordance with the Companies Act 1956 as a public limited Company to undertake lease and hire purchase financing, bill discounting and manufacture and export of certain goods. Our Company obtained its Certificate of Commencement of Business on April 9, 1985. Our 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 our Company was further changed from Srei International Finance Limited to its existing name Srei Infrastructure Finance Limited on August 31, 2004.

Our Company had its registered office at New Delhi on its incorporation and subsequently the registered office of the Company was shifted from New Delhi to the State of West Bengal as confirmed by Company Law Board vide Company Petition No. 153/17/91-CLB and Order dated March 17, 1992 and vide special resolution dated July 25, 1990, in order to envisage the smooth running of our Company and convenience of the Board. The history of shifting of our registered office is as under:

Date	Original Office Location	New Office Location
September 14, 1985	2881 Hardhiyan Singh Road, Karol Bagh, New Delhi - 110 005	19 B.D.D.A Market, Jhandelwala, New Delhi - 110 055
November 16, 1987	19 B.D.D.A Market, Jhandelwala, New Delhi - 110 055	G-8 Lawrance Road, New Delhi
May 5, 1992	G-8 Lawrance Road, New Delhi	Shree Ganesh Centre, 216 AJC Bose Road, Kolkata - 700 017
March 28, 1998	Shree Ganesh Centre, 216 AJC Bose Road, Kolkata - 700 017	'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046

Our Company was registered with Reserve Bank of India on August 1, 1998 as a Deposit taking Non-Banking Financial Company (Registration No. 05.02773). Our Company used to accept public deposits and was engaged in the business of asset financing in the infrastructure sector. Subsequently vide Registration Certificate no. A-05.02773 dated May 15, 2007, RBI reclassified our Company as an Asset Finance Company Deposit Taking under Section 45-IA of the RBI Act, 1934, vide registration certificate no. B-05.02773 dated May 11, 2010 our Company was reclassified as an Asset Finance Company Non - Deposit Taking under Section 45-IA of the RBI Act, 1934. Subsequently on March 31, 2011, our Company was accorded the Infrastructure Finance Company – Non Deposit Taking (“**IFC**”) status by RBI. With this, our Company became the fifth institution of India to get this status. On September 26, 2011 we were notified as a public financial institution by the MCA vide notification bearing reference no. G.S.R. 2223 (E), dated September 26, 2011 issued under Section 4A of the Companies Act 1956 (now Section 2(72) of the Companies Act 2013). Currently our Company is a non-deposit accepting systematically important Non-Banking Financial Company (“**NBFC-ND-SI**”) more particularly being an IFC and PFI.

In July 1992, our Company came out with an initial public offering of equity shares of ₹ 10 each for cash at par aggregating to ₹ 22.40 million. Subsequently, our Company also came out with a rights issue of equity shares of ₹ 10 each in the ratio of 1:1 at a premium of ₹ 10 per share aggregating to ₹ 82.8 million in November, 1993. Thereafter, our Company entered the capital market again with a public issue of 17% convertible preference shares aggregating to ₹ 1,000 million with warrants attached in March-April, 1996 wherein convertible preference shares aggregating to ₹ 250 million were issued to the promoter and the friends, relatives and associates of the promoter. In July, 2000, our Company came out with an issue of unsecured subordinated NCDs with detachable tradable warrants aggregating to ₹ 540 million on rights basis in the ratio of 1:10. Further, in December 2011, our Company came out with the first tranche of an issue of long term infrastructure bonds aggregating upto ₹ 3,000 million.

In 2010-11, Quippo Infrastructure Equipment Limited (‘Quippo’) was amalgamated into and with our Company with the objective to enhance its net worth and reinforce its books with Quippo's investments. Our Company's equity shares are listed on NSE, BSE and CSE and the GDR are listed on the LSE. The Srei Group has registered ₹127,055.50 million in disbursements in the year 2013-14. We are among the few Indian NBFCs to have accessed the international market for funds and get listed on the London Stock Exchange.

Pursuant to a Scheme of Arrangement (‘**the Scheme**’) approved by the shareholders and sanctioned by the Hon'ble High Court at Calcutta on January 28, 2008, all business, assets and liabilities pertaining to the project finance business and asset based financing business of our Company, including its shareholding in Srei Insurance Broking Private Limited (formerly Srei Insurance Services Limited), were transferred to Srei Equipment Finance Limited (formerly Srei Equipment Finance Private Limited) (‘**SEFL**’), a 50:50 joint venture company between our Company and BNP Paribas Lease Group (a group company of BNP Paribas S.A.) in accordance with Sections 391 to 394 and other relevant provisions of the Companies Act 1956 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.

Following the Scheme our Company is now into a strategic equipment financing business (i.e. equipment of more than ₹ 150 million), project financing, advisory, venture capital and investment banking business.

### Main objects of our Company

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

- To Carry on and undertake the business of financing industrial enterprises including those engaged in and providing infrastructure facility and setting up of projects and also to provide by way of lease, leave and license, or hire purchase basis or on deferred payment basis or on any other basis, all types of plant, equipments, machinery, vehicles, vessels, ships, all electrical and electronic equipments and any other movable and immovable equipment and/or properties whether in India or abroad, for industrial, commercial or other uses, to acquire or assist in acquisition or transfer or assist in transfer of receivables of all description, to set up, run, manage or provide services in connection with one or more securitisation transactions or vehicles, to sponsor mutual fund, asset reconstruction company, or any other vehicles for financial activities in accordance with the applicable laws, rules and regulations for the time being in force, and generally to carry on the business as financiers, to originate, transfer, manage, arbitrage or otherwise deal in loans or any other financial instrument or asset in any form or manner and to form. Promote and assist companies, syndicates and partnerships to promote and finance industrial enterprises, projects of all kinds and descriptions and to carry on the business of factoring, bills discounting, cross border leasing, consultancy services of all kinds and descriptions and to undertake any business, transactions or operations carried or undertaken by a financial company or institution.*

### Subsidiaries, Sub-Subsidiaries, Joint Ventures & Associates

A list of subsidiaries, sub-subsidiaries, joint ventures of subsidiaries, joint ventures, associates, associate of joint ventures and joint ventures of associates of the Company as on September 15, 2014 is as follows:

Sl. No.	Name of the Entity	Equity Holding (%)	Registered Address	Activity undertaken by the entity
<b>Subsidiaries</b>				
1	Srei Capital Markets Limited	100	‘Vishwakarma’, 86C, Topsia Road (S), Kolkata - 700 046	Merchant Banking
2	Srei Alternative Investment Managers Limited (Formerly Srei Venture Capital Limited)	100	‘Vishwakarma’, 86C, Topsia Road (S), Kolkata - 700 046	Asset Management
3	Srei Forex Limited	100	‘Mirania Gardens’, 10B, Topsia Road (E), Kolkata - 700046	-
4	Srei Infrastructure Advisors Limited	100	‘Vishwakarma’, 86C, Topsia Road (S), Kolkata – 700 046	Infrastructure Advisory Services
5	Global Investment Trust Limited	100	‘Vishwakarma’, 86C, Topsia Road (S), Kolkata - 700 046	Trusteeship Functions
6	Srei Insurance Broking Private Limited	75	‘Vishwakarma’, 86C, Topsia Road (S), Kolkata - 700 046	Composite Insurance Broking
7	Controlla Electrotech Private Limited	100	Y 10/EP, Sector - V, Salt Lake Electronics Complex, Kolkata -700 091	Leasing of Property
8	Quippo Oil & Gas Infrastructure Limited	99.90	D-2, 5 <sup>th</sup> Floor, Southern Park, Saket Place, Saket, New Delhi – 110 017	Onshore / offshore drilling services and renting of oil work-over / land drilling rigs / oil field equipment and also engaged in exploration, production and related activities of oil and gas business
9	Quippo Energy Private Limited	100	D-2, 5 <sup>th</sup> Floor, Southern Park, Saket Place, Saket, New Delhi – 110 017	Gas based integrated Energy solutions on rental basis

Sl. No.	Name of the Entity	Equity Holding (%)	Registered Address	Activity undertaken by the entity
10	Srei Mutual Fund Asset Management Private Limited	100	'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	Asset Management
11	Srei Mutual Fund Trust Private Limited	100	'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	Trusteeship Functions
12	Srei International Infrastructure Services GmbH (Formerly IIS International Infrastructure Services GmbH)	92.54	Rostocker Str. 1, 50374 Erftstadt, Germany	Leasing and renting of movable assets used for Infrastructure Projects
13	Attivo Economic Zone (Mumbai) Private Limited (Formerly Mumbai Futuristic Economic Zone Private Limited)	100	D-2, 5 <sup>th</sup> Floor, Southern Park, Saket Place, Saket, New Delhi – 110 017	Special Economic Zones
14	Goldensons Construction Private Limited	100	207, Maharshi Devendra Road, 3 <sup>rd</sup> Floor, Room No. 64, Kolkata 700 007	Real Estate
<b>Sub-Subsidiaries</b>				
15	Srei Advisors PTE. Limited (Subsidiary of Srei International Infrastructure Services GmbH)	100	9, Battery Road, #25 - 01, Straits Trading Building, Singapore – 049910	Capital Market Advisory Services
16	Zao Srei Leasing (Subsidiary of Srei International Infrastructure Services GmbH)	64.20	'117465, Moscow, Generala Tyuleneva str. 4a, bld.3'	Lease Financing
17	Cyberabad Trustee Company Private Limited (Subsidiary of Srei Alternative Investment Managers Limited)	51	5-9-58/B, Parisrama Bhavan, Basheerbagh, Hyderabad – 500 004	Trusteeship Functions
18	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)	51	5-9-58/B, Parisrama Bhavan, Basheerbagh, Hyderabad – 500 004	Investment Manager
19	Bengal Srei Infrastructure Development Limited (Subsidiary of Srei Infrastructure Advisors Limited)	51	'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	Advisory services for development of Infrastructure Projects
20	Quippo Mauritius Private Limited (Subsidiary of Quippo Energy Private Limited)	100	C/o. Port Louis Management Services Ltd., 3 <sup>rd</sup> Floor, Harbour Front Building, President John Kennedy Street, Port Louis, Republic of Mauritius	To engage in global business as permitted under the Financial Services Act, 2007, and any other laws for the time being in force in the Republic of Mauritius
21	Quippo Energy Nigeria Private Limited (Subsidiary of Quippo Mauritius Private Limited)	100	6, Broad Street, 6 <sup>th</sup> Floor, NCR Building, Lagos, Nigeria	Power Generation
<b>Joint Venture of SIFL</b>				
22	Srei Equipment Finance Limited (Formerly Srei Equipment Finance Private Limited)(Joint Venture between SIFL and BNP Paribas Lease Group)	50	'Vishwakarma', 86C, Topsia Road (S), Kolkata - 700 046	Asset Financing
<b>Associates</b>				
23	Sahaj e-Village Limited(Formerly Srei Sahaj e-Village Limited)	48.32	'Mirania Garden', Plot No. 43, 10B/1 Topsia Road (East), Kolkata - 700 046	IT Enabled Services

Sl. No.	Name of the Entity	Equity Holding (%)	Registered Address	Activity undertaken by the entity
24	Quippo Construction Equipment Limited	45.45	NAC Campus, NAC Road, Cyberabad Kondapur Post, Hyderabad, Telengana 500 032	Rental services of equipment with operator and other allied services
<b>Associate of Joint Venture</b>				
25	Srei Asset Reconstruction Private Limited (Associate of SEFL w.e.f. 02.09.2014)		‘Vishwakarma’, 86C, Topsia Road (S), Kolkata – 700 046	-
<b>Joint Venture of Associates</b>				
26	NAC Infrastructure Equipment Limited (Joint Venture between Quippo Construction Equipment Limited, L&T Finance Holdings Limited, NCC Limited (Formerly Nagarjuna Construction Company Limited) and National Academy of Construction)	50	NAC Campus, NAC Road, Cyberabad, Kondapur Post, Hyderabad, Telengana 500 032	Rental services of equipment with operator and other allied services

### Material Agreements

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

## OUR MANAGEMENT

### Board of Directors

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

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

Name of Directors & Designation	DIN	Director since	D.O.B. Age	Occupation	Residential Address	Other Directorships
<b>Salil Kumar Gupta</b> Chief Mentor, Non-Executive & Independent Director	00651223	April 20, 1991 (Chief Mentor w.e.f. April 13, 2004)	August 14, 1928  86 years	Chartered Accountant	538, Jodhpur Park, Kolkata – 700 068	1. Jagaran Microfin Private Limited
<b>Hemant Kanoria</b> Chairman & Managing Director	00193015	October 30, 1990 (Managing Director w.e.f. May 7, 1994 & as Chairman w.e.f. May 14, 2008)	August 05, 1962  52 years	Industrialist	‘Kanoria House’, 3 Middle Road, Hastings, Kolkata – 700 022	1. Srei Capital Markets Limited 2. Texmaco Rail & Engineering Limited 3. Srei Equipment Finance Limited 4. Viom Networks Limited 5. India Power Corporation Limited 6. Zao Srei Leasing, Russia 7. Hypo Alpe Adria Bank, Austria
<b>Sunil Kanoria</b> Vice Chairman	00421564	July 5, 1989 (Vice Chairman w.e.f. September 20, 2008)	May 04, 1965  49 years	Industrialist	‘Kanoria House’, 3 Middle Road, Hastings, Kolkata – 700 022	1. Srei Equipment Finance Limited 2. India Power Corporation Limited 3. Viom Networks Limited 4. Upper Ganges Sugar & Industries Limited 5. Viom Infra Networks (Maharashtra) Limited 6. The Associated Chambers of Commerce and Industry of India 7. Zao Srei Leasing, Russia 8. Viom International Singapore Pte. Limited 9. Viom International (Myanmar) Company Limited
<b>Saud Ibne Siddique</b> Non-Executive Director	01873293	October 29, 2007 (Director) April 1, 2009 to April 30, 2013 (Joint Managing Director)	May 02, 1958  56 years	Professional	Balmoral Park, Pinewood Gardens, #02-01, Singapore, 259854	1. Emerging Africa Infrastructure Fund (EAIF), Africa

Name of Directors& Designation	DIN	Director since	D.O.B. Age	Occupation	Residential Address	Other Directorships
		May 1, 2013 (Non-Executive Director)				
<b>Srinivasachari Rajagopal</b> Non-Executive & Independent Director	00022609	January 25, 2003	March 10, 1940  74 years	Banker/Company Director	VARENYA", 1043, 10 <sup>th</sup> Main Road, Judicial Officers Layout, GKVK Post, Bangalore – 560 065	1. Srei Alternative Investment Managers Limited 2. GMR Tambaram Tindivanam Expressways Limited 3. GMR Tuni - Anakapalli Expressways Limited 4. National Trust Housing Finance Limited 5. GMR Energy Limited 6. Vivek Limited 7. GMR Kamalanga Energy Limited 8. GMR Hyderabad Vijayawada Expressways Private Limited 9. Wisdomleaf Technologies Private Limited 10. GMR Chattisgarh Energy Limited 11. Careercubicle Technologies Private Limited 12. GMR Kishangarh Udaipur Ahmedabad Expressways Limited 13. GMR Infrastructure Limited
<b>Dr Satish Chandra Jha</b> Non-Executive & Independent Director	00247427	January 28, 2010	April 1, 1934  80 years	Economist	G-61, P.O. Palam Vihar, Gurgaon – 122 017, Haryana	1. Walchand Peoplefirst Limited 2. Srei Alternative Investment Managers Limited 3. SunSuki Trading & Export Private Limited
<b>Sujitendra Krishna Deb</b> Non-Executive & Independent Director	03524764	May 19, 2011	October 22, 1947  66 years	Chartered Accountant	43-B, Jatindra Mohan Avenue, Kolkata - 700 005	Nil
<b>Shyamalendu Chatterjee</b> Non-Executive & Independent Director	00048249	April 29, 2009	December 24, 1946  67 years	Banker	South City Apartments 17K, Tower - 1, SVC – 2 375, Prince Anwar Shah Road Kolkata - 700 068	1. Sahaj e-Village Limited 2. Srei Capital Markets Limited 3. Srei Equipment Finance Limited
<b>Dr Punita Kumar Sinha</b>	05229262	May 20, 2013	May 13, 1962	Investment Management	51 Gate House Road, Newton	1. JSW Steel Limited 2. The Asia

Name of Directors& Designation	DIN	Director since	D.O.B. Age	Occupation	Residential Address	Other Directorships
Non-Executive & Independent Director			52 years		MA, Massachusetts, USA, 024671320	Opportunities Offshore Fund Limited 3. The Asia Opportunities Offshore Master Fund Limited 4. Rallis India Limited 5. FINO Pay Tech Limited

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

### **Profile of Directors**

#### ***Salil Kumar Gupta, Chief Mentor, Independent Director***

He has more than fifty six years of experience. He is the former Chairman of West Bengal Industrial Development Corporation Limited, a leading state financial institution. He was also the former President of The Institute of Chartered Accountants of India.

#### ***Hemant Kanoria, Chairman & Managing Director***

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

#### ***Sunil Kanoria, Vice Chairman, Non-Executive Director,***

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

#### ***Saud Ibne Siddique, Non-Executive Director***

He has over thirty years of global infrastructure financing experience. He has worked with the International Finance Corporation (IFC), the private sector arm of the World Bank, for more than 16 years based out of Washington DC. During 2004-2007, he was based out of Hong Kong, and was the head of business development for infrastructure projects in the East Asia and Pacific region for IFC. He has also served as the CEO and Board Member of a publicly listed water infrastructure fund in Singapore.

#### ***Srinivasachari Rajagopal, Independent Director***

He has more than forty one years of experience in the banking industry. He is the former Chairman & Managing Director of Bank of India and Indian Bank.

#### ***Satish Chandra Jha, Independent Director***

He was a Former Director and Chief Economist of Asian Development Bank, Manila and President of Bihar Economic Association. He was also a Member of the Economic Advisory Council to the Prime Minister and Chairman, Special Task Force on Bihar.

#### ***Shyamalendu Chatterjee, Independent Director***

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

#### ***Sujitendra Krishna Deb, Independent Director***

He is a Chartered Accountant with over forty three years of experience in the Assurance and Business Advisory services of a Big Four Firm in India, where he was a partner for little over last two decades; working experience in Due Diligence Review, Valuation and Internal Audits, among others.

#### ***Punita Kumar Sinha, Independent Director***

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

### Relationship between the Directors

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

### Remuneration of the Directors

Earlier each of the Non-Executive Independent Director was paid ₹ 20,000 as sitting fees for attending each meeting of the Board of Directors of our Company, and ₹ 15,000 as sitting fees for attending each meeting of the Audit Committee and ₹ 10,000 for attending each meeting of the other committees of our Company thereof. The Board at its meeting held on May 23, 2014 revised the sitting fees payable to Non-Executive Directors of the Company for attending meetings of the Board of Directors and various Committees of the Company within the limits prescribed under Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. As per the present sitting fees structure the Non-Executive Independent Director is paid ₹ 1,00,000 as sitting fees for attending each meeting of the Board of Directors of our Company, ₹25,000 as sitting fees for attending each meeting of the Audit Committee, Investment Committee & Risk Committee and ₹ 10,000 for attending each meeting of the other Committees of our Company thereof. The Non-Executive Directors of our Company are also paid remuneration by way of commission on the net profits of our Company. Details of remuneration paid to our Directors during the financial year ended March 31, 2014 by our Company and our subsidiaries and associates are as follows:

Sl.	Name of the Director	By our Company		By our subsidiaries			By our associates			Total Remuneration (₹)
		Remuneration (₹)	Nature	Name of the Subsidiary Company	Remuneration (₹)	Nature	Name of the Associate Company	Remuneration (₹)	Nature	
1.	Salil Kumar Gupta	5,70,000/-	Sitting Fees	-	-	-	-	-	-	5,70,000/-
2.	Hemant Kanoria	1,64,40,000/-	Salary & Perquisites	Srei Capital Markets Limited	25,000/-	Sitting Fees	-	-	-	2,24,65,000/-
		60,00,000/-	Commission							
3.	Sunil Kanoria	7,60,000	Sitting Fees	-	-	-	-	-	-	7,60,000/-
4.	Saud Ibne Siddique*	54,91,772/- <sup>#</sup>	Salary & Perquisites	Srei Alternative Investment Managers Limited	10,000/-	Sitting Fees	-	-	-	55,81,772/- <sup>#</sup>
		80,000/-	Sitting Fees							
5.	Srinivasachari Rajagopal	1,60,000/-	Sitting Fees	Srei Alternative Investment Managers Limited	40,000/-	Sitting Fees	-	-	-	2,00,000/-
6.	Dr. Satish Chandra Jha	1,00,000/-	Sitting Fees	Srei Alternative Investment Managers Limited	40,000/-	Sitting Fees	-	-	-	1,40,000/-
7.	Shyamalendu Chatterjee	2,20,000/-	Sitting Fees	Srei Capital Markets Limited	20,000/-	Sitting Fees	Sahaj e-Village Limited	32,500/-	Sitting Fees	2,72,500/-
8.	Sujitendra Krishna Deb	3,25,000/-	Sitting Fees	-	-	-	-	-	-	3,25,000/-
9.	Dr. Punita Kumar Sinha**	1,10,000/-	Sitting Fees	-	-	-	-	-	-	1,10,000/-
10.	Dr. Martin Czurda***	60,000/-	Sitting Fees	-	-	-	-	-	-	60,000/-

\*Resigned as the Joint Managing Director w.e.f. close of business hours on April 30, 2013 and continues as a Director (Category – Non-Executive) w.e.f. May 01, 2013

\*\*Appointed w.e.f. May 20, 2013

\*\*\*Resigned w.e.f. December 24, 2013

<sup>#</sup>Upto April 30, 2013.

The Shareholders of the Company at the Annual General Meeting held on August 14, 2013 has approved payment of commission to the Non - Executive Directors of the Company annually for each of the five financial years of the Company commencing from Financial Year (FY) 2013-14, an amount not exceeding one per cent of the net profits of the Company as provided under Section 309(4) of the Companies Act, 1956. Therefore, the Board of Directors of the Company at its Meeting held on May 23, 2014, approved payment of following commission to the Non-Executive

Directors of the Company for the FY 2013-14 based on their attendance and contribution at the Board and certain Committee meetings as well as time spent on operational matters other than at the meetings

<b>Name of Non-Executive Director</b>	<b>Amount of Commission (Rs.)</b>
Mr. Salil K. Gupta, Chief Mentor	10,00,000
Mr. Sunil Kanoria, Vice Chairman	5,00,000
Mr. S. Rajagopal	5,00,000
Dr. Satish C. Jha	5,00,000
Mr. S. Chatterjee	5,00,000
Mr. Sujitendra Krishna Deb	5,00,000
Mr. Saud Ibne Siddique*	5,00,000
Dr. Punita Kumar Sinha**	10,00,000
Dr. Martin Czurda***	-
<b>Total</b>	<b>50,00,000</b>

\*Resigned as the Joint Managing Director w.e.f. close of business hours on April 30, 2013 and continues as a Director (Category – Non-Executive) w.e.f. May 01, 2013.

\*\*Appointed as a Non-Executive & Independent Director w.e.f. May 20, 2013.

\*\*\*Resigned w.e.f. December 24, 2013

Further, the Shareholders of the Company at the Annual General Meeting held on August 02, 2014 has granted fresh approval by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 for payment of commission to the Directors of the Company (other than the Directors who are either in wholetime employment of the Company or Managing Director of the Company) annually for each of the five financial years commencing from financial year 2014-15, an amount not exceeding 1% (one per cent) of the net profits of the Company computed in accordance with the provisions of Section 198 of the Act, 2013 to be divided amongst the Directors aforesaid in such amounts or proportions and in such manner as the Board of Directors of the Company may from time to time determine and in default of such determination equally. The payment of commission will be in addition to the sitting fees payable to such Directors for attending meetings of the Board and/or Committee(s) thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and/or Committee meetings.

Further, Mr. Anant Raj Kanoria, relative of Mr. Hemant Kanoria & Mr. Sunil Kanoria, Directors of our Company is in employment of our Company & draws a monthly remuneration of less than ₹ 50,000/-.

#### **Terms of Appointment of Managing Director and Compensation payable to him**

Mr Hemant Kanoria was reappointed as Chairman & Managing Director of our Company for a further period of five (5) years w.e.f April 1, 2010 and his remuneration was fixed vide a resolution of the Board of Directors of our Company dated January 28, 2010 and an agreement dated August 9, 2010. The agreement may be terminated by either party by giving clear three months' notice. Salient features of his remuneration inter alia include:

1. Salary: In the scale of ₹ 1,000,000/- to ₹ 3,000,000/- (Rupees One Million only to Rupees Three Million only) per month with authority to the Board to fix the salary within the abovementioned scale from time to time. The annual increments will be merit-based and take into account the Company's performance. (The present salary of Mr Kanoria is fixed at ₹ 1,000,000/- (Rupees One Million only) per month w.e.f. April 1, 2010.)
2. Commission: 1 % (One per cent) of the net profits of the Company as per Audited Profit and Loss Account per year or such other amount as may be decided by the Board in its absolute discretion for each financial year (or part thereof), restricted to 50% of annual basic salary, subject, however, that the total remuneration (i.e. Salary, Commission and Perquisites) in any one financial year shall not exceed the limits prescribed from time to time under Sections 198, 269, 309, 310 & 311 and other applicable provisions of the Companies Act 1956 read with Schedule XIII to the said Companies Act 1956, as may for the time being be in force.
3. Ex-gratia: Ex-gratia payment of l (One) month's salary per annum or such other higher sum as may be decided by the Board of the Company.
4. Perquisites: In addition to the aforesaid, the Chairman & Managing Director shall be entitled to the following perquisites:
  - i) Housing: Fully furnished residential accommodation or house rent allowance at the rate of 60% (sixty per cent) of salary or such other suitable amount as may be decided by the Board of Directors
  - ii) Expenses pertaining to gas, electricity, water and other utilities will be borne / reimbursed by the Company.
  - iii) Company shall provide such furniture and furnishings as may be required by the Chairman & Managing Director.
  - iv) Medical Reimbursement: Reimbursement of actual medical expenses incurred in India and / or abroad and including hospitalization, nursing home and surgical charges for self and family.
  - v) Leave Travel Concession: Reimbursement of actual travelling expenses, for proceeding on leave, once in a year in respect of self and family.

- vi) Club Fees: Reimbursement of membership fees for clubs in India and / or abroad, including admission and life membership fees.
- vii) Personal Accident Insurance: Payment of premium in respect of one Personal Accident Insurance Policy.
- viii) Contribution to Provident Fund, Superannuation Fund and Annuity Fund: The Company's contribution to Provident Fund or Superannuation Fund or Annuity Fund as per the rules of the Company, applicable for senior executives of the Company or such higher contribution as may be decided by the Board.
- ix) Gratuity: Entitled for Gratuity as per the rules of the Company.
- x) Leave: Entitled for leave with full pay or encashment thereof as per the rules of the Company.
- xi) Other Perquisites: Subject to overall ceiling on remuneration prescribed in Schedule XIII to the Companies Act 1956, the Chairman & Managing Director may be given any other allowances, performance incentives, benefits and perquisites as the Board of Directors may from time to time decide.

### **Borrowing Powers of the Board of Directors**

Subject to the Memorandum and Articles of Association of our Company, the Shareholders at the Annual General Meeting held on August 02, 2014, have passed a resolution under Section 180(1)(c) of the Companies Act 2013 which prescribed the maximum monetary limit for the purpose of borrowing by the Board of Directors of our Company. The aggregate value of the NCDs offered under this Shelf Prospectus, together with the existing borrowings of our Company, is within the approved borrowing limits of ₹2,50,000 million.

The Issue of NCDs offered under this Shelf Prospectus is being made pursuant to the resolution passed by the Board of Directors at its meeting held on May 23, 2014.

### **Nature of interest of the Directors**

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

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

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

### **Shareholding details of Director of Srei in Subsidiaries, Associates & Joint Ventures as on June 30, 2014:**

Sl .	Name of Director	Beneficiary	Name of the Company	Nature of Entity	Equity/ Preference Shares	No. of Shares	% to Total Capital
1	Hemant Kanoria	SIFL	Srei Capital Markets Limited	Subsidiary	Equity	100	0.002
		SIFL	Srei Alternative Investment Managers Limited	Subsidiary	Equity	100	0.04
		SIFL	Srei Equipment Finance Limited	Joint Venture	Equity	1	0.0000017
		SIFL	Controlla Electrotech Private Limited	Subsidiary	Equity	500	1.42
		SIFL	Quippo Oil and Gas Infrastructure Limited	Subsidiary	Equity	500	0.0017
		SIFL	Quippo Construction Equipment Limited	Associate	Equity	1	0.0009
		SIFL	Global Investment Trust Limited	Subsidiary	Equity	100	0.20
2	Sunil Kanoria	Srei Infrastructure Advisors Limited	Bengal Srei Infrastructure Development Limited	Subsidiary	Equity	100	0.20
		SIFL	Srei Capital Markets Limited	Subsidiary	Equity	100	0.002
		SIFL	Srei Alternative Investment Managers Limited	Subsidiary	Equity	100	0.04
		SIFL	Srei Equipment Finance Limited	Joint Venture	Equity	1	0.0033
		SIFL	Controlla Electrotech Private Limited	Subsidiary	Equity	500	1.42
		SIFL	Global Investment Trust Limited	Subsidiary	Equity	100	0.20
		SIFL	Attivo Economic Zone (Mumbai) Private Ltd.	Subsidiary	Equity	1	0.01
3	Salil Kumar Gupta	Sunil Kanoria	Quippo Energy Private Limited	Subsidiary	Preference	84	0.60
		Sunil Kanoria	Quippo Construction Equipment Limited	Associate	Preference	356	0.60
		SIFL	Srei Alternative Investment Managers Limited	Subsidiary	Equity	100	0.04
		SIFL	Global Investment Trust Limited	Subsidiary	Equity	100	0.20

### **Changes in the Board of Directors in the last three financial years**

<b>Name, Designation and DIN</b>	<b>Date of Appointment / Resignation</b>	<b>Director of the Company since (in case of resignation)</b>	<b>Remarks</b>
Dr Martin Czurda Non-Executive & Independent <b>DIN: 6412755</b>	Resigned w.e.f December 24, 2013	November 09, 2012	
Dr Punita Kumar Sinha Non-Executive &Independent <b>DIN: 05229262</b>	Appointed w.e.f. May 20, 2013	-	
Mr Saud Ibne Siddique Non-Executive <b>DIN: 1873293</b>	Resigned as Joint Managing Director w.e.f close of business hours on April 30, 2013 & continues to act as a Director (category - Non-Executive) w.e.f May 01, 2013	-	Change of designation to Non-Executive Director w.e.f. May 01, 2013
Mr V. H. Pandya Non-Executive & Independent <b>DIN: 31857</b>	Resigned w.e.f November 10, 2012	July 22, 1994	
Dr Martin Czurda Non-Executive & Independent <b>DIN: 6412755</b>	Appointed w.e.f November 09, 2012	-	
Mr Avinder Singh Bindra Non-Executive & Independent <b>DIN: 669199</b>	Resigned w.e.f February 07, 2012	January 25, 2011	
Mr K. K. Mohanty Non-Executive <b>DIN: 80498</b>	Resigned w.e.f June 07, 2011	June 23, 2001	
Mr Sujitendra Krishna Deb Non-Executive & Independent <b>DIN: 3524764</b>	Appointed w.e.f May 19, 2011	-	
Mr S. Chatterjee Non-Executive & Independent <b>DIN: 48249</b>	Appointed as Additional Director w.e.f April 29, 2009 and then continued as Director w.e.f September 12, 2009	-	Change of designation to Independent Director w.e.f. April 01, 2012
Mr Saud Ibne Siddique Joint Managing Director <b>DIN: 1873293</b>	Appointed as Joint Managing Director w.e.f April 01, 2009	-	Reappointed as Joint Managing Director w.e.f April 01, 2012

#### **Details of various committees of our Company as on June 30,2014**

The Board has constituted committees of directors, each of which functions in accordance with the relevant provisions of the Companies Act 2013, the RBI Directions for NBFCs and the Equity Listing Agreements. These are (i) Audit Committee (ii) Committee of Directors (iii) Asset Liability Management Committee (iv) Credit Committee (v) Investment Committee (vi) Nomination & Remuneration Committee(vii) Risk Committee (viii) Stakeholders Relationship Committee and (ix) Corporate Social Responsibility Committee.

The details of these Committees are as follows:

#### **AUDIT COMMITTEE**

##### **Purpose**

1. Review of adequacy of internal control systems
2. Review of annual financial statements
3. Ensuring proper disclosure in the Financial Statements

4. Recommending the re-appointment of external auditors, fixation of their remuneration and other related matters.

#### **Members**

1. Mr Salil Kumar Gupta – Chairman
2. Mr Sunil Kanoria
3. Mr Srinivasachari Rajagopal
4. Mr Sujitendra Krishna Deb
5. Mr Shyamalendu Chatterjee
6. Mr Sandeep Lakhoria - Secretary

#### **COMMITTEE OF DIRECTORS**

##### **Purpose**

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

##### **Members**

1. Mr Hemant Kanoria - Chairman
2. Mr Sunil Kanoria
3. Mr Salil K. Gupta
4. Mr Sandeep Lakhoria – Secretary

#### **ASSET LIABILITY MANAGEMENT (ALM) COMMITTEE**

##### **Purpose**

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

##### **Members**

1. Mr Sunil Kanoria - Chairman
2. Mr Shyamalendu Chatterjee
3. Mr Sanjeev Sancheti
4. Mr P. C. Patni
5. Mr Sandeep Lakhoria
6. Mr J. Moses Harding
7. Mr S. B. Tiwari - Secretary

#### **CREDIT COMMITTEE**

##### **Purpose**

1. To consider, evaluate, approve and sanction all credit related matters.

##### **Members**

1. Mr Hemant Kanoria – Chairman
2. Mr Sunil Kanoria
3. Mr Sujitendra Krishna Deb
4. Mr S. B. Tiwari– Secretary

#### **INVESTMENT COMMITTEE**

##### **Purpose**

1. To consider, authorise, approve and sanction all investment related matters.

##### **Members**

1. Mr. Hemant Kanoria – Chairman
2. Mr Sunil Kanoria
3. Dr Punita Kumar Sinha
4. Mr Sanjeev Sancheti - Secretary

## **NOMINATION & REMUNERATION COMMITTEE**

### **Purpose**

1. Evaluate the current composition and organization of the Board and its committees in light of requirements established by any Regulatory Body or any other applicable statute.
2. Ensure “fit and proper” status of existing/proposed Directors of the Company in accordance with RBI Circular on Corporate Governance, issued from time to time.
3. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMPs) and other employees of the Company.

### **Members**

1. Mr Salil Kumar Gupta –Chairman
2. Mr Sunil Kanoria
3. Mr Shyamalendu Chatterjee
4. Mr Sandeep Lakhotia – Secretary

## **RISK COMMITTEE**

### **Purpose**

1. To identify and assess various risks across all entities in the Srei Group and suggest measures to minimize and/or mitigate the significant risks.

### **Members**

1. Mr Shyamalendu Chatterjee- Chairman
2. Mr Sunil Kanoria
3. Mr Sujitendra Krishna Deb
4. Mr S. B. Tiwari- Secretary

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

### **Purpose**

1. To attend to all the formalities relating to share transfer and redressal of shareholder and investors complaints of any nature.

### **Members**

1. Mr Salil K. Gupta – Chairman
2. Mr Hemant Kanoria
3. Mr Sunil Kanoria
4. Mr Sandeep Lakhotia - Secretary

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

### **Purpose**


1. Undertake Corporate Social Responsibility activities mandated by the statute.

### **Members**

1. Mr Hemant Kanoria – Chairman
2. Mr Sunil Kanoria
3. Mr Shyamalendu Chatterjee
4. Mr Madhusudan Dutta - Secretary

## OUR PROMOTER

The Promoter of our Company is Mr Hemant Kanoria

<b>Name of the Promoter</b>	Mr Hemant Kanoria
<b>Photo of the promoter</b>	
<b>Designation</b>	Chairman & Managing Director

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

### Details of Promoter holding in the Company as on June 30, 2014:

Sl. No.	Name of the shareholders	Total No of Equity Shares	No of shares in demat form	Total shareholding as % of total no of equity shares	No of Shares Pledged	% of Shares Pledged with respect to shares owned.
1	Hemant Kanoria	3,80,000	3,80,000	0.08	0.00	0.00

## DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS

The outstanding borrowings of the Company as at June 30, 2014 are as follows:

Sl. No.	Nature of Borrowing	Amount(₹ in Million)
1.	Secured Borrowings	117,520.20
2.	Unsecured Borrowings	13183.67

Set forth below, is a brief summary of the borrowings by our Company as at June 30, 2014 together with a brief description of certain significant terms of such financing arrangements.

For details of the lenders from whom we have not received any consent as required under Rule 3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, please see page no 28 of this Shelf Prospectus.

### I. Details of Secured Loan Facilities:

#### A. Domestic Term Loan

##### 1. Andhra Bank

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
1,000.00	722.22	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> Financing of infrastructure equipments</li> <li>• <b>Tenure:</b> 5 Years</li> <li>• <b>Date of Disbursement:</b> August 21, 2012</li> <li>• <b>Repayment:</b> 18 equal quarterly instalments with an initial moratorium of 6 months from date of disbursement</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation/assignment of specific assets for operating lease, Lease rentals and hire purchase/loan instalments for assets acquired/financed and /or to be acquired /to be financed out of the loan proceeds.</li> <li>• <b>Prepayment:</b> NIL</li> <li>• <b>Penalty:</b> NIL</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non-payment of interest due or instalments due on time</li> <li>– Non-performance/breach of any sanctioned term</li> <li>– Misrepresentation of statements or facts</li> <li>– Insolvency/winding up/appointment of receiver</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Outstanding amounts become payable</li> <li>– Enforcement of security or appointment of receiver</li> <li>– Bank and/or RBI or any other authorised agency will publish the name of directors/promoters and/or firm as defaulters</li> </ul> </li> </ul>

##### 2. Bank of Baroda

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
1,000.00	1,000.00	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> To finance heavy infrastructure machineries, Equipments used in infrastructure sector.</li> <li>• <b>Tenure:</b> 60 months</li> <li>• <b>Date of Disbursement:</b> March 28, 2014</li> <li>• <b>Repayment:</b> 54 equal monthly instalments of ₹1.852 Crores each after moratorium period of 6 months, door to door 60 months.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive charge by way of hypothecation of receivables/assignment of specific assets for operating lease, lease rentals and hire purchase/loan instalments for assets, acquired/financed and/ or to be acquired/ to be financed out of the proceeds.</li> <li>• <b>Prepayment:</b> Nil if repayment is made out of Company's own fund. 1% if</li> </ul>

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		repayment made on account of takeover by other Bank or Financial Institution, <b>• Penalty:</b> - 2% p.a. will be levied for non-compliance of terms and conditions. <b>• Events of Default:</b> Some of the material events of default are: - Non -payment of principal over 90 days/ interest unpaid for 90 days period - misrepresentation, non-performance/breach/violation of terms of sanction - insolvency/winding up/apprehension of insolvency - jeopardizing/prejudicial to security <b>• Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: - Take possession of security and appoint receiver, enforce security - Sell security by public auction or otherwise and appropriate proceeds

3. Bank of India

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
1,000.00	125.00	<b>• Purpose of the Loan:</b> Borrower undertakes lease and hire purchase, financing of infrastructure equipments, projects financing etc. <b>• Tenure:</b> 42 months <b>• Date of Disbursement:</b> June 24, 2011 <b>• Repayment:</b> 40 equal monthly instalments commencing after 2 months from the date of disbursement. <b>• Rescheduling:</b> NIL <b>• Security:</b> Hypothecation/assignment of specific assets covered by loan assets/HP and operating Lease agreement and receivables arising there from. <b>• Prepayment:</b> 2% or at the rate may be specified by the bank on the amount of outstanding for unexpired period as pre closure charges <b>• Penalty:</b> - 2% p.a. will be levied on the overdue amount for the period account remains overdrawn due to irregularities such as non-payment of interest immediately on application, non-payment of instalments within one month of their falling due. - 1% p.a. in case of default in term and conditions <b>• Events of Default:</b> Some of the material events of default are: - Non payment - misrepresentation, non-performance/breach/violation of terms of sanction - Amalgamation/ reorganization, nationalization, etc. - RBI defaults or action by RBI against Borrower - insolvency/winding up/apprehension of insolvency - jeopardizing/prejudicial to security - inadequate insurance of lease assets, hire purchase assets and other assets/receivables offered as security <b>• Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: - Take possession of security and appoint receiver, enforce security - Sell security by public auction or otherwise and appropriate proceeds

4. Bank of Maharashtra

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
1,000.00	7,22.20	<b>• Purpose of the Loan:</b> For onward lending towards financing to companies engaged in infrastructure activity, permissible as per RBI Guidelines to banks on financing to NBFC (IFC)

		<ul style="list-style-type: none"> <li>• <b>Tenure:</b> 60 months</li> <li>• <b>Date of Disbursement:</b> September 19, 2012</li> <li>• <b>Repayment:</b> 54 equal monthly instalments after a moratorium of 6 months from the date of first disbursement.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation/assignment of specific assets for operating lease, Lease rentals and hire purchase/loan instalments for assets acquired/financed and /or to be acquired /to be financed out of the loan proceeds with value of 1.18 times(minimum) of the outstanding term loan amount.</li> <li>• <b>Prepayment:</b> <ul style="list-style-type: none"> <li>- Company is allowed to prepay the term loan within 15 days from The date of interest reset without prepayment charges.</li> <li>- 1% of the amount pre-paid as per repayment schedule.</li> </ul> </li> <li>• <b>Penalty:</b> <ul style="list-style-type: none"> <li>- Submission of annual accounts within a period not exceeding 6 months from the close of previous accounting year or else penal Interest of 1% shall be levied for default period.</li> </ul> </li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non repayment of any loan instalments and /or servicing of interest on due date</li> <li>– Breach/default in any term and conditions sanctioned</li> <li>– Violation of purpose</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– In case of payment default, the bank shall and or the RBI/CIBIL will have an unqualified right to disclose or publish the name of firms and its directors as defaulters in such manner and through medium as the bank or RBI/CIBIL in their absolute discretion may deem fit.</li> <li>– Adverse effect on credit rating with higher interest rate.</li> <li>– Adverse effect on assets class of the borrower</li> <li>– In case of violation of the purpose clause, lender may recall the loan</li> </ul> </li> </ul>
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5. Canara Bank

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
2,000.00	1,800.00	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For ongoing business requirement for Onward lending for acquiring new/used equipment</li> <li>• <b>Tenure:</b> 66 months</li> <li>• <b>Date of Disbursement:</b> May 23, 2013</li> <li>• <b>Repayment:</b> 20 equal quarterly instalments with 6 months of moratorium</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation/assignment of specific assets acquired/financed and /or to be acquired /to be financed out of the loan proceeds and charge over the entire rentals/instalments receivables against such assets.</li> <li>• <b>Prepayment:</b> <ul style="list-style-type: none"> <li>- 2% prepayment penalty on the outstanding exposure at the time of prepayment</li> <li>- No prepayment charges if it is effected at the insistence of the Lenders or prepayment made from internal accruals/equity raise with prior notice of 30 days.</li> </ul> </li> <li>• <b>Penalty:</b> <ul style="list-style-type: none"> <li>- Noncompliance of sanction terms/conditions. In this case 2% penal interests over and above applicable ROI.</li> <li>- Non submission of periodical information like Book debt Statement or financial statements before 31<sup>st</sup> October every year will attract 2% penal interest on outstanding liability.</li> <li>- For payment default, 2% p.a. on the total outstanding for the period of default.</li> </ul> </li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non repayment of any loan instalments and /or servicing of interest on due date</li> </ul> </li> </ul>

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		<ul style="list-style-type: none"> <li>– Breach of default in performance or observance of any provisions and /or security documents and/ or terms and conditions of sanctioned and/ or compliance of any other instructions</li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Whole advance become forthwith due and payable on demand and enforcement of security.</li> </ul> </li> </ul>

6. Corporation Bank

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
650.00	310.00	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> To finance assets utilized in infrastructure development to be given on lease/HP/loan</li> <li>• <b>Tenure:</b> 54 months</li> <li>• <b>Date of Disbursement:</b> December 29, 2011</li> <li>• <b>Repayment:</b> 48 equal instalments with 6 months of moratorium</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation/assignment of assets financed /to be financed and assignment of entire rentals and instalments receivable against such assets acquired out of our bank finance.</li> <li>• <b>Prepayment:</b> 2% prepayment penalty on the amount prepaid for the balance tenure of the loan.</li> <li>• <b>Penalty:</b></li> <li>• In case of non-submission of periodical information like Book debt Statement or financial statements. Bank will charge 1% penal interest above the ROI as applicable</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non repayment of any loan instalments and /or servicing of interest on due date</li> <li>– Breach of default in performance or observance of any provisions and /or security documents and/ or terms and conditions of sanctioned and/ or compliance of any other instructions</li> <li>– Committing an act of insolvency and /or going into liquidation</li> <li>– Appointment of receiver/winding up of business</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Entire outstanding amount being due for payable</li> <li>– Bank and/or RBI has the unqualified right to publish the name of firm and its directors as defaulters.</li> <li>– Enforcement of security</li> </ul> </li> </ul>

7. DBS Bank Ltd

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
1,000.00	630.00	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> The loan proceeds will be used for on-lending to infrastructure projects and for financing purchase of equipments to be used in infrastructure projects.</li> <li>• <b>Tenure:</b> 5yr</li> <li>• <b>Date of Disbursement:</b> September 29, 2011</li> <li>• <b>Repayment:</b> 1<sup>st</sup> year-nil, 2<sup>nd</sup> year-4% of facility amount payable at the end of each quarter, 3<sup>rd</sup> year to 5<sup>th</sup> year (final maturity) - 7% of facility amount payable at the end of each quarter.</li> </ul>

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		<ul style="list-style-type: none"> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> First pari-passu charge on the receivables from project finance and equipment finance funded by the loan Facility. The charge will also extend to equipments and all other rights and security obtained by the Borrower under the project finance or equipment finance funded by the loan facility.</li> <li>• <b>Prepayment:</b> prepayment will be with prior arrangement with the Bank and upon agreed prepayment penalty if any.</li> <li>• <b>Penalty:</b> 3% over the respective ROI on the overdue amount from due date upto of actual payment</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Default in payment due</li> <li>– Misrepresentation of facts/undertaking/security etc.</li> <li>– Security documents found invalid or unenforceable</li> <li>– Default to furnish any financial information</li> <li>– Amalgamation/ compromise or reconstruction without prior notice</li> <li>– Winding up/insolvency/material adverse change/material litigation</li> <li>– Compulsory acquisition/ nationalization or expropriation</li> <li>– Revocation or withdrawal of permission for financial facility</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– The entire balance amount along with interest and principle become due and payable</li> <li>– Enforcement of security and public auction of such security</li> </ul> </li> </ul>

8. ICICI Bank

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
1,500.00	1,031.25	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For on lending to companies engaged in infrastructure activity, permissible as per RBI Guidelines to Banks on the financing to NBFC (IFC)</li> <li>• <b>Tenure:</b> 60 months</li> <li>• <b>Date of Disbursement:</b> February 8, 2012</li> <li>• <b>Repayment:</b> 16 equal quarterly instalments, first instalment commencing after end of 12<sup>th</sup> month from the date of disbursement.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation of specific pool of assets and receivables with beneficial interest on underlying assets</li> <li>• <b>Prepayment:</b> Prepayment premium of 1.00% on the principal amount of loan prepaid with 15 days prior notice to the Bank.</li> <li>• <b>Penalty:</b> documented rate 6 % p.a. payable monthly from due date till overdue amount is paid</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Default of interest payment</li> <li>– Default in repayment of any loan instalments and /or servicing of interest on due date</li> <li>– Default in security creation or charge</li> <li>– Non performance of its obligations or any terms and conditions or security become enforceable for any reasons etc.</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Appointment and retention of nominees/ observers on the Board of Directors</li> <li>– Appointment of concurrent auditors</li> <li>– Acceleration of loan</li> <li>– Enforcement of security</li> </ul> </li> </ul>

9. ICICI Bank

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
1,500.00	1,000.00	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For on lending to companies engaged in infrastructure activity, permissible as per RBI Guidelines to Banks on the financing to NBFC (IFC)</li> <li>• <b>Tenure:</b> 48 months</li> <li>• <b>Date of Disbursement:</b> June 26, 2012</li> <li>• <b>Repayment:</b> 12 quarterly instalments after a 1 year moratorium from the date of first disbursement.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation of specific pool of assets and receivables with beneficial interest on underlying assets.</li> <li>• <b>Prepayment:</b> Prepayment premium of 1.00% on the principal amount of loan prepaid with 15 days prior notice to the Bank.</li> <li>• <b>Penalty:</b> Documented rate 6 % p.a. payable monthly from due date till overdue amount is paid</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Default of interest payment</li> <li>– Default in repayment of any loan instalments and /or servicing of interest on due date</li> <li>– Default in security creation or charge</li> <li>– Non-performance of its obligations or any terms and conditions or security become enforceable for any reasons etc.</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Appointment and retention of nominees/ observers on the Board of Directors</li> <li>– Appointment of concurrent auditors</li> <li>– Acceleration of loan, enforcement of security</li> </ul> </li> </ul>

10. ICICI Bank

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
1,000.00	1,000.00	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For on lending to companies engaged in infrastructure activity, permissible as per RBI Guidelines to Banks on the financing to NBFC (IFC)</li> <li>• <b>Tenure:</b> 3 yrs from the first drawn date</li> <li>• <b>Date of Disbursement:</b> June 20, 2014</li> <li>• <b>Repayment:</b> 8 equal quarterly installments commencing from the 15<sup>th</sup> month from the date of first disbursement</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation of specific pool of assets and receivables with beneficial interest on underlying assets.</li> <li>• <b>Prepayment:</b> Prepayment premium of 1.00% on the principal amount of loan prepaid with 15 days prior notice to the Bank.</li> <li>• <b>Penalty:</b> Documented rate 6 % p.a. payable monthly from due date till overdue amount is paid</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Default of interest payment</li> <li>– Default in repayment of any loan instalments and /or servicing of interest on due date</li> <li>– Default in security creation or charge</li> <li>– Non-performance of its obligations or any terms and conditions or security become enforceable for any reasons etc.</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows:</li> </ul>

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		<ul style="list-style-type: none"> <li>– Appointment and retention of nominees/ observers on the Board of Directors</li> <li>– Appointment of concurrent auditors.</li> <li>– Acceleration of loan, enforcement of security</li> </ul>

11. Indian Overseas Bank

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
500.00	71.43	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> To acquire-finance specific infrastructure assets for operational lease/hire purchase etc.</li> <li>• <b>Tenure:</b> 48 months</li> <li>• <b>Date of Disbursement:</b> March 30, 2011</li> <li>• <b>Repayment:</b> 14 quarterly instalments after a moratorium of 6 months.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation of assets financed and assignment of entire rentals and instalments receivable against such assets.</li> <li>• <b>Prepayment:</b> Company is liable for prepayment charges @1% of prepaid amount as per banks' guidelines.</li> <li>• <b>Penalty:</b> As per the extent guidelines of the Bank i.e. present at 2.00%.</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non-payment of instalment of principal or interest for a period of 15 days</li> <li>– Misrepresentation of statements or facts</li> <li>– Breach or default in non-performance or observances</li> <li>– Act of insolvency/winding up/distress on borrower assets/liquidation etc.</li> <li>– Appointment of receiver for any part of the borrower</li> <li>– Adverse effect on capacity of borrower's payment</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Enforcement of security</li> <li>– Public auction of the security</li> </ul> </li> </ul>

12. Karur Vysya Bank

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
500.00	361.11	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> To purchase infrastructure equipment for leasing and hire purchase activities to infrastructure projects and renewable energy-under multiple banking arrangement</li> <li>• <b>Tenure:</b> 5 years</li> <li>• <b>Date of Disbursement:</b> July 24, 2012</li> <li>• <b>Repayment:</b> 18 equal quarterly instalments with an initial moratorium of 6 months from date of disbursement.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge on assets acquired/ to be acquired out of the term loan and outstanding HP/lease/loan receivables.</li> <li>• <b>Prepayment:</b> 2%.</li> <li>• <b>Penalty:</b> <ul style="list-style-type: none"> <li>- In case of default of instalment/interest dues, 3% p.a. penal interest rate will be charged on overdue amount for overdue period.</li> <li>- Non adherence of sanctioned terms and conditions, also such penal interest will be charged</li> </ul> </li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non repayment of principal remaining for a period of 15 days</li> <li>– Non-payment of interest remaining unpaid for a period of one month</li> </ul> </li> </ul>

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		<ul style="list-style-type: none"> <li>– Misrepresentation of statement</li> <li>– Breach or default of non-performance/observance of any sanctioned terms or security documents</li> <li>– Any act of insolvency/event of distress/appointment of receiver/winding up etc.</li> <li>– Adverse effect in any manner to repay the loan\</li> <li>– Jeopardise of security given</li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Bank reserves the right to recall the facility.</li> <li>– Enforcement and liquidation of security.</li> </ul> </li> </ul>

13. Oriental Bank of Commerce

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
2,500.00	1,944.44	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For onward lending and general business propose</li> <li>• <b>Tenure:</b> 5 years</li> <li>• <b>Date of Disbursement:</b> December 29, 2012</li> <li>• <b>Repayment:</b> 54 equal monthly instalments starting from the first month after the date of disbursement.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation/assignment of entire rentals and instalments receivable against such assets to be acquired out of our Bank finance.</li> <li>• <b>Prepayment:</b> 2%.</li> <li>• <b>Penalty:</b> NIL</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non repayment of principal remaining for a period of 15 days</li> <li>– Non-payment of interest remaining unpaid for a period of one month</li> <li>– Misrepresentation of statement</li> <li>– Breach or default of non-performance/observance of any sanctioned terms or security documents</li> <li>– Any act of insolvency/event of distress/appointment of receiver/winding up etc.</li> <li>– Adverse effect in any manner to repay the loan\</li> <li>– Jeopardise of security given</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Bank reserves the right to recall the facility.</li> <li>– Enforcement and liquidation of security.</li> </ul> </li> </ul>

14. Oriental Bank of Commerce

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
2,000.00	2,000.00	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For onward lending and general business propose</li> <li>• <b>Tenure:</b> 5 years 6 months</li> <li>• <b>Date of Disbursement:</b> March 14, 2014</li> <li>• <b>Repayment:</b> 20 quarterly instalments after a moratorium of 6 months from the date of first disbursement.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation/assignment of entire rentals and instalments receivable against such assets to be acquired out of our Bank</li> </ul>

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		<p>finance.</p> <ul style="list-style-type: none"> <li>• <b>Prepayment:</b> 2%.</li> <li>• <b>Penalty:</b> NIL</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non repayment of principal remaining for a period of 15 days</li> <li>– Non-payment of interest remaining unpaid for a period of one month</li> <li>– Misrepresentation of statement</li> <li>– Breach or default of non-performance/observance of any sanctioned terms or security documents</li> <li>– Any act of insolvency/event of distress/appointment of receiver/winding up etc.</li> <li>– Adverse effect in any manner to repay the loan\</li> <li>– Jeopardise of security given</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Bank reserves the right to recall the facility.</li> <li>– Enforcement and liquidation of security.</li> </ul> </li> </ul>

15. Punjab & Sind Bank

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
1,000.00	550.00	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For on lending to companies engaged in infrastructure activity</li> <li>• <b>Tenure:</b> 5 yrs</li> <li>• <b>Date of Disbursement:</b> February 21, 2012</li> <li>• <b>Repayment:</b> 20 quarterly instalments after a moratorium of 3 months from the date of first disbursement</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation/assignment of specific assets for operating lease, lease rentals/loan assets and hire purchase/loan instalments for assets acquired/financed and /or to be acquired/to be financed out of the loan.</li> <li>• <b>Prepayment:</b> <ul style="list-style-type: none"> <li>- Prepayment as per Bank's guidelines</li> </ul> </li> <li>• <b>Penalty:</b> <ul style="list-style-type: none"> <li>- Penal Interest of 2% p.a. will be charged on the overdue amount for the period account remains overdrawn.</li> <li>- Penal Interest of 2% will be charged, in case of non-compliance of terms and conditions of sanction</li> </ul> </li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– default in payment</li> <li>– default of covenants</li> <li>– Any act of insolvency/event of distress/appointment of receiver/winding up etc.</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Bank and/or RBI has the unqualified right to publish the name of firm and its directors as defaulters.</li> <li>– Bank reserves the right to recall the facility.</li> <li>– Enforcement and liquidation of security.</li> </ul> </li> </ul>

16. Punjab & Sind Bank

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
1,000.00	1,000.00	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For on lending to companies engaged in infrastructure activity</li> <li>• <b>Tenure:</b> 5 yrs</li> <li>• <b>Date of Disbursement:</b> January 31, 2014</li> <li>• <b>Repayment:</b> 54 equal monthly instalments after a moratorium of 6 months from the date of first disbursement.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation/assignment of specific assets for operating lease, lease rentals/loan assets and hire purchase/loan instalments for assets acquired/financed and /or to be acquired/to be financed out of the loan.</li> <li>• <b>Prepayment:</b> <ul style="list-style-type: none"> <li>- Prepayment as per Bank's guidelines</li> </ul> </li> <li>• <b>Penalty:</b> <ul style="list-style-type: none"> <li>- Penal Interest of 2% p.a. will be charged on the overdue amount for the period account remains overdrawn.</li> <li>- Penal Interest of 2% will be charged, in case of non-compliance of terms and conditions of sanction</li> </ul> </li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>- default in payment</li> <li>- default of covenants</li> <li>- Any act of insolvency/event of distress/appointment of receiver/winding up etc.</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>- Bank and/or RBI has the unqualified right to publish the name of firm and its directors as defaulters.</li> <li>- Bank reserves the right to recall the facility.</li> <li>- Enforcement and liquidation of security.</li> </ul> </li> </ul>

17. State Bank of Bikaner & Jaipur

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
500.00	35.60	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For on lending to infrastructure projects</li> <li>• <b>Tenure:</b> 4 Yrs</li> <li>• <b>Date of Disbursement:</b> September 29, 2010</li> <li>• <b>Repayment:</b> 46 monthly instalments, first 45 instalments of ₹10.80 million &amp; last instalment of ₹14.00 million with re-payment to start after 2 months from the date of first disbursement.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation of specific assets for operating lease, lease rentals and hire purchase/loan instalments for asset acquired/financed and/or to be acquired/to be financed out of the loan proceeds.</li> <li>• <b>Prepayment:</b> As prescribed except in case prepayment is made by the Company on interest reset due date or at the instance of the Bank</li> <li>• <b>Penalty:</b> <ul style="list-style-type: none"> <li>- Penal Interest at 1% p.a. on the total outstanding in the event of deviation upto 20% in financial covenants</li> </ul> </li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>- Non repayment of principal remaining for a period of 15 days</li> <li>- Non-payment of interest remaining unpaid for a period of one month</li> <li>- Misrepresentation of statement</li> <li>- Breach or default of non-performance/observance of any sanctioned terms or security documents</li> <li>- Any act of insolvency/event of distress/appointment of receiver/winding up etc.</li> </ul> </li> </ul>

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		<ul style="list-style-type: none"> <li>– Adverse effect in any manner to repay the loan\</li> <li>– Jeopardise of security given</li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Bank reserves the right to recall the facility.</li> <li>– Enforcement and liquidation of security.</li> </ul> </li> </ul>

18. State Bank of Bikaner & Jaipur

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
1,000.00	900.00	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For on lending to infrastructure projects</li> <li>• <b>Tenure:</b> 5 Yrs</li> <li>• <b>Date of Disbursement:</b> June 29, 2013</li> <li>• <b>Repayment:</b> 60 equal monthly instalments after a moratorium of 6 months from the date of first disbursement</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation of specific assets for operating lease, lease rentals and hire purchase/loan instalments for asset acquired/financed and/or to be acquired/to be financed out of the loan proceeds.</li> <li>• <b>Prepayment:</b> 2% prepayment charge on prepaid amount. However no prepayment will be charged in case of the following conditions, <ul style="list-style-type: none"> <li>- In case the interest rate spread is not acceptable by borrower.</li> <li>- In case the pre-payment being effected at the insistence of Lender.</li> </ul> </li> <li>• <b>Penalty:</b> <ul style="list-style-type: none"> <li>- Penal Interest at 1% p.a. on the total outstanding in the event of non-payment of interest/instalment/cross default</li> <li>- Additional interest of 2% p.a. over and above the applicable rate for payment default</li> </ul> </li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Default in payment of interest, additional interest and/or Principal</li> <li>– Non repayment of principal remaining for a period of 15 days</li> <li>– Non-payment of interest remaining unpaid for a period of one month</li> <li>– Misrepresentation of statement</li> <li>– Breach or default of non-performance/observance of any sanctioned terms or security documents</li> <li>– Any act of insolvency/event of distress/appointment of receiver/winding up etc.</li> <li>– Adverse effect in any manner to repay the loan</li> <li>– Jeopardy/depreciation of security given</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Bank reserves the right to recall the facility.</li> <li>– Enforcement and liquidation of security</li> </ul> </li> </ul>

19. State Bank of Hyderabad

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
500.00	194.44	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For onward lending and general business propose</li> <li>• <b>Tenure:</b> 5 Yrs</li> <li>• <b>Date of Disbursement:</b> March 31, 2011</li> <li>• <b>Repayment:</b> 54 equal monthly instalments, first instalment commencing after 6 months from the date of first disbursement.</li> </ul>

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		<ul style="list-style-type: none"> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge over lease and hire purchase assets acquired/ to be acquired out if the term loan as well as receivable arising out of such assets.</li> <li>• <b>Prepayment:</b> As per Bank's guidelines</li> <li>• <b>Penalty:</b> NIL</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non repayment of principal/interest remaining for a period of 30 days</li> <li>– Misrepresentation of statement</li> <li>– Breach or default of non-performance/observance of any sanctioned terms or security documents</li> <li>– Any act of insolvency/event of distress/appointment of receiver/winding up etc.</li> <li>– Adverse effect in any manner to repay the loan\</li> <li>– Jeopardise of security given</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Bank reserves the right to recall the facility.</li> <li>– Enforcement and liquidation of security.</li> </ul> </li> </ul>

20. State Bank of Hyderabad

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
750.00	359.38	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> To finance for acquiring assets for onward lending of retail assets on hire purchase/lease basis.</li> <li>• <b>Tenure:</b> 4 Yrs and 6 months</li> <li>• <b>Date of Disbursement:</b> November 17, 2011</li> <li>• <b>Repayment:</b> 4 years and 6 months including the moratorium of 6 months from date of first disbursement.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge over lease and hire purchase assets acquired/ to be acquired out if the term loan as well as receivable arising out of such assets.</li> <li>• <b>Prepayment:</b> As per Bank's guidelines</li> <li>• <b>Penalty:</b></li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non repayment of principal/interest remaining for a period of 30 days</li> <li>– Misrepresentation of statement</li> <li>– Breach or default of non-performance/observance of any sanctioned terms or security documents</li> <li>– Any act of insolvency/event of distress/appointment of receiver/winding up etc.</li> <li>– Adverse effect in any manner to repay the loan\</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Bank reserves the right to recall the facility.</li> <li>– Enforcement and liquidation of security.</li> </ul> </li> </ul>

21. State Bank of Patiala

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
1,000.00	604.17	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For onward lending towards financing infrastructure projects and acquiring infrastructure equipment/machineries for lending on Hire-purchase/ Lease basis.</li> </ul>

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		<ul style="list-style-type: none"> <li>• <b>Tenure:</b> 4 Yrs and 6 months</li> <li>• <b>Date of Disbursement:</b> March 09, 2012</li> <li>• <b>Repayment:</b> 48 equal monthly instalments after a moratorium of 6 months from the date of first disbursement.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation of specific assets, receivables arising there from, with beneficial interest on underlying assets covered by specific Hire Purchase/ Lease / Loan agreements.</li> <li>• <b>Prepayment:</b> <ul style="list-style-type: none"> <li>- No Prepayment if demanded by Bank</li> <li>- Prepayment penalty of 2% p.a. on the amount pre paid within 24 months from date of disbursement</li> <li>- No prepayment penalty if repaid after 24 months from the date of disbursement</li> </ul> </li> <li>• <b>Penalty: Penal interest over and above the normal interest rate will be charged in following cases,</b> <ul style="list-style-type: none"> <li>- Delay in servicing of interest and instalments</li> <li>- Non submission of balance sheet and P &amp; L account within 6 months from due date of balance sheet</li> <li>- Non-compliance of terms of sanction</li> <li>- Penal interest of 2% above applicable ROI in case of overdue for non-payment of interest and instalments for default period</li> </ul> </li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>- payment default/breach</li> <li>- Insolvency/winding up/appointment of receiver</li> <li>- Execution/distress/depreciation of security</li> <li>- adverse effect on the Borrower's ability to repay loan</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>- Acceleration of loan</li> <li>- Enforcement of security</li> </ul> </li> </ul>

22. South Indian Bank

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
1,000.00	716.10	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For lending to companies engaged in infrastructure activity, permissible as per RBI guidelines to Banks on financing to NBFC(IFCs)</li> <li>• <b>Tenure:</b> 5 yrs</li> <li>• <b>Date of Disbursement:</b> July 11, 2012</li> <li>• <b>Repayment:</b> 60 equal monthly instalments of ₹16.70 million after a moratorium of 6 months from the date of first disbursement.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation/assignment of specific assets financed-HP and operating lease agreement and assignment of the rentals and instalments receivable against such assets.</li> <li>• <b>Prepayment:</b> <ul style="list-style-type: none"> <li>- No Prepayment if closed after 2 yrs</li> <li>- 1% of prepaid amount, if closed before 2 yrs</li> <li>- 2% of the pre-paid amount if closed through take over by other banks</li> </ul> </li> <li>• <b>Penalty:</b> Penal interest over and above the normal interest rate will be charged in following cases, <ul style="list-style-type: none"> <li>- Penal Interest 2% p.a. will be charged as per rules for default and non-compliance of any sanctioned terms</li> <li>- Limit renewed/ reviewed within 12 months lest 2 % to be charged</li> <li>- In case the account becomes NPA, penal interest of 2% will be charged</li> </ul> </li> </ul>

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		<ul style="list-style-type: none"> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non-payment of amount</li> <li>– Non-performance of covenants and conditions</li> <li>– Misrepresentation of information and statements</li> <li>– Inadequate security and insurance</li> <li>– Proceeding against or dissolution of borrower</li> <li>– Cessation or change in business</li> <li>– Jeopardize of security</li> <li>– Expropriation events</li> <li>– Change in control</li> <li>– Illegality or cross default</li> <li>– Deterioration of credit worthiness</li> <li>– Material adverse effect</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Outstanding amount become due and payable forthwith</li> <li>– Enforcement and liquidation of security</li> <li>– Appointment of whole time directors</li> <li>– Review of management</li> <li>– Conversion right</li> <li>– Revenue recovery proceeding</li> <li>– Assignment of debt and security</li> <li>– Suspension and termination</li> </ul> </li> </ul>

23. Syndicate Bank

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
1,000.00	851.85	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For meeting the onward lending requirement of the company.</li> <li>• <b>Tenure:</b> 60 months</li> <li>• <b>Date of Disbursement:</b> March 30, 2013</li> <li>• <b>Repayment:</b> 54 equal monthly instalments, of ₹18.50 million after the moratorium of 6 months from the date of first disbursement.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge on assets financed (including lease rentals, receivables) financed out of the term loan.</li> <li>• <b>Prepayment:</b> <ul style="list-style-type: none"> <li>- If closed without prior intimation of 7 days, penal interest of 1% p.a. shall be charged</li> </ul> </li> <li>• <b>Penalty:</b> Penal interest of 1% on the amount outstanding in the following cases, <ul style="list-style-type: none"> <li>- Non Compliance of sanction terms</li> <li>- Non submission of stock statement</li> <li>- Non submission of CA certified book debt</li> <li>- Non submission of CCR I/CCR II/ external ratings</li> </ul> </li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non repayment of principal/interest</li> <li>– Misrepresentation of statement</li> <li>– Breach or default of non-performance/observance of any sanctioned terms or security documents</li> <li>– Any act of insolvency/event of distress/appointment of receiver/winding up etc.</li> <li>– Adverse affect in any manner to repay the loan</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows:</li> </ul>

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		<ul style="list-style-type: none"> <li>– Recall of credit facilities and all outstanding become due and payable forthwith</li> <li>– Enforcement and liquidation of security</li> </ul>

24. Union Bank of India

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
2,000.00	1,000.00	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For onward lending in infrastructure activities</li> <li>• <b>Tenure:</b> 5 Yrs</li> <li>• <b>Date of Disbursement:</b> December 20, 2011</li> <li>• <b>Repayment:</b> 18 equal quarterly instalments of ₹111.11 million, after a moratorium of 6 months from the date of disbursement.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation/assignment of assets financed and assignment of the rentals and instalments receivable against such assets.</li> <li>• <b>Prepayment:</b> NIL</li> <li>• <b>Penalty:</b> NIL</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non-payment of interest and instalments</li> <li>– Any act of insolvency</li> <li>– Breach and default of observance or terms &amp; conditions</li> <li>– Execution of decree or any legal initiation on any part or entire property</li> <li>– Material adverse effect/winding up</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Outstanding amount become due and payable forthwith along with additional penal interest and other charges</li> </ul> </li> </ul>

25. Union Bank of India

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
2,000.00	1,555.56	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For onward lending in infrastructure activities</li> <li>• <b>Tenure:</b> 5 Yrs</li> <li>• <b>Date of Disbursement:</b> September 7, 2012</li> <li>• <b>Repayment:</b> 18 equal quarterly instalments, first instalment commencing after 6 months from the date of first disbursement</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation/assignment of assets financed and assignment of the rentals and instalments receivable against such assets.</li> <li>• <b>Prepayment:</b> NIL</li> <li>• <b>Penalty:</b> NIL</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non-payment of interest and instalments</li> <li>– Any act of insolvency</li> <li>– Breach and default of observance or terms &amp; conditions</li> <li>– Execution of decree or any legal initiation on any part or entire property</li> <li>– Material adverse effect/winding up</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Outstanding amount become due and payable forthwith along with additional</li> </ul> </li> </ul>

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		penal interest and other charges.

26. United Bank of India

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
2,000.00	875.00	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For on lending to companies engaged in infrastructure activity, permissible as per RBI guidelines</li> <li>• <b>Tenure:</b> 4 Yrs and 6 months</li> <li>• <b>Date of Disbursement:</b> September 29, 2011</li> <li>• <b>Repayment:</b> 16 equal quarterly instalments of ₹125.00 million after a moratorium of 6 months.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation/assignment of assets financed and assignment of the rentals and instalments receivable against such assets.</li> <li>• <b>Prepayment:</b> 1% of the amount pre paid for the residual period as per repayment schedule.</li> <li>• <b>Penalty:</b> Penal interest of 1% on the amount outstanding in the following cases, <ul style="list-style-type: none"> <li>- Delay in servicing of interest and instalment</li> <li>- Non Compliance of sanction terms</li> <li>- Non submission of stock statement</li> <li>- Non submission of requisite data for review within one year from last sanction date</li> </ul> </li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>- Non-payment of interest and instalments</li> <li>- Non-performance of any covenants</li> <li>- Misrepresentation of information</li> <li>- Any act of insolvency/ liquidation/winding up</li> <li>- Execution or distress or attachment or receiver or other process being enforced on whole or part of property</li> <li>- Nationalization or management undertaking</li> <li>- Jeopardise of security</li> <li>- Adverse effect on the status or constitution of the company which impact the borrower's performance</li> <li>- Breach or default of any terms and conditions of the sanction</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>- Bank take all or any action with or without intervention of the courts to recover the monies due and payable</li> <li>- Enforcement and liquidation of the security</li> </ul> </li> </ul>

27. United Bank of India

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
2,000.00	1,777.78	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> For on lending to companies engaged in infrastructure activity, permissible as per RBI guidelines</li> <li>• <b>Tenure:</b> 5 Yrs</li> <li>• <b>Date of Disbursement:</b> July 29, 2013</li> <li>• <b>Repayment:</b> 18 equal quarterly instalments after a moratorium of 6 months from the date of first disbursement.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive Charge by way of hypothecation/assignment of assets financed and assignment of the rentals and instalments receivable against such</li> </ul>

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		<p>assets.</p> <ul style="list-style-type: none"> <li>• <b>Prepayment:</b> 1.13% of the amount pre paid for the residual period as per repayment schedule.</li> <li>• <b>Penalty:</b> Penal interest of 1% on the amount outstanding in the following cases, <ul style="list-style-type: none"> <li>- Delay in servicing of interest and instalment</li> <li>- Non Compliance of sanction terms</li> <li>- Non submission of stock statement</li> <li>- Non submission of requisite data for review within one year from last sanction date</li> </ul> </li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>- Non-payment of interest and instalments</li> <li>- Non-performance of any covenants</li> <li>- Misrepresentation of information</li> <li>- Any act of insolvency/ liquidation/winding up</li> <li>- Execution or distress or attachment or receiver or other process being enforced on whole or part of property</li> <li>- Nationalization or management undertaking</li> <li>- Jeopardise of security</li> <li>- Adverse effect on the status or constitution of the company which impact the borrower's performance</li> <li>- Breach or default of any terms and conditions of the sanction</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>- Bank take all or any action with or without intervention of the courts to recover the monies due and payable</li> <li>- Enforcement and liquidation of the security.</li> </ul> </li> </ul>

## B. Foreign Term Loan-

### 1. Oesterreichische Entwicklungsbank AG ("OeEB")

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
1,235.69	1,235.69	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> On-lending Contracts towards on-lending to any entity (other than an individual) for the purpose of financing projects in the infrastructure sectors in India.</li> <li>• <b>Tenure:</b> 8 Years</li> <li>• <b>Date of Disbursement:</b> February 07, 2012</li> <li>• <b>Repayment:</b> 10 equal &amp; consecutive semi-annually installments.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive first charge over (i) all amounts, present, future, receivable by the borrower as payment to the borrower under the On-Lending Contracts (ii) all the rights &amp; security in respect of all On-lending Contracts &amp; all of the rights of the borrower in respect of any security created under the security documents granted from time to time in favour of the borrower pursuant to the On-Lending Contracts, (iii) other movables or receivables requested by the lender.</li> <li>• <b>Prepayment:</b> the Borrower may, if it gives the Lender not less than thirty (30) Business Days' prior notice (or such shorter notice as the Lender agrees), prepay the whole or any part of any Loan on a Repayment Date (but if in part, being an amount that reduces the amount of such Loan by a minimum amount of EUR 2,000,000 and being integral amounts of EUR 1,000,00</li> <li>• <b>Penalty:</b> : In case of default/delay in payment of interest, 2% higher than the rate which would have applied if the Unpaid Sum had not become due.</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>- Non-payment of interest due or instalments due on time</li> <li>- Non-performance/breach of any term</li> </ul> </li> </ul>

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		<ul style="list-style-type: none"> <li>– Misrepresentation of statements or facts/cross default</li> <li>– Insolvency/winding up/creditor's process</li> <li>– Unlawfulness/repudiation/governmental intervention/embargo/ illicit origin of funds/corruption</li> <li>– Material adverse change/deterioration in financial situation or business relationship</li> <li>– Monetary judgments/ cessation or suspension of trading/moratorium on external indebtedness</li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Unpaid amount or balance amount become liable to be paid/acceleration</li> <li>– Enforcement of security or appointment of receiver</li> </ul> </li> </ul>

2. DBS Bank Limited(Singapore)

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
601.70	601.70	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> (i) On-lending to any person (other than an individual) for the purpose of financing projects in the infrastructure projects in India.(ii) the financing of all or part of the purchase price of equipment to be used in infrastructure projects in India.</li> <li>• <b>Tenure:</b> 6 Years</li> <li>• <b>Date of Disbursement:</b> June05, 2012</li> <li>• <b>Repayment:</b> 7 unequal half yearly installments after 36 months of grace period.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> First Pari Passu hypothecation and floating charge over the Company's present &amp; future book debts, outstanding monies receivables, claims, bills, contracts, engagements, securities, investments, rights and assets from project finance/equipment finance funded by DBS facility.</li> <li>• <b>Prepayment:</b> the Borrower may, if it gives the Lender not less than fifteen (15) Business Days' prior notice (or such shorter notice as the Lender agrees), prepay the whole or any part of any Loan on a Repayment Date (but if in part, being an amount that reduces the amount of such Loan by a minimum amount of USD 5,000,000 and being integral amounts of USD 1,000,000).</li> <li>• <b>Penalty:</b> In case of default/delay in payment of interest, 2% higher than the rate which would have applied if the Unpaid Sum had not become due.</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non-payment of interest due or instalments due on time</li> <li>– Non-performance/breach of any sanctioned term/financial covenants</li> <li>– Misrepresentation of statements or facts/cross default</li> <li>– Insolvency/winding up/creditor's process</li> <li>– Unlawfulness/litigation/ /nationalisation/ exchange controls</li> <li>– Material adverse change/cessation or suspension of trading/security in jeopardy</li> <li>– Moratorium on external indebtedness/expropriation</li> <li>– Change of control/cessation of business/repudiation or rescission of agreements</li> <li>– Loss of authorisations/environmental matters</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Unpaid amount or balance amount become liable to be paid/cancellation of commitment/acceleration of loan</li> <li>– Enforcement of security or appointment of receiver</li> </ul> </li> </ul>

3. Australia and New Zealand Banking Group Limited & DBS Bank Limited.

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
1,805.10	1,805.10	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan::</b> (i) On-lending to any person (other than an individual) for the purpose of financing projects in the infrastructure projects in India.(ii) the financing of all or part of the purchase price of equipment to be used in infrastructure projects in India.</li> <li>• <b>Tenure:</b> 6 Years</li> <li>• <b>Date of Disbursement:</b> January 3, 2012</li> <li>• <b>Repayment:</b> 7 unequal half yearly installments after 36 months of grace period.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> Exclusive first charge over (i) assets acquired by the borrower using the proceeds of the facility and all documents pertaining thereto (ii) all receivables due to the borrower pursuant to the On-Lending Contracts (iii) all the rights &amp; security granted in favour of the borrower in each case pursuant to each On-Lending Contracts.</li> <li>• <b>Prepayment:</b> The Borrower may, if it gives the Agent not less than 30 Business Days (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period applicable thereto the whole or any part of any Loan (but, if in part, being an amount that reduces the amount of the Loan by a minimum amount of US\$5,000,000 (and thereafter, in integral multiples of US\$1 000,000).</li> <li>• <b>Penalty:</b> In case of default/delay in payment of interest, 2% higher than the rate which would have applied if the Unpaid Sum had not become due.</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non-payment of interest due or instalments due on time</li> <li>– Non-performance/breach of any sanctioned term/financial covenants</li> <li>– Misrepresentation of statements or facts/cross default</li> <li>– Insolvency/winding up/creditor's process</li> <li>– Unlawfulness/litigation/ /nationalisation/ exchange controls</li> <li>– Material adverse change/cessation or suspension of trading/security in jeopardy</li> <li>– Moratorium on external indebtedness/expropriation</li> <li>– Change of control/cessation of business/repudiation or recession of agreements</li> <li>– Loss of authorizations/environmental matters</li> <li>– Insolvency/winding up</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Unpaid amount or balance amount become liable to be paid/acceleration/cancellation of commitment</li> <li>– Enforcement of security or appointment of receiver</li> </ul> </li> </ul>

4. Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. ("FMO")

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
A-902.55 B-1,805.10	A-258.12 B-150.42	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> Financing the operating lease and financial lease activities of the Borrower to commercial SME enterprises and infrastructure projects operating in India.</li> <li>• <b>Tenure:</b> For A-9 years For B-8.5 years</li> <li>• <b>Date of Disbursement:</b> For A &amp; B- December 1, 2006</li> <li>• <b>Repayment:</b> For A-14 semi-annually installments For B-12 semi-annual installments</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> first charge on assets acquired from proceeds of facility and receivables under lease and hire purchase agreements in respect of such assets.</li> <li>• <b>Prepayment:</b> the Borrower may, if it gives FMO not less than fifteen (15) Business Days' (or such shorter period as FMO may agree) prior notice, prepay</li> </ul>

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		<p>the whole or any part of any Loan on a Repayment Date (but if in part, being an amount that reduces the amount of such Loan by a minimum amount of USD 3,000,000).</p> <ul style="list-style-type: none"> <li>• <b>Penalty:</b> In case of default/delay in payment of interest, 2% higher than the rate which would have applied if the Unpaid Sum had not become due.</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non-payment of interest due or instalments due on time</li> <li>– Any financial covenant not satisfied.</li> <li>– Non-performance/breach of any sanctioned term</li> <li>– Misrepresentation of statements or facts</li> <li>– Insolvency/winding up/creditor's process</li> <li>– Unlawfulness/repudiation/governmental intervention</li> <li>– Material adverse change/deterioration in financial situation</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Unpaid amount or balance amount become liable to be paid/acceleration of loan</li> <li>– Enforcement of security or appointment of receiver</li> </ul> </li> </ul>

5. Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. ("FMO")

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
A1-1,203.4 A2-1,203.40 B-1,805.10	A1-902.55 A2-902.55 B-1,263.57	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> Financing of Infrastructure projects in India and/ or equipment pertaining thereto (the "Projects").</li> <li>• <b>Tenure:</b> For A1 &amp; A2 – 9 years , For B-8 years</li> <li>• <b>Date of Disbursement:</b> For A1, A2 &amp; B - July 19, 2010</li> <li>• <b>Repayment:</b> 12 semi-annual installments for A1 and A2, 10 semi-annual installments for B with 36 months of moratorium</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> first charge on assets acquired out of proceeds of the loan, receivables under any investment agreement/transaction funded using the loan, rights under investment agreements.</li> <li>• <b>Prepayment:</b> The Borrower may, if it gives the Agent not less than thirty (30) Business Days' prior notice, prepay the whole or any part of any Loan on a Repayment Date (but if in part, being an amount that reduces the amount of such Loan by a minimum amount of USD 3,000,000 and being integral amounts of USD 1,000,000) with a prepayment fee of 2%.</li> <li>• <b>Penalty:</b> In case of default/delay in payment of interest, 2% higher than the rate which would have applied if the Unpaid Sum had not become due.</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non-payment of interest due or instalments due on time</li> <li>– Any financial covenant not satisfied.</li> <li>– Non-performance/breach of any sanctioned term/cross default</li> <li>– Misrepresentation of statements or facts</li> <li>– Insolvency/winding up/creditor's process</li> <li>– Unlawfulness/repudiation/governmental intervention/embargo/ illicit origin of funds/corruption</li> <li>– Material adverse change/deterioration in financial situation or business relationship</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Unpaid amount or balance amount become liable to be paid/acceleration of loan</li> <li>– Enforcement of security or appointment of receiver</li> </ul> </li> </ul>

6. UPS Capital Business Credit

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
713.67	441.47	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> Financing of Infrastructure projects in India and/ or equipment pertaining thereto (the “Projects”).</li> <li>• <b>Tenure:</b> 8 Years</li> <li>• <b>Date of Disbursement:</b> August 31, 2009</li> <li>• <b>Repayment:</b> 16 half-yearly unequal installments.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> charge on one new onshore diesel electric rig with 1000 HP capacity – FOB USD 13,445,000.</li> <li>• <b>Prepayment:</b> (a) any partial prepayment shall be in a minimum principal amount of U.S.\$742,622; (b) the Borrower shall have given the Lender and Ex-Im Bank at least ten (10) days’ prior written notice of the prepayment (which notice shall be irrevocable); (c) the Borrower shall have paid in full all amounts due under the Credit as of the date of such prepayment, including interest which has accrued to the date of prepayment on the amount prepaid.</li> <li>• <b>Penalty:</b> NIL.</li> <li>• <b>Events of Default:</b> Some of the material events of default are: <ul style="list-style-type: none"> <li>– Non-payment of interest due or instalments due on time</li> <li>– failure to comply with obligations/breach</li> <li>– Misrepresentation of statements or facts</li> <li>– Insolvency/winding up</li> <li>– Lien (not permitted lien) on Borrower’s property</li> <li>– Judgment against Borrower not covered by insurance</li> <li>– Government seizure/expropriation</li> <li>– Revocation of authorizations</li> <li>– Repudiation of credit agreement</li> <li>– Illegality of supply contract</li> <li>– Material adverse effect on borrow affecting its obligations</li> </ul> </li> <li>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows: <ul style="list-style-type: none"> <li>– Unpaid amount or balance amount become liable to be paid/acceleration</li> <li>– Enforcement of security or appointment of receiver</li> </ul> </li> </ul>

7. UPS Capital Business Credit

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
1283.19	793.80	<ul style="list-style-type: none"> <li>• <b>Purpose of the Loan:</b> Establishment of export financing credit for purchase of goods and services and payment of related exposure fee to facilitate exports from United States.</li> <li>• <b>Tenure:</b> 8 Years</li> <li>• <b>Date of Disbursement:</b> September 4, 2009</li> <li>• <b>Repayment:</b> 16 half-yearly unequal installments.</li> <li>• <b>Rescheduling:</b> NIL</li> <li>• <b>Security:</b> charge on one S&amp;S 1000 mechanical trailer mounted drilling rig FOB USD 8,575,000 and one drilling rig package LTI 2000 HP land rig FOB USD 15,600,000.</li> <li>• <b>Prepayment:</b> (a) any partial prepayment shall be in a minimum principal amount of U.S.\$1,335,283,44; (b) the Borrower shall have given the Lender and Ex-Im Bank at least ten (10) days’ prior written notice of the prepayment (which notice shall be irrevocable); (c) the Borrower shall have paid in full all amounts due under the Credit as of the date of such prepayment, including interest which has accrued to the date of prepayment on the amount prepaid.</li> <li>• <b>Penalty:</b> NIL</li> <li>• <b>Events of Default:</b> Some of the material events of default are:</li> </ul>

Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Terms and Conditions
		<ul style="list-style-type: none"> <li>– Non payment</li> <li>– failure to comply with obligations</li> <li>– Misrepresentation of statements or facts</li> <li>– Insolvency/winding up</li> <li>– Lien (not permitted lien) on Borrower's property</li> <li>– Judgment against Borrower not covered by insurance</li> <li>– Government seizure/expropriation</li> <li>– Revocation of authorizations</li> <li>– Repudiation of credit agreement</li> <li>– Illegality of supply contract</li> <li>– Material adverse effect on borrow affecting its obligations</li> </ul> <p>• <b>Consequences of Events of Default:</b> Some of the consequences on the happening of any event of default are as follows:</p> <ul style="list-style-type: none"> <li>– Unpaid amount or balance amount become liable to be paid/ acceleration</li> <li>– Enforcement of security or appointment of receiver</li> </ul>

**C. Working Capital under consortium\***

Sl. No.	Name of Lender	Type of Facility	Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Repayment Schedule	Security
1	Various Banks, Axis Bank being the Lead Bank under consortium*	WCDL	79,580.00	40,325.00	One year with renewable clause every year.	First charge by way of hypothecation of all assets for operating lease, lease rentals, hire purchase / loan assets and hypothecation & assignment of receivables on pari passu basis(excluding assets specifically charged to others) with all members of consortium.
		Cash Credit		27,272.00		

**\*Note: Name of Consortium members banks for Working Capital facility as on June 30, 2014:**

Sl. No.	Name of lender	Sl. No.	Name of lender
1	Allahabad Bank	16	Karur Vysya Bank
2	Andhra Bank	17	Oriental Bank of Commerce
3	Axis Bank	18	Punjab & Sind Bank
4	Bank of Baroda	19	Punjab National Bank
5	Bank of India	20	State Bank of Bikaner & Jaipur
6	Bank of Maharashtra	21	State Bank of Hyderabad
7	Canara Bank	22	State Bank of India
8	Central Bank of India	23	State Bank of Mysore
9	Corporation Bank	24	Syndicate Bank
10	Dena Bank	25	South Indian Bank
11	Dhanlaxmi Bank	26	UCO Bank
12	ICICI Bank	27	Union Bank of India
13	IDBI Bank	28	United Bank of India
14	Indian Bank	29	Vijaya Bank
15	Indian Overseas Bank		

**II. Details of Unsecured Loan Facilities:**

Sl. No.	Name of Lender	Type of Facility	Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Repayment Schedule
1	Quippo Telecom Infrastructure Ltd	Inter Corporate Deposit	6.30	6.30	Payable on demand
2	Srei Mutual Fund Assets Management Pvt Ltd	Inter Corporate Deposit	98.60	98.60	₹95 million on 30/11/2014 ₹3.6 million, payable on demand
3	Supreme Infrastructure BOT	Inter Corporate Deposit	8.87	8.87	Payable on demand

### III. Details of NCD's:

#### • Secured Redeemable Non-convertible Debentures\*:

Sl. No.	Debenture Series	Tenor / Period of Maturity (Days/Year)	Coupon per annum	Amount Outstanding (₹ in Million)	Date of Allotment	Date of Maturity	Credit Rating
1	N.A	5 Years	11.75%	500.00	4-Nov-11	4-Nov-16	CARE AA-
2	N.A	5 Years	11.75%	550.00	9-Sep-11	9-Sep-16	CARE AA- & BWR AA
3	N.A	10 Years	11.90%	100.00	9-Sep-11	9-Sep-21	CARE AA- & BWR AA
4	N.A	5 Years	11.75%	130.00	10-Oct-11	10-Oct-16	CARE AA- & BWR AA
5	N.A	3 Years	11.40%	270.00	10-Oct-11	10-Oct-14	CARE AA- & BWR AA
6	N.A	5 Years	11.75%	150.00	29-Oct-11	29-Oct-16	CARE AA- & BWR AA
7	N.A	10 Years	11.90%	300.00	29-Oct-11	29-Oct-21	CARE AA- & BWR AA
8	N.A	3 Years	11.40%	400.00	21-Nov-11	21-Nov-14	CARE AA- & BWR AA
9	N.A	5 Years	11.75%	634.00	21-Nov-11	21-Nov-16	CARE AA- & BWR AA
10	N.A	5 Years	11.75%	464.00	16-Dec-11	16-Dec-16	CARE AA- & BWR AA
11	N.A	5 Years	11.75%	250.00	23-Dec-11	23-Dec-16	CARE AA- & BWR AA
12	N.A	5 Years	11.75%	252.00	12-Jan-12	12-Jan-17	CARE AA- & BWR AA
13	N.A	5 Years Redeemable in 3 equal instalments at the end of 3rd, 4th&5th year.	10.80%	2,000.00	15-Feb-12	15-Feb-17	CARE AA-
14	N.A	5 Years	11.30%	750.00	24-May-12	24-May-17	CARE AA- & BWR AA
15	N.A	10 Years	11.40%	7.00	8-Jun-12	8-Jun-22	CARE AA- & BWR AA
16	N.A	5 Years: Put /call option after 3 years from the date of allotment.	11.25%	150.00	8-Jun-12	8-Jun-15	CARE AA- & BWR AA
17	N.A	5 Years	11.50%	250.00	8-Jun-12	8-Jun-17	CARE AA- & BWR AA
18	N.A	3 Years	11.40%	910.00	8-Jun-12	8-Jun-15	CARE AA- & BWR AA
19	N.A	3 Years	11.40%	150.00	25-Jun-12	25-Jun-15	CARE AA- & BWR AA

Sl. No.	Debenture Series	Tenor / Period of Maturity (Days/Year)	Coupon per annum	Amount Outstanding (₹ in Million)	Date of Allotment	Date of Maturity	Credit Rating
20	N.A	5 Years	11.30%	200.00	25-Jun-12	25-Jun-17	CARE AA- & BWR AA
21	Series I	10 Years; buy back options after the expiry of 5 years from date of allotment	8.90%	34.10	22-Mar-12	22-Mar-17	CARE AA-
22	Series II	10 Years; buy back options after the expiry of 5 years from date of allotment	8.90%	95.00	22-Mar-12	22-Mar-17	CARE AA-
23	Series III	15 Years; buy back options after the expiry of 5 years from date of allotment	9.15%	26.10	22-Mar-12	22-Mar-17	CARE AA-
24	Series IV	15 Years; buy back options after the expiry of 5 years from date of allotment	9.15%	93.70	22-Mar-12	22-Mar-17	CARE AA-
25	N.A	3 Years	11.20%	62.00	31-Jul-12	31-Jul-15	CARE AA- & BWR AA
26	N.A	10 Years	11.40%	13.00	31-Jul-12	31-Jul-22	CARE AA- & BWR AA
27	N.A	5 Years	11.30%	427.00	31-Jul-12	31-Jul-17	CARE AA- & BWR AA
28	N.A	5 Years	11.55%	200.00	16-Jul-12	16-Jul-17	CARE AA- & BWR AA
29	N.A	3 Years	11.40%	100.00	22-Aug-12	22-Aug-15	CARE AA- & BWR AA
30	N.A	5 Years	11.48%	17.00	17-Sep-12	17-Sep-17	CARE AA- & BWR AA
31	N.A	3 Years	11.45%	100.00	17-Sep-12	17-Sep-15	CARE AA- & BWR AA
32	N.A	7 Years	11.55%	14.00	17-Sep-12	17-Sep-19	CARE AA- & BWR AA
33	N.A	10 Years	11.35%	200.00	05-Oct-12	05-Oct-22	CARE AA- & BWR AA
34	N.A	5 Years	11.30%	100.00	31-Oct-12	31-Oct-17	CARE AA- & BWR AA
35	Series I	7 Years; with put option after 60 months from date of allotment	9.84%	4.62	05-Nov-12	05-Nov-17	CARE AA- & BWR AA
36	Series II	7 Years; with put option after 60 months from date of allotment	9.92%	0.98	05-Nov-12	05-Nov-17	CARE AA- & BWR AA
37	Series III	7 Years; with put option after 60 months from date of allotment	10.30%	112.13	05-Nov-12	05-Nov-17	CARE AA- & BWR AA

Sl. No.	Debenture Series	Tenor / Period of Maturity (Days/Year)	Coupon per annum	Amount Outstanding (₹ in Million)	Date of Allotment	Date of Maturity	Credit Rating
38	Series III	7 Years from date of allotment	10.25%	630.00	05-Nov-12	05-Nov-19	CARE AA- & BWR AA
39	Series IV	7 Years; with put option after 60 months from date of allotment	N.A	5.17	05-Nov-12	05-Nov-17	CARE AA- & BWR AA
40	Series IV	7 Years from date of allotment	N.A	15.00	05-Nov-12	05-Nov-19	CARE AA- & BWR AA
41	N.A	5 Years from date of allotment	11.35%	150.00	2-Jan-13	2-Jan-18	CARE AA- & BWR AA
42	N.A	7 Years from date of allotment	11.45%	20.00	2-Jan-13	2-Jan-20	CARE AA- & BWR AA
43	N.A	10 Years from date of allotment	11.50%	4.00	24-Jan-13	24-Jan-23	CARE AA- & BWR AA
44	N.A	10 Years from date of allotment	11.50%	7.00	24-Jan-13	24-Jan-23	BWR AA
45	N.A	5 Years from date of allotment	11.40%	61.00	24-Jan-13	24-Jan-18	CARE AA- & BWR AA
46	N.A	15 Months from date of allotment	11.00%	1,375.00	26-Apr-13	26-Jul-14	CARE AA-
47	Series I	3 Years from date of allotment	10.35%	43.87	06-May-13	06-May-16	CARE AA- & BWR AA
48	Series II	3 Years from date of allotment	10.75%	55.95	06-May-13	06-May-16	CARE AA- & BWR AA
49	Series III	3 Years from date of allotment	10.76%	19.47	06-May-13	06-May-16	CARE AA- & BWR AA
50	Series IV	3 Years from date of allotment	11.00%	1,121.39	06-May-13	06-May-18	CARE AA- & BWR AA
51	Series V	5 Years from date of allotment	11.00%	15.48	06-May-13	06-May-18	CARE AA- & BWR AA
52	Series VI	6 Years 6 Months from date of allotment	11.24%	80.87	06-May-13	06-May-16	CARE AA- & BWR AA
53	N.A	3 Years from date of allotment	10.65%	89.70	11-Jun-13	11-Jun-16	CARE AA- & BWR AA
54	N.A	18 months from date of Allotment	10.35%	4.00	02-Jul-13	02-Jan-15	CARE AA- & BWR AA
55	N.A	3 Years from date of allotment	10.65%	25.00	02-Jul-13	02-Jul-16	CARE AA- & BWR AA
56	Series I	3 Years from date of allotment	10.75%	9.00	26-Sep-13	26-Sep-16	CARE AA- & BWR AA

Sl. No.	Debenture Series	Tenor / Period of Maturity (Days/Year)	Coupon per annum	Amount Outstanding (₹ in Million)	Date of Allotment	Date of Maturity	Credit Rating
57	Series I	3 Years from date of allotment	10.90%	3.40	26-Sep-13	26-Sep-16	CARE AA- & BWR AA
58	Series I	3 Years from date of allotment	11.50%	166.64	26-Sep-13	26-Sep-16	CARE AA- & BWR AA
59	Series II	3 Years from date of allotment	N.A.	73.67	26-Sep-13	26-Sep-16	CARE AA- & BWR AA
60	Series III	5 Years from date of allotment	11.16%	149.71	26-Sep-13	26-Sep-18	CARE AA- & BWR AA
61	Series IV	5 Years from date of allotment	10.85%	33.20	26-Sep-13	26-Sep-18	CARE AA- & BWR AA
62	Series IV	5 Years from date of allotment	11.00%	351.25	26-Sep-13	26-Sep-18	CARE AA- & BWR AA
63	Series IV	5 Years from date of allotment	11.75%	151.53	26-Sep-13	26-Sep-18	CARE AA- & BWR AA
64	Series V	6 Years 6 Months from date of allotment	N.A.	88.10	26-Sep-13	26-Dec-19	CARE AA- & BWR AA
65	N.A.	5 Years from date of allotment	11.00%	170.00	29-Nov-13	29-Nov-18	CARE AA- & BWR AA
66	N.A.	10 Years from date of allotment	11.10%	45.00	29-Nov-13	29-Nov-23	CARE AA- & BWR AA
67	N.A.	5 Years from date of allotment	11.00%	500.00	27-Dec-13	27-Dec-18	CARE AA- & BWR AA
68	Series I	2 Years from date of allotment	11.00%	22.93	11-Feb-14	11-Feb-16	CARE AA- & BWR AA
69	Series I	2 Years from date of allotment	11.25%	42.73	11-Feb-14	11-Feb-16	CARE AA- & BWR AA
70	Series II	2 Years from date of allotment	N.A.	1.00	11-Feb-14	11-Feb-16	CARE AA- & BWR AA
71	Series II	2 Years from date of allotment	N.A.	30.24	11-Feb-14	11-Feb-16	CARE AA- & BWR AA
72	Series III	3 Years from date of allotment	11.25%	2.00	11-Feb-14	11-Feb-17	CARE AA- & BWR AA
73	Series III	3 Years from date of allotment	11.25%	10.00	11-Feb-14	11-Feb-17	CARE AA- & BWR AA
74	Series III	3 Years from date of allotment	11.50%	67.42	11-Feb-14	11-Feb-17	CARE AA- & BWR AA
75	Series IV	3 Years from date of allotment	N.A.	44.02	11-Feb-14	11-Feb-17	CARE AA- & BWR AA
76	Series V	5 Years from date of allotment	11.50%	195.00	11-Feb-14	11-Feb-19	CARE AA- & BWR AA

Sl. No.	Debenture Series	Tenor / Period of Maturity (Days/Year)	Coupon per annum	Amount Outstanding (₹ in Million)	Date of Allotment	Date of Maturity	Credit Rating
77	Series V	5 Years from date of allotment	11.50%	268.30	11-Feb-14	11-Feb-19	CARE AA- & BWR AA
78	Series V	5 Years from date of allotment	11.75%	111.52	11-Feb-14	11-Feb-19	CARE AA- & BWR AA
79	Series VI	5 Years from date of allotment	10.94%	3.00	11-Feb-14	11-Feb-19	CARE AA- & BWR AA
80	Series VI	5 Years from date of allotment	11.16%	173.16	11-Feb-14	11-Feb-19	CARE AA- & BWR AA
81	Series VII	5 Years from date of allotment	Year 1: 12.50% Year 2: 12.00% Year 3: 11.50% Year 4: 11.25% Year 5: 11.25%	28.65	11-Feb-14	11-Feb-19	CARE AA- & BWR AA
82	Series I	3 Years from date of allotment	10.70%	20.90	28-May-14	28-May-17	CARE AA- & BWR AA
83	Series I	3 Years from date of allotment	11.40%	161.97	28-May-14	28-May-17	CARE AA- & BWR AA
84	Series II	3 Years from date of allotment	11.25%	31.66	28-May-14	28-May-17	CARE AA- & BWR AA
85	Series II	3 Years from date of allotment	12.00%	279.60	28-May-14	28-May-17	CARE AA- & BWR AA
86	Series III	3 Years from date of allotment	N.A.	107.25	28-May-14	28-May-17	CARE AA- & BWR AA
87	Series IV	5 Years from date of allotment	10.95%.	5.6	28-May-14	28-May-19	CARE AA- & BWR AA
88	Series IV	5 Years from date of allotment	11.40%.	75.66	28-May-14	28-May-19	CARE AA- & BWR AA
89	Series V	5 Years from date of allotment	11.50%.	201.53	28-May-14	28-May-19	CARE AA- & BWR AA
90	Series V	5 Years from date of allotment	12.00%.	562.54	28-May-14	28-May-19	CARE AA- & BWR AA
91	Series VI	5 Years from date of allotment	N.A.	53.29	28-May-14	28-May-19	CARE AA- & BWR AA
92	N.A.	5 Years from date of allotment	11.50%	200.00	10-Jun-14	10-Jun-19	CARE AA- & BWR AA
93	N.A.	10 Years from date of allotment	11.40%	100.00	10-Jun-14	10-Jun-24	CARE AA- & BWR AA

Sl. No.	Debenture Series	Tenor / Period of Maturity (Days/Year)	Coupon per annum	Amount Outstanding (₹ in Million)	Date of Allotment	Date of Maturity	Credit Rating
94	N.A.	5 Years from date of allotment	11.35%	150.00	16-Jun-14	16-Jun-19	CARE AA- & BWR AA

**\*Security:** Secured by Receivables/assets of the Company & Immovable Property

• **Unsecured Subordinate Debentures:**

Sl. No.	Debenture Series	Tenor/ Period of Maturity	Coupon per annum	Amount Outstanding (₹ in Million)	Date of Allotment	Date of Maturity	Credit Rating
1	N.A	10 years	12.00%	500.00	30-Mar-07	30-Mar-17	CARE AA- & ICRA A+
2	N.A	10 years	10.20%	2,000.00	23-Mar-10	23-Mar-20	CARE AA- & BWR AA
3	N.A	10 years	10.50%	500.00	10-Nov-10	10-Nov-20	CARE AA- & BWR AA
4	N.A	5 years 3 months	11.85%	200.00	30-Nov-11	28-Feb-17	BWR AA
5	N.A	10 years	11.90%	690.50	23-Dec-11	23-Dec-21	CARE AA- & BWR AA
6	N.A	5 years 3 months	11.75%	8.50	23-Dec-11	23-Mar-17	CARE AA- & BWR AA
7	N.A	10 years	11.90%	660.00	11-Jan-12	11-Jan-22	CARE AA- & BWR AA
8	N.A	5 years 3 months	11.75%	100.00	11-Jan-12	11-Apr-17	CARE AA- & BWR AA
9	N.A	10 years	11.90%	841.00	12-Jan-12	12-Jan-22	CARE AA- & BWR AA
10	N.A	10 years	11.40%	1,000.00	30-Mar-12	30-Mar-22	CARE AA- & BWR AA
11	N.A	5 years 3 months	11.50%	3.50	1-Jun-12	1-Sep-17	CARE AA- & BWR AA
12	N.A	10 years	11.50%	113.00	1-Jun-12	1-Jun-22	CARE AA- & BWR AA
13	N.A	5 years 3 months	11.50%	130.80	31-Jul-12	31-Oct-17	CARE AA- & BWR AA
14	N.A	10 years	11.50%	120.60	31-Jul-12	31-Jul-22	CARE AA- & BWR AA
15	N.A	5 years 3 months	11.50%	294.00	28-Sep-12	28-Dec-17	CARE AA- & BWR AA
16	N.A	10 years	11.70%	289.00	28-Sep-12	28-Sep-22	CARE AA- & BWR AA
17	N.A	10 years	11.70%	106.00	18-Oct-12	18-Jan-22	CARE AA- & BWR AA
18	N.A	10 years	11.70%	49.00	31-Oct-12	31-Oct-22	CARE AA- & BWR AA
19	N.A	5 years 3 months	11.50%	202.00	18-Oct-12	18-Jan-18	CARE AA- & BWR AA
20	N.A	5 years 3 months	11.50%	110.00	31-Oct-12	31-Jan-18	CARE AA- & BWR AA
21	N.A	5 Years 3 Months	11.50%	155.00	1-Jan-13	1-Apr-18	BWR AA
22	N.A	10 Years	11.85%	700.00	16-Jan-13	16-Jan-23	CARE AA- & BWR AA
23	N.A	5 Years 3 Months	11.50%	132.00	16-Jan-13	16-Apr-18	CARE AA- & BWR AA
24	N.A	10 Years	11.70%	25.00	16-Jan-13	16-Jan-23	CARE AA- & BWR AA
25	N.A	10 Years	11.80%	607.00	24-Jan-13	24-Jan-23	CARE AA- & BWR AA

Sl. No.	Debenture Series	Tenor/ Period of Maturity	Coupon per annum	Amount Outstanding (₹ in Million)	Date of Allotment	Date of Maturity	Credit Rating
26	N.A	5 Years 3 Months	11.50%	62.00	24-Jan-13	24-Apr-18	CARE AA- & BWR AA
27	N.A	5 Years 3 Months	11.50%	250.00	24-Jan-13	24-Apr-18	BWR AA
28	N.A	10 Years	11.80%	70.00	28-Jan-13	28-Jan-23	CARE AA- & BWR AA
29	N.A	5 Years 3 Months	11.50%	14.00	28-Jan-13	28-Apr-18	CARE AA- & BWR AA
30	N.A	10 Years	11.25%	175.00	1-Mar-13	1-Mar-23	CARE AA- & BWR AA
31	N.A	5 Years 3 Months	11.10%	114.00	1-Mar-13	1-Jun-18	CARE AA- & BWR AA
32	N.A	5 Years 3 Months	11.10%	30.00	22-Mar-13	22-Jun-18	CARE AA- & BWR AA
33	N.A	10 Years	11.25%	165.00	28-Mar-13	28-Mar-23	CARE AA- & BWR AA
34	N.A	7 Years	10.75%	116.00	29-Jun-13	29-Jun-20	CARE AA- & BWR AA
35	N.A	10 Years	10.75%	250.00	29-Jun-13	29-Jun-23	BWR AA
36	N.A	10 Years	10.75%	104.00	29-Jun-13	29-Jun-23	CARE AA- & BWR AA
37	N.A	5 Years 10 Months	10.60%	250.00	29-Jun-13	29-Apr-19	CARE AA- & BWR AA
38	N.A	5 Years 10 Months	10.60%	100.00	29-Jun-13	29-Apr-19	BWR AA
39	N.A	10 Years	10.75%	230.00	17-Jul-13	17-Jul-23	CARE AA- & BWR AA
40	N.A	5 Years 10 Months	10.60%	3.00	17-Jul-13	17-May-19	CARE AA- & BWR AA
41	N.A	5 Years 10 Months	10.60%	50.00	17-Jul-13	17-May-19	BWR AA
42	N.A	7 Years	10.75%	50.00	17-Jul-13	17-Jul-20	CARE AA- & BWR AA

**IV. Non-Convertible Debentures issued on private placement basis during the last five years:**

Year/Period ended	Amount Issued (₹ in Million)
30 <sup>th</sup> June, 2014	450.00
31 <sup>st</sup> March, 2014	2,208.70
31 <sup>st</sup> March, 2013	3,892.00
31 <sup>st</sup> March, 2012	6,530.00
31 <sup>st</sup> March, 2011	82,050.00
31 <sup>st</sup> March, 2010	63,730.00

**V. Top 10 holders of Debt instruments, as on June 30, 2014:**

**i) Top 10 Debenture Holders on cumulative basis for all outstanding Secured NCDs:**

Sl. No.	Name of Debenture Holders	Address of Debenture Holder	Amount (₹ in Million)
1	Life Insurance Corporation Of India	Investment Department 6th Floor, West Wing, Central Office Yogakshema, Jeevan Bima Marg Mumbai 400021	2,000
2	Standard Chartered Bank (Mauritius) Limited –Debt	Standard Chartered Bank, Crescenzo Securities Services, 3rd Floor C-38/39 G-Block, BKC Bandra (East) Mumbai India 400051	1,375
3	APSRTC Employees Provident Fund Trust	C/O APSTRC Employees Provident Fund Bus Bhavan (Administrative Building) Mushirabad, Hyderabad 500020	960
4	The Ratnakar Bank Ltd	Floor 6th, One Indiabulls Centre Tower 2, 841 Senapati Bapat Marg Elphinstone Mumbai 400012	940
5	United India Insurance Company Limited	Investment Department 24 Whites Road Royapettah Chennai 600014	800
6	Indian Overseas Bank	Treasury (Domestic) Central Office 763 Anna Salai Chennai 600002	750
7	The South Indian Bank Ltd	Crescenzo 804 8th Floor B Wing G Block Behind MCA Ground Bandra Kurla Complex Bandra E Mumbai 400051	500
	Union Bank Of India	C/O. ILFS, ILFS House, Plot No.14, Raheja Vihar, Chandivali, Andheri (E) Mumbai 400072	500
8	General Insurance Corporation Ltd	Suraksha. 170, J. TATA Road, Church Gate Mumbai 400020	350
9	Bank of India	Treasury Branch, Head Office, Star House, 7 <sup>th</sup> Floor, C-5, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai, 400 051	250
10	NPS Trust- A/C LIC Pension Fund Scheme - Central Government	C/O LIC Pension Fund Ltd Yogakshema, East Wing, 7th Floor Jeevan Bima Marg Mumbai 400021	235

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

Sl. No.	Name of Debenture Holders	Address of Debenture Holder	Amount (₹ in Million)
1	KSRTC Employees Contributory Provident Fund Trust	KSRTC Employees Contributory Provident Fund Trust, Board of Trustees, Provident Fund Transport House, K H Road, Bangalore, 560027	1,948.00
2	Bank Of India	Treasury Branch, Head Office, Star House, 7 <sup>th</sup> Floor, C-5, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai, 400 051	750.00
	Central Bank Of India	Central Bank Of India Treasury Department, Chandramukhi Building, Nariman Point, Mumbai 400021	750.00
3	Axis Bank Limited	Treasury Ops Non SLR Desk Corp Off Axis House Level 4 South BLK Wadia International Centre P B Marg Worli Mumbai 400025	633.00
4	Rajasthan Rajya Vidyut Karamchari Contributory Provident Fund	Rajasthan Rajya Vidut Prasaran Nig L Shed No 11 Vidyut Bhavan Jyoti Nagar Jaipur 302005	515.00
5	Food Corporation Of India CPF Trust	Khadya Sadan 13th Floor 16 20 Barakhamba Lane New Delhi 110001	500.00
6	Syndicate Bank	F I M Department Maker Towers E II Floor Cuffe Parade Colaba Mumbai 400005	450.00
7	RSRTC Contributory Provident Fund Trust	Secretary RSRTC LPF Trust C/O RSRTC , Parivahan Marg Jaipur 302001	330.00
	Trustees Hindustan Steel Limited Contributory provident Fund, Rourkela	Sail Rourkela, Rourkela 769001	330.00
8	Powergrid Employee Provident Fund Trust	Saudamini, Plot No 2 Sector 29 Near IFFCO Chowk Gurgaon, Haryana 122001	274.00
9	Yes Bank Limited	2nd Floor, TIECICON House Dr E Moses Road Opp Famous Studio Mahalaxmi, Mumbai 400011	251.00

10	Rajasthan Rajya Vidyut Karamchhari General Provident Fund	Rajasthan Rajya Vidut Prasaran Nig L Shed No 11 Vidyut Bhavan Jyoti Nagar Jaipur 302005	250.00
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**VI. Details of Corporate Guarantee issued by the Issuer as on June 30, 2014:**

Sl. No.	Counterparty	Amount (₹ in Million)
1	Quippo Oil and Gas Infrastructure Limited	417.30
2	Quippo Energy Private Limited	452.30
3	Ghaziabad Aligarh Expressway Pvt Ltd	1,013.60
4	Sahaj e Village Limited (Formerly Srei Sahaj e Village Pvt Ltd)	571.70
5	Right Towers Pvt. Ltd.	906.40
6	Optimum Infratel Pvt. Ltd.	2,014.50
	<b>Total</b>	<b>5,376.00</b>

**VII. Details of outstanding Commercial Paper as on June 30, 2014:**

Sl. No.	Maturity Date	Amount Outstanding (₹ in Million)
1	01-Aug-14	250
2	04-Aug-14	250
3	22-Aug-14	1,000

**Restrictive Covenants**

Many of our financing agreement includes various restrictive conditions and covenants restricting certain corporate actions, and our Company may be required to take the prior approval of the lender before carrying out such activities. For instance, our Company is required, inter alia, to obtain the prior written consent of the lenders in the following instances:

- Change in the capital structure of our Company;
- Substantial changes in the management set up;
- Make any fundamental changes such as the financial year of our Company;
- Formulate any scheme for merger, amalgamation or re-organization;
- Implement any scheme of expansion or diversification or capital expenditure except normal replacement;
- Approaching the capital markets for mobilising additional resources either in the form of debt or equity;
- Create or form a subsidiary of our Company;
- Undertake guarantee obligations on behalf of any other company, firm or person, other than in ordinary course of business;

Our Company has from time to time, obtained the consent of its lenders to undertake certain corporate actions and enter into various transactions. Our Company has obtained the requisite consents from its lenders in order to undertake the present Issue. For further information on restrictive covenants, please see “*Risk Factors*” on page no. 12 of this Shelf Prospectus.

**Servicing behaviour on debt securities, payment of due interest on due dates on term loans and debt securities**

As on the date of this Shelf Prospectus, there have been no defaults in payment of principal or interest on any term loan or debt securities issued by our Company in the past.

## SECTION VI: ISSUE RELATED INFORMATION

### ISSUE STRUCTURE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapters titled “*Terms of the Issue*” beginning on page no. 139 and “*Issue Procedure*” on page no. 153 of this Shelf Prospectus.

**The key common terms and conditions of the Public Issue of NCDs are as follows:**

#### Common Terms of NCDs

Issuer	Srei Infrastructure Finance Limited
Lead Managers	ICICI Securities Limited, A. K. Capital Services Limited, Edelweiss Financial Services Limited, SPA Capital Advisors Limited and Srei Capital Markets Limited
Co-Lead Managers	Bajaj Capital Limited, Integrated Enterprises (India) Limited, Karvy Investor Services Limited, RR Investors Capital Services Private Limited and SMC Capitals Limited
Debenture Trustee	Axis Trustee Services Limited
Registrar to the Issue	Karvy Computershare Private Limited
Issue	Public Issue of Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each, for an amount aggregating upto ₹ 15,000 million (“ <b>Shelf Limit</b> ”). The NCDs will be issued in one or more tranches (each being a “ <b>Tranche Issue</b> ”) subject to the Shelf Limit. In accordance with the terms and conditions set out in separate Tranche Prospectus for each such Tranche Issue which should be read together with the Shelf Prospectus of the Issue. The Shelf Prospectus together with the relevant Tranche Prospectus for a specific Tranche Issue shall constitute the “Prospectus”
Type of Instrument	Secured redeemable non-convertible debentures
Nature of Instrument	Secured
Seniority	The claims of the NCD Holders shall be superior to the claims of any unsecured creditors of the Company and subject to applicable statutory and/or regulatory requirements, rank pari passu inter se to the claims of other creditors of the Company having the same security.
Mode of Issue	Public Issue
Eligible Investors	<p>The following categories of persons are eligible to apply in the Issue:</p> <p><b><u>Category I (Institutional Category)</u></b></p> <ol style="list-style-type: none"> <li>1. Public financial institutions, statutory corporations, commercial banks, co-operative banks and regional rural banks, which are authorized to invest in the NCDs;</li> <li>2. Provident funds, pension funds, superannuation funds and gratuity fund, which are authorized to invest in the NCDs;</li> <li>3. Venture capital funds and / or Alternative Investment Funds registered with SEBI;</li> <li>4. Insurance companies registered with the IRDA;</li> <li>5. National Investment Fund;</li> <li>6. State industrial development corporations; and</li> <li>7. Mutual funds</li> </ol> <p><b><u>Category II (Non-Institutional Category)</u></b></p> <ol style="list-style-type: none"> <li>1. Companies, bodies corporate and societies registered under the applicable laws in India and authorized to invest in the NCDs;</li> <li>2. Public/private charitable/religious trusts which are authorized to invest in the NCDs;</li> <li>3. Scientific and/or industrial research organizations, which are authorized to invest in the NCDs;</li> <li>4. Partnership firms in the name of the partners;</li> <li>5. Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and</li> <li>6. Any other incorporated and/ or unincorporated body of persons.</li> </ol> <p><b><u>Category III (Individual Category)</u></b></p> <ol style="list-style-type: none"> <li>1. Resident Indian individuals; and</li> </ol>

	2. Hindu undivided families through the karta. Please see the section titled “ <b>Who can Apply</b> ” under Issue Procedure at page no. 154 of this Shelf Prospectus
Listing	The NCDs are proposed to be listed on BSE. The NCDs shall be listed within 12 Working Days from the date of Issue Closure. For more information, see “ <b>Other Regulatory And Statutory Disclosures – Listing</b> ” on page no. 179 of this Shelf Prospectus.
Rating of the Instrument	The NCDs have been rated ‘CARE AA- (Double A Minus)’ by CARE pursuant to letters dated July 16, 2014 and July 3, 2014 and revalidation letters dated September 9, 2014 and ‘BWR AA (BWR Double A)’ by BRICKWORK pursuant to letters dated November 4, 2011, September 14, 2012, June 19, 2013, June 18, 2014 and August 6, 2014 and revalidation letters dated September 22, 2014 and September 10, 2014. Instruments with a rating of ‘CARE AA- (Double A Minus)’ by CARE and ‘BWR AA (BWR Double A)’ by BRICKWORK are considered to have high degree of safety regarding timely servicing of financial obligations. The rating provided by CARE and BRICKWORK may be suspended, withdrawn or revised at any time by the assigning rating agency on the basis of new information etc., and should be evaluated independently of any other rating. The rating is not a recommendation to buy, sell or hold securities and investors should take their own investment decisions.
Base Issue	As mentioned in the respective Tranche Prospectus(es).
Option to retain Oversubscription Amount	As mentioned in the respective Tranche Prospectus(es).
Total Issue Size	Base Issue as mentioned in the respective Tranche Prospectus(es) with an option to retain oversubscription upto the rated size, as specified in the Shelf Prospectus
Objects of the Issue	Please see “ <b>Objects of the Issue</b> ” on page no. 56 of this Shelf Prospectus.
Details of the utilization of the Proceeds	Please see “ <b>Objects of the Issue</b> ” on page no. 56 of this Shelf Prospectus.
Coupon Rate	As mentioned in the respective Tranche Prospectus(es).
Step Up/Step Down Coupon Rate	As mentioned in the respective Tranche Prospectus(es).
Coupon Payment Frequency	As mentioned in the respective Tranche Prospectus(es).
Coupon payment dates	As mentioned in the respective Tranche Prospectus(es).
Coupon Type	As mentioned in the respective Tranche Prospectus(es).
Coupon Reset Process	As mentioned in the respective Tranche Prospectus(es).
Day Count Basis	Actual/Actual
Interest on Application Amount	Please see “ <b>Interest on Application &amp; Refund Amount</b> ” on page no. 142 of this Shelf Prospectus.
Default Interest Rate	As mentioned in the respective Tranche Prospectus(es).
Tenor	As mentioned in the respective Tranche Prospectus(es).
Redemption/Maturity Date	As mentioned in the respective Tranche Prospectus(es).
Maturity/Redemption Amount	As mentioned in the respective Tranche Prospectus(es).
Maturity/Redemption Premium/Discount	As mentioned in the respective Tranche Prospectus(es).
Issue Price (₹ per NCD)	₹ 1,000/-
Face Value (₹ per NCD)	₹ 1,000/-
Discount at which security is issued and the effective yield as a result of such discount	As mentioned in the respective Tranche Prospectus(es).
Call Option/Put Option	As mentioned in the respective Tranche Prospectus(es).
Minimum Application and in multiples of 1(one) NCD thereafter	As mentioned in the respective Tranche Prospectus(es)
In Multiples of	As mentioned in the respective Tranche Prospectus(es)
Issue Opening Date	As mentioned in the respective Tranche Prospectus(es).
Issue Closing Date	As mentioned in the respective Tranche Prospectus(es).
Pay-in Date	The date of Application. The entire Application Amount is payable on Application.
Deemed Date of Allotment	The Deemed Date of Allotment for the NCDs shall be the date on which the Board of Directors or duly authorized committee thereof approves the allotment of NCDs or such date as may be determined by the Board of our

	Company and/or a duly authorized committee thereof and notified to the Stock Exchange. All benefits under the NCDs including payment of interest will accrue to the NCD Holders from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.
Issuance mode of the Instrument	Compulsorily in dematerialized form to all categories of investors other than Individual Category Investors who have opted for allotment of NCDs in the physical form in accordance with Section 8(1) of the Depositories Act, 1996. Only Category III Investors can apply for allotment of NCDs in the physical form.
Trading Lot	1 (one) NCD
Trading mode of the Instrument	The trading of the NCDs on the Stock Exchange shall be in dematerialized form only.
Settlement mode of the Instrument	Through various modes. Please see page no. 145 of this Shelf Prospectus
Depositories	NSDL and CDSL
Working Day Convention	If any Coupon/Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day along with interest for such additional period. Such additional interest will be deducted from the interest payable on the next date of payment of interest. If the Redemption Date/Maturity Date of any Series of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment.
Record Date	As specified in relevant Tranche Prospectus(es)
Security	The principal amount of the NCDs to be issued in terms of the Shelf Prospectus and respective Tranche Prospectus(es) together with all interest due on the NCDs in respect thereof shall be secured by way of first charge in favour of the Debenture Trustee on an identified immovable property and specific future receivables/assets of our Company as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs (along with the interest due thereon), which shall be free from any encumbrances. For further details please refer to the section titled “Terms of the Issue – Security” on page 139 of this Shelf Prospectus.
Transaction Documents	Issue Agreement dated August 20, 2014 between our Company, the Lead Managers and Co-Lead Managers; Registrar Agreement dated July 30, 2014 executed between our Company and the Registrar to the Issue; Debenture Trusteeship Agreement dated August 4, 2014 executed between our Company and the Debenture Trustee, the agreed form of the Escrow Agreement to be executed between the Company, the Registrar, the Escrow Collection Banks, the Lead Managers and Co-Lead Managers, the agreed form of the Lead Broker MOU to be executed between the Company, the Lead Brokers, the Lead Managers and the Co-Lead Managers and the agreed form of the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.
Conditions Precedent to Disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent to disbursement. See “ <b>General Information - Utilisation of Issue Proceeds</b> ” on page no. 32.
Condition Subsequent to Disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement. See “ <b>General Information - Utilisation of Issue Proceeds</b> ” on page no. 32.
Events of Default	See “ <b>Terms of the Issue – Events of Default</b> ” on page no. 149.
Provisions related to Cross Default Clause	As provided in the Debenture Trust Deed.
Role and Responsibilities of Debenture Trustee	See “ <b>Terms of the Issue - Debenture Trustee</b> ” on page no. 149.
Governing Law	The NCDs are governed by and shall be construed in accordance with the existing Indian laws. Any dispute between the Company and the NCD Holders will be subject to the jurisdiction of competent courts in Kolkata
Jurisdiction	The courts at Kolkata will have exclusive jurisdiction for the purposes of

**Market Lot & Trading Lot:** The trading of the NCDs on the Stock Exchange shall be in dematerialized form only. Since trading of the NCDs is in dematerialized form on the Stock Exchange, the tradable lot is one NCD. Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium for such NCDs) prior to redemption of the NCDs. NCDs shall be allotted Compulsorily in dematerialized form to all categories of investors other than Individual Category Investors who have opted for allotment of NCDs in the physical form in accordance with Section 8 (1) of the Depositories Act, 1996. Only Category III Investors can apply for allotment of NCDs in the physical form. Such NCDs which are allotted in the physical form shall not be eligible for being traded on the Stock Exchange unless such NCDs are converted into the dematerialized form, but shall be freely transferable otherwise, subject to applicable statutory and/or regulatory requirements. For details of allotment refer to chapter titled “Issue Procedure” under section titled “Issue Related Information” beginning on page no. 153 of this Shelf Prospectus

#### **SPECIFIC TERMS AND CONDITIONS IN CONNECTION WITH EACH SERIES OF NCDs:**

As specified in the relevant Tranche Prospectus.

#### **Day Count Convention**

Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis, on the principal outstanding on the NCDs.

#### **Effect of holidays on payments**

If the date of payment of interest does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest with interest for such additional period (the “Effective Date”). Such additional interest will be deducted from the interest payable on the next date of payment of interest. Interest and principal or other amounts, if any, will be paid on the Effective Date. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

#### **Illustration for guidance in respect of the day count convention and effect of holidays on payments.**

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/ IMD/ DF/ 18/ 2013 October 29, 2013 will be a disclosed in the relevant Tranche Prospectus(es).

#### **Minimum Subscription**

If our Company does not receive the minimum subscription of 75% of Base Issue for each Tranche Issue as disclosed in the relevant Tranche Prospectus(es), our Company will refund the entire application monies within 12 days from the Issue Closing Date/Tranche Issue Closing Date. If there is delay in the refund of the application monies, our Company becomes liable to refund the subscription amount along with interest for the delayed period at the rate prescribed under applicable law and in the manner as may be prescribed in accordance with Section 39(3) of the Act, 2013.

Under Section 39 (3) of the Companies Act 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Company and/or Registrar, refunds will be made to the account prescribed. However, where the Company and/or Registrar does not have the necessary information for making such refunds, the Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

#### **Listing**

For information, see “*Other Regulatory and Statutory Disclosures – Listing*” on page 179 of this Shelf Prospectus.

## TERMS OF THE ISSUE

### Authority for the Issue

The Board of Directors, at their meeting held on May 23, 2014 have approved the public issue of Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000/- each, (the “Debentures” or “NCDs”), for an amount up to the Base Issue as mentioned in the respective Tranche Prospectus(es) with an option to retain oversubscription upto the rated size, as specified in the Shelf Prospectus (the “ Issue”)

### Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the Debt Regulations, the Act, the Act 2013, the Memorandum and Articles of Association of our Company, the terms of this Shelf Prospectus, the relevant Tranche prospectus(es), the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

### Face Value

The face value of each NCD shall be ₹ 1,000/-.

### Security

The principal amount of the NCDs to be issued in terms of the Shelf Prospectus and respective Tranche Prospectus(es) together with all interest due on the NCDs in respect thereof shall be secured by way of first charge in favour of the Debenture Trustee on an identified immovable property and specific future receivables/assets of our Company as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs (along with the interest due thereon), which shall be free from any encumbrances.

Our Company intends to enter into an indenture/deed with the Debenture Trustee, (‘Debenture Trust Deed’), the terms of which will govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution of the Debenture Trust Deed before allotment and shall utilize the funds only after the stipulated security has been created.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in the relevant Tranche Prospectus(es) and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value.

However the Company reserves the right to create second/pari passu charge on the said immovable property without seeking NOC from the NCD holders/ bond holders and the Trustee is empowered to Issue NOC to create second/ pari passu Charge on the said immovable property.

### Credit Rating

The NCDs have been rated ‘CARE AA- (Double A Minus)’ by CARE pursuant to letters dated July 16, 2014 and July 3, 2014 and revalidated by letters dated September 9, 2014 and ‘BWR AA (BWR Double A)’ by BRICKWORK pursuant to letters dated November 4, 2011, September 14, 2012, June 19, 2013, June 18, 2014 and August 6, 2014 and revalidated by letters dated September 22, 2014 and September 10, 2014. Instruments with a rating of ‘CARE AA- (Double A Minus)’ by CARE and ‘BWR AA (BWR Double A)’ by BRICKWORK are considered to have high degree of safety regarding timely servicing of financial obligations.

### Issue Period

<b>Issue Opens on</b>	<b>AS SPECIFIED IN TRANCHE PROSPECTUS</b>
<b>Closing Date*</b>	<b>AS SPECIFIED IN TRANCHE PROSPECTUS</b>

*\*The subscription list shall remain open for a period as indicated above, with an option for early closure or extension by such period, as may be decided by the Board/ Committee of Directors, as the case maybe, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through advertisements in a leading national daily newspaper on or before such earlier date of Issue Closure or initial date of Issue closure, as the case may be.*

*Further please note that Application shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, “IST”) (“**Bidding Period**”) during the Issue Period as mentioned above by the Members of the Syndicate, Trading Members and designated branches of SCSBs as mentioned on the Application Form, except that on the Issue Closing Date when Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by Stock Exchange. It is clarified that the Applications not uploaded*

in the Stock Exchange Platform would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Shelf Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor any Member of the Syndicate, Trading Members or designated branches of SCSBs is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

#### **Application Amount**

As specified in the relevant Tranche Prospectus(es).

#### **Allotment of NCDs**

##### **Deemed Date of Allotment**

The Deemed Date of Allotment for the NCDs shall be the date on which the Board of Directors or duly authorized committee thereof approves the allotment of NCDs or such date as may be determined by the Board of our Company and/or a duly authorized committee thereof and notified to the Stock Exchange. All benefits under the NCDs including payment of interest will accrue to the NCD Holders from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.

#### **Grouping of Applications and Allocation Ratio**

For the purposes of the basis of allotment:

- A. Applications received from Category I Applicants: Applications received from Category I, shall be grouped together, (“**Institutional Portion**”);
- B. Applications received from Category II Applicants: Applications received from Category II, shall be grouped together, (“**Non-Institutional Portion**”);
- C. Applications received from Category III Applicants: Further with respect to Applications received from Category III applicants), shall be grouped together, (“**Individual Category Portion**”).

For removal of doubt, “**Institutional Portion**”, “**Non-Institutional Portion**” and “**Individual Category Portion**” are individually referred to as “**Portion**” and collectively referred to as “**Portions**”.

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription under a Tranche Prospectus. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription under a Tranche Prospectus), and/or the aggregate value of NCDs upto the Base Issue Size shall be collectively termed as the “**Overall Issue Size**”.

#### **Allocation Ratio**

<b><i>Institutional Portion</i></b>	<b><i>Non-Institutional Portion</i></b>	<b><i>Individual Category Portion</i></b>
As specified in the relevant Tranche Prospectus(es)	As specified in the relevant Tranche Prospectus(es)	As specified in the relevant Tranche Prospectus(es)

#### **Retention of Oversubscription**

As specified in the relevant Tranche Prospectus(es).

#### **Basis of Allotment for NCDs**

As specified in the Tranche Prospectus.

#### **Additional/Multiple Applications**

Please refer “**Issue Procedure – Additional/Multiple Applications**” on page 167 of this Shelf Prospectus.

#### **Form of Allotment & Denomination**

As per the Debt Regulations, the trading of the NCDs shall be in dematerialized form only. Irrespective of whether the NCDs are held in dematerialized or physical form, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of one (1) NCD (“**Market Lot**”).

Individual Category Investors shall have the option to apply for NCDs in the physical form. Such NCDs which are allotted in the physical form shall not be eligible for being traded on the Stock Exchange unless such NCDs are converted into the dematerialized form, but shall be freely transferable otherwise, subject to applicable statutory and/or regulatory requirements. Allotment in the Issue to all Allottees (other than Individual Category Investors who have opted for allotment of NCDs in the physical form), will be in electronic form in multiples of one NCD. For details of allotment refer to chapter titled “*Issue Procedure*” under section titled “*Issue Related Information*” beginning on page no. 153 of this Shelf Prospectus.

In case of NCDs held in physical form, a Consolidated NCD Certificate will be issued to the NCD Holder for the aggregate amount for each type of NCDs. The Applicant can also request for the issue of NCD certificates in denomination of one NCD (“**Market Lot**”).

In respect of Consolidated NCD Certificates, we will, only upon receipt of a request from the NCD Holder, split such Consolidated NCD Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

#### **Allotment Advice / Refund orders**

The unutilised portion of the Application Amount will be refunded to the Applicant no later than twelve (12) Working Days from the Issue Closing Date in the manner as provided below:

- A. In case of Applications made on the Stock Exchange through the Members of the Syndicate/ Trading Members of the Stock Exchange by making payment through cheques, the unutilised portion of the Application Amount (includes refund amounts payable to unsuccessful Applicants and also the excess amount paid on Application) will be credited to the Bank Account of the Applicant as per the banking account details as provided with the demat details of the Applicant by way of any of the following modes:
  - i. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.
  - ii. NECS – Payment of refund would be done through NECS for Investors having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds through this mode will be done for Applicants having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).
  - iii. NEFT – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
  - iv. RTGS – If the refund amount exceeds ₹ 200,000, the Investors have the option to receive refund through RTGS. Charges, if any, levied by the refund bank(s) for the same would be borne by us. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
  - v. For all other Investors (non-ASBA) the refund orders will be despatched through Speed Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/ first Investor and payable at par.
  - vi. Credit of refunds to Investors in any other electronic manner permissible under the banking laws, which are in force and are permitted by the SEBI from time to time.
- B. In case of ASBA Applications, the unutilised portion of the Application Amount shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSBs.
- C. In case of eligible refund through electronic mode, if there are any rejection because of wrong account details received from depositories in case of demat application or wrong account details mentioned in the application form in case of physical application, our Company will issue refund orders to those investors which may further delay the refund credit beyond twelve (12) working days from Issue closing date. In case of such delays in credit of refund to investors neither the Lead managers nor the Company shall have any

responsibility and undertake any liability for such delays on part of the investors.

Further,

- Allotment of NCDs offered to the public shall be made within a time period of twelve (12) Working Days from the date of closure of the Issue;
- Credit to demat account will be given no later than twelve (12) Working Days from the date of the closure of the Issue;
- Our Company shall pay interest at 15% (fifteen) per annum if Allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within twelve (12) Working Days of the Issue Closing Date or date of refusal of the Stock Exchange(s), whichever is earlier. In case listing permission is not granted by the Stock Exchange to our Company and if such money is not repaid within 8 (eight) days from the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of 8 (eight) days, be liable to repay the money with interest at the rate of 15% as prescribed under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the Companies Act 2013, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

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

#### **Interest on NCDs**

As specified in the relevant Tranche Prospectus(es).

Payment of Interest will be made to those NCD Holders whose names appear in the register of NCD Holders (or to first holder in case of joint-holders) as on Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the investors. In such cases, interest, on the Interest Payment Date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NECS, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Refer to the paragraph on “**Manner of Payment of Interest / Refund / Maturity Amount**” at page no. 145 in this Shelf Prospectus.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar at least 7(seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company’s books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialized form.

However in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor (in case of resident Individuals and HUFs), if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by Individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Applicants (other than companies, and firms ), or (b) a certificate, from the Assessing Officer which can be obtained by all Applicants (including companies and firms) by making an Application in the prescribed form i.e. Form No. 13. The aforesaid documents, as may be applicable, should be submitted to our Company quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original from Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

If any Coupon/Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day. If the Redemption Date/Maturity Date (also being the last Coupon/Interest Payment Date) of any Series of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment.

Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

#### **Title**

In case of:

- (i) NCDs held in the dematerialised form, the person for the time being appearing in the Register of Debenture holders (as defined below) maintained by the Depository; and
- i. The NCDs held in physical form, the person for the time being appearing in the Register of Debenture holders (as defined below) maintained by the Company,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the Debenture holder.

No transfer of title of a NCD will be valid unless and until entered on the Register of Debenture holders prior to the Record Date. In the absence of transfer being registered, interest, and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of Debenture holders. In such cases, claims, if any, by the transferees of the NCDs will need to be settled with the transferors of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act 1956 and the Companies Act 2013 shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

#### **Interest on Application Amount & Refund Amount**

##### **Interest on Application Amounts received, which are used towards Allotment of NCDs**

The Company shall pay to the successful Applicants, interest at the rate as specified in the relevant Tranche Prospectus(es) . on the Application Amount allotted, for the period commencing from 3 (three) days from the date of upload of the Application Form on the electronic book of the Stock Exchange, or the date of realization of the Application Amount, whichever is later, up to 1 (one) day prior to the Deemed Date of Allotment, subject to deductions under the provisions of the Income Tax Act or any other statutory modification or re-enactment thereof, as applicable.

Interest on Application Amount as mentioned above shall be paid within 7 (Seven) Working Days from the Deemed Date of Allotment for all the Series of NCDs.

However no interest is to be paid on Application Amount(s) to the ASBA Applicants.

Our Company may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the applicants. Alternatively, the interest warrant will be dispatched along with the Letter(s) of Allotment at the sole risk of the applicant, to the sole/first applicant.

##### **TDS on Interest on Application Amount**

Interest on Application Amount is subject to deduction of income tax under the provisions of the Income Tax Act or any other statutory modification or re-enactment thereof, as applicable. Tax exemption certificate/declaration of non-deduction of tax at source on interest on Application Amount, if any, should be submitted along with the Application Form.

##### **Interest on Application Amounts received, which are liable to be refunded**

- a) We shall pay interest on Application Amounts which is liable to be refunded to the Applicants (other than ASBA Applicants) subject to deduction of income tax under the provision of Section 172 of the Income Tax Act, as applicable, from the date of realization of the cheque(s)/demand draft(s) or three days from the date of upload of the Application on the electronic bidding platform of BSE, whichever is later upto one day prior to the Deemed Date of Allotment, at the rate as specified in the relevant Tranche Prospectus(es). Such interest shall be paid along with the monies liable to be refunded. Interest warrants will be dispatched/credited (in case of electronic payment) along with the letter(s) of refund at the sole risk of the Applicant, to the sole/first Applicant.
- b) A tax deduction certificate will be issued for the amount of income tax so deducted.

Provided that, notwithstanding anything contained hereinabove, our Company shall not be liable to pay any

interest on monies liable to be refunded in case of (a) invalid Applications or Applications liable to be rejected, and/or (b) applications which are withdrawn by the applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. Please see section titled “**Rejection of Application**” on page 169.

### **Terms of Payment**

The entire issue price of ₹1000/- per NCD is payable on Application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall refund/unblock the excess amount paid on Application to the Applicant in accordance with the terms of this Shelf Prospectus. For further details please refer to the paragraph on “**Interest on Application & Refund Amount**” beginning on page no. 142 of this Shelf Prospectus.

### **Maturity**

As specified in the relevant Tranche Prospectus(es).

### **Procedure upon Maturity by NCD Holders**

The procedure upon Maturity is set out below:

#### ***NCDs held in physical form:***

No action would ordinarily be required on the part of the Individual category holder at the time of Maturity of the NCDs and the Maturity Amount(s) would be paid to those Individual category holders whose names stand in the register of NCD Holders maintained by us on the Maturity Date fixed for the purpose of payment of Maturity Amount(s). However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint holders (signed on the reverse of the NCD certificate(s)) be surrendered upon maturity and should be sent by the Individual category holder(s) by registered post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. Individual category holder (s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the Maturity Date so as to facilitate timely payment.

We may at our discretion pay the Maturity Amount(s) without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the Maturity Amount(s) would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Maturity Date fixed for the purpose of payment of Maturity Amounts. In such case, the NCD certificates would be deemed to have been cancelled. Also see the paragraph on “**Payment on Maturity**” given below.

#### ***NCDs held in electronic form:***

No action is required on the part of NCD Holder(s) at the time of payment of Maturity Amounts.

### **Payment on Maturity**

The manner of payment of Maturity Amounts is set out below:

#### ***NCDs held in physical form:***

The Maturity Amounts will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s)). Despatch of cheques/pay order, etc. in respect of such payment will be made on the Maturity Date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate. The transferees, if any, should ensure lodgement of the transfer documents with us at least 15 (fifteen) days prior to the Maturity Date. In case the transfer documents are not lodged with us at least 15 (fifteen) days prior to the Maturity Date and we dispatch the Maturity Amount(s) to the transferor, claims in respect of the maturity proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrars.

Our liability to holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the Maturity Date in all events and when we dispatch the Maturity Amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of payment of Maturity Amounts of the NCD(s).

We may at our discretion pay the Maturity Amounts without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the maturity proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of payment of Maturity Amounts.

#### ***NCDs held in electronic form:***

On the Maturity Date, Maturity Amounts would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Maturity Date fixed for the purpose of payment of Maturity Amounts.

These NCDs may be simultaneously extinguished to the extent of the Maturity Amounts paid through appropriate debit corporate action upon payment of the corresponding Maturity Amounts of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the Maturity Date in all events and when we dispatch the Maturity Amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of payment of Maturity Amounts of the NCD(s).

#### **Effect of holidays on payments**

If the date of payment of interest does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest with interest for such additional period (the "Effective Date"). Such additional interest will be deducted from the interest payable on the next date of payment of interest. Interest and principal or other amounts, if any, will be paid on the Effective Date. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

#### **Manner of Payment of Interest / Refund / Maturity Amount**

The manner of payment of interest / refund / Maturity Amount in connection with the NCDs is set out below:

##### ***For NCDs applied / held in electronic form:***

The bank details will be obtained from the Depositories for payment of Interest / refund / Maturity Amount as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the Applicant at the Applicant's sole risk, and the Lead Managers, Co-Lead Managers, our Company or the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

##### ***For NCDs held in physical form:***

The bank details will be obtained from the Registrar to the Issue as available to them for payment of interest / refund / Maturity Amount as the case may be.

The mode of interest / refund / Maturity Amount payments shall be undertaken in the following order of preference:

#### **1. Direct Credit**

Investors having their bank account with the Refund Banks, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

#### **2. NECS**

Payment of interest / refund / Maturity Amount shall be undertaken through NECS for Applicants having an account at the centres mentioned in NECS MICR list.

This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code, IFSC code, bank account number, bank name and branch name as appearing on a cheque leaf, from the Depositories.

#### **3. RTGS**

Applicants having a bank account with a participating bank and whose interest payment / refund / Maturity Amount exceeds ₹ 2 lacs, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment / refund / Maturity Amount through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrars to the Issue at least 7 (seven) days before the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment / refund / Maturity Amount shall be made through NECS subject to availability of complete bank account details for the same as stated above.

#### **4. NEFT**

Payment of interest / refund / Maturity Amount shall be undertaken through NEFT wherever the Applicants' bank has been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/refund/ Maturity Amount will be made to the Applicants through this method.

## **5. Speed Post**

For all other Applicants, including those who have not updated their bank particulars with the MICR code and if the interest payment through NECS to such Applicants is unsuccessful the interest payment shall be dispatched by ordinary post for value up to ₹ 1,500/- and through Speed Post for interest payment of value above ₹ 1,500/-. The refund orders shall be dispatched through Speed Post.

Please note that Applicants are eligible to receive payments through the modes detailed in (1), (2) (3), (4) and (5) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCD, for any delay in receiving credit of interest / refund / Maturity Amount so long as our Company has initiated the process of such request in time.

## **Printing of Bank Particulars on Interest Warrants**

As a matter of precaution against possible fraudulent encashment of refund orders and interest warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form either on account of allotment (to Individual Category) or rematerialisation or transfer, the investors are advised to submit their bank account details with our Company / Registrar at least 7 (seven) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCD as available in the records of our Company.

Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

## **Record Date**

As specified in relevant Tranche Prospectus(es).

## **Transfer/Transmission of NCD (s)**

The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Companies, 1956 (to the extent applicable)/ Companies Act, 2013, as the case may be and the Company's Articles of Association will apply, mutatis mutandis (to the extent applicable to debentures) to the NCDs.

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act 2013. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the Companies Act 2013 shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCD(s) as well. In respect of the NCDs held in physical form, a suitable instrument of transfer as may be prescribed by the Issuer may be used for the same. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

## ***For NCDs held in electronic form:***

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

In case the transferee does not have a DP account, the seller can re-materialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter the NCDs can be transferred in the manner as stated above.

In case the buyer of the NCDs in physical form wants to hold the NCDs in dematerialised form, he can choose to dematerialise the securities through his DP.

### **Restriction on transfer of NCDs**

There are no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under RBI requirements and as provided in our Articles of Association. Please refer to the chapter titled “*Summary of Key Provisions of Articles of Association*” beginning on page no. 193 of this Shelf Prospectus.

### **Taxation**

For details, please see “*Statement of Tax Benefits*” on page 62 of this Shelf Prospectus.

### **NCD Holder not a Shareholder**

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company.

### **Rights of NCD Holders**

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act 2013, confer upon the holders thereof any rights or privileges available to our members including the right to receive notices or annual reports of, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136 of the Companies Act 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to us.
2. Subject to applicable statutory/regulatory requirements, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. The registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
4. The NCDs are subject to the provisions of the Debt Regulations, the Companies Act 2013, the Memorandum and Articles of Association of our Company, the terms of this Shelf Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. A register of NCD Holders (“**Register of Debenture holders**”) will be maintained in accordance with Section 88 of the Companies Act 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. Further as the NCDs issued are also being issued in Demat form, the Depositories shall also maintain the updated register of holders of the NCDs in Demat Form. In terms of Section 88 of the Companies Act 2013, the register of beneficial owners maintained by a Depository for any NCD in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of Debenture holders for this purpose.
6. Subject to compliance with RBI/SEBI/any other regulatory authority’s requirements, NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21 days prior notice for such roll over and in accordance with the Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.
7. The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of the Shelf Prospectus and the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

### **Joint-holders**

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

### **Nomination facility to NCD Holder**

In accordance with Section 72 of the Companies Act 2013, Any NCD Holder may, at any time, nominate, in Form No. SH.13, any person as his nominee in whom the NCDs shall vest in the event of his death. On the receipt of the said nomination form being Form No. SH.13, a corresponding entry shall forthwith be made in the relevant register of securities holders, maintained under Section 88 of the Companies Act, 2013.

Where the NCDs are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, any person to whom all the rights in the NCDs shall vest in the event of death of all the joint holders. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in Form No. SH.13 any person as nominee.

The request for nomination should be recorded by the Company within a period of two months from the date of receipt of the duly filled and signed nomination form. In the event of death of the NCD Holder or where the NCDs are held by more than one person jointly, in the event of death of all the joint holders, the person nominated as the nominee may upon the production of such evidence as may be required by the Board, elect, either-

- (a) to register himself as holder of the NCDs ; or
- (b) to transfer the NCDs as the deceased holder could have done.

If the person being a nominee, so becoming entitled, elects to be registered as holder of the NCDs himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased NCD Holder(s).

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the NCDs, where a nomination made in the prescribed manner purports to confer on any person the right to vest the NCDs, the nominee shall, on the death of the holder of NCDs or, as the case may be, on the death of the joint holders, become entitled to all the rights in the NCDs, of the NCD Holder or, as the case may be, of all the joint holders, in relation to the said NCDs, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

All the limitations, restrictions and provisions of the Companies Act 2013 relating to the right to transfer and the registration of transfers of the NCDs shall be applicable to any such notice or transfer as aforesaid as if the death of the NCD Holder had not occurred and the notice or transfer were a transfer signed by that NCD Holder.

Where the nominee is a minor, it shall be lawful for the NCD Holder, making the nomination to appoint, in the prescribed manner, any person to become entitled to the NCDs, in the event of the death of the nominee during his minority. Where the nominee is a minor, NCD Holder making the nomination, may appoint a person in Form No. SH.14 specified under sub-rule (1) of Rule 19 of Companies (Share Capital and Debentures) Rules, 2014, who shall become entitled to the NCDs, in the event of death of the nominee during his minority.

A person, being a nominee, becoming entitled to NCDs by reason of the death of the NCD Holder shall be entitled to the same interests and other advantages to which he would have been entitled to if he were the registered NCD Holder except that he shall not, before being registered as a NCD Holder in respect of such NCDs, be entitled in respect of these NCDs to exercise any right conferred by subscription to the same in relation to meetings of the NCD Holders convened by the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the NCDs, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of interests, bonuses or other moneys payable in respect of the said NCDs, until the requirements of the notice have been complied with.

A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the NCD Holder who has made the nomination, by giving a notice of such cancellation or variation, to the Company in Form No. SH.14. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received by the Company.

For nominations made in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

### **Succession**

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the Debenture holder(s). It will be sufficient for our Company to delete the name of the deceased Debenture holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased Debenture holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCDs. In the event of demise of the sole or first holder of the NCDs, our Company will recognize the executors or administrator of the deceased Debenture holders, or the holder of the succession certificate

or other legal representative as having title to the NCDs only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

- (a) Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased Debenture holder.
- (b) Proof that the non-resident Indian is an Indian national or is of Indian origin. Such holding by a non-resident Indian will be on a non-repatriation basis.

### **Events of Default**

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a Special Resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to the Company specifying that the NCDs and/or any particular Series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences is specified in the Debenture Trust Deed:

- (i) Default in any payment of the principal amount due in respect of any Series of the NCDs and such failure continues for a period of 30 days;
- (ii) Default in any payment of any instalment of interest in respect of any Series of the NCDs and such failure continues for a period of 15 days;
- (iii) Default in any payment of any other sum due in respect of any Series of the NCDs and such failure continues for a period of 15 days;
- (iv) The Company is (in the reasonable opinion of the Debenture Trustee or as notified by the Company to the Debenture Trustee), or is deemed by a court of competent jurisdiction under applicable law to be, insolvent or bankrupt or unable to pay a material part of its debts, or stops, suspends or threatens to stop or suspend payment of all or a material part (in the reasonable opinion of the Debenture Trustee) of, or of a particular type of, its debts;
- (v) The Company does not perform or comply with one or more of its other material obligations in relation to the NCDs and/or under the Debenture Trust Deed and/or Security Documents, which default is incapable of remedy or, if in the reasonable opinion of the Debenture Trustee is capable of remedy, is not remedied within 30 days of written notice of such default being provided to the Company by the Debenture Trustee; or
- (vi) Any encumbrance takes possession, or an administrative or other receiver or an administrator is appointed, of the whole or (in the reasonable opinion of the Debenture Trustee) any substantial part of the property, assets or revenues of the Company, and is not discharged within 45 days.

The amount(s) so payable by the Company on the occurrence of one or more Event(s) of Default shall be as detailed in the Debenture Trust Deed. If an Event of Default occurs, which is continuing, the Debenture Trustee may, with the consent of the NCD Holders, obtained in accordance with the Debenture Trust Deed, and with prior written notice to the Company, take action in terms of the Debenture Trust Deed. In the event of a conflict between the terms mentioned here and those in the Debenture Trust Deed, the Bond Trust Deed shall prevail.

### **Trustees for the NCD Holders**

We have appointed Axis Trustee Services Limited to act as the Debenture Trustees for the NCD Holders. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company will issue a statutory advertisement on or before the

Issue Opening Date. This advertisement will contain the information as prescribed under Debt Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and Tranche Prospectus(es) with ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

### **Impersonation**

Attention of the Applicants is specifically drawn to sub-section (1) of Section 38 of the Companies Act 2013, reproduced below:

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447.”*

### **Listing**

The NCDs offered through this Shelf Prospectus are proposed to be listed on the BSE Limited. Our Company had made an application to BSE for in-principle approval and the same was received vide BSE's letter ref no. DCS/RK/PI-Bond/15/14-15 dated September 19, 2014. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Shelf Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at Stock Exchange are taken within twelve (12) Working Days from the date of closure of the Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Series, such NCDs with Series(s) shall not be listed.

### **Utilization of Issue Proceeds**

- i. All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account maintained with a Scheduled Bank, other than the bank account referred to in Section 40 of the Companies Act, 2013.
- ii. Details of all monies utilized out of Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
- iii. Details of all unutilized monies out of issue of NCDs, if any, referred to in sub-item (i) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- iv. We shall utilize the Issue proceeds only upon allotment of NCDs as stated for each Tranche Issue in the relevant Tranche Prospectus(es) and on receipt of the minimum subscription for each Tranche Issue as disclosed in the relevant Tranche Prospectus(es); and
- v. The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property; however the Issue Proceeds may be used for issuing Loans against securities.

### **Monitoring & Reporting of Utilisation of Issue Proceeds**

There is no requirement for appointment of a monitoring agency in terms of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended. Our Board shall monitor the utilization of the proceeds of the Issue. For the relevant quarters commencing from the financial year ending March 31, 2014, our Company will disclose in our quarterly financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

### **Ranking of NCDs**

The NCDs would constitute direct and secured obligations of ours and shall rank pari passu inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first charge in favour of the Debenture Trustee on an identified immovable property and specific future receivables of our Company as may be decided mutually by our Company and the Debenture

Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs (along with the interest due thereon), which shall be free from any encumbrances. The claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements.

### **Debenture Redemption Reserve**

Regulation 16 of the Debt Regulations and Section 71 of the Companies Act 2013 states that any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures.

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

- (a) the Debenture Redemption Reserve shall be created out of the profits of the company available for payment of dividend;
- (b) the company shall create Debenture Redemption Reserve equivalent to at least twenty five percent of the amount raised through the debenture issue before debenture redemption commences.
- (c) every company required to create Debenture Redemption Reserve shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, of the amount of its debentures maturing during the year ending on the 31st day of March of the next year, in any one or more of the following methods, namely:-
  - (i) in deposits with any scheduled bank, free from any charge or lien;
  - (ii) in unencumbered securities of the Central Government or of any State Government;
  - (iii) in unencumbered securities mentioned in sub-clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882;
  - (iv) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of Section 20 of the Indian Trusts Act, 1882;
  - (v) the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above: Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below fifteen percent of the amount of the debentures maturing during the year ending on the 31st day of March of that year;

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

### **Guarantee/Letter of Comfort**

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

### **Issue of Duplicate NCD Certificate(s)**

If any NCD certificate(s) is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

### **Call Option/Put Option**

As specified in the relevant Tranche Prospectus(es).

### **Buy Back of NCDs**

Our Company may, from time to time, consider, subject to applicable statutory and / or regulatory requirements, buy-back of NCDs, upon such terms and conditions, as may be decided by our Company.

### **Right to Reissue NCD(s)**

Subject to the provisions of the Companies Act 2013, where we have repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

**Future Borrowings**

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, pari passu or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection.

**Lien**

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to our Company.

**Lien on Pledge of NCDs**

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

**Procedure for Rematerialisation of NCDs**

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time.

**Sharing of Information**

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

**Notices**

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

**Jurisdiction**

Our Company has in the Debenture Trusteeship Agreement agreed, for the exclusive benefit of the Debenture Trustee and the Debenture holders, that the courts in Kolkata are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Debenture Trust or the NCDs and that accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with the Debenture Trust Deed and the NCDs may be brought only in the courts in Kolkata.

## ISSUE PROCEDURE

*This section applies to all Applicants. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involves Application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.*

*ASBA Applicants should note that they may submit their ASBA Applications to the Members of the Syndicate or Trading Members only at the Syndicate ASBA Application Locations, or directly to the Designated Branches of the SCSBs. Applicants other than direct ASBA Applicants are required to submit their Applications to the Members of the Syndicate or Trading Members (at the Application centres of the Members of the Syndicate will be mentioned in the Application Form) or make online Applications using the online payment gateway of the Stock Exchange.*

*Please note that this section has been prepared based on the circular no. CIR/IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI (“Debt Application Circular”). The procedure mentioned in this section is subject to the Stock Exchange putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by Stock Exchange and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI.*

*Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the Debt Application Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application. In the event of, and on the date of oversubscription, however, allotments in public issues of debt securities is to be made on a proportionate basis.*

**PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE STOCK EXCHANGES AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGES.**

*Please note that as per Para 4 of SEBI Circular No. CIR/CFD/DIL/12/2012 dated September 13, 2012, for making Applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB/s. Such account shall be used solely for the purpose of making Application in public issues and clear demarcated funds should be available in such account for ASBA Applications.*

*The Members of the Syndicate and the Company shall not be responsible or liable for any errors or omissions on the part of trading members in connection with the responsibility of Trading Members in relation to collection and upload of Applications in this issue on the electronic application platform provided by the Stock Exchange. Further Stock Exchange will be responsible for addressing investor grievances arising from Applications through Trading Members.*

### **1. How to Apply?**

#### **i. Applicants may use any of the following facilities for making Applications:**

- (a) ASBA Applications through the Lead Managers, Co-Lead Managers, Brokers to the Issue and trading members of the Stock Exchange for Applicants who intend to hold the NCDs in demat form; (“**Syndicate ASBA**”);
- (b) ASBA Applications through SCSBs for Applicants who intend to hold the NCDs in demat form;
- (c) Non ASBA Applications through the Lead Managers, Co-Lead Managers, Brokers to the Issue and trading members of the Stock Exchange for Applicants who intend to hold the NCDs in demat form; and
- (d) Non ASBA Applications through the Lead Managers, Co-Lead Managers, Brokers to the Issue and trading members of the Stock Exchange for Applicants who intend to hold the NCDs in physical form.

**Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct Application by investors to a public issue of their debt securities with an online payment facility (“Direct Online Application Mechanism”). In this regard, SEBI has, through the Debt Application Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. In the event that the Stock Exchange put in necessary systems, infrastructure and processes in place so as to enable the adoption of the Direct Online Application Mechanism prior to the Issue Opening Date, we shall offer eligible investors desirous of applying in the Issue the option to make Applications through the Direct Online**

## **Application Mechanism.**

### **ii. Availability of Shelf Prospectus and Application Forms**

Physical copies of the abridged Shelf Prospectus containing the salient features of the Shelf Prospectus, the respective Tranche Prospectus(es) together with Application Forms may be obtained from:

- a) Our Company's Registered Office and Corporate Office;
- b) Offices of the Lead Managers, Lead Brokers and sub-brokers;
- c) Trading Members; and
- d) Designated Branches of the SCSBs.

Electronic Application Forms may be available for download on the websites of the Stock Exchange and on the websites of the SCSBs that permit submission of ASBA Applications electronically. A unique application number ("UAN") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

On a request being made by any Applicant before the Issue Closing Date, physical copies of the Shelf Prospectus, the respective Tranche Prospectus(es) and Application Form can be obtained from the Company's Registered and Corporate Office, as well as offices of the Lead Managers. Electronic copies of the Shelf Prospectus, and relevant Tranche Prospectus(es) will be available on the websites of the Lead Managers, the Designated Stock Exchange, SEBI and the SCSBs

### **iii. Who can Apply**

The following categories of persons are eligible to apply in the Issue:

#### **Category I (Institutional Category)**

1. Public financial institutions, statutory corporations, commercial banks, co-operative banks and regional rural banks, which are authorized to invest in the NCDs;
2. Provident funds, pension funds, superannuation funds and gratuity fund, which are authorized to invest in the NCDs;
3. Venture capital funds and / or alternative investment funds registered with SEBI;
4. Insurance companies registered with the IRDA;
5. National investment fund;
6. State industrial development corporations; and
7. Mutual funds

#### **Category II (Non-Institutional Category)**

1. Companies, bodies corporate and societies registered under the applicable laws in India and authorized to invest in the NCDs;
2. Public/private charitable/religious trusts which are authorized to invest in the NCDs;
3. Scientific and/or industrial research organizations, which are authorized to invest in the NCDs;
4. Partnership firms in the name of the partners;
5. Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and
6. Any other incorporated and/ or unincorporated body of persons.

#### **Category III (Individual Category)**

1. Resident Indian individuals; and
2. Hindu undivided families through the karta.

Please see the section titled "**Who can Apply**" under Issue Procedure at page no. 154 of this Shelf Prospectus

***Note:** Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/ or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.*

#### **Applications cannot be made by:**

- Minors without a guardian name \*;
- Foreign nationals inter-alia including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;

- Persons resident outside India including without limitation Foreign Institutional Investors, Foreign Portfolio Investors, Qualified Foreign Investors and Overseas Corporate Bodies; and
- Persons ineligible to contract under applicable statutory/regulatory requirements.

*\*Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

**Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.**

**Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.**

The Lead Managers, Co-Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

The information below is given for the benefit of the investors. Our Company and/or the Lead Managers and/or the Co-Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Shelf Prospectus.

### **Applications by certain categories of Applicants**

#### **Applications by Mutual Funds**

No mutual fund scheme shall invest more than 15% of its NAV in debt instruments issued by a single Company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of Asset Management Company.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMC's or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The Applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason there for.

#### **Application by Scheduled Banks, Co-operative Banks and Regional Rural Banks**

Scheduled Banks, Co-operative banks and Regional Rural Banks can apply in this public issue based upon their own investment limits and approvals. The Application must be accompanied by certified true copies of (i) Board Resolution authorising investments; (ii) Letter of Authorisation. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason there for.

**Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.**

#### **Application by Insurance Companies**

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason there for.

#### **Applications by Indian venture capital funds registered with SEBI**

Applications made by an existing Venture Capital Fund eligible to invest in accordance with the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, for Allotment of the NCDs must be accompanied by certified true copies of (i) the SEBI registration certificate of such Venture Capital Fund; (ii) a resolution authorising the investment and containing operating instructions; and (iii) specimen signatures of authorised persons. Failing this, our Company reserves the right to accept or reject any Applications from an Venture Capital Fund in whole or in part, in either case, without assigning any reason thereof.

Venture Capital Funds applying for Allotment of the NCDs shall at all times comply with the conditions for categories as per their SEBI registration certificate and the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.

#### **Applications by Alternative Investments Funds**

Applications made by an Alternative Investments Fund eligible to invest in accordance with the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012, for Allotment of the NCDs must be accompanied by certified true copies of: (i) the SEBI registration certificate of such Alternative Investment Fund; (ii) a resolution authorising the investment and containing operating instructions; and (iii) specimen signatures of authorised persons. Failing this, our Company reserves the right to accept or reject any Applications from an Alternative Investment Fund in whole or in part, in either case, without assigning any reason thereof.

Alternative Investment Funds applying for Allotment of the NCDs shall at all times comply with the conditions for categories as per their SEBI registration certificate and the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012.

#### **Applications by State Industrial Development Corporations**

Applications made by state industrial development corporations for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which the such state industrial development corporation is incorporated and its constitutional documents; (ii) a resolution of the board of directors of such state industrial development corporation authorising investments; and (iii) specimen signature of authorized persons. Failing this, our Company reserves the right to accept or reject any Applications from such state industrial development corporation for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

#### **Applications by Trusts**

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason there for. As per the CBDT notification dated 20th September, 2012 read as Income -Tax (13th Amendment ) Rules, 2012- Notification No. 40/2012 where by Central Government has inserted a the new clause (viii) in Rule 17C Income-tax Rules, 1962 to provide that “Investment in debt instruments issued by infrastructure finance company registered with Reserve Bank of India is also a prescribed mode of investment or deposits by charitable/religious trust under Section 11(5)(xii) of the Income Tax Act, 1961.

#### **Applications by Public Financial Institutions, Statutory Corporations, which are authorized to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

#### **Companies, bodies corporate and societies registered under the applicable laws in India**

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

#### **Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

#### **Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)**

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions (Resolution); (iv) Specimen signature of authorized person.

#### **Applications under Power of Attorney or by limited companies, corporate, trust etc.**

In case of Applications made pursuant to a power of attorney by Category I and Category II Applicants being Institutional and Non Institutional Category Applicants, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Application Form, failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason there for.

In case of Investments made pursuant to a power of attorney by Category III Applicants being Individual Category Applicants, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of an ASBA Application pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. Failing this, our Company, in consultation with the Lead Managers and Co-Lead Managers reserves the right to reject such Applications.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms (ASBA as well as Non-ASBA Applications) virtually online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a Power of Attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Form subject to such terms and conditions that our Company and the Lead Managers and the Co-Lead Managers may deem fit.

### **3. Filing of the Shelf Prospectus and Tranche Prospectus(es) with ROC**

A copy of the Shelf Prospectus and relevant Tranche Prospectus(es) shall be delivered for registration with the Registrar of Companies, Kolkata, West Bengal in terms of Section 26 and Section 30 of the Companies Act 2013, along with the endorsed/certified copies of all requisite consents and documents.

### **4. Procedure for Application**

#### **A. Non-ASBA Applications**

##### ***i. Applications through the Members of the Syndicate/ Trading Members of the Stock Exchange through Collecting Banks without using ASBA Facility***

Applicants must use the Application Form, which will be serially numbered, bearing the stamp of the relevant Members of the Syndicate or Trading Member of the stock exchange(s), as the case may be, from whom such Application Form is obtained. All Application Forms (available for download on the website of the Stock Exchange, the Lead Managers, and the Co-Lead Managers and available in physical form as mentioned above) duly completed and accompanied by account payee cheques / drafts shall be submitted with the Members of the Syndicate, Trading Members of the Stock Exchange before the closure of the Issue. The Applications are to be submitted to the Members of the Syndicate and Trading Members on a timely manner so that the details can be uploaded on to the platform of the Stock Exchange during the Bidding Period. The cheque/bank draft can be drawn on any bank, including a co-operative bank which is situated at and is member or sub-member of the bankers' clearing-house located at the place where the Application Form is submitted, i.e. at designated collection centres of the Banker to the Issue. Outstation cheques /bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected and the collecting bank shall not be responsible for such rejections. Payment through Stockinvest would also not be allowed as the same has been discontinued by the RBI *vide* notification No. DBOD.NO.FSC.BC. 42/24.47.001/2003-04 dated November 5, 2003. Cash/Stockinvest/Money Orders/Postal Orders will not be accepted. In case payment is effected in contravention of conditions mentioned herein, the Application is liable to be rejected and Application Amount will be refunded and no interest will be paid thereon. A separate cheque / bank draft must accompany each Application Form. No cash payments shall be accepted.

All cheques / bank drafts accompanying the Applications made by eligible Applicants should be crossed "A/c Payee only" and must be made payable to the account details as specified in the relevant Tranche Prospectus(es).

The Members of the Syndicate/ Trading Members of the Stock Exchange, upon receipt of the Non-ASBA Applications, shall upload all the details of the Applications on the online platform of the Stock Exchange. The Members of the Syndicate/ Trading Members of the Stock Exchange shall thereafter submit the physical Application Form along with the cheque/ bank draft to the Escrow Collection Banks. The Members of the Syndicate/ Trading Members of the Stock Exchange are requested to note that all Applications are required to be banked with only the designated branches of Escrow Collection Banks.

#### **Applicant's Bank Account Details**

The Registrar to the Issue will obtain the Applicant's bank account details from the Depository. The Applicant

should note that on the basis of the name of the applicant, PAN details, Depository Participant's (DP) name, Depository Participants identification number and beneficiary account number provided by them in the Application Form and uploaded in platform of the Stock Exchange, the Registrar to the Issue will obtain the Applicant's bank account details from the Depositories. The Applicants are advised to ensure that bank account details are updated in their respective DP Accounts as these bank account details would be printed on the refund order(s) or used for refunding through electronic mode, as applicable. Please note that failure to do so could result in delays in credit of refunds to Applicants at the Applicant's sole risk and neither the Lead Managers and / or the Co-Lead Managers, our Company, the Refund Banker(s) nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

#### **Applicant's Depository Account Details**

**ALL APPLICANTS WHO HAVE A DEMAT ACCOUNT AND WISH TO HOLD NCDs IN DEMAT FORM SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, PAN DETAILS, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM.**

Applicant should note that on the basis of name of the applicant, PAN details, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Application Form and uploaded in the Platform of the Stock Exchange, the Registrar to the Issue will obtain from the Depository, demographic details of the Applicant such as address, PAN, bank account details for printing on refund orders or used for refunding through electronic mode, as applicable ("**Demographic Details**"). Hence, Applicants should carefully fill in their Depository Account details in the Application Form. Applicants are advised to update their Demographic Details such as address, PAN and bank account details such as account number, ISFC, MICR code etc. with their Depository Participants and ensure that they are true and correct.

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

Refund orders/Allotment Advice would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicant may note that delivery of Refund orders/Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicant's sole risk and neither we nor the Lead Managers or the Co-Lead Managers or the Registrars shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

However in case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of Refund orders /Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Applicants (including the order of names of joint holders), (b) the DP ID and (c) the beneficiary account number, then such Applications are liable to be rejected.

#### **ii. Applications for allotment of physical NCDs by Non-ASBA Applicants**

All Applicants who intend to apply for NCDs in physical form, should submit the Application Forms duly completed and accompanied by account payee cheques / drafts and the Know Your Customer ("KYC") documents shall be submitted with the Members of the Syndicate, Trading Members of the Stock Exchange. The cheque/bank draft can be drawn on any bank, including a co-operative bank which is situated at and is member or sub-member of the bankers' clearing-house located at the place where the Application Form is submitted, i.e. at designated collection centres of the Banker to the Issue. Outstation cheques /bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected and the Escrow Collection Banks shall not be responsible for such rejections. Payment through Stockinvest would also not be allowed as the same has been discontinued by the RBI vide notification No. DBOD.NO.FSC.BC.42/24.47.001/2003-04 dated November 5, 2003. Cash/Stockinvest/Money Orders/Postal Orders will not be accepted. In case payment is effected in contravention of conditions mentioned herein, the Application is liable to be rejected and Application Amount will be refunded and no interest will be paid thereon. A separate cheque / bank draft must accompany each Application Form. No cash payments shall be accepted.

**Any Applicant who provides Depository Participant details in the Application Form shall be Allotted the**

**NCDs in dematerialised form only, irrespective of whether such Applicant has provided the details required for Allotment in physical form. Such Applicant shall not be Allotted NCDs in physical form.**

All cheques / bank drafts accompanying the Applications made by eligible Applicants should be crossed “A/c Payee only” and must be made payable to the account details as specified in the relevant Tranche Prospectus(es).

**KYC Documents to be submitted by Non-ASBA Applicants who are applying for NCDs in the Physical Form**

- a. Self-attested copy of the proof of identification (for individuals);

Any of the following documents shall be considered as a verifiable proof of identification:

- Passport;
- Voter’s ID;
- Driving Licence;
- Government ID Card;
- Defence ID Card;
- Photo PAN Card
- Photo Ration Card.

- b. Self-attested copy of the PAN card;

- c. Self-attested copy of the proof of residence;

Any of the following documents shall be considered as a verifiable proof of residence:

- ration card issued by the GoI;
- valid driving license issued by any transport authority of the Republic of India;
- electricity bill (not older than three months);
- landline telephone bill (not older than three months);
- valid passport issued by the GoI;
- AADHAR Card / Letter issued by Unique Identification Authority of India (“UIDAI”);
- voter’s Identity Card issued by the GoI;
- passbook or latest bank statement issued by a bank operating in India;
- registered leave and license agreement or registered agreement for sale or rent agreement or flat maintenance bill;
- self-attested copy of Registered Office address in case of Applicants under Category I or Category II; or
- Life insurance policy.

- d. Self-attested copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest, as applicable, should be credited.

The Applicant shall be responsible for providing the above information accurately. Delays or failure in credit of the payments due to inaccurate details shall be at the sole risk of the Applicants and neither the Lead Managers and / or the Co-Lead Managers nor our Company shall have any responsibility and undertake any liability for the same.

Applications for Allotment of the NCDs in physical form, which are not accompanied with the afore stated documents, may be rejected at the sole discretion of our Company.

The Members of the Syndicate/ Trading Members of the Stock Exchange shall on receipt of the completed Application Form along with the KYC Documents and the cheque/ draft, provide an acknowledgment of the Application to the Applicant. After verification of the KYC documents submitted by the Applicant along with the Application, the Members of the Syndicate/ Trading Members of the Stock Exchange shall upload all such details of the Applicant that is required for the purpose of allotment based on the Application Form on the online platform of the Stock Exchange. The Members of the Syndicate/ Trading Members of the Stock Exchange shall thereafter submit the physical Application Form (duly stamped by such Members of the Syndicate/ Trading Members of the Stock Exchange) along with the cheque/ bank draft and the KYC Documents to the Escrow Collecting Bank(s).

The Members of the Syndicate/ Trading Members of the Stock Exchange are required to ensure that the Applicants are competent to contract under the Indian Contract Act, 1872 including minors applying through guardian.

In absence of the cancelled cheque, the Issuer may reject the Application or it may consider the bank details as given on the Application Form at its sole discretion. In such case the Issuer, Lead Managers, Co-Lead Managers and Registrar shall not be liable for any delays / errors in payment of refund and/or interests.

The Registrar shall dispatch the physical certificate to the Applicant as per address provided in the Application.

In case KYC documents are not proper, Registrar shall hold back physical certificate pending receipt of complete KYC documents from the Applicant.

**The Members of the Syndicate and the Trading Members of the Stock Exchange shall ensure they shall accept Application Forms only in such cities/ towns where the banking branches (Escrow Banks) are available. Details of the branches of the Escrow Banks where the Application Form along with the cheque/ demand draft submitted by a Non ASBA Applicant shall be deposited by the Members of the Syndicate and Trading Members are available on the website of the Stock Exchange at [www.bseindia.com](http://www.bseindia.com). A link shall also be provided to the above mentioned websites in the Application Form as well.**

## **B. ASBA Applications**

***Procedure for Application through the Members of the Syndicate/ Trading Members of the Stock Exchange using the Applications Supported by Blocked Amount (“ASBA”) facility and Applications through SCSBs using ASBA facility***

This section is for the information of the Applicants proposing to subscribe to the Issue through the ASBA Process (“ASBA Investors”). Please note that Application through ASBA is optional for all categories of Applicants. The Lead Managers, the Co-Lead Managers and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Shelf Prospectus. ASBA Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

**Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers, Co-Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the amount payable on Application has been blocked in the relevant ASBA Account.**

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on <http://www.sebi.gov.in>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above mentioned SEBI link.

ASBA Applicants applying through a Member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only in the Specified Cities. ASBA Applicants should also ensure that Application Forms submitted to the Members of the Syndicate in the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Syndicate to deposit the Application Form from ASBA Applicants (A list of such branches is available at <http://www.sebi.gov.in>). ASBA Applicants Applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch, of a SCSB where the ASBA Account is maintained (A list of such branches is available at <http://www.sebi.gov.in>).

Those Applicants who wish to apply through the ASBA process by filling in physical Application Form will have to select the ASBA mechanism in Application Form and provide necessary details. The filled in Application Form containing instructions to SCSB to block the Application Amount shall be submitted to the designated branches of the SCSBs. The ASBA Applications can also be submitted with the Member of the Syndicate at the Syndicate ASBA Centres (only in Specified Centres) or with the Trading Members of the Stock Exchange, who shall in turn upload all such details of the Applicant that is required for the purpose of allotment based on the ASBA Application Form on the Platform of the Stock Exchange and forward the same to the SCSBs, in accordance with the circulars issued by SEBI in this regard from time to time. The Members of Syndicate and Trading Members of the Stock Exchange shall accept ASBA Applications only at the Syndicate ASBA Centres and should ensure that they verify the details about the ASBA Account and relevant SCSB prior to accepting the Application Form.

Care should be taken that such Application Forms should bear the stamp of the relevant SCSB, Members of the Syndicate or trading members of the Stock Exchange, otherwise they will be rejected.

ASBA Application in electronic mode will only be available with such SCSBs who provide such facility. In case of Application in such electronic form, the ASBA Applicant shall submit the Application Form with instruction to block the Application amount either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA Account held with SCSB, as would be made available by the concerned SCSB.

In case of ASBA Application in physical mode, the ASBA Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB. The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the bidding platform of the stock exchange(s). If sufficient funds are not available in the ASBA Account, the

respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the bidding platform of the stock exchange(s). If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the bidding platform of the stock exchange(s). The Designated Branch of the SCSBs shall stamp the Application Form.

Applications are liable to be rejected, wherein the SCSBs are not able to block the funds for Application Forms which have been uploaded by the Member of the Syndicate or Trading Members of the Stock Exchange due to any reason.

ASBA Applicants must note that:

- (a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the stock exchange(s) at least one day prior to the Issue Opening Date. The Application Forms would be serially numbered. Further, the SCSBs shall ensure that the abridged Prospectus is made available on their websites.
- (b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from ASBA Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from ASBA Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please refer to “**General Information**” on page 32 of this Shelf Prospectus.
- (c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Members of the Syndicate or Trading Members of the stock exchange(s), as the case maybe, if not, the same shall be rejected. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs, if not, the same are liable to be rejected.

#### **Submission of Non-ASBA Applications (Other than Direct Online Applications)**

Applicants must use the specified Application Form, which will be serially numbered, bearing the stamp of the relevant Lead Manager, Lead Broker, sub-broker or Trading Member of the Stock Exchange, as the case maybe, from whom such Application Form is obtained. Such Application Form must be submitted to the relevant Lead Manager, Lead Broker, sub-broker or Trading Member of the Stock Exchange, as the case maybe, at the centres mentioned in the Application Form along with the cheque or bank draft for the Application Amount, before the closure of the Issue Period. **Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for payment of the Application Amount.** The Stock Exchange may also provide Application Forms for being downloaded and filled. Accordingly the investors may download Application Forms and submit the completed Application Forms together with cheques/ demand drafts to the Lead Manager, Lead Broker, sub-broker or Trading Member of the Stock Exchange at the centres mentioned in the Application Form. On submission of the complete Application Form, the relevant Lead Manager, Lead Broker, sub-broker or Trading Member of the Stock Exchange, as the case maybe, will upload the Application Form on the electronic system provided by the Stock Exchange, and once an Application Form has been uploaded, issue an acknowledgement of such upload by stamping the acknowledgement slip attached to the Application Form with the relevant date and time and return the same to the Applicant. Thereafter, the Application Form together with the cheque or bank draft shall be forwarded to the Escrow Collection Banks for realization and further processing.

The duly stamped acknowledgment slip will serve as a duplicate Application Form for the records of the Applicant. The Applicant must preserve the acknowledgment slip and provide the same in connection with:

- a. any cancellation/ withdrawal of their Application;
- b. queries in connection with allotment and/ or refund(s) of NCDs; and/or
- c. all investor grievances/ complaints in connection with the Issue.

#### **Submission of Direct Online Applications**

*Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility will be as per the Stock Exchange and the Stock Exchange have till date not issued any circular confirming that the necessary infrastructure and facilities for the same has been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.*

Relevant “know your customer” details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated UAN and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant

and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

**As per Circular No. CIR/IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchange putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI.**

#### **Mode of payment**

The Applicant applying under the ASBA Process agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form or through which the Application is being made in case of electronic ASBA Application, the SCSB shall block an amount equivalent to the amount payable on Application mentioned in the Application Form until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account. This amount will be transferred into the Public Issue Account maintained by us as per the provisions of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSBs.

The SCSB may reject the Application at the time of acceptance of Application Form if the ASBA Account with the SCSB, details of which have been provided by the Applicant in the Application Form, does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, the Registrar would have a right to reject the Application only on technical grounds.

In the event of withdrawal or rejection of Application Form or for unsuccessful Application Forms, the Registrar shall give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within twelve (12) Working Days of receipt of such instruction.

#### ***Depository account and bank details for Applicants applying under the ASBA Process***

**IT IS MANDATORY FOR ALL THE APPLICANTS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR NCDs IN DEMATERIALIZED FORM. ALL APPLICANTS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, PAN DETAILS, BANK ACCOUNT DETAILS, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM.**

**Applicants applying under the ASBA Process should note that on the basis of name of these Applicants, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository demographic details of these Applicants such as PAN, address for printing on Allotment advice and occupation ("Demographic Details"). Hence, Applicants applying under the ASBA Process should carefully fill in their Depository Account details in the Application Form.**

These Demographic Details would be used for all correspondence with such Applicants including mailing of the letters intimating unblocking of their respective ASBA Accounts. The Demographic Details given by the Applicants in the Application Form would not be used for any other purposes by the Registrar. Hence, Applicants are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Applicants applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

**Letters intimating Allotment and unblocking the funds would be mailed at the address of the ASBA Applicant as per the Demographic Details received from the Depositories. The Registrar to the Issue will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent NCDs are not allotted to such ASBA Applicants. ASBA Applicants may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned/undelivered.**

**Note that any such delay shall be at the sole risk of the ASBA Applicants and none of us, the SCSBs or the Lead Managers or the Co-Lead Managers shall be liable to compensate the Applicant applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.**

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Applicants (including the order of names of joint holders), (b) the DP ID and (c) the beneficiary account number, then such Applications are liable to be rejected.

## **5. Instructions for completing the Application Form**

### **Submission of Application Form**

#### ***General Instructions***

- Applications to be made in prescribed form only;
- The forms to be completed in block letters in English;
- Ensure that the details about Depository Participant and Beneficiary Account in the Applications for seeking allotment of NCDs in dematerialised mode are correct, as allotment of NCDs to these Applicants will be in the dematerialized form only;
- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta;
- Information provided by the Applicants in the Application Form will be uploaded on to the Platform of the Stock Exchange by the Members of the Syndicate, Trading Members of the Stock Exchange as the case may be, and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- Ensure that the Applications are submitted to the Members of the Syndicate and Trading Members on a timely manner on the Issue Closing Date so that the details can be uploaded before the closure of the bidding period;
- Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. In case of Applications for Allotment in physical form, Applicants should submit a self-certified copy of their PAN card as part of the KYC documents. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;;
- Applicants (other than those applying for Allotment of NCDs in physical form) should correctly mention their DP ID and Client ID in the Application Form. For the purpose of evaluating the validity of Applications, the Demographic Details of Applicants shall be derived from the DP ID and Client ID mentioned in the Application Form;
- Applicants applying for Allotment of NCDs in physical form should submit the KYC documents as mentioned above;
- Ensure that you request for and receive a TRS for all your Applications and an acknowledgement as a proof of having been accepted;
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form;
- All Applicants are required to tick the relevant box of the "Mode of Application" in the Application Form choosing either ASBA or Non-ASBA mechanism;
- All Applicants applying through Non-ASBA mechanism shall mention the Application Number, Sole/ first Applicant's name and the phone number on the reverse side of the cheque and demand draft;
- Ensure that you select the correct option while filling in the Application Form.;
- All Application Forms (except in case of Application Forms through ASBA mechanism) duly completed together with cheque/bank draft for the amount payable on Application must be delivered before the closing of the subscription list to any of the Members of the Syndicate and Trading Members of the Stock Exchange, who shall upload the same on the Platform of the Stock Exchange before the closure of the Issue; and
- No receipt will be issued for the Application Amount. However, Bankers to the Issue and/or their branches receiving the Applications will acknowledge the same;

### ***Further Instructions for ASBA Applicants***

- ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch, otherwise the concerned SCSB shall reject the Application;
- If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account;
- For ASBA Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchange on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;
- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchange and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

Our Company shall allocate and allot Series NCDs as specified in the relevant Tranche Prospectus(es) wherein the Applicants have not indicated their choice of the relevant NCD Series or have applied for wrong Series.

### **Permanent Account Number**

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act (Except for Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market). In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. For minor Applicants applying through the guardian, it is mandatory to mention the PAN of minor Applicant. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

### **Terms of Payment**

The entire face value for the NCDs is payable on Application only. In case of allotment of lesser number of NCDs than the number applied, our Company shall refund / unblock the excess amount paid on Application to the applicant.

### **Payment mechanism for ASBA Applicants**

The ASBA Applicants shall specify the ASBA Account number in the Application Form.

For ASBA Applications submitted to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

**ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.**

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until

withdrawal/failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allocable to the successful ASBA Applicants to the Public Issue Account(s). In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **Escrow Mechanism for Applicants other than ASBA Applicants**

We shall open Escrow Account(s) with each of the Escrow Collection Bank(s) to the Issue, in whose favour the non-ASBA Applicants, shall draw the cheque or demand draft in respect of their Application. Cheques or demand drafts for the Application amount received from Applicants would be deposited in the Escrow Account. All cheques/demand drafts accompanying the Application should be crossed “A/c Payee only” by eligible Applicants and must be made payable to the account details as specified in the relevant Tranche Prospectus(es). Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for payment of the Application Amount.

The Escrow Collection Bank(s) shall transfer the funds from the Escrow Account into the Public Issue Account(s), as per the terms of the Escrow Agreement, this Shelf Prospectus, and relevant Tranche Prospectus(es).

The Escrow Collection Banks will act in terms of the Shelf Prospectus, and relevant Tranche Prospectus(es) and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Applicants, shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of NCDs (other than in respect of Allotment to successful ASBA Applicants) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account(s).

The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the relevant Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement, the Shelf Prospectus, and relevant Tranche Prospectus(es).

The Banker(s) to the Issue will act in terms of the Shelf Prospectus, the Escrow Agreement, and relevant Tranche Prospectus(es). The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Lead Managers, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Applicants.

#### **Payment by cash/ Stock Invest/ money order**

Payment through cash/ Stock Invest/ money order shall not be accepted in this Issue.

#### **Payment mechanism for Direct Online Applicants**

*Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange have confirmed that the necessary infrastructure and facilities for the same have not been implemented by both Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.*

### **6. General Instructions**

#### **Do's**

- Check if eligible to apply;
- Read all the instructions carefully and complete the Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account in the Applications for seeking allotment of NCDs in dematerialised mode are correct, as allotment of NCDs to these Applicants will be in the dematerialized form only;
- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as ‘XYZ Hindu Undivided Family applying through PQR’, where PQR is the name of the Karta;
- Ensure that the Applications are submitted to the Members of the Syndicate and Trading Members on a timely manner on the Issue Closing Date so that the details can be uploaded before the closure of the Bidding Period;
- Ensure that the Applicant's name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant;
- Ensure that you mention your PAN allotted under the IT Act;

- Ensure the use of an Application Form bearing the stamp of the relevant SCSB, Trading Members of the Stock Exchange or the Members of the Syndicate (except in case of electronic ASBA Applications) to whom the Application is submitted;
- Ensure that you receive an acknowledgement from the Designated Branch, the Trading Member of the Stock Exchange or from the Members of the Syndicate, as the case may be, for the submission and upload of your Application Form;
- Ensure that the Demographic Details are updated, true and correct in all respects (except in case where the Application is for NCDs in physical form);
- If applying for NCDs in physical form ensure the KYC documents are submitted along with the Application Form;
- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities, as applicable to each category of investor, to apply for, subscribe to and/or seek allotment of NCDs pursuant to the Issue;
- Ensure the use of an Application Form bearing the stamp of the relevant SCSB, Trading Members of the Stock Exchange or the Members of the Syndicate (except in case of electronic ASBA Applications) to whom the Application is submitted;
- Ensure that you select the correct option while filling in the Application Form;
- In case you are submitting an Application Form to a trading member ensure that he is located in a town / city that has an escrow banking facility (a list of such locations are available on the websites of Stock Exchange, and at ([www.sebi.gov.in](http://www.sebi.gov.in)); and
- Ensure that you receive an acknowledgement from the Designated Branch, the Trading Member of the Stock Exchange or from the Members of the Syndicate, as the case may be, for the submission and upload of your Application Form;

**Do's for ASBA Applicants in addition to the above mentioned general instructions**

- Ensure that you specify ASBA as the 'Mode of Application' and use the Application Form bearing the stamp of the relevant SCSB, Trading Members of the Stock Exchange or the members of the Syndicate (except in case of electronic Application Forms) to whom the Application is submitted;
- Ensure that your Application Form is submitted either at a Designated Branch of an SCSB, with a Trading Member of the Stock Exchange or with the members of the Syndicate at the Syndicate ASBA Centres (in Specified Cities) where the ASBA Account is maintained and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- ASBA Applicants applying through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only in the Specified Cities. ASBA Applicants should also ensure that Application Forms submitted to the Syndicate in the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit the Application Form from ASBA Applicants Bidders (A list of such branches is available at <http://www.sebi.gov.in>). ASBA Applicants Applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch, of a SCSB where the ASBA Account is maintained.
- Ensure that the Application Form is also signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- Ensure that you have funds equal to or more than the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch, with a Trading Member of the Stock Exchange or to the members of the Syndicate;
- Ensure that you have correctly checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the Designated Branch, the Trading Member of the Stock Exchange or from the members of the Syndicate, as the case may be, for the submission of your Application Form; and
- In case you are submitting the Application Form to a member of the Syndicate, please ensure that the SCSBs with whom the ASBA Account specified in the Application Form is maintained, has a branch specified for

collecting such Application Forms in the location where the Application Form is being submitted.

**Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not pay the Application amount in cash or by money order or by postal order or by Stockinvest;
- Do not fill up the Application Form such that the NCDs applied for exceeds the issue size and/or investment limit applicable to such investor under laws or regulations applicable to such investor or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground; and
- Do not submit the Application Forms without the full Application Amount;
- Do not submit Application Forms in non-ASBA mode to any of the Collection Centres of the Bankers to the Issue/Registrar/Company;
- Do not submit Application accompanied with Stockinvest.

**The Reserve Bank of India has issued standard operating procedure in terms of paragraph 2(a) of RBI circular number DPSS. CO. CHD. No./133/04.07.05/2013-14 dated July 16, 2013, detailing the procedure for processing CTS 2010 and non-CTS 2010 instruments in the three CTS grid locations.**

**SEBI Circular No. CIR/CFD/DIL/3/2010 dated April 22, 2010 stipulated the time between closure of the Issue and listing at 12 Working Days. In order to enable compliance with the above timelines, investors are advised to use CTS cheques or use ASBA facility to make payment. Investors using non-CTS cheques are cautioned that applications accompanied by such cheques are liable to be rejected due to any clearing delays beyond 6 Working Days from the date of the closure of the Issue to avoid any delay in the timelines mentioned in the aforesaid SEBI Circular.**

**Don'ts for ASBA Applicants in addition to the above mentioned general instructions**

- Payment of Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts shall not be accepted under the ASBA;
- Do not send your physical Application Form by post. Instead submit the same to a Designated Branch, a Trading Member of the Stock Exchange or to a member of the Syndicate, as the case may be;
- Do not submit more than five Application Forms per ASBA Account;
- Do not submit the Application Form with a member of the Syndicate, at a location other than where the Syndicate ASBA Centres are located; and
- Do not submit ASBA Applications to a member of the Syndicate or the Trading Members of the Stock Exchange unless the SCSB where the ASBA Account is maintained as specified in the Application Form, has named at-least one branch, as displayed on the SEBI website (<http://www.sebi.gov.in>) in the relevant area for the Syndicate or the Trading Members of the Stock Exchange to deposit the Application Forms.

**7. Other Instructions**

**A. Joint Applications**

Applications may be made in single or joint names (not exceeding three). If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. In the case of joint Applications, all payments will be made out in favour of the first applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

**B. Additional / Multiple Applications**

An Applicant is allowed to make one or more Applications for the NCDs for the same or other Series of NCDs (as applicable to the category of investors he/she/it belongs), subject to a minimum Application size of ₹ 10,000, and in multiples of ₹ 1,000 thereafter, for each Application. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as joint applicant, shall not be deemed to be a multiple Application.

For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more Applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

### **C. Depository Arrangements**

As per the provisions of Section 29 of the Companies Act 2013 read with Section 8 of Depositories Act, 1996, the allotment of NCDs of our Company can be made in both dematerialised form (i.e. not in the form of physical certificates but be fungible and be represented by the Statement issued through electronic mode) as well as physical form.

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the Depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialized form. In this context:

- i. Tripartite Agreement dated February 27, 2013 between us, the Registrar to the Issue and NSDL, respectively for offering depository option to the Investors,
- ii. Tripartite Agreement dated February 26, 2013 between us, the Registrar to the Issue and CDSL, respectively for offering depository option to the Investors,
- iii. An Applicant who wishes to apply for NCDs in the electronic form must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application,
- iv. The Applicant seeking allotment of NCDs in the Electronic Form must necessarily fill in the details (including the beneficiary account number and DP's ID) appearing in the Application Form under the heading 'Request for NCDs in Electronic Form',
- v. NCDs allotted to an Applicant in the Electronic Account Form will be credited directly to the Applicant's respective beneficiary account(s) with the DP,
- vi. For subscription in electronic form, names in the Application Form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository,
- vii. Non-transferable Allotment Advice/refund orders will be directly sent to the Applicant by the Registrars to this Issue,
- viii. If incomplete/incorrect details are given under the heading 'Request for NCDs in electronic form' in the Application Form, it will be deemed to be an Application for NCDs in physical form and thus will be rejected.
- ix. For allotment of NCDs in electronic form, the address, nomination details and other details of the Applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, our Company would not be liable for losses, if any,
- x. It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL,
- xi. The trading of the NCDs shall be in dematerialized form only.

### **D. Communications**

- All future Communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.
- Applicants can contact the Compliance Officer to the Issue/Compliance Officer of our Company/Lead Managers/Co-Lead Managers or the Registrar to the Issue in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non- receipt of Allotment Advice / credit of NCDs in depository's beneficiary account / refund orders, etc. Applicants may contact our Compliance Officer as well as the contact persons of the Company/Lead Managers/Lead Brokers or Registrar. Please note that Applicants who have applied for the NCDs through Trading Members should contact the Stock Exchange in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / credit of NCDs in depository's beneficiary account/ refund orders, etc.

## 8. Rejection of Application

The Board of Directors and/or any committee of our Company reserves 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 be rejected on one or more technical grounds, including but not restricted to:***

- Amount paid doesn't tally with the amount payable for the NCDs applied for. However, our Company may allot NCDs up to the value of application monies paid, if such Application Monies exceed the minimum Application Size as prescribed hereunder;
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants;
- GIR number furnished instead of PAN;
- Date of Birth for First/ Sole Applicant for persons applying for allotment of NCDs in physical form not mentioned in the Application Form;
- Bank account details not given, for Applicants seeking allotment in physical mode;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications by any persons outside India, including Applications by OCBs;
- Any Application for an amount below the minimum Application size;
- Application for number of NCDs, which are not in multiples of one;
- Category not ticked;
- Payment option not ticked;
- Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Application Form does not have Applicant's depository account details and has not opted for Allotment of NCDs in physical form;
- Applications accompanied by Stockinvest/money order/postal order;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Shelf Prospectus, and Tranche Prospectus(es) and as per the instructions in the Shelf Prospectus and Tranche Prospectus(es) and the Application Form;
- In case the subscription amount is paid in cash;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the applicant, the Depository Participant's Identity and the beneficiary's account number;
- ASBA Applications submitted directly to the Escrow Collection Banks, if such bank is not the SCSB;
- Application Form accompanied with more than one cheque;
- Application not uploaded in to the Platform of the Stock Exchange.
- Applications submitted directly to the Escrow Collection Banks, if such bank is not the SCSB;
- Application Form accompanied with more than one cheque;
- Applications not being signed by the sole/joint Applicants;
- For Applications in demat mode, DP ID/Client ID/PAN as per Electronic file does not match with depository records
- Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- ASBA Application Forms not being signed by the ASBA Account holder;
- ASBA Applications not having details of the ASBA Account to be blocked;
- With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application

Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;

- Applications where clear funds are not available in the Applicant's bank account as per final certificates from Escrow Collection Banks;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian;
- Copy of KYC documents not provided in case of option to hold NCDs in physical form;
- Authorization to the SCSB for blocking funds in the ASBA Account not provided;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- ASBA Applications submitted to the Members of Syndicate or Trading Members of the Stock Exchange at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- Application for allotment in physical form for Series NCDs as specified in the relevant Tranche Prospectus(es);

**Kindly note that the ASBA Applications being submitted with the Member of the Syndicate or with the Trading Members of the Stock Exchange should be submitted at the Syndicate ASBA Centres (only in Specified Cities). Further, ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one Designated Branch at that Specified City for the Members of the Syndicate or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in>).**

For further instructions regarding Application for the NCDs, investors are requested to read the Application Form.

**9. Retention of oversubscription**

To be specified as per Tranche Prospectus(es).

**10. Investor Withdrawals and Pre-closure**

*Investor Withdrawal:* Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date.

*Pre-closure:* Our Company, in consultation with the Lead Managers and/or Co-Lead Managers reserves the right to close the Issue at any time prior to the Closing Date, subject to receipt of minimum subscription for each Tranche Issue as disclosed in the relevant Tranche Prospectus(es). Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

If our Company does not receive the minimum subscription of 75% of Base Issue for each Tranche Issue as disclosed in the relevant Tranche Prospectus(es), our Company will refund the entire application monies within 12 working days from the Issue Closing Date/Tranche Issue Closing Date. If there is delay in the refund of the application monies, our Company becomes liable to refund the subscription amount along with interest at the rate of 15 (fifteen) percent per annum for the delayed period to the same bank account from which the Application Money was received by our Company.

Under Section 39(3) of the Companies Act 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Company and/or Registrar, refunds will be made to the account prescribed. However, where the Company and/or Registrar does not have the necessary information for making such refunds, the Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

**Undertaking by the Issuer**

**Statement by the Board:**

- (i) All monies received pursuant to the Issue shall be transferred to a separate bank account other than the bank account referred to in Section 40(3) of the Companies Act 2013;
- (ii) Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in our Company's financial results, indicating the purpose for which such monies were utilized; and
- (iii) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our Company's financial results, indicating the form in which such unutilized monies have been invested.
- (iv) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- (v) We shall utilize the Issue proceeds only upon execution of the documents for creation of security as stated in this Shelf Prospectus and on receipt of the minimum subscription of 75% of the Base Issue as disclosed in the relevant Tranche Prospectus(es).
- (vi) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

#### **Other Undertakings by the Company**

The Company undertakes that:

- a. Complaints received in respect of the Issue will be attended to by the Company expeditiously and satisfactorily;
- b. Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
- c. Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 12 Working Days of the Issue Closing Date;
- d. Funds required for dispatch of refund orders/Allotment Advice/NCD Certificates will be made available by our Company to the Registrar to the Issue;
- e. Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Statutory Auditor, to the Debenture Trustee;
- f. Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in the Shelf Prospectus.
- g. Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

#### **11. Utilization of Application Amount**

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

## SECTION VII: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND STATUTORY DEFAULTS

*As on date of this Shelf Prospectus, there are no defaults or non-payment of statutory dues including institutional / bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against our Company. Except as described below, there are no outstanding litigations against our Company that may have an adverse effect on our business.*

*Save and except as disclosed herein below, there are no pending proceedings/litigations pertaining to:*

- *matters likely to affect operation and finances of our Company including disputed tax liabilities of any nature;*
- *criminal prosecution launched against our Company and the Directors for alleged offences under the enactments specified in Paragraph 1 of Part I of Schedule V to the Companies Act, 2013.*
- *litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter during the last five years immediately preceding the date of this Shelf Prospectus and /or any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;*
- *litigation involving our Company, our Promoter, our Director, our Subsidiaries and our group companies or any other person, whose outcome could have material adverse effect on the position of our Company;*
- *proceedings initiated against our Company for economic offences;*
- *matters pertaining to default and non-payment of statutory dues;*
- *matters pertaining to any material frauds committed against our Company in the last five financial years; and*
- *Any inquiry, inspections or investigations initiated or conducted under the Companies Act 2013 or any previous companies' law in the last five years in the case of our Company and all of its subsidiaries*

*Save and except as disclosed herein below:*

- *No other prosecutions were filed under the Companies Act 2013 or any previous companies' law in the last five years in the case of our Company and all of its subsidiaries;*
- *No other fines were imposed under the Companies Act 2013 or any previous companies' law in the last five years in the case of our Company and all of its subsidiaries; and*
- *No other compounding of offences was done in the last five years under the Companies Act 2013 or any previous companies' law in the last five years in the case of our Company and all of its subsidiaries.*

*Further, save and except as disclosed herein there are no matters likely to affect operation and finances of our Company including disputed tax liabilities of any nature and there are no such litigation whose outcome could have material adverse effect on our position and involves our Company, our Promoter, our Directors, our Subsidiaries, our group companies or any other person.*

*Further from time to time, we have been and continue to be involved in legal proceedings filed by and against us, arising in the ordinary course of our business. These legal proceedings are both in the nature of civil and criminal proceedings. We believe that the number of proceedings in which we are / were involved is not unusual for a company of our size doing business in India.*

*The term "material" as used herein means:*

- i. *Any Legal Proceeding which may have any impact on the current or future revenues of the Company, whether individually or in aggregate, where the aggregate amount involved in such proceedings approximately exceeds ₹300 million ; and/or*
- ii. *Where the decision in one proceeding is likely to affect the decision in other proceedings, even though the amount involved in single proceeding individually may not exceed ₹300 million ; and/or*
- iii. *Where such Legal Proceedings individually or in the aggregate is likely to disrupt and/or adversely impact the operations and/or profitability of the Company.*

*Applying the aforementioned parameters, in the view of our Company, all pending proceedings whether civil, arbitral, tax related litigations, or otherwise, of value more than ₹300 million are material/potentially material to the Company.*

#### **Litigation involving our Promoter:**

- (I) Mr Hemant Kanoria, Promoter of our Company and Mr Sunil Kanoria, non-executive director of our Company are also directors of India Power Corporation Limited (erstwhile DPSC Limited), a listed public company. SEBI, by its interim ex-parte order No. WTM/PS/OS/CFD/JUNE/2013 dated June 04, 2013 ('Interim Order') has, inter alia, prohibited the directors of India Power Corporation Limited till such time, India Power Corporation Limited complies with the MPSR, from (i) buying, selling or otherwise dealing in securities of India Power Corporation Limited, either directly or indirectly, in any manner whatsoever, except for the purpose of complying with MPSR, and (ii) holding any new position as director in any listed company. SEBI

has further clarified that the Interim Order is without prejudice to its right to take any other action morefully mentioned in the said Order. The final order of SEBI in the matter is awaited as on the date of this Shelf Prospectus. However, the shareholding pattern of India Power Corporation Limited as on December 31, 2013, March 31, 2014 and June 30, 2014 available on the website of NSE and MCX Stock Exchange Limited (where shares of India Power Corporation Limited are listed) shows prima facie compliance by India Power Corporation Limited of the MPSR.

- (II) Hope Hall Co-operative Housing Society Limited had filed WP No. 1719 of 2013 before the Hon'ble High Court at Bombay praying for directions to be issued to Municipal Corporation of Greater Mumbai to take necessary action on alleged commercial use of premises of Avantika Building Plot no. 46, Dr. Gopal Rao Deshmukh Marg, (Pedder Road), Mumbai – 400026. at which has been Occupied our Company. The Hon'ble High Court at Bombay vide order dated August 8, 2013 had directed Municipal Corporation of Greater Mumbai to take necessary and appropriate action, in the absence of any stay.

Thereafter, Birhanmumbai Municipal Corporation has lodged a FIR bearing no. 2 of 2013 against our Promoter, amongst others under section 53(7) of Maharashtra Regional and Town planning Act 1966 for preventing commercial use of the basement and for vacating the premises, which has been leased to First Fitness (India) Pvt. Ltd. at Avantika Building, being basement portion of 46, Dr. Gopal Rao Deshmukh Marg, (Pedder Road), Mumbai – 400026. Our Promoter and others have filed quashing proceedings under Section 482 of CrPC at Hon'ble High Court at Bombay being Criminal Writ Petition No. 1726 of 2014 which is likely to come up on January 15, 2015.

Apart from the above litigation SIFL has filed a Short Causes Suit no. 558 of 2014 with Notice of Motion No 1063, where we have approached the Hon'ble Bombay City Civil court at Bombay seeking relief from unauthorized use of pathway leading to our premises at Avantika Building, 46, Dr. Gopal Rao Deshmukh Marg, (Pedder Road), Mumbai – 400026 by Hope Hall Co-operative Housing Society Limited. The matter is pending as on date.

- (III) The Enforcement Directorate, Kolkata had conducted proceedings vide show cause notice(s) dated April 12, 2001 bearing reference no. T-3/ FE /85 /CAL /2000 /DNP /1247 against our Company for certain alleged irregularities in foreign exchange transactions during the year 2000 and held our Company and its officials guilty of contravening the relevant provisions of FERA and imposed a personal penalty of ₹20,00,000/- on our Company, ₹10,00,000/- on our Promoter (being the Chairman and Managing Director of our Company) & ₹5,00,000/- each on two of our employees vide Order dated March 03, 2014, Order No – CIT(A)-11 (SM)/Kol/Adj. Off. (FERA)/2004. Our Company thereafter filed an appeal being Appeal no. 447, 445 & 449 of 2004 before the Appellate Tribunal for Foreign Exchange at New Delhi. The Learned Tribunal has imposed the precondition of paying penalty as pre-deposit before deciding the appeal on merits vide order dated March 26, 2008.

The Hon'ble High Court at Calcutta in Writ Petition no. 10091 of 2008 vide order dated June 23, 2008 has modified the order of the Learned Tribunal to the effect of reducing the pre-deposit to ₹10,00,000/- which was to be furnished by way of a Bank Guarantee of equivalent amount, which was further confirmed by order dated May 06, 2009 of the Learned Tribunal. The matter was last listed before the Learned Tribunal on April 6, 2011, when the case was adjourned. The matter is pending as on date.

- (IV) Based on an inspection of the books of accounts and other records of the Company pursuant to Section 209A of the Companies Act 1956, the Regional Director (Eastern Region) (RD), Ministry of Corporate Affairs, Government of India, Kolkata had sent a Preliminary Finding Report to our Company dated 30.08.2008 observing violation of various provisions of the Companies Act 1956. The Company had thereafter submitted its explanations to the aforesaid observations. However, the Registrar of Companies, West Bengal issued a notice dated 21.10.2008 to launch prosecution proceedings against our Company and / or its directors and officers in default alleging violation of certain provisions of the Companies Act 1956 like Sections 125, 153, 205, 209, 211, 212, 217, 269 and 292 and also advised them to file application seeking to compound the alleged offences, if they desire to do so. The Directors and Company Secretary of the Company thereafter filed a petition before the Hon'ble High Court at Calcutta seeking relief under Section 633 of the Companies Act 1956.

An Ad-interim order of injunction in C.A no. 654 of 2008 / C.P. No. 385 of 2008 restraining the Regional Director and the Registrar of Companies, West Bengal (jointly referred to as Respondents) from instituting or causing to be instituted any criminal proceeding against the Directors and Company Secretary of the Company pursuant to notices dated August 30, 2008 and October 21, 2008 was passed by the Hon'ble High Court at Calcutta on November 28, 2008. The injunction is operative till further orders of the Hon'ble High Court at Calcutta.

- (V) One Mr Naveen Bansal has filed one application being CP No 99 of 2014 u/S(s) 397, 298, 399, 402, 403, 406 and 409 of the Act before the Hon'ble Company Law Board, Kolkata Bench (“**CLB Kolkata**”) against I Log Ports Private Limited, Srei Alternative Investment Managers Limited, Srei Venture Capital Trust and others (which includes our Company, our Promoter and certain Key Managerial Personnel of our Company). The

petitioner i.e. Mr Naveen Bansal has approached CLB Kolkata seeking several interim reliefs including injunctions on I Log Ports Private Limited from operating bank accounts, holding any board meetings, etc. The amount involved in the matter is not ascertainable and the matter is pending as on date hereof.

### **Tax Matters involving our Company**

1. Service Tax department had issued a Show Cause cum Demand notice (SCN) for ₹ 450 lacs, on April 20, 2012 with regard to availment of Cenvat Credit, considering the observations of auditors appointed u/s 14AA of the Central Excise Act, 1944. The Company has filed reply followed by personal hearings. Final Order-In-Original was received from the Commissioner of Service Tax, Kolkata on April 12, 2014 confirming the Total Tax Demand of ₹ 151.18 lacs along with Penalty for ₹ 151.18 lacs. Hence, the total Demand raised is ₹ 302.36 lacs Plus Interest on Service Tax (To be quantified later). The Company has filed an Appeal and Stay Petition before CESTAT, Kolkata and the matter is awaited to be heard.
2. The West Bengal Commercial Tax Authorities have rejected our claim of High Sea Sales in Transfer of Right to use transaction. Thereby raising a basic demand of ₹ 1,60,46,922/- & ₹ 50,96,381/- as interest. The total demand in the matter is ₹ 2,11,43,303/-. We had filed an Appeal in October 2013. The final hearing has taken place on August 28, 2014 and the order has been received on September 6, 2014 from the Appellate Authority confirming the demand of ₹ 16,046,922 & ₹ 5,096,381/- by way of Interest. Thus, no relief has been provided to us from the Appellate Authority. Appeal with the next Appellate Authority has to be filed condemning the order within 45 days from the date of receipt of the order.
3. We are involved in 11 disputes pertaining to income tax demands amounting to ₹ 421.6 Million as on June 30, 2014.
4. Our Company has challenged the constitutional validity of Fringe Benefit Tax ("FBT") before the Hon'ble High Court at Calcutta. The Hon'ble Court has granted an interim stay on levy of such FBT on the Company. In view of this the Company has not provided for any liability against FBT since the inception of the levy up to the date of its abolition, i.e. March 31, 2009.

### **Litigation involving our Company**

- (I) M/s DHV India Private Limited ('DHV'), has instituted arbitration proceeding against our Company claiming an amount of ₹ 69,189,451.00 along with an interest @ 18%. The dispute relates to alleged claims of DHV on our Company for consultancy work jointly carried out for the Government of Uttar Pradesh. We have disputed the claim and the matter is still pending. The next date of hearing is on September 29, 2014.
- (II) Mr Vijay Gopal Jindal, an ex-employee of Srei Alternative Investment Managers Limited (Formerly Srei Venture Capital Limited), has filed a suit for recovery and an application for mandatory and permanent injunction being C.S. (OS) no. 1575 of 2008 along with I.A. No. 9448 of 2008 before the Hon'ble High Court of Delhi, at New Delhi against our Company and Srei Alternative Investment Managers Limited (Formerly Srei Venture Capital Limited) alleging that he was promised 500,000 equity shares at the rate of ₹ 100/- per share of our Company. An Objection to the said injunction and the written statement has been filed by our Company & SVCL and the matter has been slated for filing the list of witnesses and evidences by Mr Vijay Gopal Jindal. The matter is still pending. The amount involved is not ascertainable.
- (III) Mr Vijay Gopal Jindal ('Plaintiff') has also filed a suit bearing no. C.S. (O.S) 2478 of 2011 before the Hon'ble High Court at Delhi ('Delhi High Court') against our Company and Srei Alternative Investment Managers Limited (Formerly Srei Venture Capital Limited) (collectively referred to as 'Defendants') alleging that he was appointed as the managing director of SVCL and the terms of such appointment comprised of payment of ₹ 24,000,000 per annum, entitlement to 10% of the net profit of SVCL, entitlement to 25% equity stake in proposed media/entertainment funds, payment of ₹ 50,000,000 as an advance against security of properties/shares/other assets and 500,000 equity shares at ₹ 100 each of our Company and further alleging that the Defendants did not honour their commitments. In the said Suit, the Plaintiff, has inter alia, prayed for decree directing the Defendants to make payment of ₹ 17,875,000 to the Plaintiff (along with 18% interest per annum), allegedly being the Plaintiff's salary in lieu of compensation for the period July 2008 to July 2009 and for the period August 2009 to August 2011. The Defendants have filed their respective written statements with the Court Registry. The matter is pending. The amount involved in the matter is ₹ 17,875,000 and interest thereon @ 18% per annum.
- (IV) Dr Syed Sabahat Azim, ex-chief executive officer of Sahaj e-village Ltd. (erstwhile Srei Sahaj E-village Ltd.), has filed a company petition being No. 259 of 2011 under Sections 397, 398, 399, 402, 403 and 406 of the Act read with Sections 235 & 239 and Sections 539-545 of the Act, before the Company Law Board, Eastern Region Bench, Kolkata against our Company, erstwhile Srei Sahaj e-village Ltd. and others. The said Petition is currently pending. The amount involved in the matter is not ascertainable. The matter is pending as on date.
- (V) Our Company extended by way of loan a sum of ₹ 1,000 million to one K. S. Oil Limited ("defendant") vide Rupee Loan Agreement dated August 23, 2010. The above loan amount was secured by way of hypothecation

of the defendant's 92 wind turbines in the States of Madhya Pradesh, Rajasthan, Tamil Nadu and Gujarat vide Deed of Hypothecation dated August 23, 2010. The above charge was subservient to the charges created by the defendant in favour of its other consortium of lenders with State Bank of India as the lead bank ("Consortium"). A civil suit being C.S. No. 259 of 2014 was filed along with G.A. No. 2429 of 2014 at Hon'ble High Court at Calcutta by our Company against the defendant and its secured creditors seeking for an order by Hon'ble High Court at Calcutta to supervise the sale of the above mentioned wind turbines under section 13(4) of the SARFAESI Act, 2002. The defendant defaulted in payment of the loan amount and interests accrued. We have instituted a criminal case being Case No. 10440 of 2012 before the Learned Chief Metropolitan Magistrate, Calcutta against K.S. Oil (hereinafter referred to as "Accused Company"), its Directors and its Company Secretary under Sections 406, 420, 467, 468, 471, 477 read with 120B of the IPC for failure by the Accused Company to register the charges with the Registrar of Companies and for dishonour of cheques issued by the Accused Company with respect to the rupee loan of ₹ 1,000 million extended by us to the Accused Company. The opposite party (Accused Company) has filed application being CRR 1891 of 2013 under 482 of Cr. PC 1973, in the Hon'ble High Court at Calcutta and in this case the Hon'ble Court has granted a stay on the proceeding in the criminal case being Case No. 10440 of 2012. However the stay has been vacated. The matter is pending as on date.

- (VI) Our Company has filed O.A. No. 393 of 2012 before the Hon'ble Debts Recovery Tribunal-I against Deccan Chronicle Holdings Limited (DCHL) and others for recovery of outstanding dues (along with interest thereon) to the extent of ₹ 3,017,024,829/-. The next date of hearing is on November 26, 2014. Our Company has also filed Company Application No(s) 347 & 346 of 2013 before the Honourable High Court at Hyderabad objecting the demerger application of DCHL. The said applications are pending as on date. Further, our Company has filed criminal complaint being Case No C-15890 under Section 156 of CrPC before the 16th M.M Court, Calcutta (Bankshall Court) and in relation to the same, Hare Street PS Case no 381/13 has been lodged against DCHL and others. The matter is pending as on date.
- (VII) Our Company has initiated arbitration proceedings against Tuff Drilling Private Limited, claiming our outstanding dues along with interest thereon, aggregating to approximately ₹ 29.25 Crores. The matter is pending as on date and the next date of hearing is on September 10, 2014.
- (VIII) Our Company has filed a recovery Application bearing no. 477 for 2012 before the Hon'ble Debts Recovery Tribunal-I, Kolkata against (1) Gujarat Hydro Carbons and Power SEZ Limited (Defendant No.1), (2) Mr Aditya Kumar Jajodia (Defendant No.2), (3) Assam Company Limited (Defendant No.3) and (4) Link Holdings Private Limited (Defendant No.4) for recovery of principal amount of loan of ₹ 100 Crores provided to Defendant No 1 by the Company under loan agreement dated 5 January 2011 along with applicable interests aggregating to ₹ 1,21,41,39,813/-. The matter is pending as on date and next dates for hearing of two interim applications I.A. No. 831 of 2013 and I.A. No. 1027 of 2013 and date of hearing for all Interim application is June 10, 2014. The opposite party had filed an appeal, at the Debts Recovery Appellate Tribunal, being Appeal no. 417 of 2013, against one order of Hon'ble Debts Recovery Tribunal-I, Kolkata passed in the application being OA no. 477 of 2012. The appeal has been dismissed in favour of our Company. The Defendant No. 1 has filed an application to recalling the order of making Gujarat Industrial Development Corporation a party to the current proceeding in this case. The Opposite party has filled a case being CO 1702 of 2104 under Article 227 of Constitution of India challenging the maintainability of the Case at DRT. The matter is pending as on date.
- (IX) Our Company has filed C.S. No. 76 of 2014 and G.A. No. 655 of 2014 before the Honourable High Court at Calcutta against Violet Arch Capital Advisors Pvt. Ltd. & Others for recovery of loan amount of ₹29,65,38,579.89 (approximately) in order to implicate its assets on which our Company has a security interest. Other respondents include Bajpai Capital Advisors and Mr Varun Bajpai. Srei Alternative Investment Managers Limited has been added as Proforma Respondent. The Honourable High Court at Calcutta vide ad interim order dated June 2, 2014 granted injunction on the receivables in Violet Arch Capital Advisors Pvt. Ltd from the BSE Limited and The National Stock Exchange of India Limited (being deposits maintained) and refund of Income Tax, which were to be received by Violet Arch Capital Advisors Pvt. Ltd till disposal of the said suit. A demurral application has been filed by Mr Varun Bajpai. The amount involved is ₹29,65,38,579.89 (approximately). Our Company has initiated an application being G.A. No. 2699 of 2014 in C.S. No. 76 of 2014 wherein our Company has asked the Hon'ble High Court at Calcutta for appointing a Receiver and Auditor for the purpose of auditing the books of accounts of Violet Arch Capital Advisors Pvt. Ltd. and its subsidiary. The matter is pending as on date.

#### **Litigation involving our Joint Venture and our Company**

- (I) Atlanta Limited and Mr Rikiin Rajhoo Bbarot (director of Atlanta Limited) has filed Contempt Petition No 57 of 2012 in Suit No 1758 of 2011 before the Honorable High Court of Bombay against Srei Equipment Finance Limited, our Promoter and others, alleging violation of consent terms in Suit No 1195 of 2011. The said suit (L) No. 1195 of 2011 was filed by Atlanta Limited against Srei Equipment Finance Limited and our Company, before the Honorable High Court at Bombay for release of certain number of shares which were pledged in

favour of Srei Equipment Finance Limited by the said Mr Rikiin Rajhoo Bbarot for loans taken by Atlanta Limited. Atlanta Limited has further alleged that as part of the consent terms in which it was agreed inter alia that the respondents in Suit No 1195 of 2011 shall not institute any fresh complaint/ proceedings against Atlanta Limited and it is further alleged that Srei Equipment Finance Limited, regardless of the terms of the consent terms had informed CIBIL of the repayment defaults of Atlanta Limited. As such Atlanta Limited and Mr. Rikiin Rajhoo Bbarot (director of Atlanta Limited) has filed Contempt Petition No 57 of 2012 against Srei Equipment Finance Limited and other directors of Srei Equipment Finance Limited and that our Promoter is also one of the parties. In addition to the above. Atlanta Limited has also filed Suit No 2560 of 2012 against Srei Equipment Finance Limited and others (including our promoter) claiming damages to the extent of ₹50,00,00,000/- (Rupees Fifty Crores) alleging wrongful lodging of incorrect and false compliant with CIBIL and the damages caused as a result thereto. The Notice of Motion no. 493 of 2013 filed with the above referred civil suit has been dismissed vide order dated July 25, 2013 of Honorable High Court of Bombay. Both the Contempt Petition No 57 of 2012 and Civil Suit No 2560 of 2012 are pending as on date.

- (II) SEFL has initiated numerous cases under section 138 of the Negotiable Instruments Act, 1881, against its customers to recover money due under dishonoured cheques which were presented to SEFL. These cases are pending across different courts in India. SEFL has also initiated several arbitration proceedings against defaulting customers. These proceedings are pending before various arbitrators. In cases where the arbitral award was passed in favour of SEFL, execution petitions have been filed to execute the awards and have several execution petitions pending for attachment of certain property or for issuance of warrants before several courts in India. SEFL has also filed petitions under Section 9 of the Arbitration and Conciliation Act, 1996 for restraining customers from disposing of certain property during the pendency of the arbitration proceedings.

#### **Litigation against our Director**

One of our Non-Executive & Independent Directors, Mr Sujitendra Krishna Deb is involved in a legal proceeding under Section 233 of the Companies Act 1956 which are currently pending before relevant courts. In case the default in one or more such cases is proved to be wilful, the said Director shall be liable to punishment by way of a maximum fine of ₹ 10,000/- per such concluded proceeding.

#### **Regulatory proceedings against our Company and subsidiaries**

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

#### **Regulatory proceedings against our Company's subsidiaries**

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

Insurance Regulatory and Development Authority vide letter dated May 29, 2014 bearing reference no. IRDA/CB 183/03 has levied penalty of ₹ 7,39,852 on Srei Insurance Broking Private Srei Insurance Broking Private Limited has duly paid the same.

#### **Other Proceedings involving our Company in the Ordinary course of business**

Our Company has initiated numerous cases under section 138 of the Negotiable Instruments Act, 1881, against our customers to recover money due under dishonoured cheques which were presented to the Company. These cases are pending across different courts in India. Our Company has also initiated several arbitration proceedings against defaulting customers. These proceedings are pending before various arbitrators. In cases where the arbitral award was passed in our favour, we have filed execution petitions to execute the awards and have several execution petitions pending for attachment of certain property or for issuance of warrants before several courts in India. We have also filed petitions under Section 9 of the Arbitration and Conciliation Act, 1996 for restraining customers from disposing of certain property during the pendency of the arbitration proceedings.

#### **Material Development since the last Balance Sheet as on March 31, 2014**

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

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the present Issue**

The shareholders of our Company, subject to the Memorandum and Articles of Association, have passed a resolution under Section 180(1)(c) of the Companies Act 2013, at the general meeting held on August 02, 2014 which prescribes the maximum monetary limit for the purpose of borrowing. The aggregate value of the NCDs offered under the Shelf Prospectus, together with the existing borrowings of our Company, is within the approved borrowing limits of ₹250,000 million.

The Issue of NCDs offered to the public under the Shelf Prospectus in one or more Tranche Issues, is being made pursuant to resolution passed by the Board of Directors of our Company at its meeting held on May 23, 2014.

### **Prohibition by SEBI / Eligibility of our Company to come out with the Issue**

Our Company, persons in control of the Company and/or our Promoters have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

### **Disclaimer clause of SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS\* BEING ICICI SECURITIES LIMITED, A. K. CAPITAL SERVICES LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED AND SPA CAPITAL ADVISORS LIMITED AND CO-LEAD MERCHANT BANKERS BEING BAJAJ CAPITAL LIMITED, INTEGRATED ENTERPRISES (INDIA) LIMITED, KARVY INVESTOR SERVICES LIMITED, RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED AND SMC CAPITALS LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS\* AND CO-LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS\* AND CO-LEAD MERCHANT BANKERS HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 22, 2014 WHICH READS AS FOLLOWS:**

- 1. WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE SHELF PROSPECTUS DATED SEPTEMBER 22, 2014 AND TRANCHE 1 PROSPECTUS DATED SEPTEMBER 22, 2014 HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- 2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE SHELF PROSPECTUS AND TRANCHE 1 PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDs OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
- 3. WE CONFIRM THAT THE SHELF PROSPECTUS AND TRANCHE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED.**
- 4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 1956, COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED AS ON THE DATE OF THE SHELF PROSPECTUS),, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND**

**EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH, IN RELATION TO THE ISSUE, PLEASE NOTE THE FOLLOWING:**

**AS PER THE REQUIREMENTS OF SECTION 39 (3) OF THE COMPANIES ACT, 2013 READ WITH RULE 11(2) OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, IF THE COMPANY DOES NOT RECEIVE THE MINIMUM SUBSCRIPTION AMOUNT WITHIN THE SPECIFIED PERIOD THE ENTIRE APPLICATION MONEY RECEIVED IS TO BE CREDITED ONLY TO THE BANK ACCOUNT FROM WHICH THE SUBSCRIPTION WAS REMITTED. IN ORDER TO ENSURE COMPLIANCE WITH THIS REQUIREMENT, TO THE EXTENT POSSIBLE, WHERE THE REQUIRED INFORMATION FOR MAKING SUCH REFUNDS IS AVAILABLE WITH THE COMPANY AND/OR REGISTRAR, REFUNDS WILL BE MADE TO THE ACCOUNT PRESCRIBED. HOWEVER, WHERE THE COMPANY AND/OR REGISTRAR DOES NOT HAVE THE NECESSARY INFORMATION FOR MAKING SUCH REFUNDS, THE COMPANY AND/OR REGISTRAR WILL FOLLOW THE GUIDELINES PRESCRIBED BY SEBI IN THIS REGARD INCLUDING ITS CIRCULAR (BEARING CIR/IMD/DF-1/20/2012) DATED JULY 27, 2012.**

- 5. WE CONFIRM THAT NO COMMENTS/ COMPLAINTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS DATED SEPTEMBER 10, 2014 POSTED ON THE WEBSITE OF BSE LIMITED (DESIGNATED STOCK EXCHANGE).**

**\*Srei Capital Markets Limited, being a Lead Manager to the Issue is a wholly owned subsidiary of the Company, shall only be involved in marketing of the Issue.**

**Disclaimer clause of the BSE**

**BSE LIMITED ("THE EXCHANGE") HAS GIVEN VIDE ITS LETTER DATED SEPTEMBER 19, 2014 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER: -**

- a) WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**
- b) WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**
- c) TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;**

**AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.**

**Disclaimer clause of the RBI**

**RBI HAS ISSUED CERTIFICATE OF REGISTRATION DATED 1 AUGUST 1998 AND A FRESH CERTIFICATE OF REGISTRATION DATED 30 MARCH 2011 RE-CLASSIFYING OUR COMPANY UNDER THE CATEGORY "INFRASTRUCTURE FINANCE COMPANY – NON DEPOSIT ACCEPTING". IT MUST BE DISTINCTLY UNDERSTOOD THAT THE ISSUING OF THIS CERTIFICATE AND GRANTING A LICENSE AND APPROVAL BY RBI IN ANY OTHER MATTER SHOULD NOT IN ANY WAY, BE DEEMED OR CONSTRUED TO BE AN APPROVAL BY RBI TO THIS SHELF PROSPECTUS NOR SHOULD IT BE DEEMED THAT RBI HAS APPROVED IT AND THE RBI DOES NOT TAKE ANY RESPONSIBILITY OR GUARANTEE THE FINANCIAL SOUNDNESS OF OUR COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED BY OUR COMPANY IN THIS CONNECTION AND FOR REPAYMENT OF DEPOSITS / DISCHARGE OF LIABILITIES BY OUR COMPANY.**

**Track record of past public issues handled by the Lead Managers**

**The track record of past issues handled by the Lead Managers and Co-Lead Manager, as required by SEBI circular**

number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

<b>Name of Lead Manager</b>	<b>Website</b>
ICICI Securities Limited	<a href="http://www.icicisecurities.com">www.icicisecurities.com</a>
A. K. Capital Services Limited	<a href="http://www.akcapindia.com">www.akcapindia.com</a>
Edelweiss Financial Services Limited	<a href="http://www.edelweissfin.com">www.edelweissfin.com</a>
SPA Capital Advisors Limited	<a href="http://www.spacapital.com">www.spacapital.com</a>
Srei Capital Markets Limited	<a href="http://www.srei.com">www.srei.com</a>
Bajaj Capital Limited	<a href="http://www.bajajcapital.com">www.bajajcapital.com</a>
Integrated Enterprises (India) Limited	<a href="http://www.integratedindia.in">www.integratedindia.in</a>
Karvy Investor Services Limited	<a href="http://www.karvy.com">www.karvy.com</a>
RR Investors Capital Services Private Limited	<a href="http://www.rrfcl.com">www.rrfcl.com</a> / <a href="http://www.rrfinance.com">www.rrfinance.com</a>
SMC Capitals Limited	<a href="http://www.smccapitals.com">www.smccapitals.com</a>

### **Listing**

The NCDs proposed to be offered through this Shelf Prospectus are proposed to be listed on the BSE Limited. We had applied for obtaining in-principle approval for the Issue and the same has been obtained from BSE vide BSE's letter ref no. DCS/RK/PI-Bond/15/14-15 dated September 19, 2014 . If permissions to deal in and for an official quotation of our NCDs are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Shelf Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within twelve (12) Working Days from the date of Issue Closing Date.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Series, such NCDs with Series(s) shall not be listed.

### **Consents**

Consents in writing of: (a) the Directors, (b) the Compliance Officer to the Issue, (c) the Compliance Officer of the Company, (d) the Statutory Auditors, (e) Lenders to our Company, (f) Lead Managers & Co-Lead Managers, (g) Registrar, (h) Legal Advisor to the Issue, (i) Credit Rating Agencies, (j) Bankers to the Issue and (k) the Debenture Trustee, to act in their respective capacities, have been obtained and filed along with a copy of this Shelf Prospectus with the Stock Exchange.

### **Expert Opinion**

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

Vide letter dated September 10, 2014, our Company has received consent from Haribhakti & Co. LLP, Statutory Auditors of our Company to include their name as an expert under Section 26(5) of the Companies Act 2013 in the Draft Shelf Prospectus, Shelf Prospectus and relevant Tranche Prospectus(es) in relation to the examination report dated September 10, 2014 and statement of tax benefits dated September 10, 2014 included in the Draft Shelf Prospectus, Shelf Prospectus and relevant Tranche Prospectus(es) and such consent has not been withdrawn as on the date of this Shelf Prospectus.

### **Common Form of Transfer**

The Issuer undertakes that there shall be a common form of transfer for the NCDs held in physical form and the provisions of SCRA / Act and all applicable laws shall be duly complied with in respect of all transfer of NCDs and registration thereof.

### **Minimum Subscription**

If our Company does not receive the minimum subscription of 75% of Base Issue for each Tranche Issue as disclosed in the relevant Tranche Prospectus(es), our Company will refund the entire application monies within 12 days from the Issue Closing Date/Tranche Issue Closing Date. If there is delay in the refund of the application monies, our Company becomes liable to refund the subscription amount along with interest for the delayed period at the rate prescribed under applicable law and in the manner as may be prescribed in accordance with Section 39(3) of the Act, 2013.

Under Section 39(3) of the Companies Act 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Company and/or Registrar, refunds will be made to the account prescribed. However, where the Company and/or Registrar does not have the necessary information for making such refunds, the Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

### **Filing of Shelf Prospectus and Tranche Prospectus(es)**

The Shelf Prospectus and relevant Tranche Prospectus(es) shall be filed with Stock Exchange in terms of Regulation 7 of the Debt Regulations, for dissemination on their website(s).

### **Filing of the Shelf Prospectus and Tranche Prospectus(es) with the RoC**

A copy of the Shelf Prospectus and relevant Tranche Prospectus(es) will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

### **Debenture Redemption Reserve**

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a Debenture Redemption Reserve ("DRR") out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-1A of the RBI (Amendment) Act, 1997 shall be 25% of the value of debentures issued through a public issue as per the Debt Regulations. The Rules further mandates (a) every company to create/maintain the required DRR before the 30th day of April of each year and (b) deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March following. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during the period as mentioned above.

### **Issue Related Expenses**

The expenses of this Issue include, among others, fees for the Lead Managers and / or the Co-Lead Managers, printing and distribution expenses, legal fees, advertisement expenses and listing fees.

The estimated breakdown of the total expenses shall be as specified in the relevant Tranche Prospectus(es).

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

### **Underwriting**

This Issue has not been underwritten.

### **Public / Rights Issues by our Company**

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

<b>Date of Opening</b>	July 7, 1992
<b>Date of Closing</b>	July 16, 1992
<b>Total Issue Size</b>	32,20,000 equity shares of ₹10/- each
<b>Date of Allotment</b>	August 31, 1992

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

<b>Date of Opening</b>	November 02, 1993
<b>Date of Closing</b>	December 03, 1993
<b>Total Issue Size</b>	41,40,000 equity shares of ₹ 10/- each for cash at a premium of ₹ 10/- per share
<b>Date of Allotment</b>	January 13, 1994

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

<b>Date of Opening</b>	December 31, 2011
<b>Date of Closing</b>	March 6, 2012
<b>Total Issue Size</b>	₹ 3000 million
<b>Date of Allotment</b>	March 22, 2012
<b>Date of Refunds</b>	March 26, 2012
<b>Date of Listing</b>	March 30, 2012

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

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

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

<b>Date of Opening</b>	April 4, 2013
<b>Date of Closing</b>	April 25, 2013
<b>Total Issue Size</b>	₹ 1500 million
<b>Date of Allotment</b>	May 6, 2013
<b>Date of Refunds</b>	May 7, 2013
<b>Date of Listing</b>	May 10, 2013

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

<b>Date of Opening</b>	August 26, 2013
<b>Date of Closing</b>	September 17, 2013
<b>Total Issue Size</b>	₹ 2000 million
<b>Date of Allotment</b>	September 26, 2013
<b>Date of Refunds</b>	September 27, 2013
<b>Date of Listing</b>	October 1, 2013

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

<b>Date of Opening</b>	December 30, 2013
<b>Date of Closing</b>	January 31, 2014
<b>Total Issue Size</b>	₹1000 million
<b>Date of Allotment</b>	February 11, 2014
<b>Date of Refunds</b>	February 11, 2014
<b>Date of Listing</b>	February 12, 2014

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

<b>Date of Opening</b>	May 9, 2014
<b>Date of Closing</b>	May 19, 2014
<b>Total Issue Size</b>	₹1500 million
<b>Date of Allotment</b>	May 28, 2014
<b>Date of Refunds</b>	May 28, 2014
<b>Date of Listing</b>	May 29, 2014

#### **Utilisation details of Previous Issues**

For Utilisation details of Previous Issues, please refer to the section titled “Objects of the Issue” at page no. 56 of this Shelf Prospectus.

#### **Previous issues of shares otherwise than for cash**

Pursuant to the Scheme of Amalgamation of Quippo Infrastructure Equipment Limited (Quippo) into and with our Company sanctioned by the Honourable High Court at Calcutta vide order dated March 3, 2011, our Company had issued and allotted 294,025,696 Equity Shares of ₹ 10 each fully paid up of our Company to the shareholders of Quippo based on the share exchange ratio of 27:10, in consideration of the transfer and vesting of all assets and liabilities of Quippo into and with our Company. Further, our Company had issued and allotted 92,915,839 Equity Shares of ₹10 each fully paid up to the equity shareholders of Srei Infra as bonus shares in the ratio of 4 (four) equity shares of ₹10 each (fully paid-up) for every 5 (five) equity shares of ₹10/- each of Srei Infra held by them as on the record date, by way of capitalisation of free reserves, pursuant to the aforesaid Scheme of Amalgamation.

#### **Dividend**

The details of dividend by our Company in the previous five years are as follows:

Financial Year ended	Dividend Per Share (₹)	Total Dividend* (₹ in Mn)
31.03.2014	0.50	294.30
31.03.2013	0.50	294.30
31.03.2012	0.50	292.30
31.03.2011	0.75	438.50
31.03.2010	1.20	162.50

*\*inclusive of dividend distribution tax*

### Revaluation of assets

Our Company has not re-valued its assets in the last five years.

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

As at June 30, 2014, our Company had outstanding listed / rated / unrated, secured / unsecured, non-convertible redeemable debentures and commercial papers aggregating to ₹31,500.90million. Apart from the above, there are no outstanding debentures, NCDs, redeemable preference shares or other instruments issued by our Company that are outstanding.

### Mechanism for redressal of investor grievances

Karvy Computershare Private Limited has been appointed as the Registrar to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints. The MoU between the Registrar and our Company will provide for retention of records with the Registrar for a period of at least three years from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar for redressal of their grievances. All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, Series of NCDs applied for, amount paid on Application, Depository Participant and the collection centre of the Members of the Syndicate where the Application was submitted.

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

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

### Details of Registrar to the Issue

Karvy Computershare Private Limited  
Plot No. 17 to 24, Vithalrao Nagar  
Madhapur, Hyderabad 500 081  
Toll Free No.1-800-3454001  
Tel: +91 40 4465 5000  
Fax: +91 40 2343 1551  
Investor Grievance Email: einward.ris@karvy.com  
Website: www.karisma.karvy.com  
Compliance Officer: Mr Rakesh Santalia  
Contact Person: Mr M. Murali Krishna  
SEBI Registration No.: INR000000221

In addition, the Compliance Officer to the Issue would also handle all investors' grievances:

Name : **Mr Sumit Jhunjhunwala**  
Address : 'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046  
Telephone : (033) 6160 7734  
Fax : (033) 2285 8501  
Toll Free no. : 1800 419 7734  
E-Mail : sreincd1@srei.com, connect@sreibonds.com

We estimate that the average time required by the Registrar for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

### Change in auditors of our Company during the last three years

There has been no change(s) in the Statutory Auditors of our Company in the last 3 (three) financial years preceding the date of this Shelf Prospectus.

**Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under Debt Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

**Auditors' Remarks**

The statutory auditor of the Company, Haribhakti & Co. LLP, confirm that there have been no reservations or qualifications or adverse remarks in the Financial Statements of the Company in the last five financial years immediately preceding the Shelf Prospectus.

**Revaluation of assets**

Our Company has not revalued its assets in the last five years.

**Trading**

Debt securities issued by our Company, which are listed on BSE Wholesale Debt Market are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities.

**Caution**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- a. makes or abets making of an application in a fictitious name to a company for acquiring or subscribing for, its securities; or*
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or any other person in a fictitious name*

*shall be liable for action under section 447.”*

**Material Contracts**

Our Company has not entered into any material contracts other than in the ordinary course of business, in the last two years.

**Disclaimer in respect of Jurisdiction**

ISSUE OF THE DEBENTURES HAVE BEEN / WILL BE MADE IN INDIA TO INVESTORS AS SPECIFIED UNDER SECTION “WHO CAN APPLY” ON PAGE NO. 154 OF THIS SHELF PROSPECTUS. THE DEBENTURES ARE GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE EXISTING INDIAN LAWS AS APPLICABLE IN THE STATE OF WEST BENGAL. ANY DISPUTE ARISING IN RESPECT THEREOF WILL BE SUBJECT TO THE EXCLUSIVE JURISDICTION OF THE COURTS AND TRIBUNALS OF KOLKATA.

**Disclaimer Statement from the Issuer**

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS SHELF PROSPECTUS ISSUED BY OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE DEBENTURES AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER OWN RISK.

## REGULATIONS AND POLICIES

*The regulations set out below are not exhaustive and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. Taxation statutes such as the Income Tax Act, 1961 and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations such as the Trade and Merchandise Marks Act, 1958 and applicable shops and establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

### **The Reserve Bank of India Act, 1934**

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

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

As per the RBI Act, a financial institution has been defined as a non-banking institution carrying on as its business or part of its business, amongst other activities, the financing, whether by way of making loans or advances or otherwise, of any activity, other than its own, or the carrying on of any class of insurance business.

Any company which carries on the business of a non-banking financial institution as its principal business is to be treated as an NBFC. The RBI, pursuant to a press release dated April 8, 1999, has further indicated that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of our Company to determine its principal business. A company would be categorized as an NBFC if its financial assets were more than 50% of its total assets (netted off by intangible assets) and income from financial assets is more than 50% of the gross income. Both these tests are required to be satisfied as the determinant factor for classifying the principal business of a company as that of an NBFC.

With effect from January 9, 1997, NBFCs were not permitted to commence or carry on the business of a non-banking financial institution without obtaining a Certificate of Registration (CoR). Further, with a view to imparting greater financial soundness and achieving the economies of scale in terms of efficiency of operations and higher managerial skills, the RBI raised the requirement of minimum net owned fund from ₹ 2.5 million to ₹ 20 million for an NBFC commencing business on or after April 21, 1999. Further, every NBFC was required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case not later than December 30 of that year, stating that it was engaged in the business of non-banking financial institution and it held a CoR.

### **Capital Reserve fund**

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

### **Prudential Norms Directions**

The RBI has issued the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended ("**Prudential Norms Directions**"), which contain detailed directions on prudential norms for an NBFC-ND. The Prudential Norms Directions, amongst other requirements prescribe guidelines regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans. In terms of the Prudential Norms Directions, all NBFCs - ND with an asset size of ₹1,000 million or more as per their last audited balance sheet will be considered as a systemically important NBFC-ND-SI.

#### *Asset Classification*

The Prudential Norms Directions require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- (i) Standard assets;

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

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such up-gradation.

#### *Provisioning Requirements*

An NBFC-ND, after taking into account the time lag between an account becoming non-performing, its recognition, the realization of the security and erosion overtime in the value of the security charged, shall make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the Prudential Norms Directions.

#### *Disclosure Requirements*

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

#### *Exposure Norms*

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

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

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

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

#### *Capital Adequacy Norms*

As per the Prudential Norms Directions, every NBFC-ND-SI is subject to capital adequacy requirements. A minimum capital ratio consisting of Tier I and Tier II capital of not less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off balance sheet items is required to be maintained. "Tier I" capital means owned fund as reduced by investment in shares of other Non-Banking Financial Companies and in shares, debentures, NCDs, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by an NBFC-ND-SI in each year to the extent it does not exceed 15% of the aggregate Tier I capital of such company as on March 31 of the previous accounting year; and "Tier II" capital includes, (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth per cent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt to the extent the aggregate does not exceed Tier I capital; and (f) perpetual debt instruments issued by a NBFC-ND-SI in each year to the extent it does not exceed 15% of its aggregate Tier I capital, as on March 31 of the previous fiscal year.

The RBI required that such ratio should not be less than 15% by March 31, 2011. Also, the total of Tier II capital of a NBFC–ND–SI at any point of time shall not exceed 100% of Tier I capital.

#### *Information to be furnished in relation to certain changes*

As per the Prudential Norms Directions, an NBFC–ND is required to furnish the following information to the Regional Office of the Department of Non-Banking Supervision of the RBI within one month of the occurrence of any change: (i) complete postal address, telephone/fax number of the registered/corporate office, (ii) name and residential address of the directors of our Company, (iii) names and official designations of its principal officers, (iv) names and office address of its auditors, and (v) specimen signatures of the officers authorized to sign on behalf of our Company.

#### *Norms applicable to NBFCs classified as Infrastructure Finance Companies*

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

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

- At least 75 % of the NBFC's total assets should be deployed in infrastructure loans;
- The NBFC must have net owned funds of at least ₹ 3.0 billion;
- The NBFC must have a minimum credit rating of "A" or its equivalent from any of CRISIL, CARE, India Ratings or ICRA or a comparable rating from any other accrediting rating agency;
- The NBFC must have a minimum CRAR of 15.0% (with a minimum Tier 1 capital of 10.0%); and
- The NBFC must not accept deposits.

IFCs are entitled to various benefits such as:

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

#### ***Other Regulations***

##### *Monthly Return*

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

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

##### *Asset Liability Management*

The RBI has prescribed the Guidelines for Asset Liability Management ("ALM") System in relation to NBFCs ("ALM Guidelines") that are applicable to all NBFCs. As per this Guidelines, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹ 1,000 million, irrespective of whether they are accepting / holding public deposits or not, are required to put in place an ALM system. The ALM system rests on the functioning of ALM information systems within the NBFC, ALM organization including an Asset Liability Management (ALM) Committee and ALM support groups, and the ALM process includes liquidity risk management, management of marketing risk, funding and capital planning, profit planning and growth projection, and forecasting/ preparation of contingency plans. It has been provided that the management committee of the board of directors or any other specific committee constituted by the board of directors should oversee the implementation of the system and review its functioning periodically. The

ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/31 days' time bucket should not exceed the prudential limit of 15% of outflows of each time bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

For further details, please refer to the section titled "**Business**" on page no. 77 of this Shelf Prospectus.

#### *Concentration of Credit*

With effect from April 1, 2007, no NBFC-ND-SI is permitted to lend more than 15% of its owned fund to any single borrower or more than 25% of its owned fund to a single group of borrowers

#### *Fair Practices Code*

On September 28, 2006 the RBI prescribed broad guidelines towards a fair practices code that was required to be framed and approved by the Board of Directors of all NBFCs. On 1 July 2013 the RBI issued a Master Circular No DNBS (PD) CC No. 340/03.10.042/2013-14 on fair practices and has required that the Fair Practices Code of each NBFC is to, be published and disseminated on its website. Among others, the code prescribes the following requirements, to be adhered to by NBFCs:

- (i) Inclusion of necessary information affecting the interest of the borrower in the loan Application Form.
- (ii) Devising a mechanism to acknowledge receipt of loan Applications and establishing a time frame within which such loan Applications are to be disposed.
- (iii) Conveying, in writing, to the borrower the loan sanctioned and terms thereof. The acceptance of such terms should be kept on record by the NBFC.
- (iv) Giving notice to the borrower of any change in the terms and conditions and ensuring that changes are effected prospectively.
- (v) Refraining from interfering in the affairs of the borrowers except for the purposes provided in the terms and conditions of the loan agreement.
- (vi) Not resorting to undue harassment in the matter of recovery of loans, and an appropriate grievance redressal mechanism for resolving disputes in this regard is to be established.
- (vii) Periodical review of the compliance of the fair practices code and the functioning of the grievances redressal mechanism at various levels of management, a consolidated report whereof may be submitted to the board of directors

#### *KYC Guidelines*

The RBI has issued a Master Circular on Know Your Customer ("**KYC**") guidelines dated July 1, 2012 and advised all NBFCs to adopt such guidelines with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework on KYC and anti-money laundering measures is put in place. The KYC policies are required to have certain key elements such as customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, adherence to KYC guidelines by the persons authorized by the NBFCs' and including brokers/ agents, due diligence of persons authorized by the NBFCs and customer service in terms of identifiable contact with persons authorized by NBFCs.

#### *Corporate Governance Guidelines*

In order to enable NBFCs to adopt best practices and greater transparency in their operations, the RBI introduced corporate governance guidelines on May 8, 2007. The RBI consolidated the corporate governance guidelines issued by it from time to time in the Master Circular dated July 1, 2012. As per this Master Circular, all NBFCs-ND-SI are required to adhere to certain corporate governance norms, including:

- (i) Constitution of an audit committee;
- (ii) Constitution of a nomination committee to ensure fit and proper status of the proposed and existing Directors;
- (iii) Constitution of risk management committee;
- (iv) Constitution of asset liability management committee to monitor the asset gap and strategize actions to mitigate the associated risk. Further a risk management committee may also be formed to manage the integrated risk;
- (v) Informing the Board of Directors, at regular intervals, the progress made in having a progressive risk management system, a risk management policy and the strategy being followed. The Board of Directors also needs to be informed about compliance with corporate governance standards, including in relation to the composition of various committees and their meetings; and
- (vi) Frame internal guidelines on corporate governance for enhancing the scope of the guidelines.

#### *Rating of Financial Product*

Pursuant to the RBI circular dated February 4, 2009, all NBFCs with an asset size of ₹ 1,000 million and above are required to furnish at the relevant regional office of the RBI, within whose jurisdiction the registered office of the

NBFC is functioning, information relating to the downgrading and upgrading of assigned rating of any financial products issued by them within 15 days of such change.

#### *Norms for Excessive Interest Rates*

The RBI, through its circular dated May 24, 2007, directed all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 1, 2012 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the Application Form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

#### *Enhancement of Capital funds Raising Option*

Pursuant to the RBI circular on Enhancement of NBFCs' Capital Raising Option for Capital Adequacy Purposes dated October 29, 2008, NBFCs-ND-SI have been permitted to augment their capital funds by issuing perpetual debt instruments ("PDI") in accordance with the prescribed guidelines provided under the circular. Such PDI will be eligible for inclusion as Tier I capital to the extent of 15% of the total Tier I capital as on March 31 of the previous accounting year. Any amount in excess of the amount admissible as Tier I capital will qualify as Tier II capital within the eligible limits. The minimum investment in each issue/tranche by any single investor shall not be less than ₹ 500,000. It has been clarified that the amount of funds so raised shall not be treated as public deposit within the meaning of clause 2 (1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

#### *Supervisory Framework*

In order to ensure adherence to the regulatory framework by NBFCs-ND-SI, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution requiring to hold a CoR under the RBI Act. This certificate is required to be submitted within one month of the date of finalization of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor's report under Section 227 of the Companies Act 1956 (now Section 143 of the Companies Act 2013), the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI.

#### **Private Placement of Securities**

RBI vide its circular no RBI/2012-13/560 dated June 27, 2013 has put in place a minimum set of guidelines for compliance by all NBFCs. The guidelines require NBFCs to space out such issuances and also aim to bring NBFCs at par with other financial entities as far as private placement is concerned. The guidelines can be summarised as under:

- i. The offer document for private placement should be issued within a maximum period of 6 months from the date of the Board Resolution authorizing the issue. The offer document should include the names and designations of the officials who are authorised to issue the offer document. The Board Resolution and the offer document must contain information on purpose for which the resources are being raised.
- ii. The offer document may be printed or typed "For Private Circulation Only". General information including the address of the registered office of the NBFC, date of opening / closing of the issue etc. shall be clearly mentioned in the offer document.
- iii. An NBFC shall only issue debentures for deployment of funds on its own balance sheet and not to facilitate resource requests of group entities/ parent company / associates.
- iv. Private placement by all NBFCs shall be restricted to not more than 49 investors, identified upfront by the NBFC.
- v. Minimum subscription amount for a single investor shall be ₹ 25 lakh and in multiples of ₹10 lakh thereafter.
- vi. There should be a minimum time gap of at least six months between two private placements.
- vii. An NBFC shall not extend loans against the security of its own debentures (issued either by way of private placement or public issue).
- viii. NBFCs shall ensure that at all points of time the debentures issued, including short term NCDs, are fully secured. Therefore in case, at the stage of issue, the security cover is insufficient /not created, the issue

proceeds shall be placed under escrow until creation of security, which in any case should be within one month from the date of issue.

### **Reporting of frauds**

By its Master Circular No. DNBS.PD.CC.No.385/03.10.042/2014-15 dated 1st July, 2014 the RBI has introduced a comprehensive mechanism for NBFCs (including RNBCs) and NBFCs-ND-SI for reporting frauds. Further, by Circular NoDNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated 2 March, 2012, all NBFCs-ND-SI and deposit taking NBFCs are required to disclose the amount related to fraud, reported in the company for the year in their balance sheets. NBFCs failing to report fraud cases to the Reserve Bank would be liable for penal action prescribed under the provisions of Chapter V of the RBI Act, 1934.

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

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

### **Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“Securitisation Act”)**

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

### **Anti-Money Laundering**

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

The RBI has issued a Master Circular No. DNBS.PD.CC.No.385/03.10.042/2014-15 dated 1st July, 2014to ensure that a proper policy frame work for the PMLA and PML Rules is put into place. Pursuant to the provisions of PMLA, PML Rules and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 1 million; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 1 million where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 1 million.

All NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity. Further, NBFCs shall exercise on-going due diligence with respect to the business relationship with every client and closely examine the transactions in order to ensure that they are consistent with their knowledge of the client, his business and risk profile and where necessary, the source of funds.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

### **Public Financial Institutions**

Section 2(72) of the Companies Act 2013 defines “public financial institutions” in the following manner:

(72) “public financial institution” means

- (i) *the Life Insurance Corporation of India, established under section 3 of the Life Insurance Corporation Act, 1956;*
- (ii) *the Infrastructure Development Finance Company Limited, referred to in clause (vi) of sub-section (1) of section 4A of the Companies Act, 1956 so repealed under section 465 of this Act;*
- (iii) *specified company referred to in the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002;*
- (iv) *institutions notified by the Central Government under sub-section (2) of section 4A of the Companies Act, 1956 so repealed under section 465 of this Act;*
- (v) *such other institution as may be notified by the Central Government in consultation with the Reserve Bank of India:*

*Provided that no institution shall be so notified unless—*

- (A) *it has been established or constituted by or under any Central or State Act; or*
- (B) *not less than fifty-one per cent. of the paid-up share capital is held or controlled by the Central Government or by any State Government or Governments or partly by the Central Government and partly by one or more State Governments."*

### **White Label ATMs**

On June 20, 2012 the RBI issued the guidelines on "White Label Automated Teller Machines (WLAs) in India". White Label ATMs are ATMs set up, owned and operated by non-bank entities incorporated in India under the Companies Act, 1956. Till then, only banks were permitted to set up ATMs as extended delivery channels. Under the guidelines, non-bank entities incorporated in India under the Companies Act 1956 will be permitted to set up, own and operate ATMs in India. Prospective operators/applicants would need to seek authorisation from the Reserve Bank under the PSSA. For setting up WLAs, entities should have a minimum net worth of ₹ 100 crore as per the latest financial year's audited balance sheet. The authorisation can be sought from RBI under three distinct schemes as specified in the guidelines. The guidelines, among others, further provide that:

1. The authorization issued to a WLAO cannot be assigned/transferred without prior approval of the RBI.
2. Only cards issued by banks in India (domestic cards) would be permitted to be used at the WLAs in the initial stage.
3. Acceptance of deposits at the WLAs, by the WLAO would not be permitted.
4. The WLAO would be permitted to display advertisements and offer value added services as per the regulations in force from time to time.
5. The extant guidelines on five free transactions in a month as applicable to bank customers for using other bank ATMs would be inclusive of the transactions effected at the WLAs.
6. The WLA Operator would not be entitled to any fee from the card issuer-bank other than the "Interchange" fee payable to "acquirer" bank under the bank owned ATM scenario.
7. While the WLA operator is entitled to receive a fee from the banks for the use of ATM resources by the banks customers, WLAs are not permitted to charge bank customer directly for the use of WLAs.
8. Regulatory guidelines relating to compensation for failed transactions at bank ATMs would, mutatis mutandis, apply to the transactions effected at such WLAs. General guidelines governing the operations of the bank operated ATMs would also apply, mutatis mutandis, to WLAs.

### **Applicable Foreign Investment Regime**

#### **FEMA Regulations**

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

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

which is one among the eighteen NBFC activities, where induction of FDI is permitted, covers only 'financial leases' and not 'operating leases'

### ***Foreign Direct Investment***

FDI is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made. Investors are required to file the required documentation with the RBI within 30 days of such issue/ acquisition of securities. Under the approval route, prior approval of the FIPB and/or RBI is required. FDI for the items/activities not under the automatic route (other than in prohibited sectors) may depend upon the activity be brought in through the approval route. Further:

- (a) As per the sector specific guidelines of the Government of India, 100% FDI/ NRI investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.
- (b) Minimum Capitalisation Norms for fund based NBFCs are the following:
  - (i) For FDI up to 51% - US\$ 0.5 million to be brought upfront
  - (ii) For FDI above 51% and up to 75% - US \$ 5 million to be brought upfront
  - (iii) For FDI above 75% and up to 100% - US \$ 50 million out of which US \$ 7.5 million to be brought up front and the balance in 24 months
- (c) Minimum capitalization norm of US\$0.5 million is applicable in respect of all permitted non-fund based NBFCs with foreign investment
- (d) Foreign investors can set up 100% operating subsidiaries without the condition to disinvest a minimum of 25% of its equity to Indian entities, subject to bringing in US\$ 50 million specified in (b) (iii) above (without any restriction on number of operating subsidiaries without bringing in additional capital)
- (e) Joint ventures operating NBFC's that have 75% or less than 75% foreign investment will also be allowed to set up subsidiaries for undertaking other NBFC activities, subject to the subsidiaries also complying with the applicable minimum capital inflow, i.e., (b) (i) and (b) (ii) above.

Where FDI is allowed on an automatic basis without FIPB approval, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, the prior approval of the RBI may not be required other than in certain circumstances although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. Every Indian company issuing shares or convertible debentures in accordance with the RBI regulations is required to submit a report to the RBI within 30 days of receipt of the consideration and another report within 30 days from the date of issue of the shares to the non-resident purchaser.

NBFC's having FDI are required to submit a certificate from the statutory auditors on half yearly basis certifying compliance with the terms and conditions of the FDI regulations. Such certificate should be submitted not later than one month from the close of the half year to which the certificates pertains to the regional office of the RBI in whose jurisdiction the head office of our Company is registered.

### ***Calculation of Total Foreign Investment in Indian Companies***

On February 13, 2009, the Indian Government issued two press notes setting out guidelines for foreign investment in India. Press Note 2 of 2009 prescribes the guidelines for the calculation of total foreign investment (direct and indirect) in Indian companies. Press Note 3 of 2009 prescribes the transfer of ownership or control of Indian companies in sectors with caps from resident Indian citizens to non-resident entities. Additionally, Press Note 4 of 2009 issued on February 25, 2009 clarifies the guidelines on downstream investments by Indian companies. These press notes have been consolidated by the Government of India an FDI Policy issued by the Department of Industrial Policy & Promotion (circular 1 of 2013, with effect from 5 April 2013 as amended by Press Note No. 1 (2013 series), dated 3-6-2013; Press Note no. 2 (2013 series) dated 3-06-2013 Press Note no. 3 (2013 series), dated 4-7-2013 and Press Note nos. 4 to 6 (2013 series), all dated 22-08-2013). The FDI Policy is reviewed every one year.

### ***External Commercial borrowing (ECB)***

The current policy of the RBI directly relating to external commercial borrowings ("ECB") is consolidated in the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000, as amended from time to time and the Master Circular on External Commercial Borrowings and Trade Credits (Master Circular No. 12/2013-14) dated 1 July 2013 issued by the RBI ("**ECB Guidelines**"). The ECB Guidelines state that ECB refers to commercial loans in the form of bank loans, buyers' credit, suppliers' credit and securitized instruments, such as, floating rate notes and fixed rate bonds, availed from non-resident lenders with a minimum average maturity of three years. Funds received by an Indian company from the issue of preference shares, whether non-convertible, optionally convertible or partially convertible, or the issue of debentures that are not mandatorily and compulsorily convertible into equity shares, are considered debt, and, accordingly, all norms applicable to ECB (including those relating to eligible borrowers, recognised lenders, amount and maturity and end-use stipulations) apply to such issues. ECB can be accessed under two routes: (i) the automatic route, and (ii) the approval route. The automatic route does not require

a borrower to obtain any RBI approvals, whereas the approval route refers to circumstances where prior RBI approval is mandatory before raising an ECB. The ECB Guidelines are subject to amendment from time to time.

Pursuant to the circular dated January 7, 2013 issued by the RBI, NBFCs categorized as IFCs have been permitted to avail of ECB, including their outstanding ECBs, not exceeding 75% of their owned funds, under the automatic route subject to compliance with RBI prescribed prudential norms. However, ECBs availed by IFCs above 75% of their owned funds would require the approval of RBI and will, therefore, be considered under the approval route.

**Revisions to guidelines for securitization timelines.**

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

## SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

**Article 1** states that the Regulations contained in Table F in Schedule I to the Companies Act, 2013 shall apply to the Company, except as provided in the following Articles, which shall be the Regulations for the management of the Company, so however that the Articles shall to the extent to which they are repugnant to and/or at variance with the provisions of the Companies Act, 2013, various Schedules thereto and the Rules framed thereunder (collectively referred to as “Act”) be deemed to have been replaced by the relevant provisions/rules in the Act so as to be in consonance and harmony therewith and the relevant provisions/rules in the Act which require inclusion in the Articles shall be deemed to be included in the Articles.

**Article 6** states that the Directors may issue shares, bonds, debentures, stocks, warrants & all such securities, with full, differential or without voting rights attached thereto, upon such terms and conditions and with such rights and privileges attached thereto as thought fit and as may be permitted by law for the time being in force.

**Article 8** states that the Company shall cause to be kept a Register of Members, an Index of Members, a Register of Debenture holders and an Index of Debenture holders in accordance with Sections 150, 151, 152 and other applicable provisions of the Act

**Article 9** states that the Register of Members, the Index of Members, the Register and Index of Debenture-holders, copies of all Annual Returns prepared in accordance with the Act, together with the copies of certificates and documents required to be annexed thereto as provided by the Act shall, except when the Register of Members or Debenture holders is closed under the provisions of the Act or these presents, be open during business hours to inspection of any Member or Debenture holder without fee and to inspection of any other person on payment of such sum as may be prescribed by the Act for each inspection. Any such member or debenture holder or any other person may make extracts there from or require a copy thereof on payment of such sum as may be prescribed.

**Article 10** states that the Company shall send to any Member, Debenture holder or other person on request, a copy of the Register of Members, the Index of Members, the Register and Index of Debenture holders or any part thereof required to be kept under the Act or copies of certificates required to be annexed thereto as per the Act, on payment of such sum as may be prescribed by the Act. The copy sought shall be sent within the time prescribed under the Act.

**Article 22** states that except as ordered by a Court of Competent Jurisdiction or as provided by the Act, no notice of any trust, expressed or implied or constructive, shall be entered on the Register of Members or of debenture-holders of the Company.

**Article 24** states that the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or any other security of the Company or for procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures or debenture stock or any other security of the Company, so that if the commission in respect of shares shall be paid or payable out of capital the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed the rates prescribed by the Act. The Commission may be paid or satisfied in cash or in shares, debentures or debenture stock of the Company.

**Article 27** states that every Member shall be entitled without payment to one certificate in his name for all the shares of each class or denomination registered in his name or, if the Directors so approve (upon paying such fee or fees or at the discretion of the Directors without payment of fees as the Directors may from time to time determine) to several certificates each for one or more shares of each class. Every certificate of shares shall specify the number of the shares in respect of which it is issued and the amount paid thereon and shall be in such form as the Directors shall prescribe or approve. Where a Member has transferred a part of the shares comprised in his holding he shall be entitled to a certificate for the balance without charge.

Notwithstanding anything contained hereinabove, the Board may in its absolute discretion refuse applications for the sub-division or consolidation of share certificates, debenture or bond certificates, into denomination of less than the marketable lot except when such sub-division or consolidation is required to be made to comply with the statutory provision or on order of a competent Court of law or listing requirements of a Stock Exchange on which the Company's shares are or may be listed.

**Article 55** states that the Company shall not register a transfer of shares in, or debentures of, the Company, unless in accordance with the provisions of the Act a proper instrument of transfer duly, stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate relating to the shares or debentures, or if no such certificates is in existence, along with the letter of allotment of shares or debentures within the prescribed time.

Provided that where on an Application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is approved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnify the Company from all consequences of such transfer as the Board may think fit.

Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder or debenture holder any person to whom the right to any shares in, or debentures of the company has been transmitted by operation of law.

**Article 58** states that nothing in these presents shall prejudice the powers of the Company to refuse to register the transfer of any shares subject to the provisions of the Act.

**Article 59** states that the instrument of transfer of any shares shall be in writing in prescribed form and in accordance with the Act.

**Article 61** states that notwithstanding anything contained in the aforesaid Articles but, subject to the provisions of the Act, the Directors may at their absolute and uncontrolled discretion decline to register or acknowledge any transfer of shares and in particular shall not be bound to give any reason for such refusal and in particular may so decline in respect of the shares desired to be transferred or any of them remain unpaid or unless the transferee is approved by the Directors and such refusal shall not be affected by the fact that the proposed transferee is already a Member. The registration of a transfer shall be conclusive evidence of the approval by the Directors of the transferee.

Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.

**Article 73** states that the provision of these Articles shall mutatis mutandis, apply the transfer of or the transformation by law of right to debentures or any other bond of the Company.

**Article 74** states that notwithstanding anything contained in these Articles, the provisions of the Depositories Act, 1996 including any re-enactment or modification thereof, and the relevant rules, regulations and guidelines as farmed from time to time by the Securities and Exchange Board of India shall apply in respect of the securities of the Company held in dematerialized form.

**Article 78** states that in addition to and without derogating from the powers for the purpose conferred on the Director under these Articles, the Company in General Meeting may in accordance with the provisions of Section 81 of the Act determine that any shares (whether forming part of the original capital of the Company or not) shall be offered to such persons (whether members or holders of Debentures of the Company or not) in such proportion and on such terms and conditions and either at a premium or at par or subject to compliance with the provisions of Section 79 of the Act) at a discount, as such General Meeting shall determine. Any General Meeting may resolve to capitalize any part of the amount standing to the credit of any of the Company's Reserve account or to the credit of the Profit and Loss Account or otherwise available for distribution or standing to the credit of the share premium account for issue and distribution of fully paid up shares or paying up any money for the time being remaining unpaid on any shares remaining unpaid by any members.

**Article 84** states that subject to the provisions of the Act, the Board of Directors may from time to time, by a resolution passed at a Meeting of the Board accept deposits or borrow moneys from members or elsewhere, either in advance of calls or otherwise or elsewhere, and may generally raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by issue of bonds or redeemable debenture stock, or any mortgage or charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

The Company may also, as per the applicable laws and regulations, raise monies from any Indian, foreign or non – resident Investor by way of issue or private placement of its securities, acceptance of deposits or otherwise as may be permitted by the rules and regulations applicable for the time being in force.

**Article 85** states that any bonds, debentures, or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

**Article 86** states that debentures, bonds or other securities may be made assignable free from any equities between the Company and the persons to whom the same may be issued.

**Article 87** states that any bonds, debentures, debenture stock or other securities may be issued at a discount, premium, or otherwise and with any special privilege as to redemption, surrender, drawing, allotment of shares, attending at General Meeting of the Company appointment of Directors and otherwise, provided that any debenture with a right to allotment or conversion into shares not be issued without the consent of the General Meeting.

**Article 90** states that the Directors shall cause a proper register to be kept in accordance with the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall duly comply with the requirements of the said Act in regard to registration of mortgages and charges and in regard to inspection to be given to creditors or Member of the Register of Charges and of copies of instruments creating charges. Such sum as may be prescribed by the Act shall be payable by any person other than a creditor or Member of the Company for each inspection of the Register of Charges.

**Article 115.1** states that upon a show of hands every Member entitled to vote and present in person or proxy shall have one vote.

**Article 115.2** states that upon a poll every Member who being an individual is present in person or by attorney or by proxy or being a Corporation is present by a representative or proxy shall have a voting right in proportion to his share of the paid up equity capital of the Company.

Provided that in the event of the Company issuing Preference Shares, the holders of such Preference Shares shall have no right to vote either in person or by proxy, at any General Meeting by virtue or in respect of their holdings of Preference Shares, unless the preferential dividend due on such Preference Shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than 2 years preceding the date of commencement of the Meeting or unless a resolution is proposed directly affecting the rights or privileges attached to such Preference Shares;

For the purpose of this Article:-

- (a) Any resolution for winding-up the Company or for the repayment or reduction of its shares capital shall be deemed directly to affect the rights attached to Preference Share.
- (b) Dividend shall be deemed to be due on Preference Shares in respect of any period whether a dividend has been declared by the Company on such shares for such period or not -
- (i) On the last day specified for the payment of such dividend for such period in the Article or other instrument executed by the Company in that behalf; or
- (ii) In case no day has been specified, on the day immediately following such period.

**Article 116** states that any Member who is a Corporate Body present by a representative duly authorised by a resolution of the Directors or other governing body of such Corporation in accordance with the provisions of the Act may vote on a show of hands as if it was a Member of the Company. The production at the Meeting of a copy of such resolution duly signed by one Director of such Corporation or by a Member of its governing body and certified by him as being a true copy of the resolution shall on production at the Meeting be accepted by the Company as sufficient evidence of the validity of his appointment.

**Article 117** states that subject to the provisions of the Act no Member shall be entitled to present or to vote at any General Meeting either personally or by proxy if call or other sum shall be overdue and payable to the Company in respect of any of the shares of such Members.

**Article 118** states that any person entitled under the transmission clause for transfer of any shares may vote at General Meetings in respect thereof as if he was the registered holder of such shares provided that at least 48 hours before the time of holding the Meeting, or adjourned Meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

**Article 119 (a)** states that any Member of the Company entitled to attend and vote at a meeting of the. Company shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting.

**Article 119 (b)** states that in every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that Member entitled to attend and vote is entitled to appoint proxy to attend and vote instead of himself and that a proxy need not be a Member.

**Article 120** states that votes maybe given either personally or by proxy or in case of a Corporation also by a representative duly authorised as aforesaid.

**Article 121** states that every instrument of proxy whether for a specified meeting or otherwise shall be in writing under the hand of the appointee or his attorney authorised in writing or if such appointer, is a Corporation, under its Common Seal or the hand of an officer or attorney duly authorised by it in the form specified by the Act and shall be deposited at the office not less than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote.

**Article 122** states that a vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed to the transfer of the shares in respect of which the vote is given provided that no intimation in writing of the death, revocation or transfer shall have been received at the office before the meeting.

**Article 123** states that no objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

**Article 124** states that the Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

In the case of an equality of vote, the Chairman shall both on a show of hands and a poll have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

**Article 125** states that any Member whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other Members holding shares of the same class.

**Article 129** states that any trust deed covering the issue of debentures of the Company may provide for the appointment of a Director (In these presents referred to as “the Debenture Director”) for and on behalf of the debenture holders for such period as is therein provided not exceeding the period for which the debentures or any of them shall remain outstanding and for the removal from office of such Debenture Director and on a vacancy being caused by resignation, death, removal or otherwise for appointment of a Debenture Director in the vacant place.

**Article 153** states that the Directors may subject to the provisions of the Act delegate any of their powers to Committees consisting of such member or members of their Board or to managers, secretary, officers and other employees and persons including any firm or body corporate as they think fit, and they may from time to time revoke such delegation. Any such delegatee shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors.

**Article 162** states that the Board shall not, except with the consent of the Company in General Meetings:-

- d. Borrow moneys, where the moneys to be borrowed together with the moneys already borrowed by the Company, (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes.

**Article 167** states that the profits of the Company subject to any special rights relating thereto created or authorised to be created by the Memorandum or these presents and subject to the provisions of the Act and these presents, shall be divisible among the members of each class in proportion to the amount of capital paid-up on the shares held by them of such class respectively.

**Article 168** states that the Company in General Meeting may declare a dividend to be paid to the Members according to their respective rights and interests in the profits and may fix the time for payment.

**Article 169** states that the Company may pay dividends in proportion to the amount paid-up or credited as paid-up on each share, where a larger amount is paid-up or credited as paid-up on some shares than on others.

**Article 170** states that no larger dividend shall be declared in General Meeting than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend, subject to the provisions of Section 205 of the Act, and no dividend shall carry interest.

**Article 171** states that the Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.

**Article 172** states that the Directors may retain the dividends payable upon shares in respect of which any person is entitled to become a Member of which any person under that Article is entitled to transfer until such person shall become a Member in respect of such shares or duly transfer the same.

**Article 173** states that subject to the provisions of the Act no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons and may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

**Article 174** states that a transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

**Article 175** states that unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled or in case of joint holders to that one of them first named in the Register in respect of the joint holding. Every such cheque or warrant shall be made payable, to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

**Article 176** states that the unpaid or unclaimed dividends will be dealt with in accordance with the provisions of Sections 205A, 205C and other applicable provisions of the Act.

**Article 177** states that no dividend shall be payable except in cash; provided that nothing in this Article shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the Members of the Company.

**Article 186** states that if the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding up, on the shares held by them respectively, and if in a winding up the assets available for the distribution among the Members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up paid-up or which ought to have been paid-up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

**Article 187** states that if the Company is wound up whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, and any other sanction required by the Act divide amongst the contributories in specie or kind, the whole or any part of the assets of the Company and may, with the like sanction, vest the whole or any part of assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the Liquidators with the like sanction shall think fit.

## **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts and documents which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these contracts and the other documents referred to hereunder, may be inspected at the Registered Office of our Company at 'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046 from 10.00 a.m. to 5.00 p.m. on any business days from the date of this Shelf Prospectus until the date of closure of the Issue.

### **A. Material Contracts**

1. Engagement letter dated July 22, 2014 for appointing the Lead Managers to the Issue.
2. Engagement letter dated July 22, 2014 for appointing the Co-Lead Managers to the Issue.
3. The Issue Agreement dated August 20, 2014 executed between our Company, the Lead Managers and the Co-Lead Managers.
4. Agreement dated July 30, 2014 executed between our Company and the Registrar to the Issue.
5. Debenture Trusteeship Agreement dated August 4, 2014 entered into between our Company and Axis Trustee Services Limited, the Debenture Trustee.
6. Tripartite Agreement dated February 27, 2013 among our Company, the Registrar to the Issue and NSDL for offering depository option to the NCD Holders.
7. Tripartite Agreement dated February 26, 2013 among our Company, the Registrar to the Issue and CDSL for offering depository option to the NCD Holders.

### **B. Documents**

1. Memorandum and Articles of Association of our Company.
2. Certificate of Incorporation of our Company dated March 29, 1985 issued by Registrar of Companies, Delhi & Haryana.
3. Certificate of Registration No. 05.02773 dated August 1, 1998 issued by RBI, under Section 45-IA of the RBI Act.
4. Certificate of Registration No. B-05.02773 dated March 31, 2011 issued by RBI, classifying our Company under the category "Infrastructure Finance Company – Non - Deposit Taking".
5. Certified True Copy of Resolution passed by the Shareholders at the general meeting held on August 02, 2014, granting authority to the Board of Directors to borrow monies under Section 180(1)(c) of the Companies Act 2013, from time to time.
6. Certified True Copy of the Resolution passed by the Board of Directors at its Meeting held May 23, 2014 authorising the Issue.
7. Certified True Copy of the Resolution passed by the Committee of Directors at its Meeting held on September 10, 2014 approving the Draft Shelf Prospectus.
8. Certified True Copy of the Resolution passed by the Committee of Directors at its Meeting held on September 22, 2014 approving the Shelf Prospectus.
9. Certified True Copy of the Resolution passed by the Board of Directors at its Meeting held on May 23, 2014 appointing Mr Sumit Jhunhunwala as the Compliance Officer to the Issue.
10. Annual Reports of our Company for FY2010 to FY2014 and Limited Review Report on Standalone and Consolidated Financial Results for the quarter ended June 30, 2014 dated August 2, 2014.
11. The Examination Report of the Statutory Auditors dated September 10, 2014 in relation to the Reformatted Consolidated and Unconsolidated Financial Statements included herein.
12. In-principle listing approval obtained from BSE vide letter no ref no. DCS/RK/PI-Bond/15/14-15 dated September 19, 2014
13. Certified True Copies of Board Resolution dated January 28, 2010 and Shareholder's Resolution dated August 9, 2010, relating to the terms of appointment of the Chairman & Managing Director of our Company.
14. Credit rating letters dated July 16, 2014 and July 3, 2014 and revalidation letters dated September 9, 2014 from CARE granting credit rating to the NCDs to be issued in pursuance of the Shelf Prospectus.
15. Credit rating letters dated November 4, 2011, September 14, 2012, June 19, 2013, June 18, 2014 and August 6, 2014 and revalidation letters dated September 22, 2014 and September 10, 2014 from BRICKWORK granting credit rating to the NCDs to be issued in pursuance of the Shelf Prospectus.

16. Consents of the (a) the Directors, (b) the Compliance Officer to the Issue, (c) the Compliance Officer of the Company, (d) the Statutory Auditors, (e) Lead Managers and Co-Lead Managers, (f) Registrar, (g) Legal Advisor to the Issue, (h) Credit Rating Agencies, (i) Bankers to the Issue and (j) the Debenture Trustee to include their names in this Shelf Prospectus and to act in their respective capacities.
17. Consents of the lenders of our Company as required under Rule 3 of Companies (Shelf Prospectus and Allotment of Securities) Rules, 2014. We have not received consents from certain lenders details of which have been provided on page no. 21 of this Shelf Prospectus.
18. Due Diligence Certificate dated September 22, 2014 filed by the Lead Managers and Co-Lead Managers.

**Any of the contracts or documents mentioned above may be amended or modified any time without reference to the holders in the interest of the Company in compliance with the applicable laws.**

## DECLARATION

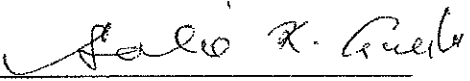
We, the undersigned Directors of the Company, hereby certify and declare that all relevant provisions of the Companies Act, 1956, all the applicable provisions of Companies Act, 2013 and the rules prescribed thereunder to the extent applicable as on date to this Shelf Prospectus, and the guidelines issued by the Government of India and/or the regulations/ guidelines/ circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, have been complied with and no statement made in this Shelf Prospectus is contrary to the provisions of the above mentioned acts, rules, regulations, guidelines and circulars as applicable to this Shelf Prospectus. We further certify that all the disclosures and statements made in this Shelf Prospectus are true and correct and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Shelf Prospectus does not contain any misstatements.

Yours faithfully,

**Salil K. Gupta**


*Chief Mentor &*

*Non Executive & Independent Director*

: 

**Hemant Kanoria**

*Chairman & Managing Director*

: 

**Sunil Kanoria**

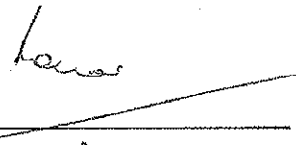
*Vice Chairman &*

*Non Executive Director*

: 

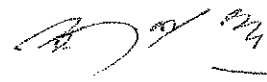
**S. Chatterjee**

*Non Executive & Independent Director*

: 

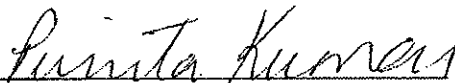
**S. Rajagopal**

*Non Executive & Independent Director*

: 

**Punita Kumar Sinha**

*Non Executive & Independent Director*

: 

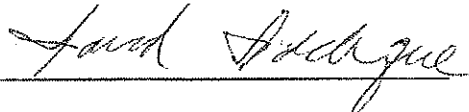
**S. K. Deb**

*Non Executive & Independent Director*

: 

**Saud Ibne Siddique**

*Non Executive Director*


: 

**Place: Kolkata**

**Date: 22.09.2014**

**Satish C. Jha**

*Non Executive & Independent Director* :



**Place:** Kolkata

**Date:** 22.09.2014

## ANNEXURE A: FINANCIAL INFORMATION

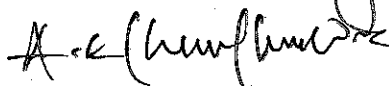
Sl.	Particulars	Page Nos.
1	Limited Review Report on Standalone and Consolidated Financial Results for the quarter ended June 30, 2014	202
2	Examination report on Reformatted Unconsolidated and Consolidated Summary Financial Statements as at and for the financial years ended March 31, 2010, 2011, 2012, 2013 and 2014 as issued by the Statutory Auditors	208
3	Reformatted Unconsolidated Summary Financial Statements as at and for the financial years ended March 31, 2010, 2011, 2012, 2013 and 2014	F-1
4	Reformatted Consolidated Summary Financial Statements as at and for the financial years ended March 31, 2010, 2011, 2012, 2013 and 2014	F-66

**Limited Review Report on Standalone Financial Results**

**Review Report to,  
The Board of Directors,  
Srei Infrastructure Finance Limited**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results ('the Statement') of **Srei Infrastructure Finance Limited** ('the Company'), for the quarter ended June 30, 2014, except for the disclosures in Part II with respect to 'Particulars of Shareholding' & 'Investor Complaints', which have been traced from the details furnished by the Company's management. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Accounting Standards as specified under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 103523W



Anand Kumar Jhunjunwala  
Partner  
Membership No.: 056613



Kolkata  
August 02, 2014

**SREI INFRASTRUCTURE FINANCE LIMITED**

Regd Office: 'Vishwakarma', 86C Topsia Road (South), Kolkata - 700 046, Website: www.srei.com, Email for Investors: investor.relations@srei.com  
(CIN): L29219WB1985PLC055352

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2014**
**(Rs. in Lakh)**
**Part I**

Particulars	Quarter ended			
	30-Jun-14 (Unaudited)	31-Mar-14 (Audited)	30-Jun-13 (Unaudited)	31-Mar-14 (Audited)
<b>1. Income</b>				
(a) Income from Operations	55,224	46,799	43,403	178,657
(b) Other Operating Income	742	1,025	42	1,240
<b>Total Income from Operations</b>	<b>55,966</b>	<b>47,824</b>	<b>43,445</b>	<b>179,897</b>
<b>2. Expenses</b>				
(a) Employee Benefits Expense	1,032	1,042	1,034	4,298
(b) Legal and Professional Fees	677	988	664	3,431
(c) Operating and Other Expenses	1,031	1,405	954	4,500
(d) Bad Debts / Advances written off	-	1,419	(5)	1,484
(e) Provisions and Contingencies	8,637	(160)	157	1,919
(f) Depreciation / Amortisation and Impairment	846	756	603	2,612
<b>Total Expenses</b>	<b>12,223</b>	<b>5,450</b>	<b>3,407</b>	<b>18,244</b>
<b>3. Profit from operations before other income, finance costs &amp; exceptional items (1-2)</b>	<b>43,743</b>	<b>42,374</b>	<b>40,038</b>	<b>161,653</b>
4. Other Income	87	4	74	688
<b>5. Profit from ordinary activities before finance costs &amp; exceptional items (3+4)</b>	<b>43,830</b>	<b>42,378</b>	<b>40,112</b>	<b>162,341</b>
6. Finance Costs	38,407	41,445	36,937	153,578
<b>7. Profit from ordinary activities before exceptional items (5-6)</b>	<b>5,423</b>	<b>933</b>	<b>3,175</b>	<b>8,763</b>
8. Exceptional Items	-	-	-	-
<b>9. Profit from ordinary activities before tax (7-8)</b>	<b>5,423</b>	<b>933</b>	<b>3,175</b>	<b>8,763</b>
10. Current tax expense	1,723	60	1,102	2,817
11. Income Tax in respect of earlier years	-	14	-	14
<b>12. Net Profit from ordinary activities after tax (9-10-11)</b>	<b>3,700</b>	<b>859</b>	<b>2,073</b>	<b>5,932</b>
13. Extraordinary items	-	-	-	-
<b>14. Net Profit for the Period/Year (12-13)</b>	<b>3,700</b>	<b>859</b>	<b>2,073</b>	<b>5,932</b>
15. Paid-up Equity Share Capital (Face Value Rs. 10/- each)	50,324	50,324	50,324	50,324
16. Reserves excluding Revaluation Reserves	-	-	-	217,419
17. Earnings per share- Basic & Diluted (Rs.) (* Not annualised)	*0.74	*0.17	*0.41	1.18

**Part II**

<b>A. Particulars of Shareholding</b>				
1. Public shareholding (including Global Depository Receipts)				
- Number of Shares	257722369	257722369	257722369	257722369
- Percentage of Shareholding	51.23	51.23	51.23	51.23
2. Promoters and Promoter Group Shareholding				
(a) Pledged/Encumbered				
- Number of Shares	Nil	Nil	92658543	Nil
- % of Shares (to total shareholding of promoters and promoter group)	Nil	Nil	37.76	Nil
- % of Shares (to total share capital of the company)	Nil	Nil	18.42	Nil
(b) Non-encumbered				
- Number of Shares	245363964	245363964	152705421	245363964
- % of Shares (to total shareholding of promoters and promoter group)	100.00	100.00	62.24	100.00
- % of Shares (to total share capital of the company)	48.77	48.77	30.35	48.77

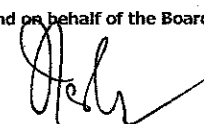
**B. Information on investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 30th June, 2014**

Particulars	Opening balance	Additions	Disposal	Closing balance
Number of complaints received - Equity shares	Nil	1	1	Nil

**Notes:**

- The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 2nd August, 2014. The Statutory Auditors of the Company have reviewed the said results.
- The business of the Company falls within a single primary segment viz., 'Financial Services' and hence, the disclosure requirement of Accounting Standard 17 'Segment Reporting' notified by the Central Government under Companies (Accounting Standards) Rules, 2006 is not applicable.
- Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Company has, effective 1st April, 2014, reviewed and revised the estimated useful lives of its fixed assets, in accordance with the provisions of Schedule II to the Act. The consequential impact (after considering the transition provision specified in Schedule II) on the results for the quarter is not material.
- Due to the fluctuation in foreign exchange rates, the applicable loss on foreign exchange transactions and translations is Rs. 92 Lakh for the quarter ended 30th June, 2014 as against loss of Rs. 2,786 Lakh for the quarter ended 30th June, 2013, charged under "Finance Costs".
- The figures for the quarter ended 31st March, 2014 are the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2014 and the published year to date figures up to the third quarter of that financial year.
- Figures pertaining to the previous year/period have been rearranged/regrouped, reclassified and restated, wherever considered necessary, to make them comparable with those of current period.

For and on behalf of the Board of Directors



Chairman and Managing Director

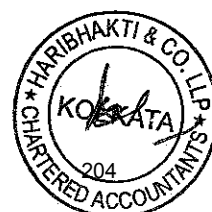
Place: Kolkata

Date: 2nd August, 2014

**Limited Review Report on Consolidated Financial Results**

Review Report to,  
The Board of Directors,  
Srei Infrastructure Finance Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results ('the Statement') of Srei Infrastructure Finance Limited ('the Company'), its subsidiaries (including their subsidiaries), associates, trusts and a jointly controlled entity [ the Company, its subsidiaries, associates, trusts and the jointly controlled entity collectively referred to as "the Group"] for the quarter ended June 30, 2014, except for the disclosures in Part II with respect to 'Particulars of Shareholding' and 'Investor Complaints', which have been traced from the details furnished by the Company's management. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We have reviewed the financial results of only the Company. We have not reviewed the financial results of the subsidiaries (including their subsidiaries), associates and trusts. The financial results of such subsidiaries (including their subsidiaries), associates and trusts not reviewed by us and as considered in the Statement reflect revenues of ₹ 5,865 lakhs and Loss after tax (net) (before adjusting minority interest) of ₹ 631 lakhs for the quarter ended June 30, 2014. The financial results of these subsidiaries (including their subsidiaries), associates and trusts are based on management accounts and have not been subjected to a review by their auditors.
4. We have also not reviewed the financial results of the jointly controlled entity, whose results for the quarter reflect revenues of ₹ 32,346 lakhs and profit after tax of ₹ 3,154 lakhs as considered in the Statement. The financial results of the jointly controlled entity have been reviewed by other auditors whose report has been furnished to us and our opinion, in so far as



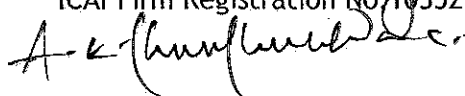
it relates to the aforesaid amounts included in the Statement, is based solely on the report of the other auditors.

5. The financial results of a foreign subsidiary (including its subsidiaries) and two foreign step down subsidiaries have been prepared as per IFRS, generally followed in the country of their incorporation. As explained by the Company's management in note no.4 of the accompanying Statement, since there are no material differences between such financial results as per IFRS and as per Indian GAAP, no adjustments have been considered necessary and it has been relied upon by us.
6. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Accounting Standards as specified under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Haribhakti & Co. LLP

Chartered Accountants

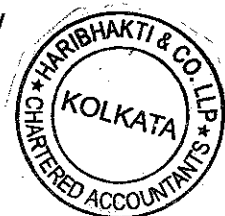
ICAI Firm Registration No. 103523W



Anand Kumar Jhunjunwala

Partner

Membership No.: 056613



Kolkata

August 02, 2014

**SREI INFRASTRUCTURE FINANCE LIMITED**

Regd Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046, Website: www.srei.com, Email for Investors: investor.relations@srei.com  
(CIN): L29219WB1985PLC055352

**UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2014**

Part I		(Rs. In Lakh)			
Particulars	Quarter ended			Year ended	
	30-Jun-14 (Unaudited)	31-Mar-14 (Audited)	30-Jun-13 (Unaudited)	31-Mar-14 (Audited)	
<b>1. Income</b>					
(a) Income from Operations	92,307	82,566	77,275	319,127	
(b) Other Operating Income	1,284	1,591	999	4,192	
<b>Total Income from Operations</b>	<b>93,591</b>	<b>84,157</b>	<b>78,274</b>	<b>323,319</b>	
<b>2. Expenses</b>					
(a) Employee Benefits Expense	3,430	3,392	3,273	12,944	
(b) Legal and Professional Fees	1,917	2,243	1,250	6,777	
(c) Operating and Other Expenses	5,065	3,758	3,942	15,628	
(d) Bad Debts / Advances written off	2,375	9,071	1,334	13,308	
(e) Provisions and Contingencies	9,856	(548)	522	3,454	
(f) Depreciation / Amortisation and Impairment	4,546	4,553	3,845	16,335	
<b>Total Expenses</b>	<b>27,189</b>	<b>22,469</b>	<b>14,166</b>	<b>68,446</b>	
<b>3. Profit from Operations before Other Income, Finance Costs &amp; Exceptional items (1-2)</b>	<b>66,402</b>	<b>61,688</b>	<b>64,108</b>	<b>254,873</b>	
4. Other Income	673	740	393	2,711	
<b>5. Profit from ordinary activities before Finance Costs &amp; Exceptional items (3+4)</b>	<b>67,075</b>	<b>62,428</b>	<b>64,501</b>	<b>257,584</b>	
6. Finance Costs	57,349	61,507	56,478	235,028	
<b>7. Profit from ordinary activities after Finance Costs but before Tax &amp; Exceptional items (5-6)</b>	<b>9,726</b>	<b>921</b>	<b>8,023</b>	<b>22,556</b>	
8. Exceptional Items	-	-	-	6	
<b>9. Profit from ordinary activities before Tax (7+8)</b>	<b>9,726</b>	<b>921</b>	<b>8,023</b>	<b>22,562</b>	
10. Current tax expense	3,501	551	3,313	8,791	
11. Income Tax in respect of earlier years	2	21	-	20	
<b>12. Net Profit from ordinary activities after Tax (9-10-11)</b>	<b>6,223</b>	<b>349</b>	<b>4,710</b>	<b>13,751</b>	
13. Extraordinary Items	-	-	-	-	
<b>14. Net Profit for the period/year (before adjustment for Minority Interest &amp; profit / (loss) of Associate) (12-13)</b>	<b>6,223</b>	<b>349</b>	<b>4,710</b>	<b>13,751</b>	
15. Share of loss of Associate	-	-	-	-	
16. Share of Profit / (Loss) of Minority Interest	(175)	(26)	(12)	(100)	
<b>17. Net Profit after taxes (14-15-16)</b>	<b>6,398</b>	<b>375</b>	<b>4,722</b>	<b>13,851</b>	
18. Paid-up Equity Share Capital (Face Value Rs. 10/- each)	50,324	50,324	50,324	50,324	
19. Reserves excluding Revaluation Reserves	-	-	-	299,362	
20. Earnings per share - Basic & Diluted (Rs.) (* Not annualised)	*1.27	*0.07	*0.94	2.75	

**Part II**
**A. Particulars of Shareholding**

1. Public shareholding (including Global Depository Receipts)				
- Number of Shares	257722369	257722369	257722369	257722369
- Percentage of Shareholding	51.23	51.23	51.23	51.23
2. Promoters and promoter group shareholding				
(a) Pledged / Encumbered				
- Number of Shares	Nil	Nil	92658543	Nil
- % of Shares (to total shareholding of promoters and promoter group)	Nil	Nil	37.76	Nil
- % of Shares (to total share capital of the company)	Nil	Nil	18.42	Nil
(b) Non-encumbered				
- Number of Shares	245363964	245363964	152705421	245363964
- % of Shares (to total shareholding of promoters and promoter group)	100.00	100	62.24	100
- % of Shares (to total share capital of the company)	48.77	48.77	30.35	48.77

**B. Information on investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 30th June, 2014**

Particulars	Opening balance	Additions	Disposal	Closing balance
Number of complaints received - Equity shares	Nil	1	1	Nil

**Segment wise Revenue, Results and Capital Employed as per Clause 41 of Listing Agreement**

Particulars	Quarter ended		Year ended	
	30-Jun-14 (Unaudited)	31-Mar-14 (Audited)	30-Jun-13 (Unaudited)	31-Mar-14 (Audited)
<b>1. Segment Revenue</b>				
(a) Financial Services	91,676	83,535	76,755	318,088
(b) Infrastructure Equipment Services	4,045	3,180	3,051	13,331
(c) Others	18	50	103	374
Total	95,739	86,765	79,909	331,793
Less: Inter Segment Revenue	1,475	1,868	1,242	5,763
<b>Net Income from Operations</b>	<b>94,264</b>	<b>84,897</b>	<b>78,667</b>	<b>326,030</b>
<b>2. Segment Results</b>				
(a) Financial Services	8,609	351	7,781	20,221
(b) Infrastructure Equipment Services	1,130	558	254	2,299
(c) Others	(13)	12	(12)	42
Total	9,726	921	8,023	22,562
Less: Interest & Finance Charges	-	-	-	-
Other Un-allocable Expenditure (Net)	-	-	-	-
Un-allocable Income	-	-	-	-
<b>Total Profit Before Tax</b>	<b>9,726</b>	<b>921</b>	<b>8,023</b>	<b>22,562</b>
<b>3. Capital Employed</b>				
(Segment Assets-Segment Liabilities)				
(a) Financial Services	305,659	303,224	333,126	303,224
(b) Infrastructure Equipment Services	16,738	15,196	10,183	15,196
(c) Others	47,610	44,091	17,937	44,091
(d) Un-allocable	(10,649)	(9,857)	(13,877)	(9,857)
<b>Total</b>	<b>359,358</b>	<b>352,654</b>	<b>347,369</b>	<b>352,654</b>

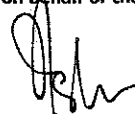
**Notes:**

1. In accordance with clause 41 of the Listing Agreement, the Company has published unaudited consolidated financial results. The unaudited standalone financial results of the Company will, however, be available on the Company's website [www.srei.com](http://www.srei.com) and on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and / or NSE ([www.nseindia.com](http://www.nseindia.com)).
2. The above unaudited consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 2nd August, 2014. The Statutory Auditors of the Company have reviewed the said results.
3. The above unaudited consolidated financial results have been prepared in accordance with the principles and procedures as set out in Accounting Standard-21 on 'Consolidated Financial Statements', Accounting Standard-23 on 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard-27 on 'Financial Reporting of Interests in Joint Ventures' notified by the Central Government under Companies (Accounting Standards) Rules, 2006.
4. The financial results of a foreign subsidiary (including its subsidiaries) and two foreign step down subsidiaries have been prepared as per IFRS, generally followed in the country of their incorporation. As there are no material differences between such financial results as per IFRS and as per Indian GAAP, no adjustments have been considered necessary.
5. Due to the fluctuation in foreign exchange rates, the applicable loss on foreign exchange transactions and translations is Rs. 268 Lakh for the quarter ended 30th June, 2014 as against loss of Rs. 2,793 Lakh for the quarter ended 30th June, 2013, charged under "Finance Costs".
6. Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Company has, effective 1st April, 2014, reviewed and revised the estimated useful lives of its fixed assets, in accordance with the provisions of Schedule II to the Act. The consequential impact (after considering the transition provision specified in Schedule II) on the results for the quarter is not material.
7. The figures for the quarter ended 31st March, 2014 are the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2014 and the published year to date figures up to the third quarter of that financial year.
8. Company's standalone financial information (Rs. in Lakh) is as below:

Particulars	Quarter ended		Year ended	
	30-Jun-14 (Unaudited)	31-Mar-14 (Audited)	30-Jun-13 (Unaudited)	31-Mar-14 (Audited)
Turnover	56,053	47,828	43,519	180,585
Profit Before Tax	5,423	933	3,175	8,763
Profit After Tax	3,700	859	2,073	5,932

9. Figures pertaining to the previous year/period have been rearranged/regrouped, reclassified and restated, wherever considered necessary, to make them comparable with those of current period.

For and on behalf of the Board of Directors



Chairman and Managing Director

Place: Kolkata  
Date: 2nd August, 2014

## AUDITORS' REPORT

The Board of Directors,  
Srei Infrastructure Finance Limited,  
"Vishwakarma",  
86C, Topsia Road (South),  
Kolkata-700 046

Dear Sir,

**Re: *Proposed Public Issue by Srei Infrastructure Finance Limited ("the Company") of Secured, Redeemable, Non-Convertible Debentures ("the Debentures") of face value of ₹ 1,000/- each, aggregating upto ₹ 15,000 million ("Shelf Limit") ("Issue") in one or more tranches (each being a "Tranche Issue") subject to the Shelf Limit in accordance with the terms and conditions set out in separate Tranche Shelf Prospectus for each such tranche issue which should be read together with the Shelf Prospectus of the issue.***

1. We, Haribhakti & Co. LLP, have examined the Reformatted Financial Information (the "Reformatted Statements") of Srei Infrastructure Finance Limited ("the Company") as at March 31, 2014, 2013, 2012, 2011 and 2010 and for the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 annexed to this report and initiated by us for identification purposes only. These Reformatted Statements have been prepared by the Company in accordance with the requirements of Section 26(1)(b) of the Companies Act, 2013 ("the Act") and Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ("SEBI Regulations") as amended from time to time, issued by the Securities and Exchange Board of India, in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992, and related clarifications and in terms of our engagement with you in accordance with our engagement letter dated 14<sup>th</sup> August, 2014 in connection with the Company's Proposed Issue of Secured, Redeemable, Non-Convertible Debentures. The preparation of such Reformatted Statements is the responsibility of the Company's management. Our responsibility is to report on such statements based on our procedures.
2. **Financial Information as per Audited Financial Statements**

We have examined the attached 'Statements of Assets and Liabilities, As Reformatted' of the Company as at March 31, 2014, 2013, 2012, 2011 and 2010 (Annexure I), 'Statement of Profit and Loss, As Reformatted' of the Company for each of the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 (Annexure II), and 'Cash Flow Statement, As Reformatted' of the Company for each of the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 (Annexure III), collectively referred to as 'Standalone Financial Information - Reformatted'. We report that the Standalone Financial Information - Reformatted have been prepared by the Management from the audited financial statements of the Company for the financial years ended March 31, 2014; March 31, 2013; March 31, 2012; March 31, 2011 and March 31, 2010 and from the books of accounts underlying such audited financial statements of the Company, which were approved by the Board of Directors on May 23, 2014, May 20, 2013, May 14, 2012, May 19, 2011 and May 11, 2010 respectively. The financial statements of the Company for the financial year ended March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 respectively have been audited by us and in respect of which we have issued audit opinion dated May 23, 2014, May 20, 2013, May 14, 2012 and May 19, 2011 respectively to the Board of Directors/Members of the Company. The financial statements of the Company for the financial year ended March 31, 2010 was audited by Deloitte Haskins & Sells, Chartered Accountants in respect of which they have issued audit opinion dated May 11, 2010 to the Board of Directors of the Company and adopted by the members. Based on our examination of these Standalone Financial Information - Reformatted, we state that:

- i. These have to be read in conjunction with the Significant Accounting Policies and Notes to Financial Statements given in Annexure IV and V respectively to this report.
- ii. The figures of earlier years have been regrouped (but not restated retrospectively for change in any accounting policy), wherever necessary, to conform to the classification adopted for the Standalone Financial Information - Reformatted.
- iii. There are no extraordinary items that need to be disclosed separately in the Standalone Financial Information - Reformatted.
- iv. There is no qualification in the auditor's report on the Audited Standalone financial statements for each of the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 that requires adjustments to the Standalone Financial Information - Reformatted.

3. We have also examined the consolidated “Statements of Assets and Liabilities, As Reformatted” of the Company as at March 31, 2014, 2013, 2012, 2011 and 2010 (Annexure VI), consolidated ‘Statement of Profit and Loss, As Reformatted’ of the Company for each of the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 (Annexure VII), and the consolidated ‘Cash Flow Statement - Reformatted’ of the Company for each of the financial years ended March 31, 2014, 2013, 2012, 2011, and 2010 (Annexure VIII), collectively referred to as ‘Consolidated Financial Information - Reformatted’. We report that the Consolidated Financial Information - Reformatted have been prepared by the Management from the audited consolidated financial statements of the Company for the financial years ended March 31, 2014; March 31, 2013; March 31, 2012; March 31, 2011 and March 31, 2010 and from the books of accounts underlying such audited consolidated financial statements of the Company, which were approved by the Board of Directors on May 23, 2014, May 20, 2013; May 14, 2012; May 19, 2011 and May 11, 2010 respectively. The Consolidated financial statements for the financial years March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 respectively have been audited by us and in respect of which we have issued audit opinion dated May 23, 2014, May 20, 2013, May 14, 2012 and May 19, 2011 respectively to the Board of Directors/Members of the Company. The consolidated financial statements of the Company for the financial year ended March 31, 2010 was audited by Deloitte Haskins & Sells, Chartered Accountants in respect of which they have issued audit opinion dated May 11, 2010 to the Board of Directors of the Company and adopted by the members. Based on our examination of these Consolidated Financial Information - Reformatted, we state that:
  - i. These have to be read in conjunction with the Significant Accounting Policies and Notes to Financial Statements given in Annexure IX and X respectively to this report.
  - ii. The figures of earlier years have been regrouped (but not restated retrospectively for change in any accounting policy), wherever necessary, to conform to the classification adopted for the Consolidated Financial Information - Reformatted.
  - iii. There are no extraordinary items that need to be disclosed separately in the Consolidated Financial Information - Reformatted.
  - iv. There are no qualification in the auditor’s report on the Consolidated Financial Statements for each of the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 that requires adjustments to the Consolidated Financial Information - Reformatted.
4. We have examined these Standalone Financial Information - Reformatted and Consolidated Financial Information - Reformatted, prepared by the Company and approved by the Committee of Directors of the Company, in accordance with the Guidance Note on “Reports in Company Prospectuses (Revised)” issued by the Institute of Chartered Accountants of India, except that these financial information have not been adjusted for changes in accounting policies, retrospectively in the respective financial years to reflect the same accounting policies for all the reporting periods and for adjustments of amounts pertaining to previous years in the respective financial years to which they relate.
5. In the preparation and presentation of the Standalone Financial Information - Reformatted and Consolidated Financial Information - Reformatted based on the audited Financial Statements as referred to in paragraph 2, 3 and 4 above, no adjustments have been made for any events occurring subsequent to the dates of the audit reports specified in paragraph 2 & 3 above.
6. We have not audited any standalone and consolidated financial statements of the Company as of any date or for any period subsequent to March 31, 2014. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2014. We have undertaken a limited review for the quarter ended June 30, 2014, of the unaudited financial information provided to us by the Company, in accordance with (i) the requirements of Clause 41 of the listing agreements with the Indian Stock Exchanges where equity shares of the Company are listed and (ii) the Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to unaudited financial data and thus provide less assurance than an audit. We have not performed an audit for the quarter ended June 30, 2014 and accordingly, we do not express an audit opinion. Therefore, we are unable to and do not express any opinion on the financial position, results of operations, or cash flows as of any date or for any period subsequent to March 31, 2014 and any other interim period.
7. Other Financial Information of the Company:

At the Company’s request, we have also examined the following information relating to the Company as at March 31, 2014, March 31, 2013, 2012, 2011 and 2010 and for the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 proposed to be included in the Shelf Prospectus as approved by the Board of

Directors annexed to this report:

- i. Statements of Accounting Ratios (Standalone) as at March 31, 2014, 2013, 2012, 2011 and 2010 and for the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 (Annexure XI)
  - ii. Disclosure on Existing Financial Indebtedness as at June 30, 2014 (Annexure XII)
  - iii. Statement of Dividends as at March 31, 2014, 2013, 2012, 2011 and 2010 and for the financial years ended March 31, 2014, 2013, 2012, 2011, and 2010 (Annexure XIII)
  - iv. Statement of Tax Shelter as at March 31, 2014, 2013, 2012, 2011 and 2010 and for the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 (Annexure XIV)
  - v. Capitalisation Statement as at March 31, 2014 (Annexure XV)
  - vi. Statements of Accounting Ratios (Consolidated) as at March 31, 2014, 2013, 2012, 2011 and 2010 and for the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 (Annexure XVI).
8. Based on our examination of the Standalone Financial Information - Reformatted and Consolidated Financial Information - Reformatted, we state that in our opinion, the 'Standalone Financial Information - Reformatted and Consolidated Financial Information – Reformatted' and 'Other Financial Information' of the Company mentioned above, as at March 31, 2014, 2013, 2012, 2011, and 2010 and for the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 have been prepared in accordance with Section 26 (1) (b) of the Companies Act, 2013 and Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.
9. This report should not, in any way, be construed as a re-issuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.
10. This report is intended solely for your information and for inclusion in the Letter of Offer, in connection with the Proposed Issue of Secured, Redeemable, Non-Convertible Debentures and is not to be used, referred to or distributed for any other purpose without our prior written consent.
11. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

For **Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.103523W

**Anand Kumar Jhunjhunwala**  
Partner  
Membership No.056613

Place: Bhubaneswar  
Date: September 10, 2014

## Statement of Assets and Liabilities, As Reformatted

₹ In Mio

	Note	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
<b>EQUITY AND LIABILITIES</b>						
<b>Shareholders' Funds</b>						
Share Capital	2	5,032.40	5,032.40	5,032.40	5,032.40	1,162.90
Reserves and Surplus	3	21,741.90	21,443.00	20,787.70	20,498.90	6,738.10
		<b>26,774.30</b>	<b>26,475.40</b>	<b>25,820.10</b>	<b>25,531.30</b>	<b>7,901.00</b>
<b>Non-Current Liabilities</b>						
Long-Term Borrowings	4	49,273.10	44,123.20	31,965.40	16,218.90	19,057.30
Deferred Tax Liabilities (Net)	5	1,014.40	948.40	798.80	679.00	344.00
Other Long-Term Liabilities	6	62.30	36.00	83.20	100.00	120.60
Long-Term Provisions	7	717.50	533.30	207.60	75.20	19.90
		<b>51,067.30</b>	<b>45,640.90</b>	<b>33,055.00</b>	<b>17,073.10</b>	<b>19,541.80</b>
<b>Current Liabilities</b>						
Short-Term Borrowings	8	69,145.80	57,522.70	58,663.30	27,649.90	12,797.60
Trade Payables	9	189.60	156.40	26.60	25.70	1.80
Other Current Liabilities						
- Current Maturities of Long-Term Borrowings	4	11,182.40	10,138.20	7,844.50	9,027.60	3,527.30
- Others	10	2,297.20	1,933.90	1,162.00	717.10	448.40
Short-Term Provisions	11	386.30	390.40	461.20	553.10	179.70
		<b>83,201.30</b>	<b>70,141.60</b>	<b>68,157.60</b>	<b>37,973.40</b>	<b>16,954.80</b>
<b>Total</b>		<b>161,042.90</b>	<b>142,257.90</b>	<b>127,032.70</b>	<b>80,577.80</b>	<b>44,397.60</b>
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Fixed Assets						
- Tangible Assets	12	5,368.80	4,981.20	4,350.90	3,919.40	829.30
- Intangible Assets	12	31.10	6.10	8.40	6.20	1.80
- Capital Work in Progress		312.00	562.70	627.80	91.10	14,003.00
Non-Current Investments	13.1	26,977.20	27,368.70	26,221.30	25,055.10	7,073.30
Long-Term Loans and Advances						
- Loan Assets	14	75,180.80	60,697.60	26,651.10	19,946.60	14,289.40
- Other Long-Term Advances	15	2,709.30	1,111.20	1,121.10	303.10	327.40
Other Non-Current Assets	16	668.70	2,900.50	636.50	838.00	521.30
		<b>111,247.90</b>	<b>97,628.00</b>	<b>59,617.10</b>	<b>50,159.50</b>	<b>37,045.50</b>
<b>Current Assets</b>						
Current Investments	13.2	3,285.10	3,505.00	220.00	-	-
Trade Receivables	17	1,459.10	1,237.50	335.50	464.10	36.50
Cash and Bank Balances	18	2,279.00	221.40	1,493.60	226.50	525.50
Short-Term Loans and Advances						
- Loan Assets	14	720.00	5,424.60	2,766.40	4,370.90	1,376.40
- Other Advances	19	286.20	1,423.50	1,345.10	1,493.90	1,591.20
Other Current Assets						
- Current Maturities of Long-Term Loan Assets	14	33,820.70	31,043.50	58,820.60	23,471.80	3,649.90
- Other Current Assets	20	7,944.90	1,774.40	2,434.40	391.10	172.60
		<b>49,795.00</b>	<b>44,629.90</b>	<b>67,415.60</b>	<b>30,418.30</b>	<b>7,352.10</b>
<b>Total</b>		<b>161,042.90</b>	<b>142,257.90</b>	<b>127,032.70</b>	<b>80,577.80</b>	<b>44,397.60</b>

## Statement of Profit and Loss, As Reformatted

₹ In Mio

Particulars	Note	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
<b>INCOME</b>						
Revenue from Operations	21	17,989.70	16,612.80	11,765.00	7,346.50	4,569.90
Other Income	22	68.80	51.90	41.90	115.90	132.40
<b>Total</b>		<b>18,058.50</b>	<b>16,664.70</b>	<b>11,806.90</b>	<b>7,462.40</b>	<b>4,702.30</b>
<b>EXPENSES</b>						
Finance Costs	23	15,357.80	13,574.10	9,480.00	4,350.50	2,497.60
Employee Benefits Expense	24	429.80	437.70	412.60	302.20	196.80
Administrative and Other Expenses	25	793.10	681.80	455.10	387.80	396.30
Depreciation / Amortisation and Impairment	12	261.20	309.60	154.00	180.80	101.40
<b>Total</b>		<b>16,841.90</b>	<b>15,003.20</b>	<b>10,501.70</b>	<b>5,221.30</b>	<b>3,192.10</b>
<b>Profit before Bad Debts, Provisions &amp; Tax</b>		<b>1,216.60</b>	<b>1,661.50</b>	<b>1,305.20</b>	<b>2,241.10</b>	<b>1,510.20</b>
Bad Debts/Advances written off (net of recovery)		148.40	12.00	5.00	0.10	28.90
Provision for Bad & Doubtful Debts		5.60	39.00	3.70	-	-
Provision for Non-Performing Assets	7.1	145.50	240.30	110.00	-	-
Contingent Provisions against Standard Assets	7.1	31.40	16.10	98.60	119.60	-
Provision for Restructured Assets		9.40	-	-	-	-
		<b>340.30</b>	<b>307.40</b>	<b>217.30</b>	<b>119.70</b>	<b>28.90</b>
<b>Profit Before Tax</b>		<b>876.30</b>	<b>1,354.10</b>	<b>1,087.90</b>	<b>2,121.40</b>	<b>1,481.30</b>
Tax Expense :						
-Current Tax		215.70	262.00	176.00	418.50	219.00
-Mat Credit Entitlement		-	(7.10)	(4.90)	-	(219.00)
-Deferred Tax		66.00	149.60	119.80	335.00	344.00
Total Tax for current year		281.70	404.50	290.90	753.50	344.00
<b>Profit After Tax for current year</b>		<b>594.60</b>	<b>949.60</b>	<b>797.00</b>	<b>1,367.90</b>	<b>1,137.30</b>
Income tax in respect of earlier years		1.40	-	217.40	24.90	22.40
<b>Profit After Tax</b>		<b>593.20</b>	<b>949.60</b>	<b>579.60</b>	<b>1,343.00</b>	<b>1,114.90</b>
<b>Earnings per Equity Share (Basic and Diluted) (in ₹)</b> (Par Value ₹ 10/- per Equity Share)	26	1.18	1.89	1.15	5.80	5.33

## Cash Flow Statement, As Reformatted

₹ In Mio

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
<b>A. Cash Flow from Operating Activities</b>					
Profit Before Tax	876.30	1,354.10	1,087.90	2,121.40	1,481.30
Adjustment for :					
Depreciation /Amortisation and Impairment	261.20	309.60	154.00	180.80	101.40
Bad Debts/ Advances/ Stock for Trade written off	148.40	12.00	5.00	0.10	28.90
Provision for Bad & Doubtful Debts	5.60	39.00	3.70	-	-
Provision for Non-Performing Assets	145.50	240.30	110.00	-	-
Contingent Provisions against Standard Assets	31.40	16.10	98.60	119.60	-
Provision for Restructured Assets	9.40	-	-	-	-
Provision for Premium on Unsecured Subordinated Bonds	-	-	8.80	8.80	8.80
Loss on sale of Fixed Assets(net)	-	3.20	5.30	-	-
Profit on Sale of Long term Trade Investments (Net)	27.90	(0.70)	-	(7.00)	(112.30)
Profit on Sale of Current Investments (Net)	(5.10)	-	-	-	-
Profit on Sale of Stock for Trade (Net)	(1.10)	(0.30)	-	-	-
Liabilities No Longer Required written back	(28.60)	(0.40)	-	(4.40)	-
Income from Trade Investments	-	-	-	(2.80)	(118.50)
Dividend Income	(6.20)	(3.80)	(2.80)	(4.00)	(14.30)
Provision for Diminution in value of Stock for Trade	-	(4.10)	1.60	9.00	0.70
Provision for Diminution in value of Long-Term Trade Investment	49.70	-	-	-	13.80
<b>Operating Profit before Working Capital Changes</b>	<b>1,514.40</b>	<b>1,965.00</b>	<b>1,472.10</b>	<b>2,421.50</b>	<b>1,389.80</b>
Adjustments for:					
(Increase) / Decrease in Receivables/Others	(4,466.70)	(2,612.30)	(1,789.50)	13,416.40	(14,163.60)
(Increase) / Decrease in Loan Assets	(12,555.80)	(8,927.60)	(40,448.80)	(28,473.60)	(9,503.70)
(Increase) / Decrease in Current Investments / Stock for Trade	234.30	(3,269.20)	(220.00)	(34.10)	2.60
(Increase) / Decrease in Fixed Deposit (Deposit with balance maturity period of more than three months)	(699.20)	210.30	(47.50)	(154.80)	40.10
(Decrease) / Increase in Trade Payables/ Others	445.50	851.50	608.20	224.00	339.40
<b>Cash Generated from Operations</b>	<b>(15,527.50)</b>	<b>(11,782.30)</b>	<b>(40,425.50)</b>	<b>(12,600.60)</b>	<b>(21,895.40)</b>
Direct Taxes paid	(594.30)	(225.90)	(988.00)	(339.40)	(214.80)
<b>Net Cash (Used in) / Generated from Operating Activities</b>	<b>(16,121.80)</b>	<b>(12,008.20)</b>	<b>(41,413.50)</b>	<b>(12,940.00)</b>	<b>(22,110.20)</b>
<b>B. Cash Flow from Investing Activities</b>					
Purchase of Fixed Assets	(423.10)	(993.10)	(1,147.40)	(3,319.10)	(129.00)
Proceeds from Sale of Fixed Assets	-	117.40	17.70	-	-
(Increase) in Investments (Other than Subsidiaries)	305.70	(138.00)	(631.60)	(1,341.70)	(2,168.20)
(Increase) of Investments in Subsidiaries	8.20	(10.50)	(35.50)	(199.00)	(1.50)
Investments in Joint Venture	-	(998.20)	(499.10)	-	-
Income from Trade Investments	-	-	-	2.80	118.50
Dividend Received	6.20	3.80	2.80	4.00	14.30
<b>Net Cash (Used) / Generated in Investing Activities</b>	<b>(103.00)</b>	<b>(2,018.60)</b>	<b>(2,293.10)</b>	<b>(4,853.00)</b>	<b>(2,165.90)</b>
<b>C. Cash Flow from Financing Activities</b>					
Increase/ (Decrease) in Debentures (net)	6,195.20	8,354.10	9,419.90	(2,100.00)	4,971.00
Increase/ (Decrease) in Working Capital facilities (net)	14,465.00	8,479.60	21,977.60	14,964.90	6,400.70
Increase/ (Decrease) in Other Loans (net)	(2,843.00)	(3,522.80)	13,951.80	4,649.30	10,634.90
Dividend Paid	(251.80)	(251.60)	(377.10)	(139.30)	(116.00)
Corporate Dividend Tax Paid	(42.80)	(40.80)	(61.20)	(23.10)	(19.70)
<b>Net Cash (Used) / Generated in Financing Activities</b>	<b>17,522.60</b>	<b>13,018.50</b>	<b>44,911.00</b>	<b>17,351.80</b>	<b>21,870.90</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>1,297.80</b>	<b>(1,008.30)</b>	<b>1,204.40</b>	<b>(441.20)</b>	<b>(2,405.20)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>217.70</b>	<b>1,226.00</b>	<b>21.60</b>	<b>450.50</b>	<b>2,855.70</b>
Add: Cash & Cash Equivalents acquired on Amalgamation	-	-	-	12.30	-
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>1,515.50</b>	<b>217.70</b>	<b>1,226.00</b>	<b>21.60</b>	<b>450.50</b>

## Explanations:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 (AS 3) 'Cash Flow Statements' notified by the Central Government under Companies (Accounting Standards) Rules, 2006
- Previous year's figures have been regrouped/ reclassified wherever necessary to conform to the current year's classification.

## 1 Significant Accounting Policies

### 1.1 Basis of Preparation

#### Financial Year 2013-14

The financial statements of the company have been prepared in conformity with Generally Accepted Accounting Principles in India, to comply in all material respects with the notified Accounting Standards ('AS') under the Companies (Accounting Standards) Rules, 2006, the relevant provisions of the Companies Act, 1956 and Companies Act, 2013 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to an 'Infrastructure Finance Company – Non Deposit Taking' Non-Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention, on accrual basis. The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.

#### Financial Year 2012-13 & 2011-12

The financial statements have been prepared in conformity with Generally Accepted Accounting Principles in India, to comply in all material respects with the notified Accounting Standards ('AS') under the Companies Accounting Standard Rules, 2006, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to an 'Infrastructure Finance Company – Non Deposit Taking' Non-Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention, on accrual basis. The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.

#### Financial Year: 2010-11 & 2009-10

The financial statements have been prepared in conformity with Generally Accepted Accounting Principles in India, to comply in all material respects with the notified Accounting Standards ('AS') under the Companies Accounting Standard Rules, 2006, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to an Non-Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention, on accrual basis. The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.

#### Financial Year: 2012-13

##### Presentation and disclosure in Financial Statements

From the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. Except accounting for dividend on investment in subsidiary, the adoption of new Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements.

#### Financial Year: 2011-12

##### Presentation and disclosure in Financial Statements

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. Except accounting for dividend on investment in subsidiary, the adoption of new Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous years figures in accordance with the requirements applicable in the current year.

#### Operating Cycle

As per the revised Schedule VI, *"An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents"*.

For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating cycle for the company is assumed to have a duration of 12 months.

**Current and Non-Current Asset**

An asset is classified as 'current' when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or
- it is held primarily for the purpose of being traded; or
- it is expected to be realised within twelve months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as 'non-current'.

**Current and Non-Current Liability**

A liability is classified as 'current' when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycles; or
- it is held primarily for the purpose of being traded; or
- it is due to be settled within twelve months after the reporting date; or
- the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as 'non-current'.

**1.2 Use of estimates****Financial Year: 2013-14**

The preparation of financial statements requires the management to make estimates and assumptions which are considered to arrive at the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and the estimates are recognized in the periods in which the results are known / materialized. Any revision to the accounting estimates are recognized prospectively in the current and future years.

**Financial Year: 2012-13, 2011-12, 2010-11 & 2009-10**

The preparation of financial statements requires the management to make estimates and assumptions which are considered to arrive at the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates are recognised prospectively in the current and future accounting years.

**1.3 Fixed Assets, Depreciation/Amortisation and Impairment****i) Fixed Assets**

Tangible fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, which take substantial period of time to get ready for their intended use, are also capitalised to the extent they relate to the period till such assets are ready to put to use.

**Financial Year: 2013-14 & 2012-13**

Intangible Assets comprising of computer software and licenses expected to provide future enduring economic benefits are carried at cost less accumulated amortisation and impairment losses, if any. Cost comprises of purchase price and directly attributable expenditure on making the asset ready for its intended use. Any technology support cost or annual maintenance cost for such software is charged to the Statement of Profit and Loss.

## Srei Infrastructure Finance Ltd (Standalone)

### Significant Accounting Policies

Annexure - IV

#### Financial Year: 2011-12, 2010-11 & 2009-10

Intangible Assets expected to provide future enduring economic benefits are carried at cost less accumulated amortisation and impairment losses, if any. Cost comprises of purchase price and directly attributable expenditure on making the asset ready for its intended use.

#### ii) Depreciation/Amortisation

Depreciation/Amortisation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful lives of the respective fixed assets and the rates derived from such useful lives thereof are greater than or equal to the corresponding rates prescribed in Schedule XIV of the Act. The details of estimated useful life for each category of assets are as under:

#### Financial Year: 2013-14

	Asset category	Estimated Useful Life
<b>I</b>	<b>Assets for Own Use</b>	
i)	Buildings	45 - 61 years
ii)	Furniture & Fixtures	16 years
iii)	Motor Vehicles	11 years
iv)	Computers	3 - 6 years
v)	Office Equipment	21 years
vi)	Intangible Assets	2 - 6 years
<b>II</b>	<b>Assets for Operating Lease</b>	
vii)	Plant and Machinery	10 - 30 years
viii)	Aircrafts	9 years

#### Financial Year: 2012-13 & 2011-12

	Asset category	Estimated Useful Life
<b>I</b>	<b>Assets for Own Use</b>	
i)	Buildings	45 - 61 years
ii)	Furniture & Fixtures	16 years
iii)	Motor Vehicles	11 years
iv)	Computers	4 - 6 years
v)	Office Equipment	21 years
vi)	Intangible Assets	3 - 6 years
<b>II</b>	<b>Assets for Operating Lease</b>	
vii)	Plant and Machinery	10 - 30 years
viii)	Aircrafts	9 years

## Financial Year: 2010-11

	Asset category	Estimated Useful Life
<b>I</b>	<b>Assets for Own Use</b>	
i)	Buildings	45-61 years
ii)	Furniture & Fixtures	16 years
iii)	Computers	4-6 years
iv)	General Plant & Machinery	21 years
v)	Motor Vehicles	11 years
vi)	Intangible Assets	3-6 years
<b>II</b>	<b>Assets for Operating Lease</b>	
vii)	Aeroplane / Aircraft	9 years
viii)	Oil Rig	9 years
ix)	Gas Genset	10 years

## Financial Year: 2009-10

	Asset category	Estimated Useful Life
<b>I</b>	<b>Assets for Own Use</b>	
i)	Buildings	61 years
ii)	Furniture & Fixtures	16 years
iii)	Computers	6 years
iv)	General Plant & Machinery	21 years
v)	Intangible Assets	6 years
<b>II</b>	<b>Assets for Operating Lease</b>	
vi)	Aeroplanes / Aircraft	9 years
vii)	Oil Rig	9 years
viii)	Gas Gensets	10 years
ix)	Intangible Assets	3-6 years

Fixed Assets costing up to ₹ 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

Depreciation/ Amortisation on assets purchased / sold during the reporting period is recognised on pro-rata basis.

Lease-hold assets including improvements are amortised over the period of the lease or the estimated useful life of the asset, whichever is lower.

### iii) Impairment of Fixed Assets

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

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

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

**1.4 Capital Work in Progress**

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

**1.5 Borrowing Costs**

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

The ancillary costs incurred in connection with the arrangement of borrowings are amortised over the life of underlying borrowings. Premium payable on redemption of bonds is amortised over the tenure of the bonds. These form part of the borrowing costs.

Borrowing costs also include exchange differences arising from Foreign currency borrowings, to the extent they are regarded as an adjustment to the borrowing costs.

All other costs related to borrowings are recognised as expense in the period in which they are incurred.

**1.6 Operating Leases****Financial Year: 2013-14 & 2012-13****Where the Company is lessee**

Leases under which all the risks and benefit of ownership are effectively retained by the lessor are classified as operating leases. Amount due under the operating leases are charged to the Statement of Profit and Loss, on a straight - line method over the lease term in accordance with Accounting Standard 19 on 'Leases' as notified under the Companies (Accounting Standards) Rules, 2006.

**Where the Company is lessor**

Leases under which the company does not transfer substantially all the risks and benefit of ownership of the asset to the Lessee are classified as operating leases. Assets subject to operating leases are included in fixed assets. Initial direct costs incurred before the asset is ready to be put to use, are included in the cost of the asset and those incurred afterwards, are recognised in the Statement of Profit and Loss as they are incurred. Lease income in respect of operating leases is recognised in the statement of Profit and Loss on a straight-line method over the lease term in accordance with Accounting Standard 19 on 'Leases' as notified under the Companies (Accounting Standards) Rules, 2006. Maintenance cost including depreciation are recognised as an expense in the Statement of Profit and Loss.

**Financial Year: 2011-12, 2010-11, 2009-10**

Assets given on operating leases are included in fixed assets. Initial direct costs incurred before the asset is ready to be put to use, are included in the cost of the asset and those incurred afterwards, are recognised in the Statement of Profit and Loss as they are incurred.

**1.7 Investments****Financial Year: 2013-14**

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 on 'Accounting for Investments' as notified under the Companies (Accounting Standards) Rules, 2006. Current investments also include current maturities of long-term investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and market price determined category-wise. All non-current investments, including investments in Subsidiaries, are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognise a decline, on an individual basis. The cost of Investments acquired on amalgamations is determined as per the terms of the scheme of amalgamation.

Cost is arrived at on weighted average method for the purpose of valuation of investment.

**Financial Year: 2012-13, 2011-12, 2010-11, 2009-10**

Investments that are intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and market price determined category-wise. All non-current investments, including investments in Subsidiary Companies, are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognise a decline, on an individual basis. The cost of Investments acquired on amalgamations is determined as per the terms of the scheme of amalgamation.

Cost is arrived at on weighted average method for the purpose of valuation of investment.

**1.8 Stock for Trade**

Stock for Trade is carried at lower of cost and market price, determined category-wise.

**1.9 Loan Assets****Financial Year: 2013-14 & 2012-13**

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

Loan assets are carried at net investment amount including instalments fallen due and are net of unmatured / unearned finance charges, amounts received, assets not paid for, etc. and include assets acquired in satisfaction of debt.

**Financial Year: 2011-12, 2010-11, 2009-10**

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

Loan assets are carried at net investment amount including instalments fallen due and are net of unmatured / unearned finance charges, amounts received, assets not paid for, etc.

**1.10 Provisioning / Write-off of assets****Financial Year: 2013-14**

The Company makes provision for Standard, Restructured and Non-Performing Assets as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time. The Company also makes additional provision towards loan assets, to the extent considered necessary, based on the management's best estimate. Provision for doubtful debtors towards fee based income is also made on similar basis.

**Financial Year: 2012-13 & 2011-12**

The Company makes provision for Standard and Non-Performing Assets as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time. The Company also makes additional provision towards loan assets, to the extent considered necessary, based on the management's best estimate. Provision for doubtful debtors towards fee based income is also made on similar basis.

**Financial Year: 2010-11**

The Company makes provision for Standard and Non-Performing Assets as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time. The Company also makes additional provision towards loan assets, to the extent considered necessary, based on the management's best estimate. Provision for doubtful debtors towards fee based income is provided based on management's best estimate.

**Financial Year: 2009-10**

Provisions for non performing assets are considered in the financial statements according to Prudential Norms prescribed by the Reserve Bank of India (RBI) for Non-Banking Financial Companies. Additional provision as per the norms of Foreign Financial Institutions (FFI) has also been made as follows:

**Loan Assets:**

Asset Classification	Arrear period	Provision as per RBI	Provision as per FFI	Provision adopted by the Company
		% of Portfolio	% of Portfolio	% of Portfolio
Standard	Upto 90 days	Nil	Nil	Nil
	91 to 180 days	Nil	20	20
Sub-Standard	181 to 360 days	10	50	50
	361 to 365 days	10	100	100
	More than 12 months to 24 months	10	100	100
Doubtful (Unsecured)	More than 24 months	100	100	100
Doubtful (Secured)	More than 24 months to 36 months	20	100	100
	More than 36 months to 60 months	30	100	100
	Above 60 months	50	100	100
Loss	As per Management discretion	100	100	100

**Operating Lease Assets:**

Asset Classification	Arrear period	Provision as per RBI	Provision as per FFI	Provision adopted by the Company
		% of Portfolio	% of Portfolio	% of Portfolio
Standard	Upto 90 days	Nil	Nil	Nil
	91 to 180 days	Nil	20	20
	181 to 360 days	Nil	50	50
	361 to 365 days	Nil	100	100
Sub- Standard	More than 12 months to 24 months	10	100	100
	More than 24 months to 30 months	40	100	100
Doubtful	More than 30 months to 36 months	40	100	100
	More than 36 months to 48 months	70	100	100
	More than 48 months	100	100	100
Loss	As per Management discretion	100	100	100

**Financial Year: 2009-10**

Provision for other debts arising from services is considered in the financial statements according to the Prudential Norms prescribed by the Reserve Bank of India for Non-Banking Financial Companies.

**Financial Year: 2013-14, 2012-13, 2011-12, 2010-11, 2009-10**

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

**1.11 Foreign Currency Transactions, Translations & Derivative Contracts**

The reporting currency of the Company is the Indian Rupee (₹).

**i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the prevailing exchange rate between the reporting currency and the foreign currency, as on the date of the transaction.

**ii) Conversion**

Year end foreign currency monetary items are reported using the year end rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates prevailing at the date when the values were determined.

**iii) Exchange Differences**

Exchange differences arising on the settlement or reporting of monetary items, at rates different from those at which they were initially recorded during the year or reported in previous financial statements and / or on conversion of monetary items, are recognised as income or expense in the year in which they arise. Exchange differences arising out of foreign currency borrowings are considered as an adjustment to interest cost and recognised in accordance to para 1.5 above.

**iv) Forward Exchange Contracts (not intended for trading or speculation purpose)**

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense in the year in which it is cancelled or renewed.

**v) Derivatives and Hedges****Financial Year: 2013-14, 2012-13, 2011-12 & 2010-11**

In terms of the announcement made by The Institute of Chartered Accountants of India, the accounting for derivative contracts (other than those covered under AS-11) is done based on the “marked to market” principle, on a portfolio basis and the net loss, after considering the offsetting effect on the underlying hedged item, is charged to the Statement of Profit and Loss. Net gains are ignored as a matter of prudence.

**Financial Year: 2009-10**

In respect of Derivative contracts, premium paid, gains/losses on settlement and provisions for losses determined in accordance with principles of prudence, on category wise basis, are recognised in the Profit & Loss account.

**1.12 Revenue Recognition****Financial Year: 2013-14:**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company, it can be reliably measured and it is reasonable to expect ultimate collection.

**Financial Year: 2012-13, 2011-12, 2010-11, 2009-10:**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**i) Income from Loans and Leases:**

Income from Loans and Leases is recognised in the Statement of Profit and Loss on accrual basis as stated herein below, except in the case of non-performing assets where it is recognised, upon realisation, as per the Prudential Norms / Directions of RBI, applicable to NBFCs.

**A) Loans:**

- a) Interest income from loan assets is recognised based on the internal rate of return, to provide a constant periodic rate of return on the net investment outstanding over the period of the contract, or as per the terms of the contract.
- b) Fees on processing of loans are recognised when a binding obligation for granting loan has been entered into.
- c) Delayed-payment interest/ incremental interest pursuant to upward revision in benchmark interest rate is accrued, only to the extent of probable recovery, as per the best estimate of the management.
- d) Gains arising on securitisation/assignment of assets, if any, are recognised over the tenure of agreements as per guideline on securitisation of standard assets issued by RBI, while loss, if any is recognised upfront. These are considered as income from loans under the head 'Revenue from Operations'.

**B) Leases:**

Financial Year: 2013-14, 2012-13, 2011-12 & 2010-11

Income from operating lease is recognised on straight line basis over the lease term or other systematic basis which is more representative of the time pattern of the users benefit.

Financial Year: 2009-10

It is recognised as rentals, as accrued over the period of lease, net of value added tax, if applicable.

**ii) Fee Based Income**

Fees for advisory services are accounted based on the stage of completion of assignments, when there is reasonable certainty of its ultimate realisation/ collection.

Other fee based income is accounted for on accrual basis.

**iii) Other Operating Income**

- a) Income from Dividend of shares of corporate bodies is accounted when the Company's right to receive the dividend is established.
- b) Income from investment in units of Funds is recognised on cash basis as per the Prudential Norms of RBI.
- c) Interest income on fixed deposits/margin money is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- d) Profit or Loss on sale of non-current and current investments are recognised when a binding obligation has been entered into.
- e) All other operating income is accounted for on accrual basis.

**1.13 Retirement and Other Employee Benefits**

- a) Retirement and employee benefits in the form of Provident Fund and Employee State Insurance are defined contribution plans and the Company's contributions, paid or payable during the reporting period, are charged to the Statement of Profit and Loss.
- b) Gratuity liability is a defined benefit plan and is provided for on the basis of actuarial valuation on projected unit credit method at the Balance Sheet date.
- c) **Financial Year: 2013-14, 2012-13, 2011-12 & 2010-11**  
Long-Term compensated absences are provided for based on actuarial valuation as per projected unit credit method at the Balance Sheet date.  
  
**Financial Year: 2009-10**  
Short term employee benefits based on expected obligation on undiscounted basis are recognised as expense in the Profit and Loss account of the period in which the related service is rendered.
- d) Actuarial gains/losses are charged to the Statement of Profit and Loss and are not deferred.

**1.14 Taxes on Income**

Tax expense comprises of current tax [(net of Minimum Alternate Tax (MAT) credit entitlement)] and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**1.15 Segment Reporting**

Based on the risks and returns associated with business operations and in terms of Accounting Standard-17 (Segment Reporting), the Company is predominantly engaged in a single reportable segment of 'Financial Services'.

**1.16 Provision, Contingent Liabilities and Contingent Assets****Financial Year: 2013-14**

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

**Financial Year: 2012-13, 2011-12, 2010-11, 2009-10**

A provision is recognised when the company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

Provision for Income Tax for the assessments completed which are pending under appeals and for the current year have been made to the extent considered necessary by the management.

**Financial Year: 2012-13, 2011-12, 2010-11, 2009-10**

**1.17 Cash and Cash Equivalents**

Cash and cash equivalents in the Cash Flow Statement comprises of cash on hand, cash at Bank, demand deposits with banks, cheques on hand, remittances in transit and short-term highly liquid investments with an original maturity of three months or less.

**1.18 Earnings Per Share (EPS)**

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**1.19 Assets under Management**

Contracts securitised, assigned or co-branded are derecognised from the books of accounts. Contingent liabilities thereof, if any, are disclosed separately in the notes to financial statements.

**1.20 Prior Period and Extra Ordinary Items**

Prior Period and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed separately.

Schedules to the Statement of Assets & Liabilities, As Reformatted

2. SHARE CAPITAL

Particulars	As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012		As at 31st March, 2011		As at 31st March, 2010	
	No. of Shares	Amount (₹ In Millions)	No. of Shares	Amount (₹ In Millions)	No. of Shares	Amount (₹ In Millions)	No. of Shares	Amount (₹ In Millions)	No. of Shares	Amount (₹ In Millions)
<b>Authorised</b>										
Equity Shares, ₹ 10/- par value per share	1000000000	10,000.00	710000000	7,100.00	710000000	7,100.00	710000000	7,100.00	400000000	4,000.00
Preference Shares, ₹ 100/- par value per share	50000000	5,000.00	10000000	1,000.00	10000000	1,000.00	10000000	1,000.00	30000000	3,000.00
<b>Issued and subscribed</b>										
Equity Shares, ₹ 10/- par value per share	503559160	5,035.60	503559160	5,035.60	503559160	5,035.60	503559160	5,035.60	116617625	1,166.20
<b>Fully Paid-up</b>										
Equity Shares, ₹ 10/- par value per share	503086333 <sup>1</sup>	5,030.90	503086333 <sup>1</sup>	5,030.90	503086333 <sup>1</sup>	5,030.90	503086333 <sup>1</sup>	5,030.90	116144798	1,161.40
Forfeited Shares	472827	1.50	472827	1.50	472827	1.50	472827	1.50	472827	1.50
<b>Total</b>		5,032.40		5,032.40		5,032.40		5,032.40		1,162.90

<sup>1</sup> Includes 21,600 shares represented by 5,400 Global Depository Receipts (GDRs) issued vide Prospectus dated 18.04.2005.

2.1 Reconciliation of Equity Shares outstanding

The reconciliation of the number of equity shares outstanding and the corresponding amount thereof, as at the Balance Sheet date is set out below:

Equity Shares	As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012		As at 31st March, 2011		As at 31st March, 2010	
	No. of Shares	₹ in lakh	No. of Shares	₹ in lakh	No. of Shares	₹ in lakh	No. of Shares	₹ in lakh	No. of Shares	₹ in lakh
At the beginning of the financial year	503086333	50,309	503086333	50,309	503086333	50,309	116144798	11,614	116144798	11,614
Add: Issued as fully paid-up bonus shares by capitalisation of Securities Premium	-	-	-	-	-	-	92915839	9,292	-	-
Add: Allotment pursuant to Scheme of Amalgamation, without payment being received in Cash	-	-	-	-	-	-	294025696	29,403	-	-
At the end of the financial year	503086333	50,309	503086333	50,309	503086333	50,309	503086333	50,309	116144798	11,614

2.2 Rights, preferences and restrictions in respect of each class of Shares

The Company's authorised capital consists of two classes of shares, referred to as equity shares and preference shares, having par value of ₹ 10/- and ₹ 100/- each respectively. Each holder of equity shares is entitled to one vote per share. The preference shareholders have a preferential right over equity share holders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Company during the years ended 31st March, 2014, 31st March, 2013, 31st March, 2012, 31st March, 2011 & 31st March, 2010.

The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Dividend per equity share proposed for the Current year is ₹ 0.50 (Financial Year- 2012-13: ₹ 0.50, 2011-12: ₹ 0.50, 2010-11: ₹ 0.75 & 2009-10: ₹ 1.20).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.3 Shares allotted as fully paid-up without payment being received in cash/by way of bonus shares (during 5 years preceding 31st March, 2014)

Pursuant to amalgamation of Quippo Infrastructure Equipment Limited (Transferor Company) into and with the Company, approved by the Equity Shareholders of the Company and sanctioned by the Hon'ble High Court of Calcutta on 18th January, 2011, the Company issued and allotted 92,915,839 equity shares of ₹ 10/- par value, as fully paid up bonus shares, to the pre-amalgamation equity shareholders of the Company on 5th March, 2011.

Further, the Company issued and allotted 294,025,696 equity shares of ₹ 10/- par value, as fully paid-up, towards consideration for the aforesaid amalgamation, to the shareholders of the Transferor Company on 5th March, 2011. This includes 48,600,000 equity shares allotted to Srei Growth Trust, a Trust settled by the Company on 4th March, 2011, to receive equity shares of the Company in exchange of the Company's shareholding in the Transferor Company. The beneficial interest in the Trust amounting to ₹ 1,851.50 lakh, representing the cost of shares of the Transferor Company, is shown under 'Non-Current Investments' in the Balance Sheet.

2.4 Shareholders holding more than 5% of the equity shares each, are set out below:

Name of the Shareholders	As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012		As at 31st March, 2011		As at 31st March, 2010	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Bharat Connect Limited	115589420	22.98	12960000	2.58	12960000	2.58	12960000	2.58	7200000	6.20
Adisri Investment Private Limited (formerly Adisri Investment Limited)	86702840	17.23	38992840	7.75	38992840	7.75	38992840	7.75	21662689	18.65
Opulent Venture Capital Trust	57974595	11.52	57974595	11.52	57974595	11.52	57974595	11.52	N.A.	N.A.
Srei Growth Trust *	48600000	9.66	48600000	9.66	48600000	9.66	48600000	9.66	N.A.	N.A.
Fidelity Investment Trust Fidelity Series Emerging Markets Fund	47462511	9.43	39204363	7.79	31414121	6.24	12098588	2.40	-	-
Adhyatma Commercial Private Limited	40888990	8.13	40888990	8.13	34705703	6.90	10395000	2.07	5775000	4.97
Deigratia International Pte Limited	N.A.	N.A.	150297688	29.88	147937030	29.41	167937030	33.38	N.A.	N.A.
Sanlam Asset Management (Ireland) Limited A/C Sanlam Universal Funds Plc	-	-	-	-	-	-	-	-	3665521	3.16

\*Held in the name of Trustees

3. RESERVES AND SURPLUS

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>Capital Reserves</b>					
Opening balance	194.50	194.50	194.50	194.50	16.50
Add: Addition during the year	-	-	-	-	178.00
Closing balance	194.50	194.50	194.50	194.50	194.50
<b>Securities Premium Reserve</b>					
Opening balance	1,975.40	1,975.40	1,975.40	2,904.60	2,904.60
Less: Issuance of Bonus shares	-	-	-	(929.20)	-
Closing balance	1,975.40	1,975.40	1,975.40	1,975.40	2,904.60
<b>Bond/Debt Redemption Reserve</b>					
Opening balance	1,068.80	950.40	647.80	425.00	430.00
Add: Transfer from Surplus in the Statement of Profit and Loss (refer note 3.1)	151.30	211.10	381.80	302.00	74.20
Less: Transfer to Surplus, on repayment of Bond/Debt	-	(92.70)	(79.20)	(79.20)	(79.20)
Closing balance	1,220.10	1,068.80	950.40	647.80	425.00
<b>Special Reserve (Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934)</b>					
Opening balance	1,648.40	1,458.40	1,341.70	1,072.70	844.70
Add: Addition during the year	118.70	190.00	116.70	269.00	228.00
Closing balance	1,767.10	1,648.40	1,458.40	1,341.70	1,072.70
<b>General Reserve</b>					
Opening balance	13,960.40	13,960.40	13,960.40	173.40	143.40
Add: Addition on account of Amalgamation	-	-	-	13,787.00	30.00
Closing balance	13,960.40	13,960.40	13,960.40	13,960.40	173.40
<b>Surplus in the Statement of Profit and Loss</b>					
Opening balance	2,595.50	2,248.60	2,379.10	1,967.90	1,268.50
Add: Net profit for the year	593.20	949.60	579.60	1,343.00	1,114.90
Amount available for appropriation	3,188.70	3,198.20	2,958.70	3,310.90	2,383.40
<b>Appropriations:</b>					
Proposed Equity dividend	251.60	251.50	251.50	377.30	139.40
Corporate dividend tax on proposed dividend	42.70	42.80	39.30	62.70	23.10
Transferred to General Reserve	-	-	-	-	30.00
Transferred to Special Reserve	118.70	190.00	116.70	269.00	228.00
Transferred to Bond/Debt Redemption Reserve (net)	151.30	118.40	302.60	222.80	(5.00)
Closing balance	2,624.40	2,595.50	2,248.60	2,379.10	1,967.90
<b>Total Reserves and Surplus</b>	<b>21,741.90</b>	<b>21,443.00</b>	<b>20,787.70</b>	<b>20,498.90</b>	<b>6,738.10</b>

3.1 Bond / Debt Redemption Reserve

As per terms of Issue, the Company creates Bond / Debt Redemption Reserve (FY 2013-14: ₹ Nil, FY 2012-13: ₹ 1,717 lakh, FY 2011-12 : ₹ 3,797 lakh, FY 2010-11 : ₹ 3,020 lakh, FY 2009-10 : ₹ 742 lakh) towards redemption of Unsecured Subordinated Bonds / Debentures / Debt (Tier II Capital). Debt Redemption Reserve of (FY 2013-14: ₹ Nil, FY 2012-13: ₹ 927 lakh, FY 2011-12 : ₹ 792 lakh, FY 2010-11 : ₹ 792 lakh, FY 2009-10 : ₹ 792 lakh) has been reversed due to repayment of Bond / Debt during the year

The Company also creates Bond / Debt Redemption Reserve of (FY 2013-14: ₹ 126 Lakh, FY 2012-13: ₹ 221 lakh, FY 2011-12 : ₹ 21 lakh) towards redemption of Long-Term Infrastructure Bonds, which were raised during the Financial Year 2011-12 and (FY 2013-14: ₹ 1,387 Lakh, FY 2012-13: ₹ 173 lakh, FY 2011-12 : Nil) towards redemption of Non-Convertible Debenture issued through public Issue.

4. LONG-TERM BORROWINGS ( Non- Current Maturities)

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>A. Secured</b>					
<b>Bonds/Debentures</b>					
Long-Term Infrastructure Bonds (refer note 4.1)	248.90	248.90	248.90	-	-
Non-Convertible Debentures (refer note 4.2 & 8.5)	13,516.50	10,659.90	6,530.00	170.00	-
<b>Term Loans (refer note 4.3)</b>					
From Banks					
- Rupee Loans	16,641.20	14,976.90	10,599.80	6,454.50	9,184.50
- Foreign Currency Loans	3,542.30	3,215.30	2,544.20	1,114.70	4,489.00
From Financial Institutions					
- Foreign Currency Loans	3,745.40	4,596.40	5,533.60	5,317.30	2,647.00
<b>Deposits</b>					
Public Deposits (refer note 4.4)	-	-	-	1.60	5.20
<b>Other Loans</b>					
Buyer's Credit from Banks - Foreign Currency Loans (refer note 4.5)	-	-	-	108.10	-
<b>(A)</b>	<b>37,694.30</b>	<b>33,697.40</b>	<b>25,456.50</b>	<b>13,166.20</b>	<b>16,325.70</b>
<b>B. Unsecured</b>					
<b>Bonds/Debentures</b>					
Non-Convertible Debentures (refer note 4.7 & 8.5)	-	-	-	-	100.00
Subordinated bonds/debentures (Tier II Capital) (refer note 4.6)	11,569.90	10,416.90	6,500.00	3,052.70	2,631.60
<b>Deposits</b>					
Inter-Corporate Deposits	8.90	8.90	8.90	-	-
<b>(B)</b>	<b>11,578.80</b>	<b>10,425.80</b>	<b>6,508.90</b>	<b>3,052.70</b>	<b>2,731.60</b>
<b>Total (A+B)</b>	<b>49,273.10</b>	<b>44,123.20</b>	<b>31,965.40</b>	<b>16,218.90</b>	<b>19,057.30</b>

4. LONG-TERM BORROWINGS (Current Maturities)

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>A. Secured</b>					
<b>Bonds/Debentures</b>					
Non-Convertible Debentures (refer note 4.2 & 8.5)	2,715.60	530.00	170.00	-	-
<b>Term Loans (refer note 4.3)</b>					
From Banks					
- Rupee Loans	7,051.00	8,256.80	5,692.60	4,238.00	3,035.70
- Foreign Currency Loans	89.90	-	1,271.80	3,344.30	-
From Financial Institutions					
- Foreign Currency Loans	1,325.90	1,310.30	532.50	433.40	410.20
<b>Deposits</b>					
Public Deposits (refer note 4.4)	-	-	1.60	2.90	2.40
<b>Other Loans</b>					
Buyer's Credit from Banks - Foreign Currency Loans (refer note 4.5)	-	41.10	123.30	-	-
<b>(A)</b>	<b>11,182.40</b>	<b>10,138.20</b>	<b>7,791.80</b>	<b>8,018.60</b>	<b>3,448.30</b>
<b>B. Unsecured</b>					
<b>Bonds/Debentures</b>					
Non-Convertible Debentures (refer note 4.7 & 8.5)	-	-	-	430.00	-
Subordinated bonds/debentures (Tier II Capital) (refer note 4.6)	-	-	52.70	79.00	79.00
<b>Term Loans</b>					
From Financial Institutions (refer note 4.8)	-	-	-	500.00	-
<b>(B)</b>	<b>-</b>	<b>-</b>	<b>52.70</b>	<b>1,009.00</b>	<b>79.00</b>
<b>Total (A+B)</b>	<b>11,182.40</b>	<b>10,138.20</b>	<b>7,844.50</b>	<b>9,027.60</b>	<b>3,527.30</b>

#### 4.1 Long-Term Infrastructure Bonds – Secured, Redeemable, Non-convertible Debentures

##### Financial Year: 2013-14

During the financial year 2011-12, the Company had raised fund through Public issue of Long-Term Infrastructure Bonds in the nature of Secured, Redeemable Non-Convertible Debentures, eligible for deduction under section 80 CCF of the Income-Tax Act, 1961. Fund raised has been utilised for the purposes of infrastructure lending as per terms in the year of the issue.

Maturity profile and rate of interest of these Bonds are as set out below:

(₹ in Lakh)

Rate of Interest	Maturity Profile		Total
	2016-17	2013-16	
8.90%	1,291	-	1,291
9.15%	1,198	-	1,198
<b>Total</b>	<b>2,489</b>	<b>-</b>	<b>2,489</b>

Bonds with interest rate of 8.90% have an overall tenure of 10 years and those with 9.15%, 15 years. Buyback option is available for all bonds at the end of 5 years i.e. on 22.03.2017. Bonds are secured by exclusive charge on specific receivables of the Company & pari-passu mortgage/charge on immovable property.

##### Financial Year: 2012-13

During the current year, the Company has raised ₹ Nil (Previous year: ₹ 2,489) through public issue of Long-Term Infrastructure Bonds in the nature of Secured, Redeemable Non-Convertible Debentures, eligible for deduction under section 80 CCF of the Income-Tax Act, 1961. Fund raised has been utilised for the purposes of infrastructure lending as per the terms in the year of the issue.

Maturity profile and rate of interest of these Bonds are as set out below:

(₹ in Lakh)

Rate of Interest	Maturity Profile		Total
	2016-17	2012-16	
8.90%	1,291	-	1,291
9.15%	1,198	-	1,198
<b>Total</b>	<b>2,489</b>	<b>-</b>	<b>2,489</b>

Bonds with interest rate of 8.90% have an overall tenure of 10 years and those with 9.15%, 15 years. Buyback option is available for all bonds at the end of 5 years i.e. on 22.03.2017. Bonds are secured by exclusive charge on specific receivables of the Company & pari-passu mortgage/charge on immovable property.

##### Financial Year: 2011-12

During the year, the Company has raised ₹ 2,489 lakh (Previous year: ₹ Nil) through public issue of Long-Term Infrastructure Bonds in the nature of Secured, Redeemable Non-Convertible Debentures, eligible for deduction under section 80 CCF of the Income-Tax Act, 1961. Fund raised has been utilised for the purposes of infrastructure lending as per the terms of the issue.

Maturity profile and rate of interest of these Bonds are as set out below:

(₹ in Lakh)

Rate of Interest	Maturity Profile		Total
	2016-17	2012-16	
8.90%	1,291	-	1,291
9.15%	1,198	-	1,198
<b>Total</b>	<b>2,489</b>	<b>-</b>	<b>2,489</b>

Bonds with interest rate of 8.90% have an overall tenure of 10 years and those with 9.15%, 15 years. Buyback option is available for all bonds at the end of 5 years i.e. on 22.03.2017. Bonds are secured by exclusive charge on specific receivables of the Company & pari-passu mortgage/charge on immovable property.

#### 4.2 Non-Convertible Debentures

Financial Year: 2013-14

(₹ in Lakh)

Rate of Interest	Maturity Profile*									Total
	2023-24	2022-23	2021-22	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	
9.84% <sup>3</sup>	-	-	-	-	-	46	-	-	-	46
9.92% <sup>3</sup>	-	-	-	-	-	10	-	-	-	10
10.25% <sup>4</sup>	-	-	-	6,450	-	-	-	-	-	6,450
10.30% <sup>3</sup>	-	-	-	-	-	1,121	-	-	-	1,121
10.35% <sup>1</sup>	-	-	-	-	-	-	439	-	40	479
10.41% <sup>5</sup>	-	-	-	-	-	52	-	-	-	52
10.65% <sup>1</sup>	-	-	-	-	-	-	1,147	-	-	1,147
10.75% <sup>1</sup>	-	-	-	-	-	-	650	-	-	650
10.76% <sup>4</sup>	-	-	-	-	-	-	195	-	-	195
10.80% <sup>1</sup>	-	-	-	-	-	-	6,668	6,666	6,666	20,000
10.85% <sup>1</sup>	-	-	-	-	332	-	-	-	-	332
10.90% <sup>1</sup>	-	-	-	-	-	-	34	-	-	34
10.94% <sup>1</sup>	-	-	-	-	30	-	-	-	-	30
11.00% <sup>1</sup>	-	-	-	-	21,426	-	-	229	13,750	35,405
11.00% <sup>4</sup>	-	-	-	-	155	-	-	10	-	165
11.10% <sup>1</sup>	450	-	-	-	-	-	-	-	-	450
11.16% <sup>1</sup>	-	-	-	-	2,967	-	-	-	-	2,967
11.20% <sup>1</sup>	-	-	-	-	-	-	-	620	-	620
11.24% <sup>4</sup>	-	-	-	809	-	-	-	-	-	809
11.25% <sup>1</sup>	-	-	-	-	-	-	120	363	-	483
11.25% <sup>6</sup>	-	-	-	-	-	-	-	1,500	-	1,500
11.27% <sup>4</sup>	-	-	-	-	-	-	-	215	-	215
11.30% <sup>2</sup>	-	-	-	-	-	2,000	-	-	-	2,000
11.30% <sup>1</sup>	-	-	-	-	-	12,770	-	-	-	12,770
11.35% <sup>1</sup>	-	2,000	-	-	-	1,500	-	-	-	3,500
11.40% <sup>2</sup>	-	70	-	-	-	-	-	10,600	-	10,670
11.40% <sup>1</sup>	-	130	-	-	-	610	-	1,000	6,700	8,440
11.41% <sup>1</sup>	-	-	-	-	261	-	-	-	-	261
11.45% <sup>1</sup>	-	-	-	200	-	-	-	1,000	-	1,200
11.48% <sup>1</sup>	-	-	-	-	-	170	-	-	-	170
11.50% <sup>1</sup>	-	110	-	-	4,633	-	2,150	64	-	6,957
11.50% <sup>2</sup>	-	-	-	-	-	2,500	-	-	-	2,500
11.51% <sup>4</sup>	-	-	-	-	-	-	1,110	-	-	1,110
11.52% <sup>4</sup>	-	-	-	-	-	-	-	87	-	87
11.55% <sup>1</sup>	-	-	-	140	-	2,000	-	-	-	2,140
11.72% <sup>4</sup>	-	-	-	881	-	-	-	-	-	881
11.75% <sup>1</sup>	-	-	-	-	2,359	-	29,490	-	-	31,849
11.76% <sup>4</sup>	-	-	-	-	-	-	67	-	-	67
11.90% <sup>1</sup>	-	-	4,000	-	-	-	-	-	-	4,000
12.00% <sup>1</sup>	-	-	-	-	272	-	-	-	-	272
12.50% <sup>7</sup>	-	-	-	-	202	-	-	-	-	202
12.75% <sup>7</sup>	-	-	-	-	85	-	-	-	-	85
<b>Total</b>	<b>450</b>	<b>2,310</b>	<b>4,000</b>	<b>8,480</b>	<b>32,722</b>	<b>22,779</b>	<b>42,070</b>	<b>22,354</b>	<b>27,156</b>	<b>162,321</b>

\* Includes current maturities

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

<sup>2</sup> Secured against Mortgage of immovable property.

<sup>3</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. NCD's have an overall tenure of 7 years and having put/ call option at the end of 5 years i.e. on 05-11-2017

<sup>4</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest.

<sup>5</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest. NCD's have an overall tenure of 7 years and having put/ call option at the end of 5 years i.e. on 05-11-2017.

<sup>6</sup> Secured against Mortgage of immovable property. NCD's have an overall tenure of 5 years and having put/ call option at the end of 3 years i.e. on 08-06-2015.

<sup>7</sup> Secured against Receivables/Assets of the Company and mortgage of immovable property. As interest rate during the tenor of bond is different i.e. Year 1:12.50% Year 2:12% Year 3:11.50% Year 4:11.25% Year 5:11.25%, interest rate for 1st year considered for disclosure.

Funds raised ₹ 33,635 Lakh through public issue of Secured, Redeemable Non-Convertible Debentures have been utilised for the purposes as per the terms of the issue.

All the above debentures are redeemable at par.

Financial Year: 2012-13

(₹ in Lakh)

Rate of Interest	Maturity Profile*								Total
	2022-23	2021-22	2019-20	2017-18	2016-17	2015-16	2014-15	2013-14	
9.84% <sup>3</sup>	-	-	-	46	-	-	-	-	46
9.92% <sup>3</sup>	-	-	-	10	-	-	-	-	10
10.25% <sup>4</sup>	-	-	6,450	-	-	-	-	-	6,450
10.30% <sup>3</sup>	-	-	-	1,121	-	-	-	-	1,121
10.41% <sup>5</sup>	-	-	-	52	-	-	-	-	52
10.80% <sup>1</sup>	-	-	-	-	6,668	6,666	6,666	-	20,000
10.90% <sup>1</sup>	-	-	-	-	-	-	-	5,000	5,000
11.00% <sup>1</sup>	-	-	-	-	-	-	-	300	300
11.20% <sup>1</sup>	-	-	-	-	-	620	-	-	620
11.25% <sup>6</sup>	-	-	-	-	-	1,500	-	-	1,500
11.30% <sup>2</sup>	-	-	-	2,000	-	-	-	-	2,000
11.30% <sup>1</sup>	-	-	-	12,770	-	-	-	-	12,770
11.35% <sup>1</sup>	2,000	-	-	1,500	-	-	-	-	3,500
11.40% <sup>2</sup>	70	-	-	-	-	10,600	-	-	10,670
11.40% <sup>1</sup>	130	-	-	610	-	1,000	6,700	-	8,440
11.45% <sup>1</sup>	-	-	200	-	-	1,000	-	-	1,200
11.48% <sup>1</sup>	-	-	-	170	-	-	-	-	170
11.50% <sup>2</sup>	-	-	-	2,500	-	-	-	-	2,500
11.50% <sup>1</sup>	110	-	-	-	-	-	-	-	110
11.55% <sup>1</sup>	-	-	140	2,000	-	-	-	-	2,140
11.75% <sup>1</sup>	-	-	-	-	29,300	-	-	-	29,300
11.90% <sup>1</sup>	-	4,000	-	-	-	-	-	-	4,000
<b>Total</b>	<b>2,310</b>	<b>4,000</b>	<b>6,790</b>	<b>22,779</b>	<b>35,968</b>	<b>21,386</b>	<b>13,366</b>	<b>5,300</b>	<b>111,899</b>

\* Includes current maturities

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

<sup>2</sup> Secured against Mortgage of immovable property.

<sup>3</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. NCD's have an overall tenure of 7 years and having put/ call option at the end of 5 years i.e. on 05-11-2017

<sup>4</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest.

<sup>5</sup> Secured against Receivables / Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest. NCD's have an overall tenure of 7 years and having put/ call option at the end of 5 years i.e. on 05-11-2017.

<sup>6</sup> Secured against Mortgage of immovable property. NCD's have an overall tenure of 5 years and having put/ call option at the end of 3 years i.e. on 08-06-2015.

Funds raised ₹ 7,679 Lakh through public issue of Secured, Redeemable Non-Convertible Debentures have been utilised for the purposes as per the terms of the issue.

All the above debentures are redeemable at par.

Financial Year: 2011-12

(₹ in Lakh)

Rate of Interest	Maturity Profile*						Total
	2021-22	2016-17	2015-16	2014-15	2013-14	2012-13	
9.75% <sup>1</sup>	-	-	-	-	-	1,700	1,700
10.80% <sup>2</sup>	-	6,668	6,666	6,666	-	-	20,000
10.90% <sup>2</sup>	-	-	-	-	5,000	-	5,000
11.00% <sup>2</sup>	-	-	-	-	30	-	30
11.40% <sup>2</sup>	-	-	-	670	-	-	670
11.75% <sup>2</sup>	-	29,300	-	-	-	-	29,300
11.90% <sup>2</sup>	4,000	-	-	-	-	-	4,000
<b>Total</b>	<b>4,000</b>	<b>35,968</b>	<b>6,666</b>	<b>7,336</b>	<b>5,030</b>	<b>1,700</b>	<b>60,700</b>

\* Includes current maturities

<sup>1</sup> Secured against Receivables of the Company.

<sup>2</sup> Secured against Receivables of the Company and mortgage of immovable property.

All the above debentures are redeemable at par.

Financial Year: 2010-11

(₹ in Lakh)

Rate of Interest	Maturity Profile					Total
	2016-17	2015-16	2014-15	2012-13	2011-12	
9.75% <sup>1</sup>	-	-	-	1,700	-	1,700
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,700</b>	<b>-</b>	<b>1,700</b>

<sup>1</sup> Secured against Receivables of the Company and redeemable at par.

4.3 Term Loans

Financial Year: 2013-14

(₹ in Lakh)

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

\* Includes current maturities

The above Term Loans are secured by charge on specific assets covered by loan / lease agreements with customers and / or receivables arising therefrom.

<sup>1</sup> Includes loans of ₹ 12,299 Lakh (Previous year: ₹ 13,494 Lakh) guaranteed by Export Import Bank of the United States.

Financial Year: 2012-13

(₹ in Lakh)

Particular	Maturity Profile*				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Rupee Loans (Floating)	-	44,271	98,498	78,702	221,471	Base Rate + 125bps to 300bps
	-	-	-	1,666	1,666	BPLR - 200bps
From Banks - Rupee Loans (Fixed)	-	1,400	5,600	2,200	9,200	11.25%
From Banks - Foreign Currency Loans	5,531	20,735	5,887	-	32,153	Libor/Euribor + 330bps to 350bps
From Financial Institutions - Foreign Currency Loans <sup>1</sup>	3,620	19,352	22,992	13,103	59,067	Libor+ 115bps to 410bps
<b>Total</b>	<b>9,151</b>	<b>85,758</b>	<b>132,977</b>	<b>95,671</b>	<b>323,557</b>	

\* Includes current maturities

The above Term Loans are secured by charge on specific assets covered by loan/ lease agreements with customers and/ or receivables arising therefrom.

<sup>1</sup> Includes ₹ Nil (Previous year: ₹ 2,111 lakh) guaranteed by subsidiary company.

<sup>2</sup> Includes loans of ₹ 13,494 lakh (Previous year: ₹ 14,333 lakh) guaranteed by Export Import Bank of the United States.

Financial Year: 2011-12

(₹ in Lakh)

Particular	Maturity Profile*				Total
	Beyond 5 years	3-5 years	1-3 years	0-1 years	
From Banks - Rupee Loans <sup>1</sup>	259	33,425	72,314	56,926	162,924
From Banks - Foreign Currency Loans	13,739	10,940	763	12,718	38,160
From Financial Institutions - Foreign Currency Loans <sup>2</sup>	11,737	20,066	23,533	5,325	60,661
<b>Total</b>	<b>25,735</b>	<b>64,431</b>	<b>96,610</b>	<b>74,969</b>	<b>261,745</b>

\* Includes current maturities

The above Term Loans are secured by charge on specific assets covered by loan / lease agreements with customers and / or receivables arising therefrom.

<sup>1</sup> Includes ₹ 2111 lakh (Previous year ₹ 2372 lakh) guaranteed by subsidiary company.

<sup>2</sup> Includes loans of ₹ 14,333 lakh (Previous year ₹ 13,713 lakh) guaranteed by Export Import Bank of the United

Financial Year: 2010-11

(₹ in Lakh)

Particular	Maturity Profile*				Total
	Beyond 5 years	3-5 years	1-3 years	0-1 years	
From Banks - Rupee Loans <sup>1</sup>	691	5,310	58,544	42,380	106,925
From Banks - Foreign Currency Loans	-	-	11,147	33,443	44,590
From Financial Institutions - Foreign Currency Loans <sup>2</sup>	18,864	18,881	15,428	4,334	57,507
<b>Total</b>	<b>19,555</b>	<b>24,191</b>	<b>85,119</b>	<b>80,157</b>	<b>209,022</b>

\* Includes current maturities

The above Term Loans are secured by charge on specific assets covered by loan / lease agreements with customers and / or receivables arising therefrom.

<sup>1</sup> Includes ₹ 2372 lakh (Previous year ₹ Nil) guaranteed by subsidiary company.

<sup>2</sup> Includes loans of ₹ 13,713 lakh million (Previous year ₹ 14,700 lakh) guaranteed by Export Import Bank of the United States.

Financial Year: 2009-10

(₹ in Lakh)

Particular	Maturity Profile*				Total
	Beyond 5 years	3-5 years	1-3 years	0-1 years	
From Banks - Rupee Loans	-	17,798	74,047	30,357	122,202
From Banks - Foreign Currency Loans	-	-	44,890	-	44,890
From Financial Institutions - Foreign Currency Loans <sup>1</sup>	8,013	9,395	9,062	4,102	30,572
<b>Total</b>	<b>8,013</b>	<b>27,193</b>	<b>127,999</b>	<b>34,459</b>	<b>197,664</b>

\* Includes current maturities

The above Term Loans are secured by charge on specific assets covered by loan / lease agreements with customers and / or receivables arising therefrom.

<sup>1</sup> Includes loans of ₹ 14,700 lakh (Previous year ₹ Nil) guaranteed by Export Import Bank of the United

4.4 Public Deposits

Financial Year 2012-13, 2011-12 & 2010-11

In order to qualify for registration as an 'Infrastructure Finance Company', the Company decided not to accept or renew public deposits w.e.f. 20th April, 2010. The amount of public deposits outstanding as on 19th April, 2010 (including matured and unclaimed deposits) along with accrued and future interest thereof is kept in the form of a Fixed Deposit, under lien, with Axis Bank Limited, a scheduled commercial bank, for the purpose of making payment to the depositors. The outstanding balance of the Fixed Deposit as at 31st March, 2013 is ₹ 36 lakh (₹ 88 Lakh as at 31st March, 2012, ₹ 250 Lakh as at 31st March, 2011 and ₹ Nil as at 31st March, 2010).

Financial Year: 2009-10

Public Deposits are secured by pledge of certain Government Securities as per RBI Circular dated 04.01.2007.

#### 4.5 Buyer's credit from Banks (Foreign Currency Loan)

##### Financial Year 2013-14, 2012-13, 2011-12 & 2010-11

These foreign currency loans from banks are repayable by bullet payment and have tenures ranging from 1-3 years. These loans are secured by import documents covering title to capital goods and extension of pari passu charge towards working capital facilities.

#### 4.6 Unsecured Subordinated bonds / debentures (Tier II Capital)

##### Financial Year: 2013-14

During the year, the Company raised subordinated debt qualifying for Tier II capital amounting to ₹ 11,530 Lakh (Previous year: ₹ 39,169 Lakh). The following table sets forth the details of the outstanding:

(₹ in Lakh)

Rate of Interest	Maturity Profile								Total
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	
10.20%	-	-	-	-	20,000	-	-	-	20,000
10.50%	-	-	-	5,000	-	-	-	-	5,000
10.60%	-	-	-	-	4,030	-	-	-	4,030
10.75%	5,840	-	-	1,660	-	-	-	-	7,500
11.10%	-	-	-	-	-	1,440	-	-	1,440
11.25%	-	3,400	-	-	-	-	-	-	3,400
11.40%	-	-	10,000	-	-	-	-	-	10,000
11.50%	-	2,336	-	-	-	6,130	7,403	-	15,869
11.70%	-	4,690	-	-	-	-	-	-	4,690
11.75%	-	-	-	-	-	-	1,000	85	1,085
11.80%	-	6,770	-	-	-	-	-	-	6,770
11.85%	-	7,000	-	-	-	-	-	2,000	9,000
11.90%	-	-	21,915	-	-	-	-	-	21,915
12.00%	-	-	-	-	-	-	-	5,000	5,000
<b>Total</b>	<b>5,840</b>	<b>24,196</b>	<b>31,915</b>	<b>6,660</b>	<b>24,030</b>	<b>7,570</b>	<b>8,403</b>	<b>7,085</b>	<b>115,699</b>

All the above bonds are redeemable at par.

##### Financial Year: 2012-13

During the year, the Company raised subordinated debt qualifying for Tier II capital amounting to ₹ 39,169 lakh (31st March, 2012: ₹ 35,000 lakh). The following table sets forth the details of the outstanding as at 31st March, 2013

(₹ in Lakh)

Rate of Interest	Maturity Profile							Total
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	
10.20%	-	-	-	20,000	-	-	-	20,000
10.50%	-	-	5,000	-	-	-	-	5,000
11.10%	-	-	-	-	1,440	-	-	1,440
11.25%	3,400	-	-	-	-	-	-	3,400
11.40%	-	10,000	-	-	-	-	-	10,000
11.50%	2,336	-	-	-	6,130	7,403	-	15,869
11.70%	4,690	-	-	-	-	-	-	4,690
11.75%	-	-	-	-	-	1,000	85	1,085
11.80%	6,770	-	-	-	-	-	-	6,770
11.85%	7,000	-	-	-	-	-	2,000	9,000
11.90%	-	21,915	-	-	-	-	-	21,915
12.00%	-	-	-	-	-	-	5,000	5,000
<b>Total</b>	<b>24,196</b>	<b>31,915</b>	<b>5,000</b>	<b>20,000</b>	<b>7,570</b>	<b>8,403</b>	<b>7,085</b>	<b>104,169</b>

All the above bonds are redeemable at par.

**Financial Year: 2011-12**

During the year ended 31st March, 2012, the Company raised subordinated debt qualifying for Tier II capital amounting to ₹ 35,000 lakh (31st March, 2011: ₹ 5,000 lakh). The following table sets forth the details of the outstanding as at 31st March, 2012:

(₹ in Lakh)

Rate of Interest	Maturity Profile						Total
	2021-22	2020-21	2019-20	2017-18	2016-17	2012-13	
10.20%	-	-	20,000	-	-	-	20,000
10.50%	-	5,000	-	-	-	527	5,527
11.40%	10,000	-	-	-	-	-	10,000
11.75%	-	-	-	1,000	85	-	1,085
11.85%	-	-	-	-	2,000	-	2,000
11.90%	21,915	-	-	-	-	-	21,915
12.00%	-	-	-	-	5,000	-	5,000
<b>Total</b>	<b>31,915</b>	<b>5,000</b>	<b>20,000</b>	<b>1,000</b>	<b>7,085</b>	<b>527</b>	<b>65,527</b>

The interest rate is floating and is computed based on average yield to maturity (YTM) calculated from the balance maturity of 12 year Government of India (GOI) security paper for the remaining tenure of the Bonds.

Each bond is having an overall tenure of 12 years, reckoned from the date of allotment. The bonds shall be redeemed at a premium of 20% of the original face value.

**Financial Year: 2010-11**

During the year ended 31st March, 2011, the Company raised subordinated debt qualifying for Tier II capital amounting to ₹ 5,000 lakh (31st March, 2010: ₹ 20,000 lakh ). The following table sets forth the details of the outstanding as at 31st March, 2011:

(₹ in Lakh)

Rate of Interest	Maturity Profile						Total
	2021-22	2020-21	2019-20	2016-17	2012-13	2011-12	
10.20%	-	-	20,000	-	-	-	20,000
10.50%	-	5,000	-	-	527	789	6,316
12.00%	-	-	-	5,000	-	-	5,000
<b>Total</b>	<b>-</b>	<b>5,000</b>	<b>20,000</b>	<b>5,000</b>	<b>527</b>	<b>789</b>	<b>31,316</b>

The interest rate is floating and is computed based on average yield to maturity (YTM) calculated from the balance maturity of 12 year Government of India (GOI) security paper for the remaining tenure of the Bonds.

Each bond is having an overall tenure of 12 years, reckoned from the date of allotment. The bonds shall be redeemed at a premium of 20% of the original face value.

**Financial Year: 2009-10**

During the year ended 31st March, 2010, the Company raised subordinated debt qualifying for Tier II capital amounting to ₹ 20,000 lakh (31st March, 2009: Nil). The following table sets forth the details of the outstanding as at 31st March, 2010:

(₹ in Lakh)

Rate of Interest	Maturity Profile*					Total
	2019-20	2016-17	2012-13	2011-12	2010-11	
10.50% <sup>1</sup>	-	-	527	789	790	2,106
10.20%	20,000	-	-	-	-	20,000
12.00%	-	5,000	-	-	-	5,000
<b>Total</b>	<b>20,000</b>	<b>5,000</b>	<b>527</b>	<b>789</b>	<b>790</b>	<b>27,106</b>

\* Includes current

<sup>1</sup> The interest rate is floating and is computed based on average yield to maturity (YTM) calculated from the balance maturity of 12 year Government of India (GOI) security paper for the remaining tenure of the Bonds.

Each bond is having an overall tenure of 12 years, reckoned from the date of allotment. The bonds shall be redeemed at a premium of 20% of the original face value.

#### 4.7 Non-Convertible Debentures - Unsecured

Financial Year: 2010-11

(₹ in Lakh)

Rate of Interest	Maturity Profile					Total
	2016-17	2015-16	2014-15	2012-13	2011-12	
7.60%	-	-	-	-	1,000	1,000
7.75%	-	-	-	-	2,300	2,300
8.10%	-	-	-	-	1,000	1,000
<b>Total</b>	-	-	-	-	<b>4,300</b>	<b>4,300</b>

All the above debentures are redeemable at par.

Financial Year: 2009-10

(₹ in Lakh)

Rate of Interest	Maturity Profile				Total
	2016-17	2012-13	2011-12	2010-11	
8.10%	-	-	1,000	-	1,000
<b>Total</b>	-	-	<b>1,000</b>	-	<b>1,000</b>

All the above debentures are redeemable at par.

#### 4.8 Term Loans - Unsecured

Financial Year: 2010-11

(₹ in Lakh)

Category	Maturity Profile				Total
	Beyond 5 years	3-5 years	1-3 years	0-1 years	
From Financial Institutions - Foreign Currency Loans	-	-	-	5,000	5,000
<b>Total</b>	-	-	-	<b>5,000</b>	<b>5,000</b>

#### 5. DEFERRED TAX LIABILITIES (Net)

In terms of Accounting Standard 22, the net Deferred Tax Liability (DTL) recognised during the FY 2013-14 is ₹ 660 Lakh (FY 2012-13: ₹ 1,496 lakh, FY 2011-12 : ₹ 1,198 lakh, FY 2010-11 : ₹ 3,350 lakh, FY 2009-10 : ₹ 3,440 lakh). Consequently, the net DTL as at year-end stands at ₹ 10,144 Lakh (FY 2012-13: ₹ 9,484 lakh, FY 2011-12 : ₹ 7,988 lakh, FY 2010-11 : ₹ 6,790 lakh, FY 2009-10 : ₹ 3,440 lakh). The break-up of major components of net DTL is as follows:

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Depreciation on Fixed Assets	953.00	827.80	659.80	522.20	168.80
Deferred Revenue Expenditure	316.40	304.20	269.50	205.90	228.90
Unabsorbed Depreciation (to the extent of deferred tax liability)	-	-	-	-	(51.40)
Others	(255.00)	(183.60)	(130.50)	(49.10)	(2.30)
<b>Total</b>	<b>1,014.40</b>	<b>948.40</b>	<b>798.80</b>	<b>679.00</b>	<b>344.00</b>

#### 6. OTHER LONG-TERM LIABILITIES

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Interest Accrued but not due on Borrowings	60.00	19.60	0.50	0.20	0.40
Capital Advances	-	-	-	7.50	7.50
Security Deposits & Retentions	2.30	16.40	82.70	92.30	112.70
<b>Total</b>	<b>62.30</b>	<b>36.00</b>	<b>83.20</b>	<b>100.00</b>	<b>120.60</b>

#### 7. LONG-TERM PROVISIONS

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Provision for Employee Benefits (Non-Current Portion) (refer note 37)					
Gratuity	11.10	14.90	12.00	8.90	3.10
Unavailed Leave	22.90	25.10	21.60	14.40	7.80
<b>(A)</b>	<b>34.00</b>	<b>40.00</b>	<b>33.60</b>	<b>23.30</b>	<b>10.90</b>
Others Provisions					
Provision for Non-Performing Assets (refer note 7.1)	495.80	350.30	110.00	-	-
Contingent Provisions against Standard Assets (refer note 7.1)	178.30	143.00	64.00	49.90	-
Provision for Restructured Assets	9.40	-	-	-	-
Provision for Premium on Unsecured Subordinated Bonds	-	-	-	2.00	9.00
<b>(B)</b>	<b>683.50</b>	<b>493.30</b>	<b>174.00</b>	<b>51.90</b>	<b>9.00</b>
<b>Total (A+B)</b>	<b>717.50</b>	<b>533.30</b>	<b>207.60</b>	<b>75.20</b>	<b>19.90</b>

#### 7.1 Nature of certain provisions and their movement year-on-year.

Provision for non-performing assets (NPAs) is made in the financial statements according to the Prudential Norms prescribed by RBI for NBFCs. The Company also makes additional provision based on the management's best estimate, to the extent considered necessary.

The Company creates a general provision at 0.25% of the standard assets outstanding on the balance sheet date, as per the RBI Prudential Norms w.e.f Financial Year 2010-11.

The following table sets forth the movement of aforesaid Provisions year-on-year:

(₹ in lakh)

Particulars	Contingent Provisions against Standard Assets			
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Opening balance	2,342	2,181	1,195	-
Provision made during the year	314	161	986	1,195
Closing balance	<b>2,656</b>	<b>2,342</b>	<b>2,181</b>	<b>1,195</b>

(₹ in lakh)

Particulars	Provisions for NPAs		
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Opening balance	3,503	1,100	-
Provision made during the year	1,455	2,403	1,100
Closing balance	<b>4,958</b>	<b>3,503</b>	<b>1,100</b>

## 8. SHORT-TERM BORROWINGS

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>A. Secured</b>					
Loans repayable on demand					
Working Capital Facilities from banks (Rupee Loan) (refer note 8.1)	46,025.00	32,175.00	14,900.00	14,300.00	3,950.00
Other Loans					
Working Capital Facilities from banks (Rupee Loan) (refer note 8.1)	21,505.90	20,597.70	29,364.60	8,200.60	3,307.80
Short-Term Loans from Banks (refer note 8.2)					
- Rupee Loans	-	-	4,000.00	1,500.00	950.00
- Foreign Currency Loans	-	-	508.70	-	-
Buyer's credit from Banks - Foreign Currency Loan (refer note 4.5)	-	252.10	198.40	-	386.10
Deposits					
Public Deposits (refer note 4.4)	-	-	-	0.10	39.20
<b>(A)</b>	<b>67,530.90</b>	<b>53,024.80</b>	<b>48,971.70</b>	<b>24,000.70</b>	<b>8,633.10</b>
<b>B. Unsecured</b>					
Deposits					
Inter Corporate Deposits					
- From Related Parties	102.30	104.80	109.00	177.50	-
- From Others	1,512.60	1,506.80	1,506.80	624.40	15.00
Other Loans :					
Non-Convertible Debentures (refer note 8.4 & 8.5)	-	-	-	350.00	2,950.00
Rupee Loan from Banks	-	900.00	1,500.00	-	-
Commercial Papers (refer note 8.3)					
- From Banks	-	-	-	96.50	-
- From Others	-	1,986.30	6,575.80	2,400.80	1,199.50
<b>(B)</b>	<b>1,614.90</b>	<b>4,497.90</b>	<b>9,691.60</b>	<b>3,649.20</b>	<b>4,164.50</b>
<b>Total (A+B)</b>	<b>69,145.80</b>	<b>57,522.70</b>	<b>58,663.30</b>	<b>27,649.90</b>	<b>12,797.60</b>

### 8.1 Working capital facilities

#### Financial Year: 2013-14, 2012-13 & 2011-12

Working capital facilities from banks, including working capital demand loans earmarked against such facilities, are secured by hypothecation of underlying assets (short-term as well as long-term loan assets) covered by hypothecation loan of agreements and operating lease agreements with customers and receivables arising therefrom, ranking pari passu (excluding assets specifically charged to others). As per the prevalent practice, these facilities are renewed on a year-to-year basis and therefore, are revolving in nature.

#### Financial Year: 2010-11 & 2009-10

Working Capital facilities from banks are secured by hypothecation of assets covered by loan assets/ hypothecation/ Operating Lease agreements and receivables arising therefrom ranking pari passu (excluding assets which are specifically charged to others).

### 8.2 Short-Term Loans

#### Financial Year: 2012-13 & 2011-12

Short-Term Loans from banks are secured by charge on specific assets covered by loan/ facility agreements with customers and/ or receivables arising therefrom.

#### Financial Year: 2010-11

Short-Term Rupee Loans from banks are secured by charge on specific assets covered by loan / facility agreements with customers and / or receivables arising therefrom.

#### Financial Year: 2009-10

Short-Term Rupee Loans from banks are secured by charge on specific assets covered by loan/ facility agreements with customers and/ or receivables arising therefrom.

Short term Rupee Loan from Banks include ₹ Nil (as at 31st March 2010: ₹ 30,000 lakh, as at 31st March 2009: Nil) guaranteed by the directors.

### 8.3 Commercial Papers

#### Financial Year: 2013-14, 2012-13, 2011-12, 2010-11 & 2009-10

Face value of Commercial Paper outstanding as at 31st March, 2014 is ₹ Nil (as at 31st March, 2013 is ₹ 20,000 lakh, as at 31st March, 2012 is ₹ 67,850 lakh, as at 31st March, 2011 is ₹ 26,120 lakh & as at 31st March, 2010 is ₹ 12,500 lakh). Face value of maximum outstanding at any time during the FY 2013-14 was ₹ 60,000 Lakh (FY 2012-13: ₹ 172,850 Lakh, FY 2011-12: ₹ 207,850 lakh, FY 2010-11: ₹ 63,500 lakh, ). Face value of Commercial Paper repayable within one year as at 31st March, 2014 is ₹ Nil (as at 31st March, 2013 is ₹ 26,000 lakh, as at 31st March, 2012 is ₹ 67,850 lakh, as at 31st March, 2011 is ₹ 26,120 lakh).

### 8.4 Non-Convertible Debentures - Unsecured

#### Financial Year: 2010-11

Rate of Interest	Maturity Profile	Total
	2011-12	
7.60%	1,000	1,000
8.55%	1,000	1,000
9.50%	1,500	1,500
<b>Total</b>	<b>3,500</b>	<b>3,500</b>

(₹ in Lakh)

#### Financial Year: 2009-10

Rate of Interest	Maturity Profile				Total
	2016-17	2012-13	2011-12	2010-11	
6.15%	-	-	-	5,000.00	5,000.00
6.20%	-	-	-	1,500.00	1,500.00
6.90%	-	-	-	17,000.00	17,000.00
7.50%	-	-	-	1,000.00	1,000.00
8.15%	-	-	-	5,000.00	5,000.00
<b>Total</b>	-	-	-	<b>29,500.00</b>	<b>29,500.00</b>

(₹ in Lakh)

All the above debentures are redeemable at par.

### 8.5 Non-Convertible Debentures - Private Placement

#### Financial Year: 2009-10

Company has issued on private placement basis Non-Convertible debentures (NCDs) aggregating to ₹ 637,300 lakh (Previous Year: ₹ 43,500 lakh) during the year.

9. TRADE PAYABLES

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Due to Micro, Small and Medium Enterprises (refer note 9.1)	-	-	-	-	-
For Services	75.40	34.20	26.60	25.70	1.80
Operating Lease	114.20	122.20	-	-	-
<b>Total</b>	<b>189.60</b>	<b>156.40</b>	<b>26.60</b>	<b>25.70</b>	<b>1.80</b>

9.1 The Company has not received any memorandum from 'Suppliers' (as required to be filed by the 'Suppliers' with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2014, 31st March, 2013, 31st March, 2012, 31st March, 2011 and 31st March, 2010 as micro, small or medium enterprises. Consequently, the interest paid/ payable by the company to such Suppliers, during the financial year 2013-14, 2012-13, 2011-12 and 2010-11 was Nil.

10. OTHER CURRENT LIABILITIES - OTHERS

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Interest Accrued but not due on Borrowings	1,647.50	1,018.20	686.80	308.10	125.30
Interest Accrued and due on Borrowings	31.60	229.50	-	-	-
Interest Accrued but not due on Others	-	14.50	-	-	-
Unclaimed Dividend (refer note 10.1)	3.50	3.80	3.90	3.70	3.60
Unclaimed Interest on Bonds & Debentures (refer note 10.1)	0.10	-	-	-	-
Unclaimed Matured Public Deposits and Interest Accrued thereon (refer note 10.1 & 10.2)	3.10	3.50	3.80	5.00	6.60
Advance from Customers	30.40	32.70	31.20	-	138.20
Statutory Liabilities	42.20	43.70	60.00	91.50	37.80
Security Deposits & Retentions	296.70	260.80	172.30	149.00	0.60
Payable to Employees	22.70	32.20	23.40	13.50	8.20
Commission Payable to Directors	11.00	11.00	11.00	11.00	7.10
Liability for Operating Expenses	208.40	284.00	169.60	134.30	119.50
Loss payable on Forward Exchange Contracts	-	-	-	1.00	1.50
<b>Total</b>	<b>2,297.20</b>	<b>1,933.90</b>	<b>1,162.00</b>	<b>717.10</b>	<b>448.40</b>

10.1 To be credited to Investor Education and Protection Fund as and when due.

Financial Year: 2013-14

10.2 In order to qualify for registration as an 'Infrastructure Finance Company', the Company decided not to accept or renew public deposits w.e.f. 20th April, 2010. The amount of public deposits outstanding as on 19th April, 2010 (including matured and unclaimed deposits) along with accrued and future interest thereof is kept in the form of a Fixed Deposit, under lien, with Axis Bank Limited, a scheduled commercial bank, for the purpose of making payment to the depositors. The outstanding balance of the Fixed Deposit as at 31st March, 2014 is ₹ 25 Lakh (Previous year: ₹ 36 Lakh).

11. SHORT-TERM PROVISIONS

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Provision for Employee Benefits (Current Portion) (refer note 37)					
Unavailed leave	4.70	4.90	4.00	2.00	1.40
<b>(A)</b>	<b>4.70</b>	<b>4.90</b>	<b>4.00</b>	<b>2.00</b>	<b>1.40</b>
Other Provisions					
Proposed Equity Dividend	251.60	251.50	251.50	377.30	139.40
Provision for Corporate Dividend Tax	42.70	42.80	40.80	62.70	23.10
Provision for Premium on Unsecured Subordinated Bonds	-	-	10.80	15.80	15.80
Provision for Taxation (net of Advance tax/Tax deducted at source)	-	-	-	25.70	-
Contingent Provisions against Standard Assets (refer note 7.1)	87.30	91.20	154.10	69.60	-
<b>(B)</b>	<b>381.60</b>	<b>385.50</b>	<b>457.20</b>	<b>551.10</b>	<b>178.30</b>
<b>Total (A+B)</b>	<b>386.30</b>	<b>390.40</b>	<b>461.20</b>	<b>553.10</b>	<b>179.70</b>

Schedule 12  
Fixed Assets

₹ In Mio

Particulars	Gross Block					Accumulated Depreciation/Amortisation and Impairment					Net Block				
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
<b>I. Tangible Assets:</b>															
<b>Assets for Own use:</b>															
Land-Freehold	-	-	215.80	238.20	22.40	-	-	-	-	-	-	-	215.80	238.20	22.40
Buildings	1,208.90	1,208.90	1,215.80	1,199.00	4.90	79.00	56.60	34.40	12.20	1.10	1,129.90	1,152.30	1,181.40	1,186.80	3.80
Leasehold Improvements	509.60	288.80	203.20	110.10	2.10	84.10	43.00	13.80	2.60	-	425.50	245.80	189.40	107.50	2.10
Furniture and Fixtures	266.90	85.30	85.30	60.70	7.60	21.40	10.00	7.40	3.30	1.00	245.50	75.30	77.90	57.40	6.60
Computers	19.00	15.20	15.30	9.40	4.50	11.30	7.90	5.40	2.70	1.00	7.70	7.30	9.90	6.70	3.50
Office Equipment	119.40	63.40	60.80	34.40	9.50	10.50	6.10	5.40	1.60	0.50	108.90	57.30	55.40	32.80	9.00
Motor Vehicles	5.90	5.90	4.30	2.30	-	1.40	0.80	0.30	-	-	4.50	5.10	4.00	2.30	-
<b>Total A</b>	<b>2,129.70</b>	<b>1,667.50</b>	<b>1,800.50</b>	<b>1,654.10</b>	<b>51.00</b>	<b>207.70</b>	<b>124.40</b>	<b>66.70</b>	<b>22.40</b>	<b>3.60</b>	<b>1,922.00</b>	<b>1,543.10</b>	<b>1,733.80</b>	<b>1,631.70</b>	<b>47.40</b>
<b>Assets given on Operating Lease:</b>															
Aeroplane/Aircrafts	198.70	198.70	198.70	198.70	198.70	134.30	112.70	90.30	67.90	43.60	64.40	86.00	108.40	130.80	155.10
Plant & Machinery	3,999.90	3,821.10	2,859.90	2,425.40	758.70	617.50	469.00	351.20	268.50	131.90	3,382.40	3,352.10	2,508.70	2,156.90	626.80
<b>Total B</b>	<b>4,198.60</b>	<b>4,019.80</b>	<b>3,058.60</b>	<b>2,624.10</b>	<b>957.40</b>	<b>751.80</b>	<b>581.70</b>	<b>441.50</b>	<b>336.40</b>	<b>175.50</b>	<b>3,446.80</b>	<b>3,438.10</b>	<b>2,617.10</b>	<b>2,287.70</b>	<b>781.90</b>
<b>Total I (A+B)</b>	<b>6,328.30</b>	<b>5,687.30</b>	<b>4,859.10</b>	<b>4,278.20</b>	<b>1,008.40</b>	<b>959.50</b>	<b>706.10</b>	<b>508.20</b>	<b>358.80</b>	<b>179.10</b>	<b>5,368.80</b>	<b>4,981.20</b>	<b>4,350.90</b>	<b>3,919.40</b>	<b>829.30</b>
<b>II. Intangible Assets:</b>															
Computer Software	46.80	14.00	12.90	7.50	2.00	15.70	7.90	4.50	1.30	0.20	31.10	6.10	8.40	6.20	1.80
<b>Total II</b>	<b>46.80</b>	<b>14.00</b>	<b>12.90</b>	<b>7.50</b>	<b>2.00</b>	<b>15.70</b>	<b>7.90</b>	<b>4.50</b>	<b>1.30</b>	<b>0.20</b>	<b>31.10</b>	<b>6.10</b>	<b>8.40</b>	<b>6.20</b>	<b>1.80</b>
<b>Total Fixed Assets = (I+II)</b>	<b>6,375.10</b>	<b>5,701.30</b>	<b>4,872.00</b>	<b>4,285.70</b>	<b>1,010.40</b>	<b>975.20</b>	<b>714.00</b>	<b>512.70</b>	<b>360.10</b>	<b>179.30</b>	<b>5,399.90</b>	<b>4,987.30</b>	<b>4,359.30</b>	<b>3,925.60</b>	<b>831.10</b>

13.1 NON-CURRENT INVESTMENTS

Particulars	Face value (₹)	Quantity					₹ in Mio				
		As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>A. Trade Investments - at cost unless otherwise stated</b>											
<b>I. In Equity Instruments (Unquoted)</b>											
<b>(a) In Subsidiaries</b>											
Srei Capital Markets Limited	10	5050000	5050000	5050000	5050000	5050000	50.50	50.50	50.50	50.50	50.50
Srei Forex Limited (Net of provision for other than temporary diminution aggregating ₹ 50 lakh (31st March, 2013: ₹ 50 lakh, 31st March, 2012: ₹ 50 lakh, 31st March, 2011: ₹ 50 lakh, 31st March, 2010: ₹ 50 lakh)	10	500000	500000	500000	500000	500000	-	-	-	-	-
Srei Insurance Broking Private Limited	10	1275000	1275000	1275000	-	-	14.37	14.37	14.37	-	-
Srei Alternative Investment Managers Limited (Formerly Srei Venture Capital Limited)	10	250000	250000	250000	250000	250000	2.50	2.50	2.50	2.50	2.50
Global Investment Trust Limited (Net of provision for other than temporary diminution aggregating ₹ 5 lakh (31st March, 2013: ₹ Nil)	10	50000	50000	50000	50000	50000	-	0.50	0.50	0.50	0.50
Srei Infrastructure Advisors Limited	10	500000	500000	500000	500000	500000	5.00	5.00	5.00	5.00	5.00
Sahaj e-Village Limited	10	-	-	9510000	9510000	510000	-	-	95.10	95.10	5.10
Controlla Electrotech Private Limited	10	35305	35305	35305	35305	35305	70.79	70.79	70.79	70.79	70.79
Srei International Infrastructure Services GmbH, Germany	**	**	**	**	**	**	339.00	339.00	339.00	339.00	339.00
Srei Mutual Fund Asset Management Private Limited	10	15500000	14000000	13000000	11000000	100000	155.00	140.00	130.00	110.00	1.00
Srei Mutual Fund Trust Private Limited	10	100000	100000	50000	50000	50000	1.00	1.00	0.50	0.50	0.50
Quippo Oil & Gas Infrastructure Limited	10	29970000	29970000	29970000	29940000	-	1,042.00	1,042.00	1,042.00	1,040.91	-
Quippo Construction Equipment Limited	10	-	-	50000	50000	-	-	-	9.60	9.60	-
Quippo Energy Private Limited	10	1000000	1000000	1000000	1000000	-	2,018.97	2,018.97	2,018.97	2,018.97	-
Attivo Economic Zone (Mumbai) Private Limited (Formerly Mumbai Futuristic Economic Zone Private Limited)	10	10000	10000	10000	10000	-	804.66	804.66	804.66	804.66	-
Quippo Valuers & Auctioneers Private Limited	10	-	200000	200000	200000	-	-	23.21	23.21	23.21	-
<b>Subtotal- (a)</b>							<b>4,503.79</b>	<b>4,512.50</b>	<b>4,606.70</b>	<b>4,571.24</b>	<b>474.89</b>
<b>(b) In Joint Venture</b>											
Srei Equipment Finance Limited (formerly Srei Equipment Finance Private Limited)	10	29830000	29830000	26610000	25000000	25000000	1,747.30	1,747.30	749.10	250.00	250.00
<b>Subtotal- (b)</b>							<b>1,747.30</b>	<b>1,747.30</b>	<b>749.10</b>	<b>250.00</b>	<b>250.00</b>
<b>(c) In Associates</b>											
Sahaj e-Village Limited #	10	10510000	10510000	-	-	-	105.10	105.10	-	-	-
Quippo Construction Equipment Limited	10	50000	50000	-	-	-	9.60	9.60	-	-	-
<b>Subtotal- (c)</b>							<b>114.70</b>	<b>114.70</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(d) Others</b>											
TN (DK) Expressways Limited	10	13000	13000	13000	13000	13000	0.13	0.13	0.13	0.13	0.13
Madurai Tuticorin Expressways Limited	10	19500	19500	19500	19500	19500	0.20	0.20	0.20	0.20	0.20
Guruvayoor Infrastructure Private Limited	10	20010000	20010000	20010000	20010000	20010000	200.10	200.10	200.10	200.10	200.10
Jaora-Nayagaon Toll Road Co. Private Limited	10	2800	2800	2800	2800	2800	0.03	0.03	0.03	0.03	0.03
Mahakaleshwar Tollways Private Limited	10	5000	5000	5000	5000	5000	0.05	0.05	0.05	0.05	0.05
Diana Capital Limited	10	-	-	-	-	87500	-	-	-	-	17.50
Viom Networks Limited	10	73344044	61075688	61075688	60734888	6451613	15,980.12	13,847.72	13,847.72	13,782.37	1,000.00
Orbis Power Venture Private Limited	10	-	-	-	-	8500	-	-	-	-	0.09
Nagpur Seoni Expressway Limited (Net of provision for other than temporary diminution aggregating ₹ 0.01 lakh (31st March, 2013: ₹ Nil)	10	100	4800000	4800000	4800000	4800000	-	48.00	48.00	48.00	48.00
India Power Corporation Limited	1	959310000	959310000	959310000	959310000	-	0.09	0.09	0.09	0.09	-
Maharashtra Border Check Post Network Limited (Net of provision for other than temporary diminution aggregating ₹ 0.25 lakh (31st March, 2013: ₹ Nil)	10	2500	2500	2500	2500	-	-	0.03	0.03	0.03	-
Kurukshetra Expressway Private Limited	10	4900	4900	4900	4900	-	0.05	0.05	0.05	0.05	-

13.1 NON-CURRENT INVESTMENTS

Particulars	Face value (₹)	Quantity					₹ in Mio				
		As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Shree Jagannath Expressways Private Limited	10	4800	4800	4800	4800	-	0.05	0.05	0.05	0.05	-
Orissa Steel Expressways Private Limited	10	5000	5000	5000	5000	-	0.05	0.05	0.05	0.05	-
Ghaziabad Aligarh Expressway Private Limited	10	5000	5000	5000	5000	-	0.05	0.05	0.05	0.05	-
Potin Pangin Highway Private Limited	10	5000	5000	5000	-	-	0.05	0.05	0.05	-	-
Suratgarh Bikaner Toll Road Company Private Limited	10	17750	17750	5000	-	-	0.18	0.18	0.05	-	-
Solapur Tollways Private Limited	10	4900	4900	4900	-	-	0.05	0.05	0.05	-	-
Royal Infrasoftware Private Limited	10	100000	100000	100000	100000	-	1.00	1.00	1.00	1.00	-
Quippo Infrastructure Equipment Limited	10	-	-	-	-	14000000	-	-	-	-	185.15
Quippo Telecom Infrastructure Limited	10	77550000	77550000	77550000	77550000	-	-	-	-	-	-
<b>Subtotal- (d)</b>							<b>16,182.20</b>	<b>14,097.83</b>	<b>14,097.70</b>	<b>14,032.20</b>	<b>1,451.25</b>
<b>Total I (Subtotal a+b+c+d)</b>							<b>22,547.99</b>	<b>20,472.33</b>	<b>19,453.50</b>	<b>18,853.44</b>	<b>2,176.14</b>
<b>II. In Preference Shares (Unquoted)</b>											
<b>(a) In Subsidiaries</b>											
Quippo Construction Equipment Limited	100	-	-	9961	9961	9961	-	-	-	-	-
0.1% Non-convertible Cumulative Redeemable Preference Shares, 2019											
Quippo Energy Private Limited	100	2354	2353	2353	2353	2353	-	-	-	-	-
0.1% Non-convertible Cumulative Redeemable Preference Shares, 2019											
<b>Subtotal- (a)</b>							-	-	-	-	-
<b>(b) In Associate</b>											
Quippo Construction Equipment Limited	100	9962	9961	-	-	-	-	-	-	-	-
0.1% Non-convertible Cumulative Redeemable Preference Shares, 2019											
<b>Subtotal- (b)</b>							-	-	-	-	-
<b>Total II (Subtotal a+b)</b>							-	-	-	-	-
<b>III. Interest in a Beneficiary Trust</b>											
Srei Growth Trust (represented by Trustees)	-	-	-	-	-	-	185.15	185.15	185.15	185.15	-
<b>Total III</b>							<b>185.15</b>	<b>185.15</b>	<b>185.15</b>	<b>185.15</b>	<b>-</b>
<b>IV. In Units of Trusts and Schemes of Venture Funds</b>											
India Global Competitive Fund	100	3875000	3875000	3875000	3875000	3875000	387.50	387.50	387.50	387.50	387.50
Infrastructure Project Development Fund	100	13819900	13589900	13589900	13319900	13219900	1,382.90	1,358.99	1,358.99	1,331.99	1,321.99
Infrastructure Project Development Capital	100	19838459	23338130	22208130	17182130	9987800	1,983.85	2,333.81	2,220.81	1,718.21	998.78
Medium and Small Infrastructure Fund	100	280000	280000	280000	280000	700000	28.00	28.00	28.00	28.00	70.00
Prithvi Infrastructure Fund (Net of provision for other than temporary diminution aggregating ₹ 491.37 lakh (31st March, 2013: ₹ Nil)	100	491366	11874910	11705910	11499000	9999000	-	1,187.49	1,170.59	1,149.90	999.90
Sunshine Fund	100	-	-	-	-	2250500	-	-	-	-	225.05
Infra Construction Fund	100	1880333	11715800	11615800	11456800	5898800	188.03	1,171.58	1,161.58	1,145.68	589.88
Infrastructure Resurrection Fund	100	300000	0	0	0	0	30.00	-	-	-	-
<b>Total IV</b>							<b>4,000.28</b>	<b>6,467.37</b>	<b>6,327.47</b>	<b>5,761.28</b>	<b>4,593.10</b>
<b>Total A (Trade Investments) (I+II+III+IV)</b>							<b>26,733.42</b>	<b>27,124.85</b>	<b>25,966.12</b>	<b>24,799.87</b>	<b>6,769.24</b>

13.1 NON-CURRENT INVESTMENTS

Particulars	Face value (₹)	Quantity					₹ in Mio				
		As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>B. Other Investments - at cost unless otherwise stated</b>											
<b>V. In Equity Instruments (Quoted)</b>											
New Era Urban Amenities Limited (Net of provision for other than temporary diminution aggregating ₹ 0.01 lakh (31st March, 2013 : ₹ 0.01 lakh, 31st March, 2012 : ₹ 0.01 lakh, 31st March, 2011: ₹ 0.01 lakh, 31st March, 2010: ₹ 0.01 lakh)	10	100	100	100	100	100	-	-	-	-	-
Alpic Finance Limited (Net of provision for other than temporary diminution aggregating ₹ 0.01 lakh (31st March, 2013: ₹ 0.01 lakh, 31st March, 2012: ₹ 0.01 lakh, 31st March, 2011: ₹ 0.01 lakh, 31st March, 2010: ₹ 0.01 lakh)	10	100	100	100	100	100	-	-	-	-	-
Apple Finance Limited (Net of provision for other than temporary diminution aggregating ₹ 0.02 lakh (31st March, 2013: ₹ 0.02 lakh, 31st March, 2012: ₹ 0.02 lakh, 31st March, 2011: ₹ 0.02 lakh, 31st March, 2010: ₹ 0.02 lakh)	10	100	100	100	100	100	-	-	-	-	-
HDFC Bank Limited	2	10	10	402	402	402	-	-	0.10	0.10	0.10
CRISIL Limited	1	2000	2000	200	200	200	0.01	0.01	0.01	0.01	0.01
Hotline Glass Limited (Net of provision for other than temporary diminution aggregating ₹ 218.35 lakh (31st March, 2012: ₹ 218.35 lakh, 31st March ,2012: ₹ 218.35 lakh, 31st March, 2011: ₹ 218.35 lakh, 31st March, 2010: ₹ 218.35 lakh)	10	8006030	8006030	8006030	8006030	8006030	-	-	-	-	-
Indian Metal & Ferro Alloys Limited	10	119615	119615	119615	119615	165596	16.74	16.74	16.74	16.74	23.18
ICICI Bank Limited (net of provision for diminution (31st March, 2011: ₹ 86.01 lakh , 31st March, 2010: ₹ 86.01 lakh))	10	-	-	-	-	10000	-	-	-	-	9.53
IDFC Limited	10	91000	91000	91000	91000	91000	18.34	18.34	18.34	18.34	18.34
Kotak Mahindra Bank Limited	10	500	500	500	500	500	-	-	-	-	-
Mahanagar Telephone Nigam Limited	10	-	-	-	-	140000	-	-	-	-	18.28
Power Grid Corporation of India Limited	10	-	-	8000	8000	14000	-	-	0.94	0.94	1.65
Tata Steel Limited	10	3500	3500	3500	3500	4000	2.48	2.48	2.48	2.48	2.83
<b>Total V</b>							<b>37.57</b>	<b>37.57</b>	<b>38.61</b>	<b>38.61</b>	<b>73.92</b>
<b>VI. In Equity Instruments (Unquoted)</b>											
New India Co-operative Bank Limited	10	573	573	573	573	573	0.01	0.01	0.01	0.01	0.01
National Stock Exchange of India Limited	10	57200	57200	57200	57200	57200	206.21	206.21	206.21	206.21	206.21
ABG Kolkata Container Terminal Private Limited	10	1200	1200	1200	1200	-	0.01	0.01	0.01	0.01	-
<b>Total VI</b>							<b>206.23</b>	<b>206.23</b>	<b>206.23</b>	<b>206.23</b>	<b>206.22</b>
<b>VII. In Government or Trust securities (Quoted)</b>											
10.65% Andhra Pradesh Power Finance Corporation Loan, 2013	100000	-	-	-	-	120	-	-	-	-	12.10
7.77% Karnataka State Development Loan, 2015	100	-	-	57500	57500	57500	-	-	5.84	5.84	5.84
7.77% Tamilnadu State Development Loan, 2015	100	-	-	16020	16020	16020	-	-	1.63	1.63	1.63
11.50% Tamilnadu Industrial Investment Corporation, 2008	1000	-	-	-	-	-	-	-	-	-	-
8.40% Transmission Corporation of Andhra Pradesh Limited, 2014	1000000	-	-	1	1	1	-	-	0.99	0.99	0.99
11.50% West Bengal Finance Corporation, 2011	100	-	-	-	-	6066	-	-	-	-	0.67
11.50% West Bengal Finance Corporation, 2010	100	-	-	-	-	9099	-	-	-	-	1.00
9.10% West Bengal Infrastructure Development Finance Corporation Limited, 2016	1000000	-	-	2	2	2	-	-	2.05	2.05	2.05
Less: Amortisation of premium/discount on Government securities							-	-	10.51	10.51	24.28
<b>Total VII</b>							<b>-</b>	<b>-</b>	<b>10.36</b>	<b>10.36</b>	<b>23.88</b>
<b>VIII. In Government or Trust securities (Unquoted)</b>											
National Savings Certificate (Lodged with Sales Tax authorities)	15000						0.02	0.02	0.02	0.02	0.02
<b>Total VIII</b>							<b>0.02</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>

### 13.1 NON-CURRENT INVESTMENTS

Particulars	Face value (₹)	Quantity					₹ in Mio				
		As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>IX. In Mutual Funds (Quoted)</b>											
Morgan Stanley Mutual Fund	10	2000	2000	2000	2000	2000	0.02	0.02	0.02	0.02	0.02
Unit Trust of India	10	400	400	400	400	400	-	-	-	-	-
<b>Total IX</b>							<b>0.02</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>
<b>Total B (Other Investments) (V+VI+VII+VIII+IX)</b>							<b>243.84</b>	<b>243.84</b>	<b>255.24</b>	<b>255.24</b>	<b>304.06</b>
<b>Total Non-current Investments (A+B)</b>							<b>26,977.26</b>	<b>27,368.69</b>	<b>26,221.36</b>	<b>25,055.11</b>	<b>7,073.30</b>
<b>Aggregate amount of quoted non-current investments</b>							37.60	37.60	48.99	48.99	97.82
<b>Aggregate market value of quoted non-current investments</b>							45.98	43.26	65.89	100.94	187.15
<b>Aggregate amount of unquoted non-current investments</b>							<b>26,939.66</b>	<b>27,331.09</b>	<b>26,172.37</b>	<b>25,006.12</b>	<b>6,975.48</b>
<b>Aggregate provision for diminution in value of non-current investments</b>							76.50	26.84	26.84	26.84	35.44

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

#### # Financial Year: 2013-14 & 2012-13

The Company has an investment as at 31st March, 2014 of ₹ 1,051 Lakh (31st March, 2013: ₹ 1,051 Lakh, 31st March, 2012: ₹ 951 Lakh) in the shares of Sahaj e-village Limited ("Sahaj"), an Associate of the Company in terms of Accounting Standard 23, "Accounting for Investments in Associates in Consolidated Financial Statements". Further, the Company has advanced loans as at 31st March, 2014 amounting to ₹ 25,942 Lakh (31st March, 2013: ₹ 21,072 Lakh, 31st March, 2012: ₹ 13,753 Lakh) to Sahaj.

Sahaj is a long-gestation rural e-governance initiative and due to the accumulated losses, it's net worth has eroded as at 31st March, 2014 and 31st March, 2013. However, Sahaj has informed the Company that it is in the process of implementing a revamped business plan, based upon detailed study on the present and future business model, operations and financial plan, as being suggested by a renowned consultant and that it shall continue to be a going concern in the foreseeable future.

Considering the long-term strategic nature of investment and also in view of the revamped business plan of Sahaj as enumerated above, no provision is considered necessary by the Company at present, for any diminution in the value of investments and against loans advanced to Sahaj.

All the Investments mentioned above are fully paid-up

### 13.2 CURRENT INVESTMENTS

Particulars	Face value (₹)	Quantity					₹ in Mio				
		As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>Other Investments (fully paid-up)</b>											
<b>I. In Equity Instruments of Subsidiary (Unquoted)</b>											
Goldensons Construction Private Limited	10	10000	-	-	-	-	0.10	-	-	-	-
<b>Total I</b>							<b>0.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>II. In Bonds and Debentures (Unquoted)</b>											
9.9% YES Bank Limited Unsecured Redeemable NCD Tier II, 2022	1000000	-	220	220	-	-	-	220.00	220.00	-	-
<b>Total II</b>							<b>-</b>	<b>220.00</b>	<b>220.00</b>	<b>-</b>	<b>-</b>
<b>III. In Units of Trusts and Schemes of Venture Funds</b>											
India Global Competitive Fund	100	32850000	32850000	-	-	-	3,285.00	3,285.00	-	-	-
<b>Total III</b>							<b>3,285.00</b>	<b>3,285.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Current Investments (I + II + III)</b>							<b>3,285.10</b>	<b>3,505.00</b>	<b>220.00</b>	<b>-</b>	<b>-</b>
<b>Aggregate amount of unquoted current investments</b>							<b>3,285.10</b>	<b>3,505.00</b>	<b>220.00</b>	<b>-</b>	<b>-</b>

14. LOAN ASSETS (Non- Current Maturities)

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Considered Good, unless otherwise stated					
Secured: <sup>1</sup>					
Loans to Related parties	8,340.70	6,456.80	5,162.60	3,677.00	121.00
Loans to Others	66,457.80	53,920.10	21,344.50	16,172.00	12,967.60
(A)	74,798.50	60,376.90	26,507.10	19,849.00	13,088.60
Unsecured:					
Loans to Related parties	10.60	28.00	27.20	-	130.00
Loans to Others	371.70	292.70	116.80	97.60	1,070.80
(B)	382.30	320.70	144.00	97.60	1,200.80
Total (A+B) <sup>4</sup>	75,180.80	60,697.60	26,651.10	19,946.60	14,289.40

LOAN ASSETS (Current Maturities)

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Considered Good, unless otherwise stated					
Secured: <sup>1</sup>					
Loans to Related parties	2,213.30	223.70	322.00	370.00	120.50
Loans to Others	31,562.70	30,734.90	58,349.80	22,981.20	3,512.10
(A)	33,776.00	30,958.60	58,671.80	23,351.20	3,632.60
Unsecured:					
Loans to Related parties	30.70	44.90	23.80	48.00	-
Loans to Others	14.00	40.00	125.00	72.60	17.30
(B)	44.70	84.90	148.80	120.60	17.30
Total (A+B) <sup>4</sup>	33,820.70	31,043.50	58,820.60	23,471.80	3,649.90

LOAN ASSETS (Short Term)

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Considered Good, unless otherwise stated					
Secured: <sup>1</sup>					
Loans to Related parties <sup>2</sup>	-	40.80	-	331.20	329.50
Loans to Others <sup>3</sup>	630.40	5,371.40	2,665.00	3,681.50	698.80
(A)	630.40	5,412.20	2,665.00	4,012.70	1,028.30
Unsecured:					
Loans to Related parties	-	1.50	-	0.20	19.00
Loans to Others	89.60	10.90	101.40	358.00	329.10
(B)	89.60	12.40	101.40	358.20	348.10
Total (A+B) <sup>4</sup>	720.00	5,424.60	2,766.40	4,370.90	1,376.40

<sup>1</sup> Secured by underlying assets and in certain cases are additionally secured by immovable properties and/or pledge of equity shares of the borrowers by way of collateral security.

<sup>2</sup> Long Term (Non-Current Maturities) Secured Loans to Related parties includes ₹ Nil (As at 31st March 2013: ₹ 15000 Lakh) regarding which filing of charge with the Registrar of Companies is pending as at year end.

<sup>3</sup> Short Tem Secured Loans to Others includes assets aggregating ₹ 33,325 Lakh (As at 31st March 2013: ₹ 15,562 Lakh, As as 31st March 2012: ₹ Nil, 31st March 2011: ₹ Nil and 31st March 2010: ₹ Nil) acquired in satisfaction of debt and held for sale.

<sup>4</sup> Includes Non-Performing & Doubtful Assets of ₹ 38,683 Lakh (As at 31st March, 2013: ₹ 35,023 Lakh, As at 31st March, 2012: ₹ 10,997 Lakh, As at 31st March, 2011: ₹ Nil and As at 31st March, 2010: ₹ Nil).

**14.1 DISCLOSURE OF RESTRUCTURED ASSETS (as required vide RBI's Notification No. DNBS.CO. PD. No. 367 / 03.10.01/2013-14 dated January 23, 2014)****(₹ in Lakh)**

Sl. No.	Type of Restructuring		Others				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total
	Details						
1	Restructured Accounts as on April 1, 2013	No. of borrowers	1	-	-	-	1
		Amount Outstanding	2,599	-	-	-	2,599
		Provision thereon	-	-	-	-	-
2	Fresh restructuring during the year	No. of borrowers	1	-	-	-	1
		Amount Outstanding	1,027	-	-	-	1,027
		Provision thereon	-	-	-	-	-
3	Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured advance at the beginning of the next FY.	No. of borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
7	Restructured Accounts as on March 31, 2014	No. of borrowers	2	-	-	-	2
		Amount Outstanding	2,249	-	-	-	2,249
		Provision thereon	56	-	-	-	56

Notes:

- i) There are no restructured accounts under "CDR Mechanism" and under "SME Debt Restructuring Mechanism" categories.
- ii) Other than the aforesaid, the Company has created further provision of ₹ 38 lakh towards diminution in fair value of re-structured advances.

15. OTHER LONG-TERM ADVANCES

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Unsecured, Considered Good Advances					
Capital Advances	62.20	61.20	28.50	4.10	-
Advance to Vendors for Operating Expenses	-	-	4.00	0.10	-
Employee Advances	6.00	0.40	4.30	8.00	-
Advance against Investments	-	-	-	0.10	-
Security Deposits					
To Related parties (refer note 44)	240.00	240.00	240.00	240.00	241.00
To Others	1,217.80	2.00	1.60	6.40	5.10
Share Application Money	-	-	-	38.00	-
Contribution to Corpus of Trusts (Related Parties) (refer note 44)	-	-	0.10	0.10	-
Prepaid Expenses	7.50	9.00	7.90	6.30	3.20
Advance Tax (net of provision for tax)	1,175.80	798.60	834.70	-	78.10
	<b>2,709.30</b>	<b>1,111.20</b>	<b>1,121.10</b>	<b>303.10</b>	<b>327.40</b>

16. OTHER NON-CURRENT ASSETS

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Unsecured, Considered Good					
Non-Current portion of other Bank Balances					
Fixed Deposit Account with Balance maturity of more than twelve months (Under Lien)	2.80	63.40	9.80	25.00	-
Unamortised Ancillary Borrowing Costs	627.20	680.20	591.10	416.40	521.30
Interest Accrued but not due	-	2,114.50	0.30	367.60	-
Income Accrued but not due	38.70	42.40	35.30	29.00	-
<b>Total</b>	<b>668.70</b>	<b>2,900.50</b>	<b>636.50</b>	<b>838.00</b>	<b>521.30</b>

17. TRADE RECEIVABLES

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Secured					
Other Debts					
Considered Good	-	-	-	-	3.60
<b>(A)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.60</b>
Unsecured					
Outstanding for more than Six Months					
Considered Good	-	-	-	127.40	-
Considered Doubtful	668.60	373.50	24.50	-	-
Less: Provision for Doubtful Debts	(48.30)	(42.70)	(3.70)	-	-
	620.30	330.80	20.80	127.40	-
Other Debts					
Considered Good	838.80	906.70	314.70	336.70	32.90
<b>(B)</b>	<b>1,459.10</b>	<b>1,237.50</b>	<b>335.50</b>	<b>464.10</b>	<b>32.90</b>
<b>Total (A+B)</b>	<b>1,459.10</b>	<b>1,237.50</b>	<b>335.50</b>	<b>464.10</b>	<b>36.50</b>

18. CASH AND BANK BALANCES

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>A. Cash and Cash Equivalents:</b>					
Cash on Hand	0.10	0.20	0.50	0.20	0.70
Balances with Banks - in Current Account	802.50	101.40	544.20	13.20	446.20
Cheques on Hand <sup>1</sup>	709.40	112.30	677.40	-	-
Fixed Deposits with banks (having original maturity of 3 months or less) <sup>2</sup>	-	-	-	4.50	-
Unclaimed Dividend Account	3.50	3.80	3.90	3.70	3.60
<b>(A)</b>	<b>1,515.50</b>	<b>217.70</b>	<b>1,226.00</b>	<b>21.60</b>	<b>450.50</b>
<b>B. Other Bank Balances :</b>					
Fixed Deposit with bank having balance maturity of twelve months or less (Under Lien) <sup>3</sup>	763.50	3.70	267.60	50.00	-
Fixed Deposit with bank having balance maturity of more than twelve months (Under Lien) <sup>3</sup>	2.80	63.40	9.80	179.90	75.00
Less: Non-current portion of other bank balances disclosed separately under 'Other Non-Current Assets'	(2.80)	(63.40)	(9.80)	(25.00)	-
<b>(B)</b>	<b>763.50</b>	<b>3.70</b>	<b>267.60</b>	<b>204.90</b>	<b>75.00</b>
<b>Total (A+B)</b>	<b>2,279.00</b>	<b>221.40</b>	<b>1,493.60</b>	<b>226.50</b>	<b>525.50</b>

<sup>1</sup> Cheques on Hand as at Financial Year 2013-14 and 2012-13 have been since realised.

<sup>2</sup> At 31st March, 2013, it includes deposits under lien with banks as security amounting to ₹ Nil (At 31st March, 2012: ₹ Nil, At 31st March, 2011: ₹ 45 lakh and At 31st March, 2010: ₹ Nil).

<sup>3</sup> At 31st March, 2013, it includes deposits under lien with banks as security amounting to ₹ 37 lakh (At 31st March, 2012: ₹ 2,676 lakh, At 31st March, 2011: ₹ 2,049 lakh and At 31st March, 2010: ₹ 750 lakh).

19. OTHER SHORT-TERM ADVANCES

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>Unsecured, Considered Good Advances</b>					
Advance to Vendors for Operating Expenses	98.90	118.40	67.90	39.60	116.50
Employee Advances	7.10	3.30	3.50	6.90	10.40
Advance - Others	-	-	-	-	29.80
Advance to Related parties	105.60	40.60	43.80	-	-
<b>Security Deposits</b>					
To Related parties	-	-	-	-	9.60
To Others	54.10	1,242.50	1,216.70	1,182.50	1,180.00
Share Application Money	-	-	-	0.30	-
Prepaid Expenses	8.50	6.70	8.30	24.50	4.80
MAT Credit Entitlement	12.00	12.00	4.90	240.10	240.10
<b>Total</b>	<b>286.20</b>	<b>1,423.50</b>	<b>1,345.10</b>	<b>1,493.90</b>	<b>1,591.20</b>

20. OTHER CURRENT ASSETS

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Unamortised Ancillary Borrowing Costs	289.70	242.10	225.90	173.10	163.10
Interest Accrued but not due	6,721.50	1,129.50	1,728.10	187.10	8.40
Income Accrued but not due	4.80	55.50	5.10	4.70	-
Stock for Trade (refer Annexure I To Notes To Financial Statements)	5.00	13.20	24.60	26.20	1.10
Gains receivable on Derivative Contracts	923.90	334.10	450.70	-	-
<b>Total</b>	<b>7,944.90</b>	<b>1,774.40</b>	<b>2,434.40</b>	<b>391.10</b>	<b>172.60</b>

Schedules to the Statement of Profit & Loss, As Reformatted

21. REVENUE FROM OPERATIONS

₹ In Mio

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Income from Loan Assets	15,770.80	14,028.30	10,360.90	6,027.30	3,859.60
Income from Leases	806.90	609.30	443.30	242.80	89.80
Fee Based Income	1,288.00	1,156.00	666.10	1,054.20	485.20
Assignment Income	-	550.00	267.00	-	-
Income from Long-Term Trade Investments	98.00	236.00	-	2.80	118.50
Interest from Stock for Trade	-	-	0.20	2.60	3.40
Interest from Current Investment	2.40	21.80	-	-	-
Interest received from Govt. Securities/Banks	23.60	11.40	27.50	16.80	13.40
<b>Total</b>	<b>17,989.70</b>	<b>16,612.80</b>	<b>11,765.00</b>	<b>7,346.50</b>	<b>4,569.90</b>

22. OTHER INCOME

₹ In Mio

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Dividend Income	6.20	3.80	2.80	4.00	14.30
Liabilities No Longer Required Written Back	28.60	0.40	-	4.40	-
Profit on Sale of Long-Term Trade Investments (net)	-	0.70	-	7.00	112.30
Profit on Sale of Stock for Trade (net)	1.10	0.30	-	99.50	4.20
Profit on Sale of Current Investments (net)	5.10	-	-	-	-
Provision for Diminution in value of Stock for Trade Written Back	-	4.10	-	-	-
Other Non-Operating Income	27.80	42.60	39.10	1.00	1.60
<b>Total</b>	<b>68.80</b>	<b>51.90</b>	<b>41.90</b>	<b>115.90</b>	<b>132.40</b>

23. FINANCE COSTS

₹ In Mio

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Interest Expenses	13,688.40	11,698.10	7,358.00	3,974.10	2,761.40
Other Borrowing Costs	1,373.40	1,484.30	1,570.60	512.40	191.40
Applicable net (gain)/loss on foreign currency transactions and translations	296.00	391.70	551.40	(136.00)	(455.20)
<b>Total</b>	<b>15,357.80</b>	<b>13,574.10</b>	<b>9,480.00</b>	<b>4,350.50</b>	<b>2,497.60</b>

24. EMPLOYEE BENEFITS EXPENSE

₹ In Mio

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Salaries, Allowances, Commission & Bonus	394.10	399.90	379.60	275.30	178.50
Contribution to Provident and Other Funds	20.00	27.00	26.30	22.80	15.60
Staff Welfare Expenses	15.70	10.80	6.70	4.10	2.70
<b>Total</b>	<b>429.80</b>	<b>437.70</b>	<b>412.60</b>	<b>302.20</b>	<b>196.80</b>

25. ADMINISTRATIVE & OTHER EXPENSES

₹ In Mio

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Communication Expenses	8.50	9.00	8.60	6.90	5.90
Legal & Professional Fees	343.10	284.90	131.90	132.00	218.20
Electricity Charges	23.40	14.10	11.40	9.10	4.70
Rent	71.60	126.90	60.20	68.70	44.30
Rates and Taxes	8.50	0.90	14.60	15.40	2.10
Commission, Brokerage and Service Charges	7.00	5.40	6.10	0.10	0.80
Auditors' Remuneration (refer note 25.1)	8.40	8.90	5.70	5.00	3.80
Repairs - Building	-	0.30	7.90	3.50	6.90
- Machinery	20.00	29.80	23.80	11.10	2.00
- Others	55.90	42.90	28.00	12.90	12.10
Travelling and Conveyance	104.90	94.80	83.60	64.50	55.00
Directors' Fees	2.50	1.80	1.50	0.70	0.90
Insurance	5.40	4.80	4.90	1.60	1.10
Printing and Stationery	7.60	8.60	8.20	7.90	6.20
Advertisement, Subscription and Donation	35.80	35.00	42.90	34.80	10.60
Provision for Diminution in value of Stock for Trade	-	-	1.60	9.00	0.70
Provision for Diminution in Value of Long-Term Trade Investment	49.70	-	-	-	13.80
Loss on sale of Fixed Assets	-	3.20	5.30	-	-
Loss on Sale of Long-Term Trade Investments (Net)	27.90	-	-	-	-
Miscellaneous Expenses	12.90	10.50	8.90	4.60	7.20
<b>Total</b>	<b>793.10</b>	<b>681.80</b>	<b>455.10</b>	<b>387.80</b>	<b>396.30</b>

25.1 Auditors' Remuneration (including Service Tax)

₹ In Mio

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
As Auditor	6.30	5.60	4.70	3.00	2.60
For taxation matters	-	-	-	-	0.50
For Other Services (Certification, etc.)	2.00	3.20	0.90	1.80	0.60
For Reimbursement of Expenses	0.10	0.10	0.10	0.20	0.10
<b>Total</b>	<b>8.40</b>	<b>8.90</b>	<b>5.70</b>	<b>5.00</b>	<b>3.80</b>

26. EARNINGS PER EQUITY SHARE

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
(a) Profit after tax attributable to Equity Shareholders (₹ in Mio)	593.20	949.60	579.60	1,343.00	1,114.90
(b) Weighted average number of Equity Shares (Basic)	503086333	503086333	503086333	231616033	209060637
(c) Weighted average number of Potential Equity Shares	-	-	-	-	-
(d) Weighted average number of Equity Shares (Diluted)	503086333	503086333	503086333	231616033	209060637
(e) Nominal Value of Equity per share (₹)	10.00	10.00	10.00	10.00	10.00
(f) Basic Earnings per share [(a)/(b)] (₹)*	1.18	1.89	1.15	5.80	5.33
(g) Diluted Earnings per share [(a)/(d)] (₹)*	1.18	1.89	1.15	5.80	5.33

\* Adjusted for issuance of Bonus shares

## 27 . Scheme of Amalgamation

### 2010-11

The Board of Directors of the Company at its meeting held on 28th January, 2010 had, based on the recommendation of the Committee of Independent Directors, approved amalgamation of Quippo Infrastructure Equipment Limited (Transferor Company) into and with the Company in terms of a Scheme of Amalgamation (the Scheme) under Sections 391 to 394 of the Companies Act, 1956. The Scheme was approved by the Equity Shareholders of the Company in the meeting held on 31st May, 2010, convened by the Hon'ble High Court at Calcutta (the Court).

Pursuant to the sanction of the scheme by the Court vide its Order made on January 18, 2011, all the assets, rights, obligations, liabilities and the entire business of the Transferor Company were transferred to and vested in the Company, as a going concern with effect from 1st April, 2010 ('Appointed Date') and accordingly, the sanctioned Scheme has been given effect to in these financial statements. The Transferor Company alongwith its subsidiaries had been primarily engaged in the business of infrastructure equipment rental and matters incidental and ancillary thereto.

As per the Scheme of Amalgamation, the Effective Date is the date on which all the conditions and matters referred to in the Scheme are fulfilled and the Scheme becomes operative and effective from the Effective Date. All the conditions and matters prescribed in the Scheme were fulfilled on 4th March, 2011. Accordingly, the Scheme became effective from 4<sup>th</sup> March, 2011. Pending completion of relevant formalities of transfer of certain assets and liabilities acquired pursuant to the Scheme, in the Company's name, such assets and liabilities remain included in the books of the Company in the name of the Transferor.

In accordance with the Scheme and as per the sanction by the Court:

- a) The Company has issued and allotted 92,915,839 equity shares of ₹ 10/- each fully paid up as bonus shares to the pre-amalgamation equity shareholders of the Company in the ratio of 4:5, by way of capitalisation of Securities Premium on 5th March, 2011.
- b) Further, the Company has issued and allotted 294,025,696 equity shares of ₹ 10/- each fully paid up as consideration for the amalgamation to the shareholders of the Transferor Company on 5th March, 2011.
- c) A Trust in the name of "Srei Growth Trust" has been settled by the Company on 4th March, 2011 to inter alia, receive equity shares of the Company in exchange of the Company's shareholding in the Transferor Company. The Company, in lieu of its shareholding in the Transferor Company, is entitled to be allotted equity shares of itself on amalgamation. However, since a company cannot hold its own shares, the Company settled the aforesaid Trust to hold such shares. Consequently, 48,600,000 equity Shares of the Company of ₹ each fully paid up were issued and allotted to Srei Growth Trust, which is holding such shares in trust for the benefit of the Company and/or the shareholders of the Company. The beneficial interest in the Trust amounting to ₹ 1,851.50 Lakh representing the cost of shares of the Transferor Company is shown under 'Investments' in the Balance Sheet.
- d) Accounting for Amalgamation:

The amalgamation of Transferor Company with the Company has been accounted for on the basis of the Purchase Method as stated in the Accounting Standard (AS) -14 on 'Accounting for Amalgamations' as below:

- (i) All assets and liabilities of the Transferor Company were transferred to and vested in the Company at their respective fair values as on 31<sup>st</sup> March 2010, w.e.f. 1st April, 2010.
- (ii) Excess of the fair value of net assets taken over by the Company, over the paid up value of Equity Shares issued & allotted to the shareholders of the Transferor Company, being ₹ 137,870 Lakh has been credited to General Reserves of the Company. Had the Scheme, sanctioned by the Court, not prescribed this accounting treatment, this amount would have been credited to Capital Reserve, with no impact on net profit for the year.
- (iii) Inter Company balance of ₹ 100 Lakh on account of loan given by the Company to the Transferor Company has been cancelled.
- (iv) The Authorised Share Capital of the Company has increased from ₹ 70,000 Lakh to ₹ 81,000 Lakh divided into 710,000,000 Equity Shares of ₹ 10/- each and 10,000,000 Preference Shares of ₹ 100/- each.

28 . Contingent Liabilities And Commitments (to the extent not provided for)

(₹ in lakh)

Particulars	As at 31st March,				
	2014	2013	2012	2011	2010
<b>A. Contingent Liabilities</b>					
(a) Claims against the Company not acknowledged as debts:					
Disputed Income Tax <sup>1</sup>	3,990	3,779	3,654	2,364	1,878
Fringe Benefit Tax <sup>2</sup>	226	226	226	226	-
Disputed Service Tax <sup>3</sup>	302	450	-	-	-
Central Sales Tax <sup>4</sup>	211	-	-	-	-
Entry Tax <sup>5</sup>	2	-	-	-	-
(b) Guarantees:					
Bank Guarantees <sup>6</sup>	1,858	1,637	1,707	1,929	4,575
Corporate Guarantees to Banks and Others	12,706	8,286	4,915	4,795	1,095
Guarantees to Banks and others, in the form of Put Option against loan facilities	40,704	8,750	8,900	-	-
<b>Total</b>	<b>59,999</b>	<b>23,128</b>	<b>19,402</b>	<b>9,314</b>	<b>7,548</b>
<b>B. Commitments</b>					
Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)	508	1,157	2,782	1,010	757
On account of Letter of Credit	68,608	45,177	-	-	-
Uncalled liability on partly paid-up shares, held as Stock for Trade	-	-	-	1	-
On account of Derivative Instruments (refer note 29)					

**F.Y: 2013-14 & 2012-13**

<sup>1</sup> Certain Assessment Orders disallowing Special Reserve (created as per Section 45-IC of the RBI Act, 1934), Debt Redemption Reserve, Disallowances under section 14A and Disallowance of Provision for NPA for the purpose of determining tax liability as per the provisions of Section 115JB, Disallowances under section 14A, Disallowance of Provision for NPA, Disallowance of Provision for earned leave encashment, matter relating to deduction U/s 36(1)(viii), Upfront Fees on borrowings and Long-Term Capital Gain arising out of transaction under a Scheme of Arrangement sanctioned by the Hon'ble Calcutta High Court on 28.01.08 under normal provisions of the Income Tax Act, 1961 have been challenged by the company before the appropriate authorities. Pending disposal of the cases filed, the Company has not provided for the Income Tax liabilities arising out of the same.

**F.Y: 2011-12**

<sup>1</sup> Certain Assessment Orders disallowing Special Reserve (created as per Section 45-IC of the RBI Act, 1934) and Debt Redemption Reserve for the purpose of determining tax liability as per the provision of Section 115JB, Disallowances under section 14A, Disallowance of Provision for NPA, Disallowance of Provision for earned leave encashment, matters relating to deduction u/s 36(i)(viii), Upfront Fees on Borrowings and Long-Term Capital Gain arising out of transaction under a Scheme of Arrangement sanctioned by the Hon'ble Calcutta High Court on 28.01.08 have been challenged by the company before the appropriate authorities. Pending disposal of the cases filed, the Company has not provided for the Income Tax liabilities arising out of the same.

**F.Y: 2010-11 & 2009-10**

<sup>1</sup> The Assessment Orders disallowing Special Reserve (created as per Section 45IC of the RBI Act, 1934) and Debt Redemption Reserve for the purpose of determining tax liability as per the provision of Section 115JB, Disallowances under section 14A, Disallowance of Provision for NPA, Provision for earned leave encashment and Interest on certain loans under the normal provisions of the Income Tax Act have been challenged by the company before the appropriate authorities. Pending disposal of the cases filed, the Company has not provided for the Income Tax liabilities arising out of the same.

**F.Y: 2013-14, 2012-13, 2011-12 & 2010-11**

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

**F.Y: 2013-14**

<sup>3</sup> Service Tax department had issued a Show Cause Notice (SCN) cum Demand Notice for ₹ 450 lakh, on 20th April, 2012 with regards to availment of Cenvat Credit, considering the observations of auditors appointed u/s 14AA of the Central Excise Act, 1944. The Company has filed its reply followed by personal hearings. Final Order-In-Original dated 31st March, 2014 was received from the Commissioner of Service Tax, Kolkata confirming the Total Tax Demand of ₹ 151 lakh along with Penalty for ₹ 151 lakh. The Company is in the process of filing appeal before the Appellate Authority against the said adjudication Order.

**F.Y: 2012-13**

<sup>3</sup> Service Tax Department has issued a Show Cause Notice (SCN) cum Demand Notice for ₹ 450 lakh, on 20th April, 2012 with regards to availment of Cenvat Credit, considering the observations of auditors appointed u/s 14AA of the Central Excise Act. The Company has filed it's reply followed by personal hearing on 11th April 2013.

**F.Y: 2013-14**

<sup>4</sup> A demand of ₹ 211 lakh has been raised for the period 2010-11 by the Assessing Officer following disallowance of exemption claimed u/s Sec 5(2) of the CST Act, 1956 vide assessment order dated 28.06.2013. An appeal against the said assessment order has been filed before the Appellate Authority on 7.10.2013.

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

**F.Y: 2013-14, 2012-13, 2011-12, 2010-11 & 2009-10**

<sup>6</sup> Includes ₹ 697 lakh (31st March, 2013: ₹ 697 Lakh, 31st March, 2012: ₹ 892 lakh, 31st March, 2011: ₹ 1,017 lakh, 31st March, 2010: ₹ 1,612 lakh) issued on Company's behalf by a Joint Venture Company.

- 29 . The Company has entered into Options/Swaps/Forward contracts (being derivative instruments) which are not intended for trading or speculation, for the purpose of hedging currency and interest rate related risks. Options, Swaps and Forward contracts outstanding as at year end are as follows:

(Amount in lakh)

Category	Currency	As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012		As at 31st March, 2011		As at 31st March, 2010	
		No. of Contracts	Amount in Foreign Currency	No. of Contracts	Amount in Foreign Currency	No. of Contracts	Amount in Foreign Currency	No. of Contracts	Amount in Foreign Currency	No. of Contracts	Amount in Foreign Currency
Options /Swaps	USD/INR	8	USD 866.48	7	USD 887.80	7	USD 967.6	7	USD 1207.2	7	USD 1278.6
Options /Swaps	EUR/INR	1	EUR 150	1	EUR 150	1	EUR 150	-	-	-	-
Options /Swaps	JPY/USD	-	-	-	-	1	JPY 8020	-	-	-	-
Forwards	USD/INR	4	USD 12.12	3	USD 18.05	4	USD 32	1	USD 0.59	2	USD 19.4
Forwards	EUR/INR	-	-	-	-	-	-	1	EUR 5.4	4	EUR 38.2
Interest Rate Swaps	USD/INR	7	USD 878.63	7	USD 1048.52	6	USD 981.8	-	-	-	-

Foreign currency exposures, which are not hedged by derivative instruments, amount to ₹ 22,766 lakh as at (31st March, 2013: ₹ 32,580 Lakh, 31st March, 2012: ₹ 44,253 Lakh, 31st March, 2011: ₹ 48,267 lakh, 31st March, 2010: ₹ 18,066 lakh).

30 . C.I.F. Value Of Imports

(₹ in lakh)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Operating Lease Assets	1,839	3,043	1,039	535	17,518
Own Use Assets	79	-	215	-	-
<b>Total</b>	<b>1,918</b>	<b>3,043</b>	<b>1,254</b>	<b>535</b>	<b>17,518</b>

31 . Expenditure In Foreign Currency

(₹ in lakh)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Finance Charges	11,418	16,500	18,526	10,521	8,015
Professional / Consultation Fees	7	241	6	23	223
Staff Welfare	-	-	-	-	9
On Other Matters	519	645	440	409	295
<b>Total</b>	<b>11,944</b>	<b>17,386</b>	<b>18,972</b>	<b>10,953</b>	<b>8,542</b>

32 . Earnings In Foreign Currency

(₹ in lakh)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Fee Based Income	2	22	14	142	47
Income from Loan Assets	14	206	103	95	-
Other Income (conference participation fee received)	-	-	-	1	-
<b>Total</b>	<b>16</b>	<b>228</b>	<b>117</b>	<b>238</b>	<b>47</b>

33 . Dividend Remitted In Foreign Currencies

The company remits the equivalent of the dividend payable to equity shareholders and holders of GDRs. For GDR holders, the dividend is remitted in Indian rupees to the custodian bank.

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Number of Non-Resident Shareholders	9	11	10	9	9
Number of shares held (Equity shares of ₹ 10/- par value, per share)	120,926,490	152,237,126	175,437,126	143,451	143,451
Dividend Remitted (₹ in Lakh)	605	761	1,316	2	1
Related Financial Year	2012-13	2011-12	2010-11	2009-10	2008-09

34 . Leases

a. In the capacity of Lessee

- (i) The Company has certain cancellable operating lease arrangements for office premises and equipments, which range between 11 months to 15 years and are usually renewable by mutual consent, on mutually agreeable terms. Lease payments charged to the Statement of Profit and Loss with respect to such leasing arrangements aggregate to ₹ 706 lakh (2012-13: ₹ 1259 lakh, 2011-12: ₹ 592 lakh, 2010-11: ₹ 677 lakh, 2009-10: ₹ 433 lakh).

Some of the above cancellable lease agreements have escalation clause of 5% p.a. or 10% p.a. on renewals. None of the operating lease agreements entered into by the Company provide for any contingent rent payment and hence, the Company has not paid any contingent rent in the current year and previous year ended on 31st March, 2013, 31st March, 2012, 31st March, 2011 and 31st March, 2010.

- (ii) Further, the Company also has certain non-cancellable operating lease arrangements for office premises, which range between 5 to 21 years and are usually renewable by mutual consent on mutually agreeable terms. In respect of such arrangements, lease payments for the year aggregating to ₹ 10 lakh (2012-13: ₹ 10 lakh, 2011-12: ₹ 10 lakh, 2010-11: ₹ 10 lakh and 2009-10: ₹ 10 lakh) have been recognised in the Statement of Profit and Loss.

The future lease payments in respect of the above non-cancellable operating leases are as follows:

(₹ in lakh)

Particulars	As at 31st March,				
	2014	2013	2012	2011	2010
Not later than 1 year	9	10	10	10	10
Later than 1 year but not later than 5 years	34	35	36	37	39
Later than 5 years	87	95	104	112	121
<b>Total</b>	<b>130</b>	<b>140</b>	<b>150</b>	<b>159</b>	<b>170</b>

- (iii) Sub lease payments received (or receivable) recognised in the Statement of Profit and Loss for the year is ₹ 2,349 lakh (2012-13: 2,114 lakh, 2011-12: ₹ 1,701 lakh, 2010-11: ₹ 1,451 lakh and 2009-10: ₹ 642 lakh). Future minimum sublease payments expected to be received under non-cancellable subleases is ₹ 400 lakh (31st March, 2013 is ₹ 549 lakh, 31st March, 2012 is ₹ 887 lakh, 31st March, 2011: ₹ 1,327 lakh and 31st March, 2010: Nil).

**b. In the capacity of Lessor**

- (i) The Company has given assets on Operating lease (*refer note 12*) for periods ranging between 5 to 15 years. Some of these lease agreements stipulate rental computation on the basis of earnings of the Lessee. Such contingent rent recognised during the year is ₹ 3,679 lakh (2012-13: ₹ 1,895 lakh, 2011-12: ₹ 1,514 lakh, 2010-11: Nil and 2009-10: Nil).

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

Particulars	As at 31st March,				
	2014	2013	2012	2011	2010
Not later than 1 year	1,551	1,918	680	2,180	680
Later than 1 year but not later than 5 years	4,982	5,301	966	13,107	2,286
Later than 5 years	6,619	7,851	-	30,000	41
<b>Total</b>	<b>13,152</b>	<b>15,070</b>	<b>1,646</b>	<b>45,287</b>	<b>3,007</b>

(₹ in lakh)

- (ii) Further, the Company also has certain non-cancellable operating lease arrangements for office premises, which range between 1 to 3 years and are usually renewable by mutual consent on mutually agreeable terms. In respect of such arrangements, lease earning for the year aggregating to ₹ 189 lakh (2012-13: 73 lakh, 2011-12: 42 lakh, 2010-11: Nil and 2009-10: Nil) have been recognised in the Statement of Profit and Loss.

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

Particulars	As at 31st March,				
	2014	2013	2012	2011	2010
Not later than 1 year	335	63	44	-	-
Later than 1 year but not later than 5 years	-	21	33	-	-
Later than 5 years	-	-	-	-	-
<b>Total</b>	<b>335</b>	<b>84</b>	<b>77</b>	<b>-</b>	<b>-</b>

(₹ in lakh)

35 . Disclosure pursuant to Accounting Standard (AS) 15 (Revised) - Employee Benefits

The trustees of the gratuity scheme for the employees of the Company have entrusted the administration of the scheme to the Life Insurance Corporation of India (LIC).

(a) Expenses recognized in the Statement of Profit and Loss are as follows:

(₹ in lakh)

Particulars	Gratuity				
	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Current service cost	72	65	57	41	27
Interest cost	23	19	15	9	6
Expected return on plan assets	(13)	(11)	(9)	(7)	(5)
Past Service Cost	-	-	-	10	16
Net actuarial losses/(gains)	(95)	(19)	(2)	30	(3)
<b>Net benefit expense</b>	<b>(13)</b>	<b>54</b>	<b>61</b>	<b>83</b>	<b>41</b>
Actual return on plan assets	9.25%	9.25%	9.15%	9.15%	9.15%

(₹ in lakh)

Particulars	Leave			
	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011
Current service cost	87	71	79	107
Interest cost	13	13	8	6
Expected return on plan assets	-	-	-	-
Past Service Cost	-	-	-	-
Net actuarial losses/(gains)	1	43	41	25
<b>Net benefit expense</b>	<b>101</b>	<b>127</b>	<b>128</b>	<b>138</b>
Actual return on plan assets	N.A.	N.A.	N.A.	N.A.

(b) Net Liability recognized in the Balance Sheet is as follows:

(₹ in lakh)

Particulars	Gratuity				
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Defined benefit obligation	273	284	228	190	100
Fair value of plan assets	(162)	(135)	(108)	(101)	(69)
<b>Net liability</b>	<b>111</b>	<b>149</b>	<b>120</b>	<b>89</b>	<b>31</b>
- Non-Current	111	149	120	89	31
- Current	-	-	-	-	-

(₹ in lakh)

Particulars	Leave			
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Defined benefit obligation	276	300	256	183
Fair value of plan assets	-	-	-	-
<b>Net liability</b>	<b>276</b>	<b>300</b>	<b>256</b>	<b>183</b>
- Non-Current	229	251	216	160
- Current	47	49	40	23

(c) Changes in the present value of the defined benefit obligations are as follows:

(₹ in lakh)

Particulars	Gratuity				
	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Opening defined benefit obligation	284	228	190	100	59
Interest cost	23	19	15	9	6
Current service cost	72	65	57	41	27
Benefit paid	(10)	(6)	(32)	-	(4)
Actuarial losses/(gains)	(96)	(22)	(2)	30	(4)
Plan Amendments	-	-	-	10	16
<b>Closing defined benefit obligation</b>	<b>273</b>	<b>284</b>	<b>228</b>	<b>190</b>	<b>100</b>

(₹ in lakh)

Particulars	Leave			
	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011
Opening defined benefit obligation	300	256	183	104
Interest cost	13	13	8	6
Current service cost	87	71	79	107
Benefit paid	(125)	(82)	(56)	(59)
Settlement Cost / (Credit)	-	-	-	-
Actuarial losses/(gains)	1	42	42	25
Plan Amendments	-	-	-	-
<b>Closing defined benefit obligation</b>	<b>276</b>	<b>300</b>	<b>256</b>	<b>183</b>

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

(₹ in lakh)

Particulars	Gratuity				
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Opening fair value of plan assets	135	108	101	69	41
Expected return on plan assets*	13	10	9	7	5
Contribution by the Company	25	25	30	25	27
Benefits paid	(10)	(6)	(32)	-	(4)
Actuarial (losses) / gains	(1)	(2)	-	-	(1)
<b>Closing fair value of plan assets</b>	<b>162</b>	<b>135</b>	<b>108</b>	<b>101</b>	<b>68</b>

\* Determined based on government bond rate

(e) The principal assumptions used in determining the gratuity and leave liability are as shown below:

(₹ in lakh)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Discount rate (%)	9.25%	8.20%	8.70%	8.40%	8.30%
Return on Plan Assets (Gratuity Scheme)	9.25%	9.25%	9.15%	9.15%	9.15%
Mortality Rate	India Assured Lives Mortality (2006-08) (modified) Ult	India Assured Lives Mortality (2006-08) (modified) Ult	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

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

(₹ in lakh)

Particulars	Gratuity				
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Defined benefit obligation	273	284	228	190	100
Fair value of plan assets	262	135	108	101	69
Deficit	111	149	120	89	31
Experience adjustments on plan liabilities – gain/ (loss)	56	39	(6)	(32)	0
Experience adjustments on plan assets – gain/(loss)	(1)	(2)	(0)	0	(1)
Actuarial gain/(loss) due to change on assumptions	39	(17)	9	2	4

(₹ in lakh)

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

(g) The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

(h) The amount provided for defined contribution plan is as follows:

(₹ in lakh)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Provident fund	205	216	200	143	104
Employee state insurance	1	1	1	1	0
<b>Total</b>	<b>206</b>	<b>217</b>	<b>201</b>	<b>144</b>	<b>104</b>

(i) The amount provided for defined benefit plan is as follows:

Besides, ₹ 1 lakh for FY 2009-10 has been paid to “Srei International Finance Provident Fund Trust” towards Company’s share of shortfall between the return from the investments of the trust and the Government notified interest rate.

36 . Performance wise classification of assets and total provision made thereon:

F.Y: 2009-10

Loan Assets:

(₹ in Lakh)

Asset Classification	Arrear Period	Book Value as at March 31 , 2010	Provisions as at March 31, 2010		Total Provision as at March 31, 2010
			As per		
			Reserve Bank of India	Additional provision as per Foreign Financial Institution	
Standard	Upto 90 days	193,157	-	-	-
	91 to 180 days	-	-	-	-
	Sub Total	193,157	-	-	-
Sub-Standard	181 to 360 days	-	-	-	-
	361 to 365 days	-	-	-	-
	More than 12 months to 24 months	-	-	-	-
	Sub Total	-	-	-	-
Doubtful (Unsecured)	More than 24 months	-	-	-	-
Doubtful (Secured)	More than 24 months to 36 months	-	-	-	-
	More than 36 months to 60 months	-	-	-	-
	Above 60 Months	-	-	-	-
	Sub Total	-	-	-	-
Loss	As per Management discretion	-	-	-	-
	Sub Total	-	-	-	-
Grand Total		193,157	-	-	-

Operating Lease Assets

(₹ in Lakh)

Operating Lease Assets					
Asset Classification	Arrear Period	Outstanding as at March 31, 2010	Provisions as at March 31, 2010		Total Provision as at March 31, 2010
			As per		
			Reserve Bank of India	Additional provision as per Foreign Financial Institution	
Standard	Upto 90 days	36	-	-	-
	91 to 180 days	-	-	-	-
	181 to 360 days	-	-	-	-
	361 to 365 days	-	-	-	-
	Sub Total	36	-	-	-
Sub-Standard	More than 12 months to 24 months	-	-	-	-
	More than 24 months to 30 months	-	-	-	-
	Sub Total	-	-	-	-
Doubtful	More than 30 months to 36 months	-	-	-	-
	More than 36 months to 48 months	-	-	-	-
	Above 48 months	-	-	-	-
	Sub Total	-	-	-	-
Loss	As per Management discretion	-	-	-	-
	Sub Total	-	-	-	-
Grand Total		36	-	-	-

**37 . Fringe Benefits Tax**

**F.Y: 2009-10**

The Company has challenged constitutional validity of Fringe Benefits Tax before the Hon'ble High Court at Calcutta and the Hon'ble Court has granted interim stay on levy of such Fringe Benefits Tax on the Company. In view of this, the Company has not provided for any liability against Fringe Benefits Tax till 31st March, 2009. However, consequent upon abolition of Fringe Benefit Tax from Financial Year 2009-10, no liability arises for the year.

**38 . F.Y: 2010-11**

The Company has been classified by RBI as 'Infrastructure Finance Company – Non Deposit Taking' within the overall classification of 'Non Banking Finance Company' w.e.f. 31<sup>st</sup> March, 2011.

**39 . F.Y: 2009-10**

The Company is a Non Banking Finance Company (NBFC) and being currently classified as Asset Finance Company (Deposit Taking). In terms of Reserve Bank of India (RBI) Circular DNBS.PD.CC.No.168/03.02.089/2009-10 dated 12th February, 2010, the Company has approached RBI for change in classification as Infrastructure Finance Company (IFC) based on the asset pattern for the year ended 31st March, 2009. However the Company has been advised by RBI to convert into non deposit taking NBFC in order to qualify for classification as IFC in terms of the captioned circular. Accordingly, the Company has complied with the steps advised by RBI and has requested RBI for change in classification as Infrastructure Finance Company.

As a result, the Company has decided that it would not accept any further public deposits or renew the maturing deposits in any manner w.e.f. 20th April, 2010.

**40 . F.Y: 2009-10**

The Board of Directors of the Company during the Financial Year 2009-10, at its meeting held on 28th January, 2010 has, based on the recommendation of the Committee of Independent Directors, approved amalgamation of Quippo Infrastructure Equipment Limited (Quippo) into and with the Company in terms of a Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956. The Appointed Date of the amalgamation shall be 1st April, 2010.

41. Disclosure pursuant to Accounting Standard (AS) 18 - Related Party Disclosures

Related Parties:

Subsidiaries & Step-down Subsidiaries:	Country of Origin	As at				
		31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
Srei Capital Markets Limited	India	√	√	√	√	√
Srei Alternative Investment Managers Limited (Formerly Srei Venture Capital Limited)	India	√	√	√	√	√
Srei Infrastructure Advisors Limited	India	√	√	√	√	√
Global Investment Trust Limited	India	√	√	√	√	√
Controlla Electrotech Private Limited	India	√	√	√	√	√
Srei Mutual Fund Asset Management Private Limited (Subsidiary w.e.f 27.11.09)	India	√	√	√	√	√
Srei Mutual Fund Trust Private Limited (Subsidiary w.e.f 27.11.09)	India	√	√	√	√	√
Srei International Infrastructure Services GmbH, Germany	Germany	√	√	√	√	√
Orbis Power Venture Private Limited (w.e.f 02.01.2010 and ceased to be a subsidiary w.e.f 31.03.2010)	India	-	-	-	-	-
Srei Forex Limited	India	√	√	√	√	√
Srei Insurance Broking Private Limited (Subsidiary w.e.f. 31.03.2012)	India	√	√	√	-	-
Sahaj e-Village Limited, (Formerly Srei Sahaj e-Village Limited, ceased to be Subsidiary w.e.f. 13.08.2012)	India	-	-	√	√	√
Bengal Srei Infrastructure Development Limited	India	√	√	√	√	√
Quippo Infocomm Limited (ceased to be a subsidiary of Srei Infrastructure Advisors Limited w.e.f 16.07.2011)	India	-	-	-	√	√
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India	√	√	√	√	√
Cyberabad Trustee Company Private Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India	√	√	√	√	√
ZAO Srei Leasing, Russia (Subsidiary of Srei International Infrastructure Services GmbH, Germany)	Russia	√	√	√	√	√
Srei Advisors Pte Limited, Singapore (Subsidiary of Srei International Infrastructure Services GmbH, Germany)	Singapore	√	√	√	√	√
# Quippo Valuers and Auctioneers Private Limited (Subsidiary w.e.f 31.03.2011 and ceased to be a subsidiary w.e.f. 19.10.2013)	India	-	√	√	√	-
# Quippo Oil & Gas Infrastructure Limited	India	√	√	√	√	-
# Quippo Energy Private Limited	India	√	√	√	√	-
# Quippo Construction Equipment Limited (Ceased to be Subsidiary w.e.f. 31.03.2013)	India	-	-	√	√	-
# Attivo Economic Zone (Mumbai) Private Limited (Formerly Mumbai Futuristic Economic Zone Private Limited)	India	√	√	√	√	-
# Quippo Prakash Marine Holdings Pte. Limited (Subsidiary of Quippo Oil & Gas Infrastructure Limited, Ceased to be Subsidiary w.e.f. 26.11.2012)	Singapore	-	-	√	√	-
# Quippo Prakash Pte. Limited (Subsidiary of Quippo Prakash Marine Holdings Pte. Limited, Ceased to be Subsidiary w.e.f. 28.08.2012)	Singapore	-	-	√	√	-
# Quippo Holding Cooperatief U.A. (Subsidiary of Quippo Oil & Gas Infrastructure Limited, liquidated on 13.02.2012)	Netherlands	-	-	-	√	-
# Quippo International B.V. (Subsidiary of Quippo Holding Cooperatief U.A., liquidated on 13.02.2012)	Netherlands	-	-	-	√	-
# Quippo Energy Middle East Limited (ceased to be a Subsidiary of Quippo Energy Private Limited w.e.f.28.10.2013)	Dubai	-	√	√	√	-
# Quippo Energy Yemen Limited (ceased to be a Subsidiary of Quippo Energy Private Limited w.e.f.28.10.2013)	Yemen	-	√	√	√	-
# Kasco Steel Limited (ceased to be a subsidiary of Quippo Construction Equipment Limited w.e.f. 22.09.2011)	India	-	-	-	√	-
# Quippo Mara Infrastructure Limited (Subsidiary of Quippo International B.V., Ceased to be Sub-subsidiary w.e.f. 13.02.2012 on account of liquidation of its holding company)	British Virgin Islands	-	-	-	√	-

Subsidiaries & Step-down Subsidiaries:	Country of Origin	As at				
		31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
Quippo Mauritius Private Limited (Subsidiary of Quippo Energy Private Limited w.e.f. 05.03.2012)	Mauritius	√	√	√	-	-
Quippo Energy Nigeria Private Limited (Subsidiary of Quippo Mauritius Private Limited w.e.f. 22.03.2012)	Nigeria	√	√	√	-	-
Quippo CJ Exploration & Production Private Limited (Subsidiary of Quippo Oil & Gas Infrastructure Limited w.e.f. 01.05.2013)	India	√	-	-	-	-
Goldensons Construction Private Limited (Subsidiary w.e.f. 07.02.2014)	India	√	-	-	-	-

Associate Company:	Country of Origin	As at				
		31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
Quippo Construction Equipment Limited (w.e.f. 13-03-2013)	India	√	√	-	-	-
Sahaj e-Village Limited (w.e.f. 13-08-2012)	India	√	√	-	-	-

Joint Venture:	Country of Origin	As at				
		31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
Srei Equipment Finance Limited ( Formerly Srei Equipment Finance Private Limited) (became Joint Venture Company with BNP Paribas Lease Group w.e.f. 2nd April, 2008)	India	√	√	√	√	√
# Quippo Valuers and Auctioneers Private Limited (Formerly GoIndustry Quippo Valuers and Auctioneers Private Limited) upto 30.03.2011	India	-	-	-	-	-

Trusts:	Country of Origin	As at				
		31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
Srei Mutual Fund Trust (w.e.f. 07.08.2010)	India	√	√	√	√	-
Srei Growth Trust (w.e.f. 04.03.2011)	India	√	√	√	√	-

Key Management Personnel (KMP):		As at				
		31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
<b>Name</b>	<b>Designation</b>					
Mr. Hemant Kanoria	Chairman & Managing Director	√	√	√	√	√
Mr. Saud Ibne Siddique	Joint Managing Director (w.e.f. 01.04.2009 & upto 30.04.2013)	-	√	√	√	√
Mr. Kishore Kumar Mohanty	Whole time Director (upto 31.01.2011)	-	-	-	√	√
Mr. Sanjeev Sancheti	Chief Financial Officer (upto 20.05.2013)	-	√	√	√	√
Mr. Anil Agrawal	Chief Financial Officer (from 20.05.2013 to 31.03.2014)	-	-	-	-	-
Mr. Kishore Lodha	Chief Financial Officer (w.e.f. 01.04.2014)	√	-	-	-	-

Enterprises over which KMP and their relatives have significant influence	As at				
	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
Viom Networks Limited (w.e.f. 18.11.2011)	√	√	√	-	-

# Pursuant to the Scheme of Amalgamation of Quippo Infrastructure Equipment Limited (Quippo) into and with the Company sanctioned by the Hon'ble High Court at Calcutta vide its Order made on January 18, 2011 and effective w.e.f. March 04, 2011, these Companies have become subsidiaries and/or step down subsidiaries of the Company.

Similarly, Quippo Valuers and Auctioneers Private Limited (Formerly GoIndustry Quippo Valuers and Auctioneers Private Limited) (QVAPL) which was a 50:50 joint venture between Quippo and Go Industry Limited, UK became a Joint Venture between the Company and Go Industry Limited, UK w.e.f. March 04, 2011. Thereafter, the entire shareholding of Go Industry Limited, UK has been acquired by the Company and consequently, QVAPL has become a 100% subsidiary of the Company w.e.f. March 31, 2011. The name has been changed to "Quippo Valuers and Auctioneers Private Limited" w.e.f. April 16, 2011.

√ Related party as on year end date.

Summary of Transactions with Related Parties

		(₹ in Lakh)				
Name of related party & Nature of relationship	Nature of Transactions & Outstanding balances	2013-14	2012-13	2011-12	2010-11	2009-10
<b>(A) Subsidiaries:</b>						
Sahaj e-Village Limited (ceased to be Subsidiary w.e.f. 13.08.2012)	Loan Advanced	-	1,560	14,550	8,690	7,210
	Refund of Loan Advanced	-	315	11,992	4,380	1,500
	Advance given	-	770	-	-	-
	Interest Received on Loan	-	639	1,479	1,173	745
	Interest Received on Advance	-	5	-	-	-
	Business Auxiliary Services rendered	-	-	-	-	1
	Recovery of Rent	-	8	20	20	21
	Rent Received	-	-	23	-	-
	Recovery of Bank Guarantee Charges	-	12	13	11	52
	Bank Guarantee Arranged	-	-	-	45	2,572
	Bank Guarantee Closed	-	-	-	2,617	-
	Purchase of Services	-	-	9	-	-
	Equity Contribution	-	-	-	900	-
	Guarantee in the form of Put option to bank against Loan facility	-	-	6,000	-	-
	Corporate Guarantee issued by the Company - Closed	-	-	2,981	-	6,000
	Balance Paid-Others	-	6	-	-	-
	Corporate Guarantee issued by the Company - Outstanding	-	-	-	2,981	2,981
	Balance Receivable-Loan	-	-	13,753	11,195	6,885
	Bank Guarantee Outstanding	-	-	-	-	2,572
	Balance Receivable-Interest accrued but not due	-	-	72	103	-
	Balance Payable-Purchase of Services	-	-	9	-	-
	Outstanding Guarantee in the form of Put option to bank against Loan facility	-	-	6,000	-	-
Srei Capital Markets Limited	Loan Advanced	100	215	120	20	367
	Refund of Loan Advanced	285	40	30	209	403
	Interest Received on Loan	33	25	2	-	-
	Purchase of units of Trust	239	-	-	-	-
	Consultancy Fees Paid	-	-	10	-	43
	Balance Receivable-Loan	80	265	90	-	189
	Balance Receivable-Interest accrued but not due (Net of TDS)	2	4	2	-	-
Srei Alternative Investment Managers Limited	Loan given	-	-	-	6	325
	Refund of Loan Advanced	-	-	-	6	325
	Interest Received on Loan	-	-	-	0.20	23
	Advance given	500	-	400	-	-
	Balance Receivable-Advance	900	400	400	-	-
	Balance Receivable-Others	-	-	23	-	-
	Purchase of units of Trust	-	-	270	-	-
Srei Infrastructure Advisors Limited	Loan advanced	-	-	-	1	1
	Refund of Loan Advanced	-	-	2	8	58
	Interest Received on Loan	-	-	0.11	0.25	8
	Business Auxiliary Services rendered	0.09	0.12	0.12	1	1
	Balance Receivable-Loan	-	-	-	2	9
Bengal Srei Infrastructure Development Limited	Loan advanced	253	38	182	33	33
	Refund of Loan Advanced	220	-	150	-	26
	Interest Received on Loan	34	28	22	18	14
	Balance Receivable-Loan	253	220	182	150	117
	Balance Receivable-Interest accrued but not due (Net of TDS)	18	16	17	-	-
Global Investment Trust Limited	Fixed Assets Purchased	-	-	-	-	3
	Business Auxiliary Services rendered	-	1	-	-	-
Srei Forex Limited	Loan advanced	-	0.50	0.20	0.20	1.00
	Refund of Loan Advanced	-	0.50	-	-	-
	Business Auxiliary Services rendered	-	0.50	0.20	0.05	0.05
	Loan write off	-	-	0.05	0.20	1.00
	Recovery against Loan written off	5	7	-	-	-
	Balance Receivable - Loan	-	-	-	-	0.05

Summary of Transactions with Related Parties

(₹ in Lakh)

Name of related party & Nature of relationship	Nature of Transactions & Outstanding balances	2013-14	2012-13	2011-12	2010-11	2009-10
<b>(A) Subsidiaries:</b>						
Srei Mutual Fund Trust Private	Subscription to Equity Shares	-	5	-	-	5
Srei Mutual Fund Asset Management Private Limited	Subscription to Equity Shares	150	100	200	1,090	10
	Deposit Received	130	90	395	1,000	-
	Deposit Refunded	155	132	265	40	-
	Interest on Deposit Paid	103	101	85	52	-
	Balance Payable-Deposit	1,023	1,048	1,090	960	-
	Balance Payable-Interest accrued but not due (Net of TDS)	0.02	-	6	-	-
Controlla Electrotech Private Limited	Security deposit Refund received	-	-	-	11	-
	Rent Paid	8	8	8	8	8
	Business Auxiliary Services rendered	-	0.05	0.05	0.05	0.10
	Balance Receivable-Deposit	2,400	2,400	2,400	2,400	2,411
	Corporate Guarantee issued by Subsidiary – Outstanding	-	-	2,500	-	-
	Corporate Guarantee Closed during the period	-	2,500	-	-	-
Orbis Power Venture Private Limited	Loan advanced	-	-	-	-	13,020
	Loan Processing Fees Received	-	-	-	-	260
	Refund of Loan Advanced	-	-	-	-	138
	Interest Received on Loan	-	-	-	-	13
Srei Insurance Broking Private Limited	Rent Received	24	28	-	-	-
	Advance Given	150	-	-	-	-
	Balance Receivable-Advance	150	-	-	-	-
	Balance Receivable-Others	10	-	-	-	-
Quippo Infocomm Limited (ceased to be a subsidiary of Srei Infrastructure Advisors Limited w.e.f 16.07.2011)	Loan advanced	-	-	100	235	-
	Interest Received on Loan	-	-	10	14	-
	Balance Receivable-Loan	-	-	-	235	-
	Balance Receivable-Interest accrued but not due	-	-	-	13	-
Quippo Energy Private Limited	Loan advanced	2,881	5,950	-	-	-
	Advance given	-	1,195	-	-	-
	Advance Received	-	3	-	-	-
	Advance Refunded	-	1,195	-	-	-
	Refund of Loan Advanced	1,700	600	-	-	-
	Deposit Received	-	-	480	55	-
	Deposit Refunded	-	-	1,145	-	-
	Security Deposit Refunded	-	165	-	-	-
	Rent Received	318	282	246	31	-
	Balance Received - Others	-	-	17	-	-
	Interest on Deposit	-	-	9	15	-
	Interest Received on Loan	695	143	-	-	-
	Refund of Balance Receivable-Others	0.25	-	-	-	-
	Refund of Balance Payable-Advance	3	-	-	-	-
	Buyers Credit on LC facility arranged by the Company	-	-	1,917	1,081	-
	Buyers Credit Facility Charges	-	-	22	4	-
	Suppliers Credit on LC facility arranged by the Company - Closed	-	-	1,847	-	-
	Balance Payable-Deposit	-	-	165	830	-
	Balance Payable-Interest accrued but not due	-	-	-	13	-
	Buyers Credit outstanding on LC facility arranged by the Company	-	411	3,217	1,081	-
	Suppliers Credit outstanding on LC facility arranged by the Company	-	-	-	1,847	-
	Corporate Guarantee issued by the Company -Outstanding	7,250	-	5,495	5,495	-
	Buyers Credit on LC facility arranged by the Company-Closed	411	2,965	-	-	-
	Corporate Guarantee closed during the period	-	5,495	-	-	-
	Balance Receivable-Loan	6,531	5,350	-	-	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	609	4	-	-	-
	Balance Payable-Advance	-	3	-	-	-
	Guarantee in the form of Put option to bank against Loan facility	7,250	-	-	-	-
	Balance Receivable-Others	-	0.25	-	17	-

Summary of Transactions with Related Parties

(₹ in Lakh)

Name of related party & Nature of relationship	Nature of Transactions & Outstanding balances	2013-14	2012-13	2011-12	2010-11	2009-10
<b>(A) Subsidiaries:</b>						
Quippo Oil & Gas Infrastructure Limited	Loan advanced	3,218	4,325	4,425	100	-
	Refund of Loan Advanced	785	5,440	500	97	-
	Rent Received	3,642	1,895	1,514	-	-
	Interest Received on Loan	1,067	891	773	362	-
	Refund of Balance Receivable-Others	-	132	-	-	-
	Guarantee in the form of Put Option to Bank against loan facility	-	-	4,000	-	-
	Bank Guarantee Closed	-	-	308	-	-
	Balance Receivable-Loan	7,825	7,720	8,835	4,910	-
	Balance Receivable-Others	6,920	57	132	-	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	2	-	-	-	-
	Balance Received-Others	58	-	-	-	-
	Bank Guarantee Outstanding	-	-	-	308	-
	Corporate Guarantee issued by the Company -Outstanding	3,000	1,900	1,900	1,900	-
	Corporate Guarantee Issued during the period	1,950	-	-	-	-
	Corporate Guarantee Closed during the period	850	-	-	-	-
	Outstanding Guarantee in the form of Put option to bank against Loan	4,000	4,000	4,000	-	-
Quippo Construction Equipment Limited (ceased to be a subsidiary w.e.f. 31.03.2013)	Loan advanced	-	12,904	5,850	350	-
	Refund of Loan Advanced	-	11,790	5,411	-	-
	Interest Received on Loan	-	2,105	1,994	1,651	-
	LC facility charges	-	79	23	-	-
	Suppliers Credit on LC facility arranged by the Company	-	48,894	15,545	-	-
	Suppliers Credit on LC facility arranged by the Company closed during	-	30,761	8,174	-	-
	Suppliers Credit outstanding on LC facility arranged by the Company	-	-	7,096	-	-
	Balance Receivable-Loan	-	-	17,052	16,579	-
	Balance Payable-Interest accrued but not due	-	-	-	325	-
	Corporate Guarantee issued by the Company -Outstanding at year end	-	-	3,006	-	-
	Corporate Guarantee closed during the period	-	3,006	-	-	-
Quippo Valuers and Auctioneers Private Limited	Deposit Received	-	-	50	-	-
	Deposit Refunded	-	-	200	-	-
	Interest on Deposit Paid	-	-	16	14	-
	Business Auxiliary Services rendered	-	60	60	-	-
	Balance Payable-Deposit	-	-	-	150	-
Attivo Economic Zone (Mumbai) Private Limited	Deposit Received	-	-	145	-	-
	Deposit Refunded	-	-	145	-	-
	Loan advanced	55,930	2,521	1,894	4,303	-
	Refund of Loan advanced	29,040	-	-	-	-
	Interest on Deposit Paid	-	-	1	-	-
	Interest Received on Loan	3,205	1,966	1,550	619	-
	Balance Receivable-Loan	41,400	14,510	11,989	10,095	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	246	81	75	52	-
Srei International Infrastructure Services GmbH (Formerly IIS International Infrastructure Services GmbH)	Loan advanced	-	-	462	-	-
	Refund of Loan Advanced	-	-	229	-	-
	Refund of Balance Receivable-Others	-	38	-	-	-
	Interest Received on Loan	17	15	12	-	-
	Balance Receivable-Loan	288	243	238	-	-
	Balance Receivable-Interest accrued and due	17	-	-	-	-
	Balance Receivable-Interest accrued but not due	-	16	2	-	-
ZAO Srei Leasing, Russia	Balance Receivable-Others	-	14	38	-	-
	Refund of Balance Receivable-Others	14	-	-	-	-
Hyderabad Information	Consultancy Fees Received	-	-	2	-	-

Summary of Transactions with Related Parties

(₹ in Lakh)

Name of related party & Nature of relationship	Nature of Transactions & Outstanding balances	2013-14	2012-13	2011-12	2010-11	2009-10
<b>(B) Joint Venture:</b>						
Srei Equipment Finance Limited	Security Deposit received	-	-	54	669	35
	Security Deposit paid	-	-	-	7	24
	Security Deposit refund received	-	-	50	96	-
	Security Deposit refunded	-	-	7	-	-
	Advance paid	-	-	-	270	-
	Refund of advance received	-	-	-	270	-
	Rent paid	-	-	-	211	104
	Rent received	1,568	1,456	1,388	999	642
	Loan advanced	-	-	-	-	43,544
	Refund of Loan Advanced	-	-	-	-	43,544
	Interest Received on Loan	-	-	-	-	1,600
	Balance Payable-Security Deposit	1,459	1,425	1,425	1,421	752
	Balance Receivable-Security Deposit	-	-	-	7	96
	Equity Contribution	-	9,982	4,991	-	-
	Purchase of Investment	-	-	143	-	-
<b>(C) Associate:</b>						
Quippo Construction Equipment Limited (associate of Srei Infrastructure Finance Limited w.e.f. 31-03-2013)	Interest Received on Loan	1,561	-	-	-	-
	Loan advanced	1,985	-	-	-	-
	Refund of Loan Advanced	1,775	-	-	-	-
	LC facility charges	160	-	-	-	-
	Suppliers Credit outstanding on LC facility arranged by the Company	48,864	23,991	-	-	-
	Suppliers Credit on LC facility arranged by the Company	86,516	-	-	-	-
	Suppliers Credit on LC facility arranged by the Company - Closed during the period	63,207	-	-	-	-
	Balance Receivable-Loan	18,376	18,166	-	-	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	30	6	-	-	-
Sahaj e-Village Limited (associate of Srei Infrastructure Finance Limited w.e.f. 13-08-2012)	Loan Advanced	4,876	23,644	-	-	-
	Advance Given	294	1,910	-	-	-
	Refund of Advance Given	294	2,680	-	-	-
	Refund of Loan Advanced	5	17,571	-	-	-
	Advance Received	675	-	-	-	-
	Refund of Advance Received	675	-	-	-	-
	Rent Received	16	-	-	-	-
	Security Deposit Received	2	-	-	-	-
	Purchase of Services (Excluding Service Tax)	560	-	-	-	-
	Interest Received on Loan	1,977	1,339	-	-	-
	Interest Received on Advance	-	67	-	-	-
	Balance Paid-Others	-	3	-	-	-
	Recovery of Bank Guarantee Charges	-	1	-	-	-
	Recovery of Rent	-	2	-	-	-
	Balance Receivable-Loan	25,942	21,072	-	-	-
	Balance Receivable-Others	1,905	-	-	-	-
	Balance Receivable-Interest accrued but not due	52	22	-	-	-
	Balance Payable-Purchase of Services	418	-	-	-	-
	Balance Payable-Security Deposit	2	-	-	-	-
	Corporate Guarantee Issued during the year	9,544	-	-	-	-
	Corporate Guarantee-Outstanding	9,544	-	-	-	-
	Outstanding Guarantee in the form of Put option to bank against Loan	6,000	6,000	-	-	-

Summary of Transactions with Related Parties

(₹ in Lakh)

Name of related party & Nature of relationship	Nature of Transactions & Outstanding balances	2013-14	2012-13	2011-12	2010-11	2009-10
<b>(D) Trusts:</b>						
Srei Growth Trust	Contribution to corpus	-	-	0.25	0.25	-
	Income Received	243	241	364	-	-
	Dividend Paid	243	243	364	-	-
	Advance Given	-	2	-	-	-
	Advance Refunded	-	2	-	-	-
Srei Mutual Fund Trust	Contribution to corpus	-	-	1	1	-
<b>(E) Key Management Personnel:</b>						
Hemant Kanoria	Remuneration	164	159	163	178	87
	Commission	60	60	60	60	36
	Dividend paid	2	2	3	3	2
Saud Ibne Siddique	Remuneration	55	429	339	325	335
Kishore Kumar Mohanty (Upto 31.01.2011)	Remuneration	-	-	-	76	64
	Dividend paid	-	-	-	2	1
Sanjeev Sancheti	Remuneration	13	111	73	66	48
	Loan advanced	45	-	5	-	-
	Refund of Loan Advanced	-	1	4	-	-
	Interest received on Loan	-	0.02	0.21	-	-
	Balance Receivable-Loan	-	-	1	-	-
Anil Agrawal	Remuneration	49	-	-	-	-
	Balance Payable-Remuneration	5	-	-	-	-
<b>(F) Transaction with Relative of KMP:</b>						
Mrs. Saroj Agrawal (Spouse of Mr. Anil Agrawal)	Car Hire Charges	2	-	-	-	-
<b>(G) Enterprises over which KMPs and their relatives have significant influence:</b>						
Viom Networks Limited (w.e.f. 18.11.2011)	Deposit Received	-	-	76	-	-
	Rent received	835	803	306	-	-
	Balance Receivable-Others	16	21	6	-	-
	Balance Payable- Security Deposit	663	660	660	-	-

42 Assets for Operating lease include gross value of assets pending to be leased out, amounting to ₹ Nil (31st March, 2013: Nil, 31st March, 2012: Nil, 31st March, 2011: ₹ 6,487 lakh, 31st March, 2010: Nil).

43 Loans & Advances include Loan of ₹ Nil (31st March, 2013: Nil, 31st March, 2012: ₹ 3,175 lakh, 31st March, 2011: ₹ 1,199 lakh, 31st March, 2010: ₹ 3,793 lakh) due from a private company having at least one common director with the Company.

44 Details of loans/advances to Subsidiary Companies: (Refer Note 43)

₹ In Lakh

Name of the Company	Maximum Amount Outstanding during					Amount Outstanding as at 31st March,				
	2013-14	2012-13	2011-12	2010-11	2009-10	2014	2013	2012	2011	2010
Srei Capital Markets Limited	312	305	90	216	412	80	265	90	-	189
Sahaj e-Village Limited	27,847	21,072	14,324	11,356	8,794	27,847	21,072	13,753	11,195	6,885
Srei Infrastructure Advisors Limited	-	-	2	9	66	-	-	-	2	9
Bengal Srei Infrastructure Development Limited	258	220	182	150	127	253	220	182	150	117
Global Investment Trust Limited	-	-	-	-	-	-	-	-	-	-
Controlla Electrotech Private Limited	2,400	2,400	2,400	2,411	2,431	2,400	2,400	2,400	2,400	2,411
Srei Forex Limited	-	0.50	0.20	0.20	1	-	-	-	-	-
Srei Alternative Investment Managers Limited	900	400	423	6	332	900	400	423	-	-
Quippo Infrastructure Equipment Limited	-	-	-	-	-	-	-	-	-	-
Srei Mutual Fund Asset Management Private Limited	-	-	-	-	7	-	-	-	-	-
Orbis Power Venture Private Limited	-	-	-	-	13,000	-	-	-	-	-
Quippo Energy Private Limited	6,531	5,761	3,217	1,098	-	-	-	3,217	1,098	-
Quippo Infocomm Limited	-	-	335	235	-	-	-	-	235	-
Quippo Oil & Gas Infrastructure Limited	14,744	9,335	8,967	5,007	-	14,744	7,720	8,967	4,910	-
Quippo Construction Equipment Limited	18,376	42,157	18,401	16,604	-	18,376	42,157	17,052	16,579	-
Attivo Economic Zone (Mumbai) Private Limited	55,031	15,459	13,508	10,095	-	41,400	14,510	11,989	10,095	-
Srei Insurance Broking Private Limited	163	-	-	-	-	160	-	-	-	-
Srei International Infrastructure Services GmbH	306	260	481	-	-	306	243	276	-	-
ZAO Srei Leasing, Russia	-	14	-	-	-	-	14	-	-	-
Goldensons Construction Private Limited	28	-	-	-	-	27	-	-	-	-

**Financial Year: 2013-14**

The outstanding are interest bearing except that of Controlla Electrotech Private Limited, Srei Alternative Investment Managers Limited, Srei Insurance Broking Private Limited and ZAO Srei Leasing.

**Financial Year: 2012-13**

The outstanding are interest bearing except that of Controlla Electrotech Private Limited, Srei Alternative Investment Managers Limited and ZAO Srei Leasing.

**Financial Year: 2011-12**

The outstanding Loans and Advances are interest bearing except that of Controlla Electrotech Private Limited and Srei Alternative Investment Managers Limited.

**Financial Year: 2010-11**

Loans and Advances to Srei Capital Markets Limited and Srei Infrastructure Advisors Limited are receivable on demand. The outstanding loans and advances are interest bearing except that of Controlla Electrotech Private Limited.

**Financial Year: 2009-10**

The amounts are repayable on demand except that of Controlla Electrotech Private Limited, Bengal Srei Infrastructure Development Limited and Sahaj e-Village Limited. The outstanding loans and advances are interest bearing except that of Srei Capital Markets Limited and Controlla Electrotech Private Limited.

- 45 Disclosure in respect of Company's Joint Venture in India pursuant to Accounting Standard 27 'Financial Reporting of Interest in Joint Ventures' :

Name of the Venture	Country of	Proportion of
Srei Equipment Finance Limited (Formerly Srei Equipment Finance Private Limited)	India	50%

The aggregate of the Company's share in the above venture is:

Particulars	As at 31st March,				
	2013	2013	2012	2011	2010
Current & Non-Current Liabilities	708,530	730,841	574,106	435,939	323,148
Current & Non-Current Assets	813,358	824,400	644,187	491,183	371,847
Contingent Liabilities	1,428	1,386	9,583	12,090	7,729
Capital Commitments (Net of Advances)	1,896	3,235	2,091	3,530	8

(₹ in lakh)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Income	130,967	118,689	91,058	62,086	46,568
Expenses (Including Depreciation & Taxation)	119,698	105,193	81,209	55,542	42,212

**Financial Year: 2011-12**

- 46 As notified by the Ministry of Corporate Affairs of the Government of India, revised Schedule VI under the Companies Act, 1956 is applicable to all financial statements for the financial year commencing on or after 1st April, 2011. Accordingly, the financial statements for the year ended 31st March, 2012 are prepared in accordance with the aforesaid revised Schedule VI.
- 47 Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current year.

## ANNEXURE I TO NOTES TO FINANCIAL STATEMENTS

## Stock for Trade as at 31st March, 2014

Equity Shares: Trade	Face Value	Quantity	Cost	Value
	(₹)	(Nos.)	(₹ in Lakh)	
Bala Techno Industries Ltd.	10	5000	1	-
Hotline Glass Ltd.	10	110609	12	-
Kamala Tea Co. Ltd.	10	25000	11	11
Shanghi Polyesters Ltd.	10	2000	0 <sup>@</sup>	-
IDBI Bank	10	60000	105	39
Quippo Telecom Infrastructure Ltd.	10	25929041	0*	0#
L.D.Textile Industries Ltd.	10	42000	0*	0#
Shentracon Chemicals Ltd.	10	99400	0*	0#
India Lead Ltd.	10	418668	0*	0#
Mega Marketshare Resources Ltd.	10	6000	0*	0#
PAAM Pharmaceuticals (Delhi) Ltd.	10	1210	0*	0#
Standard Chrome Limited	10	300	0*	0#
Kanel Oil & Export Ltd.	10	3100	0*	0#
Kesoram Textiles Ltd.	10	20	0*	0#
NEPC Agro Foods Ltd.	10	1333	0*	0#
			<b>129</b>	<b>50</b>
Less: Provision for diminution			79	
<b>Total</b>			<b>50</b>	

<sup>@</sup> Book value ₹ 19,800;

\* Book value ₹ 1; # Valued at ₹ 1

## Stock for Trade as at 31st March, 2013

Equity Shares: Trade	Face Value	Quantity	Cost	Value
	(₹)	(Nos.)	(₹ in Lakh)	
Bala Techno Industries Ltd.	10	5000	1	-
Hotline Glass Ltd.	10	110609	12	-
Kamala Tea Co. Ltd.	10	25000	11	11
Shanghi Polyesters Ltd.	10	2000	0 <sup>@</sup>	-
IDBI Bank	10	60000	105	48
Can Fin Homes Ltd.	10	53140	81	73
Quippo Telecom Infrastructure Ltd.	10	25929041	0*	0#
L.D.Textile Industries Ltd.	10	42000	0*	0#
Shentracon Chemicals Ltd.	10	99400	0*	0#
India Lead Ltd.	10	418668	0*	0#
Mega Marketshare Resources Ltd.	10	6000	0*	0#
PAAM Pharmaceuticals (Delhi) Ltd.	10	1210	0*	0#
Standard Chrome Limited	10	300	0*	0#
Kanel Oil & Export Ltd.	10	3100	0*	0#
Kesoram Textiles Ltd.	10	20	0*	0#
NEPC Agro Foods Ltd.	10	1333	0*	0#
			<b>210</b>	<b>132</b>
Less: Provision for diminution			78	
<b>Total</b>			<b>132</b>	

<sup>@</sup> Book value ₹ 19,800;

\* Book value ₹ 1; # Valued at ₹ 1

## ANNEXURE I TO NOTES TO FINANCIAL STATEMENTS

## Stock for Trade as at 31st March, 2012

Equity Shares: Trade	Face Value	Quantity	Cost	Value
	(₹)	(Nos.)	(₹ in Lakh)	
Bala Techno Industries Ltd.	10	5000	1	-
Hotline Glass Ltd.	10	110609	12	-
Kamala Tea Co. Ltd.	10	25000	11	11
Shanghi Polyesters Ltd.	10	2000	0 <sup>@</sup>	-
IDBI Bank	10	60000	104	63
Karur Vysya Bank	10	6259	26	23
Can Fin Homes Ltd.	10	132201	211	149
Quippo Telecom Infrastructure Ltd.	10	25929041	0*	0#
L.D.Textile Industries Ltd.	10	42000	0*	0#
Shentracon Chemicals Ltd.	10	99400	0*	0#
India Lead Ltd.	10	418668	0*	0#
Mega Marketshare Resources Ltd.	10	6000	0*	0#
PAAM Pharmaceuticals (Delhi) Ltd.	10	1210	0*	0#
Standard Chrome Limited	10	300	0*	0#
Kanel Oil & Export Ltd.	10	3100	0*	0#
Kesoram Textiles Ltd.	10	20	0*	0#
NEPC Agro Foods Ltd.	10	1333	0*	0#
			365	246
Less: Provision for diminution			119	
<b>Total</b>			<b>246</b>	

<sup>@</sup> Book value ₹ 19,800;

\* Book value ₹ 1; # Valued at ₹ 1

## Stock for Trade as at 31st March, 2011

Equity Shares: Trade	Face Value	Quantity	Cost	Value
	(₹)	(Nos.)	(₹ in Lakh)	
Bala Techno Synthetics Ltd.	10	5000	1	0
Hotline Glass Ltd.	10	110609	12	0
Kamala Tea Co. Ltd.	10	25000	11	11
Shanghi Polyster Ltd.	10	2000	0	0
IDBI Bank	10	60000	104	85
Karur Vysya Bank	10	4400	23	18
Karur Vysya Bank -Partly paid (Refer Note 41)	10	1859	2	6
Can Fin Homes Limited	10	132201	211	142
Quippo Telecom Infrastructure Ltd.	10	25929041	0*	0#
L.D.Textile Industries Ltd.	10	42000	0*	0#
Shentracon Chemicals Ltd.	10	99400	0*	0#
India Lead Ltd.	10	418668	0*	0#
Mega Marketshare Resources Ltd.	10	6000	0*	0#
PAAM Pharmaceuticals (Delhi) Ltd.	10	1210	0*	0#
Standard Chrome Limited	10	300	0*	0#
Kanel Oil & Export Ltd.	10	3100	0*	0#
Kesoram Textiles Ltd.	10	20	0*	0#
NEPC Agro Foods Ltd.	10	1333	0*	0#
			364	
Less: Provision for diminution			102	
<b>Total</b>			<b>262</b>	

\* Book value ₹ 1; # Valued at ₹ 1

## ANNEXURE I TO NOTES TO FINANCIAL STATEMENTS

## Stock for Trade as at 31st March, 2010

Equity Shares: Trade	Face Value	Quantity	Cost	Value
	(₹)	(Nos.)	(₹ in Lakh)	
Bala Techno Synthetics Ltd.	10	5000	1	0
Hotline Glass Ltd.	10	110609	12	0
Kamala Tea Co. Ltd.	10	25000	11	31
Shanghi Polyester Ltd.	10	2000	0*	0#
L.D.Textile Industries Ltd.	10	42000	0*	0#
Shentracon Chemicals Ltd.	10	99400	0*	0#
India Lead Ltd.	10	418668	0*	0#
Mega Marketshare Resources Ltd.	10	6000	0*	0#
PAAM Pharmaceuticals (Delhi) Ltd.	10	1210	0*	0#
Standard Chrome Limited	10	300	0*	0#
Kanel Oil & Export Ltd.	10	3100	0*	0#
Kesoram Textiles Ltd.	10	20	0*	0#
NEPC Agro Foods Ltd.	10	1333	0*	0#
			<b>24</b>	
Less: Provision for diminution			13	
<b>Total</b>			<b>11</b>	

\* Book value ₹ 1; # Valued at ₹ 1

## Statement of Assets and Liabilities, As Reformatted

Annexure - VI

₹ In Mio

	Note	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
<b>EQUITY AND LIABILITIES</b>						
<b>Shareholders' Funds</b>						
Share Capital	2	5,032.40	5,032.40	5,032.40	5,032.40	1,162.90
Reserves and Surplus	3	29,936.20	28,938.00	26,754.30	25,648.20	11,733.80
		<b>34,968.60</b>	<b>33,970.40</b>	<b>31,786.70</b>	<b>30,680.60</b>	<b>12,896.70</b>
<b>Minority Interest</b>		<b>296.80</b>	<b>274.20</b>	<b>912.80</b>	<b>737.90</b>	<b>236.10</b>
<b>Non-Current Liabilities</b>						
Long-Term Borrowings	4	71,036.60	67,540.40	57,275.80	42,360.10	36,306.30
Deferred Tax Liabilities		1,830.60	1,743.80	1,405.30	1,015.00	736.30
Other Long-Term Liabilities	5	799.50	828.30	714.10	439.70	114.20
Long-Term Provisions	6	1,525.50	1,354.60	1,036.90	826.70	530.50
		<b>75,192.20</b>	<b>71,467.10</b>	<b>60,432.10</b>	<b>44,641.50</b>	<b>37,687.30</b>
<b>Current Liabilities</b>						
Short-Term Borrowings	7	106,085.70	94,749.10	82,120.20	40,714.90	20,415.40
Trade Payables	8	1,831.90	2,188.20	4,276.50	2,895.90	2,887.40
Other Current Liabilities						
- Current Maturities of Long-Term Borrowings	4	20,550.70	20,525.80	19,762.50	16,863.40	8,827.60
- Others	9	3,602.40	2,915.40	2,212.10	1,739.90	1,062.10
Short-Term Provisions	10	520.10	501.10	534.80	899.60	187.70
		<b>132,590.80</b>	<b>120,879.60</b>	<b>108,906.10</b>	<b>63,113.70</b>	<b>33,380.20</b>
<b>Total</b>		<b>243,048.40</b>	<b>226,591.30</b>	<b>202,037.70</b>	<b>139,173.70</b>	<b>84,200.30</b>
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Fixed Assets						
- Tangible Assets	11	13,297.40	13,029.40	18,691.10	14,458.70	3,046.50
- Intangible Assets	11	229.90	91.40	159.40	159.10	124.30
- Capital Work in Progress		3,619.00	1,802.40	1,902.10	776.20	14,166.70
Goodwill		3,874.80	3,874.80	4,398.80	4,253.40	62.20
Deferred Tax Assets		204.80	132.90	318.30	358.30	8.40
Non-Current Investments	12.1	20,762.80	21,136.80	21,005.10	20,314.40	6,707.40
Long-Term Loans and Advances						
- Financial Assets	13	38,465.70	42,050.30	30,789.60	24,623.10	19,231.50
- Loan Assets	14	71,113.70	58,991.20	22,345.70	16,865.50	14,038.40
- Other Long-Term Advances	15	3,585.60	1,604.90	1,804.30	1,063.60	428.80
Other Non-Current Assets	16	1,836.70	3,701.70	2,035.20	2,060.00	767.80
		<b>156,990.40</b>	<b>146,415.80</b>	<b>103,449.60</b>	<b>84,932.30</b>	<b>58,582.00</b>
<b>Current Assets</b>						
Inventories		104.50	47.40	131.80	169.20	100.70
Current Investments	12.2	3,433.60	3,652.70	220.00	-	-
Trade Receivables	17	2,124.50	1,886.60	3,469.10	2,336.10	1,076.20
Cash and Bank Balances	18	5,637.20	5,798.50	6,713.40	2,202.40	2,870.70
Short-Term Loans and Advances						
- Financial Assets	13	8,524.10	5,171.40	4,054.40	4,656.50	3,928.80
- Loan Assets	14	2,384.30	7,267.00	4,446.30	5,371.40	1,027.90
- Other Advances	19	699.50	1,994.90	2,074.50	2,106.10	1,857.00
Other Current Assets						
- Current Maturities of Long-Term Financial Assets	13	22,414.10	21,385.50	15,880.70	13,639.80	10,815.10
- Current Maturities of Long-Term Loan Assets	14	32,602.00	30,765.80	58,474.80	23,205.60	3,529.40
- Other Current Assets	20	8,134.20	2,205.70	3,123.10	554.30	412.50
		<b>86,058.00</b>	<b>80,175.50</b>	<b>98,588.10</b>	<b>54,241.40</b>	<b>25,618.30</b>
<b>Total</b>		<b>243,048.40</b>	<b>226,591.30</b>	<b>202,037.70</b>	<b>139,173.70</b>	<b>84,200.30</b>

## Statement of Profit and Loss, As Reformatted

Annexure - VII

₹ In Mio

Particulars	Note	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
<b>INCOME</b>						
Revenue from Operations	21	32,331.90	30,834.00	24,334.20	16,205.60	9,973.90
Other Income	22	271.10	265.20	129.10	175.30	156.20
<b>Total</b>		<b>32,603.00</b>	<b>31,099.20</b>	<b>24,463.30</b>	<b>16,380.90</b>	<b>10,130.10</b>
<b>EXPENSES</b>						
Finance Costs	23	23,502.80	21,392.50	15,650.30	8,300.80	5,343.60
Employee Benefits Expense	24	1,294.40	1,614.40	1,713.00	1,234.40	718.40
Administrative and Other Expenses	25	2,240.50	2,474.40	2,236.80	1,931.10	907.30
Depreciation/Amortisation and Impairment	11	1,633.50	1,936.20	1,650.30	1,240.90	432.80
<b>Total</b>		<b>28,671.20</b>	<b>27,417.50</b>	<b>21,250.40</b>	<b>12,707.20</b>	<b>7,402.10</b>
<b>Profit before Bad Debts, Provisions &amp; Tax</b>		<b>3,931.80</b>	<b>3,681.70</b>	<b>3,212.90</b>	<b>3,673.70</b>	<b>2,728.00</b>
Bad Debts/Advances written off (net of recovery)		1,330.80	708.30	512.10	350.70	530.40
Provision for Bad & Doubtful Debts		48.30	64.00	36.70	48.50	-
Provision for Non-Performing Assets		258.00	263.10	179.50	161.20	21.00
Contingent Provisions against Standard Assets		29.70	59.50	116.90	223.60	-
Provision for Restructured Assets		9.40	-	-	-	-
		<b>1,666.80</b>	<b>1,094.90</b>	<b>845.20</b>	<b>784.00</b>	<b>551.40</b>
<b>Profit Before Prior Period Items, Exceptional Items &amp; Tax</b>		<b>2,255.60</b>	<b>2,586.80</b>	<b>2,367.70</b>	<b>2,889.70</b>	<b>2,176.60</b>
Prior Period Items		-	(5.20)	-	-	-
Adjustment on disposal/cessation of Subsidiaries, Step-down Subsidiaries and Joint Ventures of Subsidiaries	41	0.60	1,046.20	-	-	-
<b>Profit Before Tax</b>		<b>2,256.20</b>	<b>3,627.80</b>	<b>2,367.70</b>	<b>2,889.70</b>	<b>2,176.60</b>
Tax Expense :						
-Current Tax		865.40	727.40	546.60	826.70	343.70
-Mat Credit Entitlement		(0.50)	(7.10)	(18.90)	(9.40)	(219.00)
-Fringe Benefit tax expense		-	-	-	-	-
-Deferred Tax		14.20	307.20	367.40	(20.30)	461.90
Total Tax for current year / period		879.10	1,027.50	895.10	797.00	586.60
<b>Profit After Tax for current year / period</b>		<b>1,377.10</b>	<b>2,600.30</b>	<b>1,472.60</b>	<b>2,092.70</b>	<b>1,590.00</b>
Income tax in respect of earlier years / periods		2.00	(0.40)	241.10	130.90	22.00
<b>Profit After Tax but before Share of results of Associate and Minority Interest</b>		<b>1,375.10</b>	<b>2,600.70</b>	<b>1,231.50</b>	<b>1,961.80</b>	<b>1,568.00</b>
Share of loss of Associates		-	10.00	-	-	-
<b>Profit After Tax before Minority Interest</b>		<b>1,375.10</b>	<b>2,590.70</b>	<b>1,231.50</b>	<b>1,961.80</b>	<b>1,568.00</b>
Minority Interest		(10.00)	(41.10)	113.40	169.40	9.40
<b>Net profit</b>		<b>1,385.10</b>	<b>2,631.80</b>	<b>1,118.10</b>	<b>1,792.40</b>	<b>1,558.60</b>
Pre Acquisition Profit/(Loss)		-	-	-	47.40	-
Minority Interest of Pre Acquisition (Profit)/ Loss		-	-	(3.90)	(47.40)	-
<b>Profit After Tax after adjustment of Minority Interest</b>		<b>1,385.10</b>	<b>2,631.80</b>	<b>1,114.20</b>	<b>1,792.40</b>	<b>1,558.60</b>

## Cash Flow Statement, As Reformatted

Annexure - VIII

₹ In Mio

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
<b>A. Cash Flows from Operating Activities</b>					
Profit Before Tax	2,256.20	3,627.80	2,367.70	2,889.70	2,176.60
Adjustment for:					
Depreciation/Amortisation and Impairment	1,633.50	1,936.20	1,650.30	1,240.90	432.80
Bad Debts/Advances written off (net of recovery)	1,330.80	708.30	512.10	350.70	530.40
Provision for Bad & doubtful debts	48.30	64.00	36.70	48.50	-
Provision for Non-Performing Assets	258.00	263.10	179.50	161.20	21.00
Contingent Provision against Standard Assets	29.70	59.50	116.90	223.60	-
Provision for Restructured Assets	9.40				
Adjustment on disposal/cessation of Subsidiaries, Step-down Subsidiaries and Joint Ventures of Subsidiaries	(0.60)	(1,046.20)	-	-	-
Miscellaneous Expenditure written off	4.30	4.20	4.30	-	-
Liabilities No Longer Required written back	(29.10)	(79.30)	22.90	(11.30)	(0.40)
Investment written off	-	-	1.20	-	-
Fixed Assets written off	-	-	0.30	-	-
Dividend Income	(13.00)	(6.20)	(4.80)	(4.60)	(14.50)
Income from Trade Investments	-	(0.70)	-	(2.80)	(118.50)
Provision for Diminution in value of Stock for Trade	-	(4.10)	1.60	9.00	0.70
Provision for Diminution in value of Investments	50.30	-	-	4.50	13.80
(Profit)/ Loss on sale of Fixed Assets(net)	(4.30)	82.20	55.60	94.30	10.20
Loss / (Profit) on Sale of Long-Term Trade Investments (Net)	33.30	-	-	-	-
Profit on Sale of Current Investments (net)	(5.10)	-	-	-	-
Profit on Sale of Stock for Trade	(1.10)	(0.30)	-	-	-
Foreign Exchange Fluctuation Reserve	(92.30)	(73.90)	119.50	27.10	6.80
<b>Operating Profit before Working Capital Changes</b>	<b>5,508.30</b>	<b>5,534.60</b>	<b>5,063.80</b>	<b>5,030.80</b>	<b>3,058.90</b>
Adjustments for:					
(Increase) / Decrease in Receivables / Others	(6,213.90)	(3,298.50)	(5,042.10)	13,488.20	(14,058.70)
(Increase) / Decrease in Financial & Loan Assets	(9,872.70)	(26,559.20)	(47,629.70)	(35,790.80)	(11,989.50)
(Increase) / Decrease in Current Investments / Stock for Trade	176.40	(3,403.80)	37.40	(58.30)	2.60
(Increase) / Decrease in Fixed Deposit (having balance maturity of more than 3 months and less than 12 months)	1,138.40	672.90	(2,668.80)	(651.60)	62.30
(Decrease) / Increase in Trade Payables / Others	223.80	(30.00)	2,143.20	(237.30)	1,424.40
<b>Cash Generated from Operations</b>	<b>(9,039.70)</b>	<b>(27,084.00)</b>	<b>(48,096.20)</b>	<b>(18,219.00)</b>	<b>(21,500.00)</b>
Direct Taxes paid	(1,069.40)	(778.40)	(1,435.70)	(580.90)	(276.80)
<b>Net Cash (Used in) / Generated from Operating Activities</b>	<b>(10,109.10)</b>	<b>(27,862.40)</b>	<b>(49,531.90)</b>	<b>(18,799.90)</b>	<b>(21,776.80)</b>
<b>B. Cash Flows from Investing Activities</b>					
Purchase of Fixed Assets	(3,947.10)	(2,591.90)	(7,167.10)	(5,698.90)	(562.10)
Proceeds from Sale of Fixed Assets	94.80	92.40	102.30	94.80	11.30
(Increase) / Decrease in Non Current Investments (Net)	290.40	(46.30)	(842.10)	(1,424.20)	(2,296.80)
Income from Trade Investments	-	-	-	2.80	118.50
Dividend Received	13.00	6.20	4.80	4.60	14.50
<b>Net Cash (Used) / Generated in Investing Activities</b>	<b>(3,548.90)</b>	<b>(2,539.60)</b>	<b>(7,902.10)</b>	<b>(7,020.90)</b>	<b>(2,714.60)</b>
<b>C. Cash Flows from Financing Activities</b>					
Issue of Equity Capital (including premium)	-	99.40	-	-	-
(Increase) / Decrease of Goodwill on consolidation	-	(84.90)	-	-	-
Adjustment on disposal of Step-down Subsidiaries and Joint Venture of Subsidiary	0.60	686.30	-	-	-
Increase / (Decrease) in Debentures (net)	3,964.70	8,588.20	12,533.50	296.00	6,505.30
Increase / (Decrease) in Working Capital facilities (net)	13,360.10	21,880.80	34,069.20	21,261.20	5,481.90
Increase / (Decrease) in Other Loans (net)	(2,434.50)	(768.60)	12,661.20	3,790.20	10,781.40
Dividend Paid	(251.80)	(418.00)	(374.50)	(139.30)	(116.20)
Corporate Dividend Tax Paid	(42.80)	(40.80)	(61.30)	(23.20)	(19.80)
<b>Net Cash (Used) / Generated in Financing Activities</b>	<b>14,596.30</b>	<b>29,942.40</b>	<b>58,828.10</b>	<b>25,184.90</b>	<b>22,632.60</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>938.30</b>	<b>(459.60)</b>	<b>1,394.10</b>	<b>(635.90)</b>	<b>(1,858.80)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year / period</b>	<b>1,853.40</b>	<b>2,408.30</b>	<b>1,014.20</b>	<b>1,399.00</b>	<b>3,257.80</b>
Add: Cash & Cash Equivalents acquired on Amalgamation	-	-	-	251.10	-
Less: Adjustment of Cash & Cash Equivalents on disposal/cessation of Subsidiaries	-	(95.30)	-	-	-
<b>Cash &amp; Cash Equivalents at the end of the year / period</b>	<b>2,791.70</b>	<b>1,853.40</b>	<b>2,408.30</b>	<b>1,014.20</b>	<b>1,399.00</b>

## Explanations:

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 (AS 3) 'Cash Flow Statements' notified by the Central Government under Companies (Accounting Standards) Rules, 2006

2. Previous year's figures have been regrouped/ reclassified wherever necessary to conform to the current period's classification.

**1 Significant Accounting Policies****1.1 Basis of Preparation****Financial Year: 2013-14**

The consolidated financial statements have been prepared in conformity with Generally Accepted Accounting Principles ('GAAP') in India, to comply in all material respects with the notified Accounting Standards ('AS') under the Companies (Accounting Standards) Rules, 2006, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to an 'Infrastructure Finance Company – Non Deposit Taking' Non-Banking Finance Company ('NBFC'). The consolidated financial statements have been prepared under the historical cost convention, on accrual basis. The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.

**Financial Year: 2012-13 & 2011-12**

The consolidated financial statements have been prepared in conformity with Generally Accepted Accounting Principles in India, to comply in all material respects with the notified Accounting Standards ('AS') under the Companies Accounting Standard Rules, 2006, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to an 'Infrastructure Finance Company – Non Deposit Taking' Non-Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention, on accrual basis. The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.

**Financial Year: 2010-11 & 2009-10**

The consolidated financial statements have been prepared in conformity with Generally Accepted Accounting Principles in India, to comply in all material respects with the notified Accounting Standards ('AS') under the Companies Accounting Standard Rules, 2006, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to an Non-Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention, on accrual basis. The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.

**Presentation and disclosure in Financial Statements****Financial Year: 2012-13**

From the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. Except accounting for dividend on investment in subsidiary, the adoption of new Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements.

**Financial Year: 2011-12**

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. Except accounting for dividend on investment in subsidiary, the adoption of new Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous years figures in accordance with the requirements applicable in the current year.

**Financial Year: 2013-14, 2012-13 & 2011-12****Operating Cycle**

As per the revised Schedule VI, *"An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents"*.

For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating cycle for the company is assumed to have a duration of 12 months.

**Financial Year: 2012-13 & 2011-12****Current and Non-Current Asset**

An asset is classified as 'current' when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or
- it is held primarily for the purpose of being traded; or
- it is expected to be realised within twelve months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as 'non-current'.

A liability is classified as 'current' when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle; or
- it is held primarily for the purpose of being traded; or
- it is due to be settled within twelve months after the reporting date; or
- the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as 'non-current'.

**1.2 Use of estimates**

The preparation of consolidated financial statements requires the management to make estimates and assumptions which are considered to arrive at the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and the estimates are recognised in the periods in which the results are known / materialised. Any revision to the accounting estimates are recognised prospectively in the current and future years.

**1.3 Principles of Consolidation****Financial Year: 2012-13 & 2013-14**

Srei Infrastructure Finance Limited (the Holding Company) and its Subsidiaries (including their subsidiaries and joint ventures), Associates, Trusts and Joint Venture are collectively referred to as 'the Group'. The consolidated financial statements of the Group have been prepared in accordance with Accounting Standard 21 (AS-21) "Consolidated Financial Statements", Accounting Standard 23 (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS-27) "Financial Reporting of Interests in Joint Ventures" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006. The consolidated financial statements have been prepared on the following basis:

## Srei Infrastructure Finance Limited (Consolidated)

### Significant Accounting Policies

### Annexure - IX

- a) The financial statements of the Holding Company and its subsidiary companies have been combined on line by line basis by adding together the book value of like items of Assets, Liabilities, Income and Expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- b) In case of investments in subsidiaries, where the shareholding is less than 100%, minority interest in the net assets of consolidated subsidiaries consist of:
  - i) The amount of equity attributable to minorities at the date on which Investment in the subsidiary is made.
  - ii) The minorities' share of movements in equity since the date the holding subsidiary relationship came into existence.
- c) Foreign subsidiaries representing non integral foreign operations are translated for the purpose of consolidation, as follows (in accordance with AS – 11):
  - i) The assets and liabilities, both monetary and non-monetary, are translated at closing rate.
  - ii) Income and expense items are translated at average rate for the period.
  - iii) All resulting exchange differences are accumulated in foreign currency translation reserve until disposal of the net investment.
- d) Uniform accounting policies for like transactions and other events in similar circumstances have been adopted and presented, to the extent possible, in the same manner as the Holding Company's separate financial statements.
- e) The excess of cost of the Holding Company of its investment in the subsidiary over the Holding Company's portion of equity of the subsidiary as at the date of investment is recognised in the consolidated financial statements as Goodwill. It is tested for impairment on a periodic basis and written-off if found impaired.
- f) The excess of Holding Company's portion of equity of the Subsidiary, over cost as at the date of investment, is treated as Capital Reserve.
- g) Investment in associate is accounted using the equity method and disclosed separately in the Consolidated Balance Sheet.
- h) Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

#### **Financial Year: 2011-12, 2010-11, 2009-10**

Srei Infrastructure Finance Limited (the Holding Company) and its subsidiaries (including their subsidiaries, associate and joint venture) trusts and Joint Venture (including its subsidiary) are collectively referred to as 'the Group'. The consolidated financial statements of the Group have been prepared in accordance with Accounting Standard 21 (AS-21) "Consolidated Financial Statements", Accounting Standard 23 (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS-27) "Financial Reporting of Interests in Joint Ventures" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006. The consolidated financial statements have been prepared on the following basis:

## **Srei Infrastructure Finance Limited (Consolidated)**

### **Significant Accounting Policies**

### **Annexure - IX**

- a) The financial statements of the Holding Company and its subsidiary companies have been combined on line by line basis by adding together the book value of like items of Assets, Liabilities, Income and Expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- b) In case of investments in subsidiaries, where the shareholding is less than 100%, minority interest in the net assets of consolidated subsidiaries consist of:
  - i) The amount of equity attributable to minorities at the date on which Investment in the subsidiary is made.
  - ii) The minorities' share of movements in equity since the date the holding subsidiary relationship came into existence.
- c) Foreign subsidiaries representing non integral foreign operations are translated for the purpose of consolidation, as follows (in accordance with AS – 11):
  - i) The assets and liabilities, both monetary and non-monetary, are translated at closing rate.
  - ii) Income and expense items are translated at average rate for the period.
  - iii) All resulting exchange differences are accumulated in foreign currency translation reserve until disposal of the net investment.
- d) Uniform accounting policies for like transactions and other events in similar circumstances have been adopted and presented, to the extent possible, in the same manner as the Holding Company's separate financial statements.
- e) The excess of cost of the Holding Company of its investment in the subsidiary over the Holding Company's portion of equity of the subsidiary as at the date of investment is recognised in the consolidated financial statements as Goodwill. It is tested for impairment on a periodic basis and written-off if found impaired.
- f) The excess of Holding Company's portion of equity of the Subsidiary, over cost as at the date of investment, is treated as Capital Reserve.
- g) Investment in associate is accounted using the equity method and disclosed separately in the Consolidated Balance Sheet.
- h) Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

#### **1.4 Fixed Assets, Depreciation/Amortisation and Impairment**

##### **i) Fixed Assets**

Tangible Fixed Assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, which take substantial period of time to get ready for their intended use, are also capitalised to the extent they relate to the period till such assets are ready to put to use.

## Srei Infrastructure Finance Limited (Consolidated)

### Significant Accounting Policies

### Annexure - IX

Intangible Assets comprising of computer software and licenses expected to provide future enduring economic benefits are carried at cost less accumulated amortisation and impairment losses, if any. Cost comprises of purchase price and directly attributable expenditure on making the asset ready for its intended use. Any technology support cost or annual maintenance cost for such software is charged to the Statement of Profit and Loss.

#### ii) Depreciation / Amortisation

Depreciation / Amortisation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful lives of the respective fixed assets and the rates derived from such useful lives thereof are greater than or equal to the corresponding rates prescribed in Schedule XIV of the Act. The details of estimated useful life for each category of assets are as under:

#### Financial Year: 2013-14

	Asset category	Estimated Useful Life
<b>I</b>	<b>Assets for Own Use</b>	
i)	Buildings	45 - 61 years
ii)	Furniture & Fixtures	5-16 years
iii)	Motor Vehicles	11 years
iv)	Computers	3 - 6 years
v)	General Plant & Machinery	9 - 24 years
vi)	Equipments	6 - 25 years
vii)	Intangible Assets	2 - 6 years
<b>II</b>	<b>Assets for Operating Lease</b>	
i)	Aircrafts	9 - 18 years
ii)	Earthmoving Equipments	3 - 9 years
iii)	Motor Vehicles	3 - 6 years
iv)	Plant and Machinery	10 - 30 years
v)	Computers	3 - 6 years
vi)	Furniture & Fixtures	3 - 16 years

#### Financial Year: 2012-13 & 2011-12

	Asset category	Estimated Useful Life
<b>I</b>	<b>Assets for Own Use</b>	
i)	Buildings	45 - 61 years
ii)	Furniture & Fixtures	5-16 years
iii)	Motor Vehicles	11 years
iv)	Computers	4 - 6 years
v)	General Plant & Machinery	9 - 24 years
vi)	Equipments	6 - 25 years
vii)	Intangible Assets	3 - 6 years
<b>II</b>	<b>Assets for Operating Lease</b>	
viii)	Aircrafts	9 - 18 years
ix)	Earthmoving Equipments	3 - 9 years
x)	Motor Vehicles	3 - 6 years
xi)	Plant and Machinery	10 - 30 years
xii)	Computers	3 - 6 years
xiii)	Furniture & Fixtures	3 - 16 years

# Srei Infrastructure Finance Limited (Consolidated)

## Significant Accounting Policies

## Annexure - IX

### Financial Year: 2010-11

	Asset category	Estimated Useful Life
<b>I</b>	<b>Assets for Own Use</b>	
i)	Buildings	45 - 61 years
ii)	Furniture & Fixtures	5-16 years
iii)	Motor Vehicles	11 years
iv)	Computers	4 - 6 years
v)	General Plant & Machinery	9 - 24 years
vi)	Equipments	6 - 25 years
vii)	Intangible Assets	3 - 6 years
<b>II</b>	<b>Assets for Operating Lease</b>	
viii)	Aeroplane & Aircraft	9 - 18 years
ix)	Earthmoving Equipment	3 - 9 years
x)	Motor Vehicles	3 - 6 years
xi)	Plant and Machinery	10 - 21 years
xii)	Wind Mills	19 years
xiii)	Computers	3 - 6 years
xiv)	Furniture & Fixtures	3 - 16 years
xv)	Oil Rig	9 years
xvi)	Gas Genset	10 years
xvii)	Intangible Assets	3 - 6 years

### Financial Year: 2009-10

	Asset category	Estimated Useful Life
<b>I</b>	<b>Assets for Own Use</b>	
i)	Buildings	61 years
ii)	Furniture & Fixtures	16 years
iii)	Motor Vehicles	11 years
iv)	Computers	6 years
v)	General Plant & Machinery	21 years
vi)	Intangible Assets	6 years
<b>II</b>	<b>Assets for Operating Lease</b>	
vii)	Aeroplane & Aircraft	9 - 18 years
viii)	Ships	10 years
ix)	Earthmoving Equipments	3 - 9 years
x)	Motor Vehicles	3 - 6 years
xi)	Plant and Machinery	21 years
xii)	Wind Mills	19 years
xiii)	Computers	3 - 6 years
xiv)	Furniture & Fixtures	3 - 5 years
xv)	Solar Equipments	5 years
xvi)	Oil Rig	9 years
xvii)	Gas Genset	10 years
xviii)	Intangible Assets	3 - 6 years

**Financial Year: 2013-14, 2012-13, 2011-12, 2010-11 & 2009-10**

Fixed Assets costing up to ₹ 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

Depreciation / Amortisation on assets purchased / sold during the reporting period is recognised on pro-rata basis.

Lease-hold assets including improvements are amortised over the period of the lease or the estimated useful life of the asset, whichever is lower.

**iii) Impairment of Fixed Assets**

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

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

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

**1.5 Capital Work in Progress / Advance for Operating Lease**

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

**1.6 Borrowing Costs**

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

The ancillary costs incurred in connection with the arrangement of borrowings are amortised over the life of underlying borrowings. Premium payable on redemption of bonds is amortised over the tenure of the bonds. These form part of the borrowing costs.

Borrowing costs also include exchange differences arising from Foreign currency borrowings, to the extent they are regarded as an adjustment to the borrowing costs.

All other costs related to borrowings are recognised as expense in the period in which they are incurred.

**1.7 Operating Leases****Where the company is lessee**

Leases under which all the risks and benefit of ownership are effectively retained by the lessor are classified as operating leases. Amount due under the operating leases are charged to the Statement of Profit and Loss, on a straight –line method over the lease term in accordance with Accounting Standard 19 on 'Leases' as notified under the Companies (Accounting Standards) Rules, 2006.

**Where the company is lessor**

Leases under which the company does not transfer substantially all the risks and benefit of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Initial direct costs incurred before the asset is ready to be put to use, are included in the cost of the asset and those incurred afterwards, are recognised in the Statement of Profit and Loss as they are incurred. Lease income in respect of operating leases is recognised in the statement of Profit and Loss on a straight-line method over the lease term in accordance with Accounting Standard 19 on 'Leases' as notified under the Companies (Accounting Standards) Rules, 2006. Maintenance cost including depreciation are recognised as an expense in the Statement of Profit and Loss.

**1.8 Investments**

Investments which are readily realisable and intended to be held for not more than one years from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 on 'Accounting for Investments' as notified under the Companies (Accounting Standards) Rules, 2006. Current investments also include current maturities of long-term investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and market price determined category-wise. All non-current investments including investments in Subsidiary Companies, are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognise a decline, on an individual basis. The cost of Investments acquired on amalgamations is determined as per the terms of the scheme of amalgamation.

Cost is arrived at on weighted average method for the purpose of valuation of investment.

**1.9 Stock for Trade**

Stock for Trade is carried at lower of cost and market price, determined category-wise.

**1.10 Financial Assets**

Financial Assets include assets under Loan / Hypothecation facility. These are shown net of assets securitised.

Financial Assets are valued at net investment amount including installments fallen due and are net of unmatured / unearned finance charges, amounts received, assets not paid for, etc. and includes assets acquired in satisfaction of debt.

**1.11 Loan Assets****Financial Year: 2013-14 & 2012-13**

Loan Assets include loans advanced by the Company, secured by collateral offered by the customers, if applicable. These are shown net of assets securitised.

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

**Financial Year: 2011-12, 2010-11, & 2009-10**

Loan Assets include loans advanced by the Company, secured by collateral offered by the customers, if applicable. These are shown net of assets securitised.

Loan assets are carried at net investment amount including installments fallen due and are net of unmatured / unearned finance charges, amounts received, assets not paid for, etc.

**1.12 Provisioning / Write-off of assets****Financial Year: 2013-14**

The Company makes provision for Standard, Restructured and Non-Performing Assets as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time. The Company also makes additional provision towards loan assets, to the extent considered necessary, based on the management's best estimate. Provision for doubtful debtors towards fee based income is also made on similar basis.

**Financial Year: 2012-13 & 2011-12**

The Company makes provision for Standard and Non-Performing Assets as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time. The Company also makes additional provision towards loan assets, to the extent considered necessary, based on the management's best estimate. Provision for doubtful debtors towards fee based income is also made on similar basis.

**Financial Year: 2010-11**

The Company makes provision for Standard and Non-Performing Assets as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time. The Company also makes additional provision towards loan assets, to the extent considered necessary, based on the management's best estimate.

Provision for doubtful debtors towards fee based income is provided based on management's best estimate.

## Srei Infrastructure Finance Limited (Consolidated)

### Significant Accounting Policies

### Annexure - IX

#### Financial Year: 2009-10

Provisions for non performing assets are considered in the financial statements according to Prudential Norms prescribed by the Reserve Bank of India (RBI) for Non-Banking Financial Companies. Additional provision as per the norms of Foreign Financial Institutions (FFI) has also been made as follows:

#### Loan Assets:

Asset Classification	Arrear period	Provision as per RBI	Provision as per FFI	Provision adopted by the Company
		% of Portfolio	% of Portfolio	% of Portfolio
Standard	Upto 90 days	Nil	Nil	Nil
	91 to 180 days	Nil	20	20
Sub-Standard	181 to 360 days	10	50	50
	361 to 365 days	10	100	100
	More than 12 months to 24 months	10	100	100
Doubtful (Unsecured)	More than 24 months	100	100	100
Doubtful (Secured)	More than 24 months to 36 months	20	100	100
	More than 36 months to 60 months	30	100	100
	Above 60 months	50	100	100
Loss	As per Management discretion	100	100	100

#### Operating Lease Assets:

Asset Classification	Arrear period	Provision as per RBI	Provision as per FFI	Provision adopted by the Company
		% of Portfolio	% of Portfolio	% of Portfolio
Standard	Upto 90 days	Nil	Nil	Nil
	91 to 180 days	Nil	20	20
	181 to 360 days	Nil	50	50
	361 to 365 days	Nil	100	100
Sub-Standard	More than 12 months to 24 months	10	100	100
	More than 24 months to 30 months	40	100	100
Doubtful	More than 30 months to 36 months	40	100	100
	More than 36 months to 48 months	70	100	100
	More than 48 months	100	100	100
Loss	As per Management discretion	100	100	100

#### Financial Year: 2009-10

Provision for other debts arising from services is considered in the financial statements according to the Prudential Norms prescribed by the Reserve Bank of India for Non-Banking Financial Companies.

#### Financial Year: 2013-14, 2012-13, 2011-12, 2010-11 & 2009-10

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

In the financial statements of a foreign sub-subsidiary, provision for doubtful debtors has been determined based on specific customer identification, customer payment trends, subsequent receipts and settlements and analysis of expected future cash flows.

**1.13 Foreign Currency Transactions, Translations and Derivative Contracts**

The reporting currency of the Company is the Indian Rupee (₹).

**i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the prevailing exchange rate between the reporting currency and the foreign currency, as on the date of the transaction.

**ii) Conversion**

Year end foreign currency monetary items are reported using the year end rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates prevailing at the date when the values were determined.

**iii) Exchange Differences****Financial Year: 2013-14 & 2012-13**

Exchange differences arising on the settlement or reporting of monetary items, at rates different from those at which they were initially recorded during the year or reported in previous consolidated financial statements and / or on conversion of monetary items, are recognised as income or expense in the year in which they arise. Exchange differences arising out of foreign currency borrowings are considered as an adjustment to interest cost and recognised in accordance to para 1.6 above.

**Financial Year: 2011-12, 2010-11 & 2009-10**

Exchange differences arising on the settlement or reporting of monetary items, at rates different from those at which they were initially recorded during the year or reported in previous financial statements and / or on conversion of monetary items, are recognised as income or expense in the year in which they arise. Exchange differences arising out of foreign currency borrowings are considered as an adjustment to interest cost and recognised in accordance to para 1.6 above.

**iv) Forward Exchange Contracts (not intended for trading or speculation purpose)**

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense in the year in which it is cancelled or renewed.

**v) Derivatives and Hedges****Financial Year: 2013-14, 2012-13, 2011-12 & 2010-11**

In terms of the announcement made by The Institute of Chartered Accountants of India, the accounting for derivative contracts (other than those covered under AS-11) is done based on the "marked to market" principle, on a portfolio basis and the net loss, after considering the offsetting effect on the underlying hedged item, is charged to the Statement of Profit and Loss. Net gains are ignored as a matter of prudence.

**Financial Year: 2009-10**

In respect of Derivative contracts, premium paid, gains/losses on settlement and provisions for losses determined in accordance with principles of prudence, on category wise basis, are recognised in the Profit & Loss account.

**1.14 Revenue Recognition****Financial Year: 2013-14**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company, it can be reliably measured and it is reasonable to expect ultimate collection.

**Financial Year: 2012-13, 2011-12, 2010-11 & 2009-10**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**i) Income from Financial Assets, Loans and Leases:**

Income from Financial assets, Loans and Leases are recognised in the Statement of Profit and Loss on accrual basis as stated herein below, except in the case of non-performing assets where it is recognised, upon realisation, as per the Prudential Norms / Directions of RBI, applicable to NBFCs.

**A) Financial Assets & Loans:**

- a) Interest income from financial and loan assets is recognised based on the internal rate of return, to provide a constant periodic rate of return on the net investment outstanding over the period of the contract, or as per the terms of the contract.
- b) Fees on processing of loans are recognised when a binding obligation for granting loan has been entered into.

**c) Financial Year: 2013-14**

Delayed payment interest / incremental in interest pursuant to upward revision in benchmark interest rate is accrued, due to uncertainty of realisation, only to the extent of probable recovery, as per the best estimate of the management.

**Financial Year: 2012-13, 2011-12, 2010-11 & 2009-10**

Delayed-payment interest/ incremental interest pursuant to upward revision in benchmark interest rate is accrued, only to the extent of probable recovery, as per the best estimate of the management.

- d) Gains arising on securitisation / assignment of assets, if any, are recognised over the tenure of agreements as per guideline on securitisation of standard assets issued by RBI, while loss, if any is recognised upfront. These are considered as income from financial / loan assets under the head 'Revenue from Operations'.
- e) **Financial Year: 2012-13, 2011-12, 2010-11 & 2009-10**  
Income arising from co-branded arrangements is accounted on accrual basis over the life of the contract as provided under respective arrangements.

**B) Leases:****Financial Year: 2013-14, 2012-13, 2011-12 & 2010-11**

Income from operating lease is recognised on straight line basis over the lease term or other systematic basis which is more representative of the time pattern of the users benefit.

**Financial Year: 2009-10**

It is recognised as rentals, as accrued over the period of lease, net of value added tax, if applicable.

**ii) Income from Information Technology (IT) Infrastructure and Common ServiceCentre (CSC) Services**

Income from IT Infrastructure is recognised on despatch of goods to customers, when all significant risks and rewards of ownership are transferred to the buyer as per the terms of sale and is accounted for as net of returns. Income, as disclosed, is exclusive of value added tax.

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Receipts on account of CSC Services are accounted for in accordance with the terms of the relevant underlying agreements with the Village Level Entrepreneurs (VLE) and service providers.

#### iii) Government Support

Government support is recognised on the basis of claims raised arising out of reasonable assurance that the Company will comply with the conditions attached with them and there is reasonable certainty of collection of the grants.

#### iv) Income from Equipment Rental

##### **Financial Year: 2013-14, 2012-13, 2011-12 & 2010-11**

Revenue is recognised in accordance with Accounting Standard (AS-9) "Revenue Recognition" on the basis of rendering of services to customers on a proportionate time basis, in accordance with the respective Contracts / Agreements.

#### v) Fee Based Income

Fees for advisory services are accounted based on the stage of completion of assignments, when there is reasonable certainty of its ultimate realisation/ collection.

Other fee based income is accounted for on accrual basis.

#### vi) Other Operating Income

- a) Income from Dividend of shares of corporate bodies is accounted when the Company's right to receive the dividend is established.
- b) Income from investment in units of Funds is recognised on cash basis as per the Prudential Norms of RBI.
- c) Interest income on fixed deposits / margin money is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- d) Profit or Loss on sale of non-current and current investments are recognised when a binding obligation has been entered into.
- e) Claims lodged with the insurance companies are accounted for on accrual basis, to the extent these are measurable and ultimate collection is reasonably certain.
- f) All other operating income is accounted for on accrual basis.

### 1.15 Retirement and Other Employee Benefits

- a) Retirement and employee benefits in the form of Provident Fund and Employee State Insurance are defined contribution plans and the Company's contributions, paid or payable during the reporting period, are charged to the Statement of Profit and Loss.
- b) Gratuity liability is a defined benefit plan and is provided for on the basis of actuarial valuation on projected unit credit method at the Balance Sheet date.
- c) **Financial Year: 2013-14, 2012-13, 2011-12 & 2010-11**  
Long-Term compensated absences are provided for based on actuarial valuation as per projected unit credit method at the Balance Sheet date.

##### **Financial Year: 2009-10**

Short term employee benefits based on expected obligation on undiscounted basis are recognised as expense in the Profit and Loss account of the period in which the related service is rendered.

- d) Actuarial gains / losses are charged to the Statement of Profit and Loss and are not deferred.

**1.16 Taxes on Income**

Tax expense comprises of current tax [(net of Minimum Alternate Tax (MAT) credit entitlement)] and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax reflects the impact of timing differences between taxable income and accounting income for the current year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**1.17 Segment Reporting****Financial Year: 2013-14, 2012-13, 2011-12 & 2010-11**

Based on the risks and returns associated with business operations and in terms of Accounting Standard-17 (Segment Reporting), the Group is predominantly engaged in 'Financial Services' and 'Infrastructure Equipment Services' as primary reportable segments.

**Financial Year: 2009-10**

Based on the risks and returns associated with business operations and in terms of Accounting Standard-17 (Segment Reporting), the Group is predominantly engaged in 'Financial Services' as primary reportable segments.

**1.18 Provision, Contingent Liabilities and Contingent Assets**

A provision is recognised when the company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

**Financial Year: 2012-13, 2011-12, 2010-11 & 2009-10**

Provision for Income Tax for the assessments completed which are pending under appeals and for the current year/period have been made to the extent considered necessary by the management.

**Financial Year: 2012-13, 2011-12, 2010-11 & 2009-10****1.19 Cash and Cash Equivalents**

Cash and cash equivalents in the Cash Flow Statement comprises of cash on hand, cash at Bank, demand deposits with banks, cheques on hand, remittances in transit and short-term highly liquid investments with an original maturity of three months or less.

**1.20 Earnings Per Share (EPS)**

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**1.21 Assets under Management**

Contracts securitised, assigned or co-branded are derecognised from the books of accounts. Contingent liabilities thereof, if any, are disclosed separately in the notes to consolidated financial statements.

**1.22 Prior Period and Extra Ordinary Items**

Prior Period and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed separately.

**1.23 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Cost of inventory is determined using the 'weighted average' basis and includes all costs incurred in bringing the goods to their present location and condition.

The Company provides for obsolete, slow-moving and damaged inventory based on management estimates of the usability of such inventory.

**1.24 Miscellaneous Expenditure**

The expenses incurred on issue of Equity Shares, Global Depository Receipts (GDRs), Long-Term Bonds and Debentures are amortised as follows:-

- i) Expenses on issue of Equity Shares and GDRs are amortised over a period of ten years.
- ii) Expenses on issue of Bonds and Debentures are amortised over the tenure of the respective Bonds and Debentures.

Preliminary expenses are written off in the year of incurrence.

Schedules to the Statement of Assets and Liabilities, As Reformatted

2. SHARE CAPITAL

Particulars	As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012		As at 31st March, 2011		As at 31st March, 2010	
	No. of Shares	Amount (₹ In Millions)	No. of Shares	Amount (₹ In Millions)	No. of Shares	Amount (₹ In Millions)	No. of Shares	Amount (₹ In Millions)	No. of Shares	Amount (₹ In Millions)
<b>Authorised</b>										
Equity Shares, ₹ 10/- par value per share	1,000,000,000	10,000.00	710,000,000	7,100.00	710,000,000	7,100.00	710,000,000	7,100.00	400,000,000	4,000.00
Preference Shares, ₹ 100/- par value per share	50,000,000	5,000.00	10,000,000	1,000.00	10,000,000	1,000.00	10,000,000	1,000.00	30,000,000	3,000.00
<b>Issued and subscribed</b>										
Equity Shares, ₹ 10/- par value per share	503,559,160	5,035.60	503,559,160	5,035.60	503,559,160	5,035.60	503,559,160	5,035.60	116,617,625	1,166.20
<b>Fully Paid-up</b>										
Equity Shares, ₹ 10/- par value per share	503,086,333	5,030.90	503,086,333	5,030.90	503,086,333	5,030.90	503,086,333	5,030.90	116,144,798	1,161.40
Forfeited Shares (472,827 Equity Shares)	472,827	1.50	472,827	1.50	472,827	1.50	472,827	1.50	472,827	1.50
<b>Total</b>		<b>5,032.40</b>		<b>5,032.40</b>		<b>5,032.40</b>		<b>5,032.40</b>		<b>1,162.90</b>

3. RESERVES AND SURPLUS

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Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>Capital Reserves</b>					
Opening balance	201.50	214.00	210.40	197.90	19.90
Add :- Addition/(Deduction) during the year/period	-	(12.50)	3.60	12.50	178.00
Closing balance	201.50	201.50	214.00	210.40	197.90
<b>Securities Premium Reserve</b>					
Opening balance	6,257.80	6,158.40	6,030.90	6,957.40	6,957.40
Add :- Addition/(Deduction) during the year/period	-	99.40	127.50	2.70	-
Less: Issuance of Bonus shares	-	-	-	(929.20)	-
Closing balance	6,257.80	6,257.80	6,158.40	6,030.90	6,957.40
<b>Bond/Debt Redemption Reserve</b>					
Opening balance	2,407.60	1,735.70	1,053.10	630.30	563.60
Add :- Addition/(Deduction) during the year/period	860.20	781.50	793.40	532.30	66.70
Less: Transfer/Adjustment	-	(109.60)	(110.80)	(109.50)	-
Closing balance	3,267.80	2,407.60	1,735.70	1,053.10	630.30
<b>Foreign Currency Translation Reserve</b>					
Opening balance	39.10	113.00	(6.50)	(33.60)	(40.40)
Add :- Addition/(Deduction) during the year/period	(92.30)	(73.90)	119.50	27.10	6.80
Closing balance	(53.20)	39.10	113.00	(6.50)	(33.60)
<b>Special Reserve (Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934)</b>					
Opening balance	2,420.00	1,960.00	1,646.10	1,246.30	931.20
Add :- Addition/(Deduction) during the year/period	344.10	460.00	313.90	399.80	315.10
Closing balance	2,764.10	2,420.00	1,960.00	1,646.10	1,246.30
<b>General Reserve</b>					
Opening balance	13,680.30	13,680.70	13,680.30	173.70	143.70
Add: Addition on account of Amalgamation	-	-	-	13,787.00	-
Add: Transferred from Surplus/(Deficit) balance in the statement of Profit and Loss	-	-	-	0.20	-
(Less)/Add: Adjusted during the year/period	0.10	(0.40)	0.40	(280.60)	30.00
Closing balance	13,680.40	13,680.30	13,680.70	13,680.30	173.70
<b>Surplus</b>					
Opening balance	3,931.70	2,892.50	3,033.90	2,561.80	1,577.50
Less: Adjustment on account of adoption of AS-15 (revised) Employee Benefits	-	-	-	-	-
Less: Adjustment on account of Amalgamation	-	-	-	(57.00)	-
Add: Net profit after tax transfer from Statement of Profit and Loss	1,385.10	2,631.80	1,114.20	1,792.40	1,558.60
Amount available for appropriation	5,316.80	5,524.30	4,148.10	4,297.20	3,136.10
<b>Appropriations:</b>					
Proposed dividend	251.80	417.90	251.50	377.80	139.40
Corporate dividend tax on proposed dividend	42.80	42.80	39.30	62.80	23.10
Profit on sale of Investment in Subsidiaries	-	-	(31.20)	-	-
Adjustment due to conversion of Subsidiary into Joint Venture	-	-	-	-	-
Profit on sale of Investment in Associate	-	-	(0.50)	-	-
Transferred to General Reserve	0.10	-	-	0.20	30.00
Transferred to Special Reserve	344.10	460.00	313.90	399.70	315.10
Transferred to Bond/Debt Redemption Reserve (net)	860.20	671.90	682.60	422.80	66.70
Closing balance	3,817.80	3,931.70	2,892.50	3,033.90	2,561.80
<b>Total Reserves and Surplus</b>	<b>29,936.20</b>	<b>28,938.00</b>	<b>26,754.30</b>	<b>25,648.20</b>	<b>11,733.80</b>

4. LONG-TERM BORROWINGS ( Non- Current Maturities)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>A. Secured</b>					
<b>Bonds/Debentures</b>					
Foreign Guaranteed Local Currency Bonds	-	-	-	-	18.70
Long-Term Infrastructure Bonds	248.90	248.90	248.90	-	-
Non-Convertible Debentures	14,021.50	13,311.10	9,359.70	4,175.10	2,924.60
<b>Term Loans</b>					
From Banks					
- Rupee Loans	24,945.70	23,188.30	16,525.20	14,138.40	15,831.10
- Foreign Currency Loans	9,210.70	9,554.90	12,515.60	10,251.20	8,633.50
From Financial Institutions					
- Rupee Loans	1,865.00	1,110.30	330.70	444.30	415.90
- Foreign Currency Loans	3,855.90	4,760.10	6,450.90	6,351.80	3,886.20
<b>Deferred Payment Liabilities</b>	-	-	-	-	-
<b>Deposits</b>					
Public Deposits	-	-	-	1.60	5.20
<b>Other Loans</b>					
Buyer's Credit from Banks - Foreign Currency Loans	-	49.40	220.30	451.20	-
<b>(A)</b>	<b>54,147.70</b>	<b>52,223.00</b>	<b>45,651.30</b>	<b>35,813.60</b>	<b>31,715.20</b>
<b>B. Unsecured</b>					
<b>Bonds/Debentures</b>					
Non-Convertible Debentures	-	-	-	-	100.00
Subordinated Perpetual debentures (Tier I Capital)	187.50	187.50	187.50	-	-
Subordinated bonds/debentures (Tier II Capital)	15,298.90	13,511.90	9,090.00	5,177.60	4,131.60
Zero Coupon Redeemable Convertible Bonds	-	-	225.20	179.50	-
0.1% Non-Convertible Cumulative Redeemable Preference Shares	1.40	1.40	7.30	7.30	-
<b>Term Loans</b>					
From Banks :					
Rupee Loans					
-Subordinated loans from banks (Tier II Capital)	1,250.00	1,250.00	1,250.00	-	-
-Other term loans from banks	75.00	175.00	275.00	625.00	-
Foreign Currency Loans					
-Other term loans from banks	-	-	-	201.90	-
From Other Parties:					
Foreign Currency Loans					
-Subordinated loans from financial institution (Tier II Capital)	-	-	-	-	247.80
-Other term loans from financial institution	67.20	182.70	227.80	72.70	-
<b>Loans Repayable on Demand:</b>					
Others					
Foreign Currency Loans	-	-	352.80	282.50	-
<b>Deposits</b>					
Inter Corporate Deposits	8.90	8.90	8.90	-	-
<b>Other loans and advances:-</b>					
From Banks					
Foreign Currency Loans	-	-	-	-	26.30
From other parties					
Foreign Currency Loans from financial institution	-	-	-	-	85.40
<b>(B)</b>	<b>16,888.90</b>	<b>15,317.40</b>	<b>11,624.50</b>	<b>6,546.50</b>	<b>4,591.10</b>
<b>Total (A+B)</b>	<b>71,036.60</b>	<b>67,540.40</b>	<b>57,275.80</b>	<b>42,360.10</b>	<b>36,306.30</b>

LONG-TERM BORROWINGS (Current Maturities)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>A. Secured</b>					
<b>Bonds/Debentures</b>					
Foreign Guaranteed Local Currency Bonds	-	-	-	18.80	18.80
Non-Convertible Debentures	4,861.80	2,082.00	3,126.90	1,216.50	181.80
<b>Term Loans</b>					
From Banks					
- Rupee Loans	11,504.90	13,312.10	11,393.00	8,806.50	6,441.40
- Foreign Currency Loans	1,792.30	2,306.90	3,819.70	4,975.20	1,135.90
From Financial Institutions					
- Rupee Loans	590.50	312.00	115.20	187.30	143.00
- Foreign Currency Loans	1,403.90	2,061.10	769.30	533.50	728.90
<b>Deferred Payment Liabilities</b>	-	-	-	-	0.10
<b>Deposits</b>					
Public Deposits	-	-	1.60	2.90	2.40
<b>Other Loans</b>					
Buyer's Credit from Banks - Foreign Currency Loans	159.40	253.70	332.00	4.80	0.20
<b>(A)</b>	<b>20,312.80</b>	<b>20,327.80</b>	<b>19,557.70</b>	<b>15,745.50</b>	<b>8,652.50</b>
<b>B. Unsecured</b>					
<b>Bonds/Debentures</b>					
Non-Convertible Debentures	-	-	-	430.00	-
Subordinated bonds/debentures (Tier II Capital)	-	-	52.70	79.00	79.00
<b>Term Loans</b>					
From Banks					
Rupee Loans					
Other term loans from banks	100.00	100.00	100.00	25.10	-
From other parties					
Rupee Loans					
Subordinated loans from financial institution (Tier II Capital)	-	-	-	-	30.30
Other term loans from financial institution	137.90	98.00	21.50	500.00	-
Foreign Currency Loans					
Other term loans from financial institution	-	-	-	56.80	-
<b>Loans Repayable on Demand:</b>					
Others					
Foreign Currency Loans	-	-	30.60	27.00	-
<b>Other loans and advances:-</b>					
From Banks					
Rupee Loans	-	-	-	-	-
Foreign Currency Loans	-	-	-	-	41.50
From other parties					
Rupee Loan from financial institution	-	-	-	-	-
Foreign Currency Loans from financial institution	-	-	-	-	24.30
<b>(B)</b>	<b>237.90</b>	<b>198.00</b>	<b>204.80</b>	<b>1,117.90</b>	<b>175.10</b>
<b>Total (A+B)</b>	<b>20,550.70</b>	<b>20,525.80</b>	<b>19,762.50</b>	<b>16,863.40</b>	<b>8,827.60</b>

5. OTHER LONG-TERM LIABILITIES

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Acceptances	40.80	22.90	48.60	154.70	-
Interest Accrued but not due on Borrowings	195.50	282.90	0.50	0.20	0.40
Sundry liabilities (Interest Capitalisation) Account	47.20	-	-	-	-
Capital Advances	-	-	0.90	7.50	7.50
Security Deposits & Retentions	516.00	522.50	648.50	246.80	104.60
Payable on Derivative Contracts	-	-	15.60	30.50	1.70
<b>Total</b>	<b>799.50</b>	<b>828.30</b>	<b>714.10</b>	<b>439.70</b>	<b>114.20</b>

6. LONG-TERM PROVISIONS

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Provision for Employee Benefits (Non-Current Portion)					
Gratuity	22.20	36.90	34.50	27.20	15.00
Unavailed Leave	31.50	33.50	67.80	48.20	14.80
<b>(A)</b>	<b>53.70</b>	<b>70.40</b>	<b>102.30</b>	<b>75.40</b>	<b>29.80</b>
Other Provisions					
Provision for Non-Performing Assets	1,202.80	1,040.80	796.40	641.30	491.70
Contingent Provisions against Standard Assets	259.60	243.40	138.20	108.00	-
Provision for Restructured Assets	9.40	-	-	-	-
Provision for Premium on Unsecured Subordinated Bonds	-	-	-	2.00	9.00
<b>(B)</b>	<b>1,471.80</b>	<b>1,284.20</b>	<b>934.60</b>	<b>751.30</b>	<b>500.70</b>
<b>Total (A+B)</b>	<b>1,525.50</b>	<b>1,354.60</b>	<b>1,036.90</b>	<b>826.70</b>	<b>530.50</b>

7. SHORT-TERM BORROWINGS

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>A. Secured</b>					
<b>Bond/debentures</b>					
Non-convertible Debentures	-	1,312.50	-	500.00	1,166.50
<b>Term loans</b>					
From Banks					
Rupee Loans	375.00	-	5,236.60	2,028.60	1,454.20
Foreign Currency Loans	-	407.20	508.70	320.60	-
From other financial institutions					
Foreign Currency Loans	-	-	-	254.50	-
<b>Loans repayable on demand</b>					
Working Capital Facilities from banks					
Rupee Loans	70,015.00	55,425.00	27,985.50	19,395.90	7,285.50
Foreign Currency Loans	-	-	-	-	-
Cash Credit					
Rupee Loan	66.20	26.20	31.50	19.60	500.90
<b>Deposits</b>					
Public Deposits	-	-	-	0.10	39.20
<b>Other Loans</b>					
Working Capital Facilities	30,401.60	30,904.80	36,881.70	13,043.90	4,235.20
Buyer's credit from banks - Foreign Currency Loan	1,136.80	1,759.80	1,313.70	236.10	647.00
<b>(A)</b>	<b>101,994.60</b>	<b>89,835.50</b>	<b>71,957.70</b>	<b>35,799.30</b>	<b>15,328.50</b>
<b>B. Unsecured</b>					
Non-convertible Debentures	-	-	-	445.00	3,365.00
<b>Term loans</b>					
From Banks					
Rupee Loans	-	-	-	-	-
Foreign Currency Loans	-	-	-	2.80	-
From other parties					
Rupee Loans					
Other term loans from financial institution	-	-	-	-	-
<b>Deposits</b>					
Inter Corporate Deposits					
From Others	1,512.60	1,506.80	1,506.80	639.40	15.00
<b>Other Loans</b>					
Rupee Loan from Banks	-	900.00	1,500.00	1,250.00	-
Commercial Papers					
From Banks	-	-	-	-	141.00
From Others	2,578.50	2,506.80	7,155.70	2,578.40	1,565.90
<b>(B)</b>	<b>4,091.10</b>	<b>4,913.60</b>	<b>10,162.50</b>	<b>4,915.60</b>	<b>5,086.90</b>
<b>Total (A+B)</b>	<b>106,085.70</b>	<b>94,749.10</b>	<b>82,120.20</b>	<b>40,714.90</b>	<b>20,415.40</b>

8. TRADE PAYABLES

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Trade Payables					
For Services	456.90	346.80	3,308.40	2,331.90	2,808.70
Acceptances	323.50	162.70	968.10	547.90	78.40
Due to others					
Operating Lease	1,051.50	1,678.70	-	16.10	0.30
<b>Total</b>	<b>1,831.90</b>	<b>2,188.20</b>	<b>4,276.50</b>	<b>2,895.90</b>	<b>2,887.40</b>

9. OTHER CURRENT LIABILITIES - OTHERS

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Interest Accrued but not due on Borrowings	2,347.80	1,558.10	1,131.00	626.80	384.10
Interest accrued and due on borrowings	31.60	229.50	-	-	-
Interest accrued but not due on others	-	14.40	-	-	-
For Capital Goods	5.90	6.50	209.30	-	0.50
Sundry liabilities (Interest Capitalisation) Account	155.80				
Advance from Customers	80.10	123.10	142.10	173.20	200.00
Bank overdraft	0.80	0.70	2.50	5.80	145.50
Payable to Employees	80.50	177.60	123.60	37.50	22.60
Interest swap	-	0.10	1.90	13.00	-
Statutory Liabilities	175.30	80.40	148.70	305.70	50.50
Security Deposits & Retentions	383.40	275.60	73.40	168.20	9.40
Forward contract payable	43.90	81.00	48.30	9.50	5.50
Commission Payable to Directors	22.30	24.50	20.80	17.50	7.10
Unclaimed Dividend (refer note 9.1)	3.50	3.80	3.90	3.70	3.60
Unclaimed Matured Public Deposits and Interest Accrued thereon (refer note 9.1)	3.10	3.50	3.80	5.00	6.60
Unclaimed Interest on Bonds & Debentures (refer note 9.1)	0.10	-	-	-	-
Liability for Operating Expenses	268.30	332.00	302.80	357.40	225.20
Loss payable on Forward Exchange Contracts	-	4.60	-	16.60	1.50
<b>Total</b>	<b>3,602.40</b>	<b>2,915.40</b>	<b>2,212.10</b>	<b>1,739.90</b>	<b>1,062.10</b>

9.1 To be credited to Investor Education and Protection Fund as and when due.

10. SHORT-TERM PROVISIONS

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Provision for Employee Benefits (Current Portion)					
Gratuity	10.00	7.60	5.10	7.80	0.10
Unavailed leave	45.50	42.70	11.60	12.60	9.30
<b>(A)</b>	<b>55.50</b>	<b>50.30</b>	<b>16.70</b>	<b>20.40</b>	<b>9.40</b>
Other Provisions					
Provision for Doubtful Vendor Advances	-	-	12.80	0.70	-
Provision towards customer claims	-	-	-	30.80	-
Proposed Dividend	251.80	251.50	251.50	377.80	139.40
Provision for Corporate Dividend Tax	42.80	42.80	40.80	62.80	23.10
Provision for Premium on Unsecured Subordinated Bonds	-	-	10.80	15.80	15.80
Contingent Provision against Standard Assets	170.00	156.50	202.20	115.60	-
Provision for Taxation (net of Advance tax/Tax deducted at source)	-	-	-	275.70	-
<b>(B)</b>	<b>464.60</b>	<b>450.80</b>	<b>518.10</b>	<b>879.20</b>	<b>178.30</b>
<b>Total (A+B)</b>	<b>520.10</b>	<b>501.10</b>	<b>534.80</b>	<b>899.60</b>	<b>187.70</b>

Note 11

Fixed Assets

₹ In Mio

Particulars	Gross Block					Accumulated Depreciation / Amortisation and Impairment					Net Block				
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
<b>I. Tangible Assets:</b>															
Assets for Own use:															
Land- Freehold	1.10	1.10	216.90	249.00	23.50	-	-	-	-	-	1.10	1.10	216.90	249.00	23.50
Land - Leasehold	-	-	14.70	14.70	-	-	-	0.10	0.10	-	-	-	14.60	14.60	-
Buildings	1,431.30	1,431.30	1,486.40	1,468.90	248.40	99.80	73.80	54.60	27.40	7.40	1,331.50	1,357.50	1,431.80	1,441.50	241.00
Leasehold Improvements	529.60	308.90	227.10	130.90	2.10	98.10	54.50	23.10	9.00	-	431.50	254.40	204.00	121.90	2.10
Furniture and Fixtures	418.80	232.80	286.50	226.90	129.00	92.30	66.20	66.80	46.50	24.30	326.50	166.60	219.70	180.40	104.70
Motor Vehicles	67.80	70.30	82.80	18.50	8.20	27.00	18.00	10.80	5.60	2.10	40.80	52.30	72.00	12.90	6.10
Machinery	1,054.40	1,038.30	1,314.80	1,264.50	19.40	446.20	412.80	466.10	434.00	2.20	608.20	625.50	848.70	830.50	17.20
Equipment	1,341.70	1,393.70	8,645.60	8,035.20	-	571.30	496.70	1,874.10	1,452.70	-	770.40	897.00	6,771.50	6,582.50	-
Computer	37.90	37.30	179.60	278.20	139.30	22.30	21.50	87.20	80.90	48.60	15.60	15.80	92.40	197.30	90.70
Office Equipment	203.60	138.90	150.20	-	-	54.40	41.00	39.40	-	-	149.20	97.90	110.80	-	-
<b>Total A</b>	<b>5,086.20</b>	<b>4,652.60</b>	<b>12,604.60</b>	<b>11,686.80</b>	<b>569.90</b>	<b>1,411.40</b>	<b>1,184.50</b>	<b>2,622.20</b>	<b>2,056.20</b>	<b>84.60</b>	<b>3,674.80</b>	<b>3,468.10</b>	<b>9,982.40</b>	<b>9,630.60</b>	<b>485.30</b>
<b>Assets for Operating Lease:</b>															
Aeroplane/Aircrafts	239.00	239.00	239.00	239.00	305.80	149.70	125.70	100.80	75.90	58.80	89.30	113.30	138.20	163.10	247.00
Earthmoving Equipments	1,585.30	1,381.10	1,240.00	432.60	332.90	637.00	515.70	307.70	146.20	98.90	948.30	865.40	932.30	286.40	234.00
Motor Vehicles	3,093.50	2,748.90	2,343.50	1,036.20	826.00	1,521.60	1,175.50	781.00	489.20	320.80	1,571.90	1,573.40	1,562.50	547.00	505.20
Plant & Machinery	7,408.80	7,015.60	5,880.50	3,781.20	1,671.80	1,416.80	1,034.90	697.20	463.60	243.40	5,992.00	5,980.70	5,183.30	3,317.60	1,428.40
Computers	1,335.60	1,197.00	941.90	484.80	93.20	519.40	345.70	171.40	59.30	11.40	816.20	851.30	770.50	425.50	81.80
Furniture and Fixtures	306.30	231.40	148.60	103.40	75.00	101.40	54.20	26.70	14.90	10.20	204.90	177.20	121.90	88.50	64.80
<b>Total B</b>	<b>13,968.50</b>	<b>12,813.00</b>	<b>10,793.50</b>	<b>6,077.20</b>	<b>3,304.70</b>	<b>4,345.90</b>	<b>3,251.70</b>	<b>2,084.80</b>	<b>1,249.10</b>	<b>743.50</b>	<b>9,622.60</b>	<b>9,561.30</b>	<b>8,708.70</b>	<b>4,828.10</b>	<b>2,561.20</b>
<b>Total I (A+B)</b>	<b>19,054.70</b>	<b>17,465.60</b>	<b>23,398.10</b>	<b>17,764.00</b>	<b>3,874.60</b>	<b>5,757.30</b>	<b>4,436.20</b>	<b>4,707.00</b>	<b>3,305.30</b>	<b>828.10</b>	<b>13,297.40</b>	<b>13,029.40</b>	<b>18,691.10</b>	<b>14,458.70</b>	<b>3,046.50</b>
<b>II. Intangible Assets:</b>															
<b>Assets for Own use</b>															
Computer Softwares	237.70	75.60	173.20	135.20	48.70	90.60	54.20	85.90	50.20	9.90	147.10	21.40	87.30	85.00	38.80
Tenancy Rights	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.30	0.20	-	-	-	0.10	0.20
<b>Total C</b>	<b>238.10</b>	<b>76.00</b>	<b>173.60</b>	<b>135.60</b>	<b>49.10</b>	<b>91.00</b>	<b>54.60</b>	<b>86.30</b>	<b>50.50</b>	<b>10.10</b>	<b>147.10</b>	<b>21.40</b>	<b>87.30</b>	<b>85.10</b>	<b>39.00</b>
<b>Assets given on Operating Lease:</b>															
Software	192.00	154.40	117.10	96.60	89.30	109.20	84.40	45.00	22.60	4.00	82.80	70.00	72.10	74.00	85.30
<b>Total D</b>	<b>192.00</b>	<b>154.40</b>	<b>117.10</b>	<b>96.60</b>	<b>89.30</b>	<b>109.20</b>	<b>84.40</b>	<b>45.00</b>	<b>22.60</b>	<b>4.00</b>	<b>82.80</b>	<b>70.00</b>	<b>72.10</b>	<b>74.00</b>	<b>85.30</b>
<b>Total II (C+D)</b>	<b>430.10</b>	<b>230.40</b>	<b>290.70</b>	<b>232.20</b>	<b>138.40</b>	<b>200.20</b>	<b>139.00</b>	<b>131.30</b>	<b>73.10</b>	<b>14.10</b>	<b>229.90</b>	<b>91.40</b>	<b>159.40</b>	<b>159.10</b>	<b>124.30</b>
<b>Total Fixed Assets = (I+II)</b>	<b>19,484.80</b>	<b>17,696.00</b>	<b>23,688.80</b>	<b>17,996.20</b>	<b>4,013.00</b>	<b>5,957.50</b>	<b>4,575.20</b>	<b>4,838.30</b>	<b>3,378.40</b>	<b>842.20</b>	<b>13,527.30</b>	<b>13,120.80</b>	<b>18,850.50</b>	<b>14,617.80</b>	<b>3,170.80</b>

12.1 NON-CURRENT INVESTMENTS

₹ in Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
In Government, Government guaranteed securities, bonds & units	-	-	10.40	10.50	24.30
In Other Securities	20,762.80	21,136.80	20,994.70	20,303.90	6,683.10
<b>Total</b>	<b>20,762.80</b>	<b>21,136.80</b>	<b>21,005.10</b>	<b>20,314.40</b>	<b>6,707.40</b>

12.2 CURRENT INVESTMENTS

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
In Bonds and Debentures (Unquoted)	-	220.00	220.00	-	-
In Other Securities	3,433.60	3,432.70	-	-	-
<b>Total</b>	<b>3,433.60</b>	<b>3,652.70</b>	<b>220.00</b>	<b>-</b>	<b>-</b>

13. FINANCIAL ASSETS (Non- Current Maturities)

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Secured, Considered Good	38,465.70	42,050.30	30,789.60	24,623.10	19,231.50
<b>Total</b>	<b>38,465.70</b>	<b>42,050.30</b>	<b>30,789.60</b>	<b>24,623.10</b>	<b>19,231.50</b>

FINANCIAL ASSETS (Current Maturities)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Secured, Considered Good	22,414.10	21,385.50	15,880.70	13,639.80	10,815.10
<b>Total</b>	<b>22,414.10</b>	<b>21,385.50</b>	<b>15,880.70</b>	<b>13,639.80</b>	<b>10,815.10</b>

FINANCIAL ASSETS (Short term)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Secured, Considered Good	8,524.10	5,171.40	4,054.40	4,656.50	3,928.80
<b>Total</b>	<b>8,524.10</b>	<b>5,171.40</b>	<b>4,054.40</b>	<b>4,656.50</b>	<b>3,928.80</b>

14. LOAN ASSETS (Non Current Maturities)

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>Secured, Considered Good</b>					
Loans to Others	67,145.30	54,766.90	22,228.80	16,767.90	12,967.60
Loans to Related parties	3,594.20	3,931.60	-	-	-
<b>(A)</b>	<b>70,739.50</b>	<b>58,698.50</b>	<b>22,228.80</b>	<b>16,767.90</b>	<b>12,967.60</b>
<b>Unsecured</b>					
Loans to Others	371.60	292.70	116.90	97.60	1,070.80
Loans to Related parties	2.60	-	-	-	-
<b>(B)</b>	<b>374.20</b>	<b>292.70</b>	<b>116.90</b>	<b>97.60</b>	<b>1,070.80</b>
<b>Total (A+B)</b>	<b>71,113.70</b>	<b>58,991.20</b>	<b>22,345.70</b>	<b>16,865.50</b>	<b>14,038.40</b>

LOAN ASSETS (Current Maturities)

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>Secured, Considered Good</b>					
Loans to Others	31,562.80	30,725.80	58,349.80	23,133.00	3,512.10
Loans to Related parties	1,025.10	-	-	-	-
(A)	<b>32,587.90</b>	<b>30,725.80</b>	<b>58,349.80</b>	<b>23,133.00</b>	<b>3,512.10</b>
<b>Unsecured</b>					
Loans to Others	14.00	40.00	125.00	72.60	17.30
Loans to Related parties	0.10	-	-	-	-
(B)	<b>14.10</b>	<b>40.00</b>	<b>125.00</b>	<b>72.60</b>	<b>17.30</b>
<b>Total (A+B)</b>	<b>32,602.00</b>	<b>30,765.80</b>	<b>58,474.80</b>	<b>23,205.60</b>	<b>3,529.40</b>

LOAN ASSETS (Short Term)

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>Secured, Considered Good</b>					
Loans to Others	2,237.30	7,256.10	4,344.90	5,013.40	698.80
(A)	<b>2,237.30</b>	<b>7,256.10</b>	<b>4,344.90</b>	<b>5,013.40</b>	<b>698.80</b>
<b>Unsecured</b>					
Loans to Others	147.00	10.90	101.40	358.00	329.10
(B)	<b>147.00</b>	<b>10.90</b>	<b>101.40</b>	<b>358.00</b>	<b>329.10</b>
<b>Total (A+B)</b>	<b>2,384.30</b>	<b>7,267.00</b>	<b>4,446.30</b>	<b>5,371.40</b>	<b>1,027.90</b>

15. OTHER LONG-TERM ADVANCES

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>Unsecured, Considered Good</b>					
<b>Advances</b>					
Capital Advances	1,254.00	760.40	702.90	717.90	0.40
Advance to Vendors for Operating Expenses	-	-	3.90	0.10	-
Employee Advances	7.40	1.90	5.90	10.20	1.60
Advance against investments	2.30	2.30	2.30	2.40	2.30
Security Deposits - to Others	1,221.20	5.60	34.20	7.10	318.20
Balances with Revenue Authorities	899.80	615.00	820.40	18.50	1.00
Share Application Money	-	-	-	38.00	0.20
Contribution to Corpus of Trusts	-	-	0.20	0.20	0.10
Prepaid Expenses	176.00	197.20	231.90	265.00	14.40
Advance Tax (net of provision for tax)	-	-	-	-	90.60
MAT Credit Entitlement	23.00	22.50	-	-	-
Other Advances	1.90	-	2.60	4.20	-
<b>Total</b>	<b>3,585.60</b>	<b>1,604.90</b>	<b>1,804.30</b>	<b>1,063.60</b>	<b>428.80</b>

16. OTHER NON-CURRENT ASSETS

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>Unsecured, Considered Good</b>					
Non-Current portion of other Bank Balances					
Fixed Deposit Account with balance maturity of more than twelve months	153.70	192.50	526.10	974.20	39.10
Unamortised Ancillary Borrowing Costs	627.20	680.20	591.10	416.40	702.90
Income Accrued but not due	38.70	42.40	35.30	28.90	-
Interest Accrued but not due	-	2,114.50	1.30	357.70	1.00
Miscellaneous Expenditure to the extent not written off or adjusted	-	1.40	5.60	9.80	20.90
Gains receivable on Derivative Contracts	1,015.80	662.50	862.30	273.00	-
Other Receivables	1.30	8.20	13.50	-	3.90
<b>Total</b>	<b>1,836.70</b>	<b>3,701.70</b>	<b>2,035.20</b>	<b>2,060.00</b>	<b>767.80</b>

17. TRADE RECEIVABLES

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Other Debts					
Secured, Considered Good	-	-	-	-	3.60
<b>(A)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.60</b>
Outstanding for more than Six Months					
Unsecured, Considered Good	247.00	119.80	1,478.70	1,123.40	587.40
Unsecured, Considered Doubtful	698.60	387.00	59.70	40.80	8.80
Less: Provision for Doubtful Debts	(66.70)	(58.80)	(35.10)	(40.30)	(7.50)
	878.90	448.00	1,503.30	1,123.90	588.70
Outstanding for a period less than six months					
Unsecured, Considered Good	1,244.80	1,411.00	1,965.80	1,212.20	483.90
Unsecured, Considered Doubtful	0.80	35.40	-	-	-
Less: Provision for Doubtful Debts	-	(7.80)	-	-	-
<b>(B)</b>	<b>2,124.50</b>	<b>1,886.60</b>	<b>3,469.10</b>	<b>2,336.10</b>	<b>1,072.60</b>
<b>Total (A+B)</b>	<b>2,124.50</b>	<b>1,886.60</b>	<b>3,469.10</b>	<b>2,336.10</b>	<b>1,076.20</b>

18. CASH AND BANK BALANCES

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>A. Cash and Cash Equivalents:</b>					
Cash on Hand	34.40	23.20	13.40	9.60	5.30
Balances with Banks - in Current Account	1,987.50	1,396.40	1,614.20	818.80	990.90
Cheques on Hand	709.40	112.30	677.40	67.10	-
Fixed Deposits with Banks (having original maturity of 3 months or less)	56.90	317.70	99.40	115.00	399.20
Unclaimed Dividend Account	3.50	3.80	3.90	3.70	3.60
(A)	<b>2,791.70</b>	<b>1,853.40</b>	<b>2,408.30</b>	<b>1,014.20</b>	<b>1,399.00</b>
<b>B. Other Bank Balances :</b>					
Fixed Deposits with Banks (having balance maturity of more than 3 months and less than 12 months)	2,845.50	3,945.10	4,305.10	1,188.20	1,471.70
(B)	<b>2,845.50</b>	<b>3,945.10</b>	<b>4,305.10</b>	<b>1,188.20</b>	<b>1,471.70</b>
<b>Total (A+B)</b>	<b>5,637.20</b>	<b>5,798.50</b>	<b>6,713.40</b>	<b>2,202.40</b>	<b>2,870.70</b>

19. OTHER SHORT-TERM ADVANCES

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>Unsecured, Considered Good Advances</b>					
Advance to Vendors for Operating Expenses	124.80	137.00	136.80	82.00	150.30
Employee Advances	21.50	17.60	33.00	26.70	31.10
Advance against insurance	-	-	0.10	-	-
Security Deposits - to Others	77.60	1,265.20	1,282.50	1,249.00	1,209.00
Share Application Money	-	-	-	0.30	0.50
Gratuity Fund	-	-	-	0.80	-
Prepaid Expenses	154.60	176.70	201.00	258.10	37.00
Balance with Revenue Authorities	180.20	262.30	334.80	223.30	102.60
MAT Credit Entitlement	12.00	12.00	30.90	261.80	272.70
Other Advances	128.80	124.10	55.40	4.10	53.80
<b>Total</b>	<b>699.50</b>	<b>1,994.90</b>	<b>2,074.50</b>	<b>2,106.10</b>	<b>1,857.00</b>

20. OTHER CURRENT ASSETS

₹ In Mio

Particulars	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Unamortised Ancillary Borrowing Costs	289.70	242.10	225.90	173.10	114.80
Interest Accrued but not due	6,653.10	1,137.70	1,736.50	196.30	15.20
Income Accrued but not due	4.80	49.80	8.10	8.20	0.70
Stock for Trade	5.00	13.20	24.60	26.20	1.10
Gains receivable on Derivative Contracts	1,088.20	695.70	774.50	-	92.20
Derivative Asset Forward	47.20	7.60	222.40	4.10	-
Advance against Insurance	10.50	9.70	-	-	-
Other Receivables	34.30	45.70	126.90	142.10	166.80
Miscellaneous Expenditure to the extent not written off or adjusted	1.40	4.20	4.20	4.30	21.70
<b>Total</b>	<b>8,134.20</b>	<b>2,205.70</b>	<b>3,123.10</b>	<b>554.30</b>	<b>412.50</b>

Schedules to the Statement of Profit & Loss, As Reformatted

21. REVENUE FROM OPERATIONS

₹ In Mio

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Income from Loans/ Financial Assets	26,832.10	23,779.40	18,114.10	11,250.50	8,157.20
Income from Leases	2,344.90	2,136.00	1,311.70	769.20	481.90
Income from I T Infrastructure and CSC Services	-	151.80	617.30	542.60	459.70
Fee Based Income	1,425.80	1,303.40	789.50	1,210.00	602.20
Income from Equipment Rental	1,309.90	2,222.60	2,945.60	2,321.50	-
Assignment Income	-	550.00	267.00	-	-
Income from Long-Term Trade Investments	98.00	240.00	-	2.80	118.50
Income from Stock for Trade	-	-	0.20	2.60	12.10
Interest from Long-Term Trade Investments	2.00	5.80	-	-	-
Interest from Current Investment	2.40	21.80	-	-	-
Interest received from Govt. Securities/Banks	316.80	423.20	288.80	106.40	142.30
<b>Total</b>	<b>32,331.90</b>	<b>30,834.00</b>	<b>24,334.20</b>	<b>16,205.60</b>	<b>9,973.90</b>

22. OTHER INCOME

₹ In Mio

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Liabilities No Longer Required Written Back	29.10	79.30	22.90	11.30	0.40
Dividend Income	13.00	6.20	4.80	4.60	14.50
Provision for Diminution in value of Stock for Trade Written Back	-	4.10	-	-	-
Profit on sale of Fixed Assets (net)	13.50	7.70	-	-	-
Profit on Sale of Long-Term Trade Investments (net)	-	0.70	-	7.00	112.30
Profit on Sale of Current Investments (net)	5.10	-	-	-	-
Profit on Sale of Stock for Trade (net)	1.10	0.30	-	99.50	4.20
Other Non-Operating Income	209.30	166.90	101.40	52.90	24.80
<b>Total</b>	<b>271.10</b>	<b>265.20</b>	<b>129.10</b>	<b>175.30</b>	<b>156.20</b>

23. FINANCE COSTS

₹ In Mio

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Interest Expense:	20,722.80	18,235.10	12,646.70	7,483.00	5,482.10
Other Borrowing Costs	2,400.70	2,673.10	2,355.60	953.10	421.10
Applicable net (gain)/loss on foreign currency transactions and translations	379.30	484.30	648.00	(135.30)	(559.60)
<b>Total</b>	<b>23,502.80</b>	<b>21,392.50</b>	<b>15,650.30</b>	<b>8,300.80</b>	<b>5,343.60</b>

24. EMPLOYEE BENEFITS EXPENSE

₹ In Mio

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Salaries, Allowances, Commission & Bonus	1,190.90	1,491.20	1,603.50	1,144.60	669.80
Contribution to Provident and Other Funds	63.50	87.70	73.60	69.30	37.90
Staff Welfare Expenses	40.00	35.50	35.90	20.50	10.70
<b>Total</b>	<b>1,294.40</b>	<b>1,614.40</b>	<b>1,713.00</b>	<b>1,234.40</b>	<b>718.40</b>

25. ADMINISTRATIVE & OTHER EXPENSES

₹ In Mio

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Communication Expenses	32.80	41.60	45.80	120.10	31.20
Outsourced Manpower Expenses	25.60	71.70	72.40	63.90	-
Site & Site Mobilisation Expenses	199.40	164.50	198.90	183.60	-
Legal & Professional Fees	677.70	579.40	396.70	401.60	353.60
Power & Fuel	144.30	172.30	148.40	57.30	19.30
Rent	124.80	204.10	147.60	135.70	86.60
Equipment Hire & Leasing	40.10	70.40	52.60	29.80	-
Rates and Taxes	47.20	72.60	72.10	47.50	28.30
Brokerage and Service Charges	60.00	88.10	87.80	49.20	15.30
Auditors' Remuneration	17.10	19.70	17.80	12.60	7.00
Repairs - Building	-	0.30	7.90	3.70	7.10
- Machinery	188.20	255.80	232.10	197.00	17.60
- Others	118.90	119.60	115.80	53.10	40.60
Travelling and Conveyance	273.40	296.70	284.50	227.50	158.20
Directors' Fees	5.40	2.80	2.10	1.20	1.60
Insurance	39.20	50.40	64.90	54.70	5.30
Printing and Stationery	17.80	19.70	24.70	19.70	16.70
Advertisement, Subscription and Donation	65.70	87.80	129.10	50.70	27.10
Provision for Diminution in Value of Long Term Investment	50.30	-	-	4.50	13.80
Provision for Diminution in value of Stock for Trade	-	-	1.60	9.00	0.70
Provision for Customer Claims	-	-	1.70	30.90	-
Provision for Diminution in Inventories	-	-	18.30	-	-
Loss on sale of Fixed Assets (net)	9.20	89.90	55.60	94.30	10.20
Loss on Sale of Long-Term Trade Investments	33.30	-	-	-	-
Investment written off	-	-	1.20	-	-
Fixed Assets written off	-	-	0.30	-	-
Expenses for Liquidation of overseas Subsidiary	-	-	5.00	-	-
Miscellaneous Expenditure written off	4.30	4.20	4.30	22.80	7.20
Miscellaneous Expenses	65.80	62.80	47.60	60.70	59.90
<b>Total</b>	<b>2,240.50</b>	<b>2,474.40</b>	<b>2,236.80</b>	<b>1,931.10</b>	<b>907.30</b>

26 In accordance with Accounting Standard 21 "Consolidated Financial Statements" notified by Central Government under Companies (Accounting Standards) Rules, 2006, the Consolidated Financial Statements of the Group include the financial statements of the Holding Company and all its subsidiaries and sub-subsidiaries which are more than 50% owned and controlled. Enterprises over which the Company exercises significant influence are considered for preparation of the Consolidated Financial Statements as per Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements" and Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures", notified by the Central Government under the Companies (Accounting Standards) Rules, 2006. Investments that are acquired and held exclusively with a view to subsequent disposal in the near future are not considered for consolidation.

27 The details of subsidiaries (including their subsidiaries and joint ventures), associates and joint venture (including its subsidiary) are as follows:—

Name of the Company	Country of incorporation	% Holding	% Holding	% Holding	% Holding	% Holding
		As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Subsidiaries						
Srei Capital Markets Limited	India	100	100	100	100	100
Srei Alternative Investment Managers Limited (Formerly Srei Venture Capital Limited)	India	100	100	100	100	100
Srei Infrastructure Advisors Limited	India	100	100	100	100	100
Global Investment Trust Limited	India	100	100	100	100	100
Controlla Electrotech Private Limited (w.e.f. 06.06.2008)	India	100	100	100	100	100
Srei Mutual Fund Asset Management Private Limited (w.e.f 27.11.2009)	India	100	100	100	100	100
Srei Mutual Fund Trust Private Limited (w.e.f 27.11.2009)	India	100	100	100	100	100
Srei International Infrastructure Services GmbH, Germany (Formerly IIS International Infrastructure Services GmbH, Germany)	Germany	92.54	92.54	92.54	92.54	92.54
Srei Forex Limited	India	100	100	100	100	100
Srei Insurance Broking Private Limited (w.e.f. 31.03.2012)	India	51	51	51	-	-
Sahaj e-Village Limited, (Formerly Srei Sahaj e-Village Limited, ceased to be Subsidiary w.e.f. 13.08.2012)	India	-	-	95.10	95.10	51
# Quippo Valuers and Auctioneers Private Limited (Formerly GoIndustry Quippo Valuers and Auctioneers Private Limited) (from 31.03.2011 to 19.10.2013)	India	-	100	100	100	-
# Quippo Oil & Gas Infrastructure Limited	India	99.90	99.90	99.90	99.80	-
Orbis Power Venture Private Ltd.	India	-	-	-	*	17
# Quippo Energy Private Limited	India	100	100	100	100	-
Quippo Construction Equipment Limited (Ceased to be Subsidiary w.e.f.31.03.2013)	India	-	-	100	100	-
# Attivo Economic Zone (Mumbai) Private Limited (Formerly Mumbai Futuristic Economic Zone Private Limited)	India	100	100	100	100	-
Goldensons Construction Private Limited (w.e.f. 07.02.2014)@	India	100	-	-	-	-

Step-down Subsidiaries						
Quippo Infocomm Limited (ceased to be a Subsidiary of Srei Infrastructure Advisors Limited w.e.f. 16.07.2011)	India	-	-	-	100	100
Bengal Srei Infrastructure Development Limited (Subsidiary of Srei Infrastructure Advisors Limited w.e.f. 25.09.2008) (Ceased to be subsidiary of Srei Capital Markets Ltd. w.e.f. 25.09.2008)	India	51	51	51	51	51
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India	51	51	51	51	51
Cyberabad Trustee Company Pvt. Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India	51	51	51	51	51
ZAO Srei Leasing (Subsidiary of Srei International Infrastructure Services GmbH)	Russia	64.20	64.20	64.20	57.14	63.49
Srei Advisors Pte Limited (Subsidiary of Srei International Infrastructure Services GmbH w.e.f 25.02.2010)	Singapore	100	100	100	100	85
DPSC Ltd. (Subsidiary of Orbis Power Venture Private Ltd. w.e.f 29.01.2010)	India	-	-	-	**	58.88
# Quippo Prakash Marine Holdings Pte. Limited (Subsidiary of Quippo Oil & Gas Infrastructure Limited, Ceased to be Subsidiary w.e.f. 26.11.2012)	Singapore	-	-	51	51	-
# Quippo Prakash Pte. Limited (Subsidiary of Quippo Prakash Marine Holdings Pte. Limited, Ceased to be Subsidiary w.e.f. 28.08.2012)	Singapore	-	-	73.90	73.90	-
# Quippo Holding Cooperatief U.A. (Subsidiary of Quippo Oil & Gas Infrastructure Limited, Liquidated on 13.02.2012)	Netherlands	-	-	-	91	-
# Quippo International B.V. (Subsidiary of Quippo Holding Cooperatief U.A., Liquidated on 13.02.2012)	Netherlands	-	-	-	100	-
# Quippo Mara Infrastructure Limited (Subsidiary of Quippo International B.V., Ceased to be a Sub-subsidiary w.e.f. 13.02.2012 on account of liquidation of its holding company)	British Virgin Islands	-	-	-	50.10	-
# Quippo Energy Middle East Limited (Ceased to be Subsidiary of Quippo Energy Private Limited w.e.f. 28.10.2013)	Dubai	-	100	100	100	-
# Quippo Energy Middle East Limited (Ceased to be Subsidiary of Quippo Energy Private Limited w.e.f. 28.10.2013)	Yemen	-	100	100	100	-
# Kasco Steel Limited (Ceased to be a subsidiary of Quippo Construction Equipment Limited w.e.f. 22.09.2011)	India	-	-	-	68	-
Quippo Mauritius Private Limited (Subsidiary of Quippo Energy Private Limited w.e.f. 05.03.2012)	Mauritius	100	100	100	-	-
Quippo Energy Nigeria Private Limited (Subsidiary of Quippo Mauritius Private Limited w.e.f. 22.03.2012)	Nigeria	100	100	100	-	-
Quippo CJ Exploration & Production Private Limited (Subsidiary of Quippo Oil & Gas Infrastructure Limited w.e.f. 01.05.2013)	India	51	-	-	-	-

Associate						
Quippo Infrastructure Equipment Ltd. (ceased to be associate w.e.f 30.09.2008)	India	-	-	-	-	16.85
Sahaj e-Village Limited (w.e.f. 13.08.2012)	India	48.32	48.32	-	-	-
Quippo Construction Equipment Limited (w.e.f. 31.03.2013)	India	45.45	45.45	-	-	-
Joint Venture (including its subsidiary)						
Srei Equipment Finance Limited (SEFL) (Formerly Srei Equipment Finance Private Limited)	India	50	50	50	50	50
Srei Insurance Broking Pvt. Limited (Ceased to be a Subsidiary of SEFPL w.e.f. 30.03.2012)	India	-	-	-	100	100
# Quippo Valuers and Auctioneers Private Limited. (Formerly GoIndustry Quippo Valuers and Auctioneers Private Limited) (upto 31.03.2011)	India	-	-	-	-	-
Joint Venture of Subsidiary						
Srei (Mauritius) Infrastructure Development Company Limited (Ceased to be JV between Srei Infrastructure Advisors Limited and The State Investment Corporation Limited of Mauritius, w.e.f. 17.07.2013)	Mauritius	-	50	50	50	50
Aalat LLC (Ceased to be a JV between Srei International Infrastructure Services GmbH and Waha Capital PJSC, w.e.f. 28.11.2012)	United Arab Emirates, Abu Dhabi	-	-	49	49	49
NAC Infrastructure Equipment Limited (JV between Quippo Construction Equipment Limited, L & T Finance Holdings Limited, Nagarjuna Construction Company Limited and National Academy of Construction) (Quippo Construction Equipment Limited ceased to be subsidiary w.e.f 31.03.2013)	India	-	-	50	50	-
SICOM Srei Maharashtra Infrastructure Private Limited (JV between Srei Infrastructure Advisors Limited and SICOM Limited) from 27.08.2010 to 28.03.2014	India	-	50	50	50	-
Associate of Subsidiary						
Spice Internet Service Provider Private Ltd. (Associate of Srei Sahaj e-Village Ltd. w.e.f 16.03.2010 and ceased to Associate w.e.f 20.08.2010)	India	-	-	-	-	49

\* Ceased to be subsidiary w.e.f 31st March, 2010

\*\* Ceased to be subsidiary w.e.f 31st March, 2010

@ Based on information provided by the management and relied upon by the Auditors, this investment has been acquired and held exclusively with a view to subsequent disposal in the near future and hence not considered for consolidation.

**2010-11**

# Pursuant to the Scheme of Amalgamation of Quippo Infrastructure Equipment Limited (Quippo) into and with the Company sanctioned by the Hon'ble High Court at Calcutta vide its Order made on January 18, 2011 and effective w.e.f. March 04, 2011, these Companies have become subsidiaries and/or step down subsidiaries of the Company.

Similarly, Quippo Valuers and Auctioneers Private Limited (Formerly GoIndustry Quippo Valuers and Auctioneers Private Limited) (QVAPL) which was a 50:50 joint venture between Quippo and Go Industry Limited, UK became a Joint Venture between the Company and Go Industry Limited, UK w.e.f. March 04, 2011. Thereafter, the entire shareholding of Go Industry Limited, UK has been acquired by the Company and consequently, QVAPL has become a 100% subsidiary of the Company w.e.f. March 31, 2011. The name has been changed to "Quippo Valuers and Auctioneers Private Limited" w.e.f. April 16, 2011.

**28 Scheme of Amalgamation**

**2010-11**

The Board of Directors of the Company at its meeting held on 28th January, 2010 had, based on the recommendation of the Committee of Independent Directors, approved amalgamation of Quippo Infrastructure Equipment Limited (Transferor Company) into and with the Company in terms of a Scheme of Amalgamation (the Scheme) under Sections 391 to 394 of the Companies Act, 1956. The Scheme was approved by the Equity Shareholders of the Company in the meeting held on 31st May, 2010, convened by the Hon'ble High Court at Calcutta (the Court).

Pursuant to the sanction of the scheme by the Court vide its Order made on 18th January, 2011, all the assets, rights, obligations, liabilities and the entire business of the Transferor Company were transferred to and vested in the Company, as a going concern with effect from 1st April, 2010 ('Appointed Date') and accordingly, the sanctioned Scheme has been given effect to in these financial statements. The Transferor Company alongwith its subsidiaries had been primarily engaged in the business of infrastructure equipment rental and matters incidental and ancillary thereto.

As per the Scheme of Amalgamation, the Effective Date is the date on which all the conditions and matters referred to in the Scheme are fulfilled and the Scheme becomes operative and effective from the Effective Date. All the conditions and matters prescribed in the Scheme were fulfilled on 4th March, 2011. Accordingly, the Scheme became effective from 4th March, 2011. Pending completion of relevant formalities of transfer of certain assets and liabilities acquired pursuant to the Scheme, in the Company's name, such assets and liabilities remain included in the books of the Company in the name of the Transferor Company.

In accordance with the Scheme and as per the sanction by the Court:

- (a) The Company has issued and allotted 92,915,839 equity shares of ₹ 10/- each fully paid up as bonus shares to the pre-amalgamation equity shareholders of the Company in the ratio of 4:5, by way of capitalisation of Securities Premium on 5<sup>th</sup> March, 2011.
- (b) Further, the Company has issued and allotted 294,025,696 equity shares of ₹ 10/- each fully paid up as consideration for the amalgamation to the shareholders of the Transferor Company on 5<sup>th</sup> March, 2011.

- (c) A Trust in the name of "Srei Growth Trust" has been settled by the Company on 4<sup>th</sup> March, 2011 to inter alia, receive equity shares of the Company in exchange of the Company's shareholding in the Transferor Company. The Company, in lieu of its shareholding in the Transferor Company, is entitled to be allotted equity shares of itself on amalgamation. However, since a company cannot hold its own shares, the Company settled the aforesaid Trust to hold such shares. Consequently, 48,600,000 equity Shares of the Company of ₹ 10/- each fully paid up were issued and allotted to Srei Growth Trust, which is holding such shares in trust for the benefit of the Company and/or the shareholders of the Company. The beneficial interest in the Trust amounting to ₹ 1,851.50 Lakh representing the cost of shares of the Transferor Company is shown under 'Investments' in the Balance Sheet.
- (d) Accounting for Amalgamation:  
The amalgamation of Transferor Company with the Company has been accounted for on the basis of the Purchase Method as stated in the Accounting Standard (AS) -14 on 'Accounting for Amalgamations' as below:
- (i) All assets and liabilities of the Transferor Company were transferred to and vested in the Company at their respective fair values as on 31<sup>st</sup> March 2010, w.e.f. 1st April, 2010.
- (ii) Excess of the fair value of net assets taken over by the Company, over the paid up value of Equity Shares issued & allotted to the shareholders of the Transferor Company, being ₹ 137,870 Lakh has been credited to General Reserves of the Company. Had the Scheme, sanctioned by the Court, not prescribed this accounting treatment, this amount would have been credited to Capital Reserve, with no impact on net profit for the year.
- (iii) Inter Company balance of ₹ 100 Lakh on account of loan given by the Company to the Transferor Company has been cancelled.
- (iv) The Authorised Share Capital of the Company has increased from ₹ 70,000 Lakh to ₹ 81,000 Lakh divided into 710,000,000 Equity Shares of ₹ 10/- each and 10,000,000 Preference Shares of ₹ 100/- each.

**29 2013-14**

The audited financial statements of Quippo Mauritius Private Limited and Quippo Energy Nigeria Private Limited and management accounts of Srei International Infrastructure Services GmbH (Srei IIS) up to 31st March, 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS), generally followed in the country of their incorporation. Differences in accounting policies as between IFRS and Indian GAAP are not material, in the context of consolidation of the said entities in these consolidated financial statements.

The audited financial statements of Srei Advisors Pte Limited (SAPL) a subsidiary of Srei IIS is prepared upto 31st December every year. Management accounts for the period 1st January, 2013 to 31st March, 2013 and 1st January, 2014 to 31st March, 2014 have been used for consolidation with Srei IIS. The Audited financial statements of SAPL have been prepared in accordance with IFRS, generally followed in the country of it's incorporation. Differences in accounting policies as between IFRS and Indian GAAP are not material, in the context of consolidation of SAPL in these consolidated financial statements.

Management accounts of ZAO Srei Leasing (ZAO) a subsidiary of Srei IIS for the period 1st April, 2013 to 31st March, 2014 have been used for consolidation with Srei IIS. The management account of ZAO have been prepared in accordance with IFRS, generally followed in the country of it's incorporation. Differences in accounting policies as between IFRS and Indian GAAP are not material, in the context of consolidation of ZAO in these consolidated financial statements.

Quippo Valuers and Auctioneers Private Limited has ceased to be subsidiary of the Company w.e.f. 19th October, 2013. Quippo Energy Middle East Limited and Quippo Energy Yemen Limited have ceased to be step-down subsidiaries of the company w.e.f. 28th October, 2013.

Srei (Mauritius) Infrastructure Development Company Limited has been liquidated and ceased to be Joint Venture between Srei Infrastructure Advisors Limited and The State Investment Corporation Limited of Mauritius, w.e.f. 17th July, 2013.

SICOM Srei Maharashtra Infrastructure Private Limited has ceased to be Joint Venture of Srei Infrastructure Advisors Limited w.e.f. 29th March, 2014.

Management accounts up to the date of cessation of the above companies have been used for consolidation which have been prepared in accordance with IFRS, generally followed in the country of their incorporation. Differences in accounting policies as between IFRS and Indian GAAP are not material, in the context of consolidation of the said entities in these consolidated financial statements.

**2012-13**

The audited financial statements of Srei International Infrastructure Services GmbH (Srei IIS), Quippo Energy Middle East Limited, Quippo Mauritius Private Limited, Quippo Energy Nigeria Private Limited and management accounts of Srei (Mauritius) Infrastructure Development Corporation Limited, Quippo Energy Yemen Limited and Srei Advisors Pte Limited up to 31st March, 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS), generally followed in the country of their incorporation. Differences in accounting policies as between IFRS and Indian GAAP are not material, in the context of consolidation of the said entities in these consolidated financial statements.

The audited financial statements of ZAO Srei Leasing (ZAO), a subsidiary of Srei IIS is prepared upto 31st December every year. Management accounts for the period 1st January, 2012 to 31st March, 2012 and 1st January, 2013 to 31st March, 2013 have been used for consolidation with Srei IIS. The audited financial statements of ZAO have been prepared in accordance with International Financial Reporting Standards, generally followed in the country of it's incorporation. Differences in accounting policies as between IFRS and Indian GAAP are not material, in the context of consolidation of ZAO in these consolidated financial statements.

**Srei Infrastructure Finance Ltd. (Consolidated)****Notes to Financial Statements****Annexure - X**

Quippo Prakash Pte. Limited and Quippo Prakash Marine Holdings Pte. Limited have ceased to be step-down subsidiaries of the Company w.e.f. 28th August, 2012 and 26th November, 2012 respectively.

Aalat LLC (Joint Venture between Srei International Infrastructure Services GmbH, a subsidiary, and Waha Capital PJSC) has ceased to be a Joint Venture w.e.f. 28th November, 2012. Management accounts up to the date of cessation of the above companies have been used for consolidation which have been prepared in accordance with International Financial Reporting Standards, generally followed in the country of their incorporation. Differences in accounting policies as between IFRS and Indian GAAP are not material, in the context of consolidation of the said entities in these consolidated financial statements.

**2011-12**

The audited financial statements of IIS International Infrastructure Services GmbH (IIS), Quippo Prakash Marine Holdings Pte. Ltd., Quippo Energy Middle East Limited and management accounts of Srei (Mauritius) Infrastructure Development Corporation Ltd., Quippo Energy Yemen Limited, Quippo Prakash Pte. Limited and Aalat LLC up to 31st March, 2012 have been prepared in accordance with International Financial Reporting Standards, generally followed in the country of their incorporation. Differences in accounting policies arising there from are not material.

The audited financial statements of ZAO Srei Leasing (ZAO) and Srei Advisors Pte Ltd. subsidiaries of IIS is prepared upto 31st December every year. Management accounts for the period 1st January, 2011 to 31st March, 2011 and 1st January, 2012 to 31st March, 2012 have been used for consolidation with IIS. The audited financial statements of ZAO have been prepared in accordance with International Financial Reporting Standards, generally followed in the country of their incorporation. Differences in accounting policies arising there from are not material.

Quippo Mauritius Private Ltd. (subsidiary of Quippo Energy Private Ltd.) and Quippo Energy Nigeria Private Ltd. (subsidiary of Quippo Mauritius Private Ltd.) was formed during the year without any receipt of Equity Contribution as per the law applicable in the country of its incorporation. Upto 31st March 2012, both the Companies were yet to start its operations and there were no transactions in the Company during the year ended on that date. Therefore, no financial statement of these Companies were available for consolidation.

**2010-11**

The audited financial statements of IIS International Infrastructure Services GmbH (IIS), Quippo Prakash Marine Holdings Pte. Ltd. and management accounts of Quippo Prakash Pte. Ltd., Srei (Mauritius) Infrastructure Development Corporation Ltd., Quippo Holding Cooperatief U.A., Quippo International B.V., Quippo Energy Middle East Limited and Quippo Energy Yemen Limited up to 31st March 2011 have been prepared in accordance with International Financial Reporting Standards, generally followed in the country of their incorporation. Differences in accounting policies arising there from are not material.

The audited financial statements of ZAO Srei Leasing (ZAO), a subsidiary of IIS is prepared upto 31st December every year. Management accounts for the period 1st January, 2010 to 31st March, 2010 and 1st January 2011 to 31st March 2011 have been used for consolidation with IIS. The audited financial statements of ZAO have been prepared in accordance with International Financial Reporting Standards, generally followed in the country of their incorporation. Differences in accounting policies arising there from are not material.

The audited financial statements of Srei Advisors Pte Ltd., subsidiary of IIS and Aalat LLC, Joint Venture of IIS is prepared upto 31st December every year. The first audited financial of Srei Advisors Pte Ltd. and Aalat LLC, since incorporation was prepared upto 31st December, 2010. Management accounts for the period 1st January 2011 to 31st March 2011 has been used for consolidation with IIS. The audited financial statements of Srei Advisors Pte Ltd. and Aalat LLC have been prepared in accordance with International Financial Reporting Standards, generally followed in the country of their incorporation. Differences in accounting policies arising there from are not material.

Quippo Mara Infrastructure Limited (QMIL), a subsidiary of Quippo International B.V. was formed without any receipt of Equity Contribution as per the law applicable in the country of its incorporation. Upto 31st March 2011, QMIL was yet to start its operations and there were no transactions in the Company during the year ended on that date. Therefore, no financial statement of QMIL was available for consolidation.

**2009-10**

The audited financial statements of IIS International Infrastructure Services GmbH (IIS) and management accounts of Srei (Mauritius) Infrastructure Development Corporation Ltd. up to 31st March 2010 have been prepared in accordance with International Financial Reporting Standards. Differences in accounting policies arising there from are not material.

The audited Balance Sheet of ZAO SREI Leasing (ZAO), subsidiary of IIS is prepared upto 31st December every year. Management accounts for the period 1st January, 2009 to 31st March, 2009 and 1st January 2010 to 31st March 2010 has been used for consolidation with IIS. The accounts of ZAO have been prepared in accordance with International Financial Reporting Standards. Differences in accounting policies arising there from are not material.

Srei Mutual Fund Trust Private Ltd, Srei Mutual Fund Asset Management Private Ltd., Srei Advisors Pte Ltd., Aalat LLC and Spice Internet Service Provider Private Ltd. have not been consolidated since the amounts involved in respect of the same are not material and the first financial year of these companies have not yet ended.

Orbis Power Venture Private Ltd. and its subsidiary, DPSC Ltd. have not been considered for consolidation since the control was intended to be temporary. Orbis Power Venture Private Limited became the subsidiary of the Company w.e.f. 2nd January, 2010 and it ceased to be a subsidiary w.e.f. 31st March, 2010.

**30 2012-13**

The shareholding of the Company in Sahaj e-Village Limited, (formerly Srei Sahaj e-Village Limited) has reduced from 95.10% to 48.32% and it has ceased to be a subsidiary of the Company, becoming an associate w.e.f. 13th August, 2012.

The shareholding of the Company in Quippo Construction Equipment Limited has reduced from 100% to 45.45% and hence, Quippo Construction Equipment Limited has ceased to be a subsidiary of the Company and became an associate w.e.f. 31st March, 2013.

**31 2011-12**

The Share Capital of Srei Mutual Fund Asset Management Private Limited, a wholly owned subsidiary of the Company has been increased to ₹ 1,300 lakh as on March 31, 2012 consequent upon infusion of fresh capital aggregating to ₹ 200 lakh by the Company.

**32 2010-11**

Company's shareholding in Srei Sahaj e-Village Ltd. has increased to 95.10% during the year on infusion of fresh capital. Srei Advisors Pte. Limited, Singapore has become a wholly owned subsidiary of IIS International Infrastructure Services GmbH, Germany, a subsidiary of the Company, w.e.f. March 10, 2011 consequent upon acquisition of balance 15% shareholding. The Share Capital of Srei Mutual Fund Asset Management Private Limited, a wholly owned subsidiary of the Company has been increased to ₹ 1,100 Lakhs as on March 31, 2011 consequent upon infusion of fresh capital aggregating to ₹ 1,090 lakhs by the Company.

**33 2009-10**

During the year, the Company has invested 100% equity stake in Srei Mutual Fund Asset Management Private Ltd. and Srei Mutual Fund Trust Private Ltd. and accordingly have become subsidiaries of the Company w.e.f. 27th November, 2010.

**34 Contingent Liabilities And Commitments (to the extent not provided for)**

(₹ in lakh)

Particulars	As at 31st March,				
	2014	2013	2012	2011	2010
<b>Contingent Liabilities</b>					
Bank Guarantees	3,542	2,992	3,309	3,183	5,079
Bank Guarantees against receivables securitised/assigned	-	-	4,324	6,835	4,060
Corporate Guarantee to Bank and Others	11,117	7,016	-	-	-
Guarantee to Bank and others, in the form of Put Option against loan facilities	34,000	6,000	-	-	-
Guarantee against co-branded agreements	-	-	-	11	40
Guarantee against receivable assigned	-	-	-	5	85
Legal Cases	-	-	-	-	-
Disputed Direct Tax demands	5,015	4,798	4,325	12,831	5,149
Disputed Indirect Tax demands	3,604	2,078	9,774	299	299
Claim against the company but not acknowledged as debts	-	-	476	46	3
<b>Total</b>	<b>57,278</b>	<b>22,884</b>	<b>22,208</b>	<b>23,210</b>	<b>14,715</b>
<b>Commitments</b>					
Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)	3,322	4,690	5,193	8,062	761
Uncalled liability on partly paid-up shares, held as Stock for Trade	-	-	-	1	-
On account of Letter of Credit	68,608	45,177	-	-	-
On account of derivative contract (refer note 35)	-	-	-	-	-
Other Commitments	8	40	1,770	-	-

- 35 The Company has entered into Options / Swaps / Forward contracts (being derivative instruments) which are not intended for trading or speculation, for the purpose of hedging currency and interest rate related risks. Options, Swaps and Forward contracts outstanding as at year end are as follows:

(Amount in lakh)

Category	Currency	As at 31st March,				
		2014	2013	2012	2011	2010
Options / Swaps	EUR / INR	EUR 164	EUR 174	EUR 187	EUR 54	EUR 73
Options / Swaps	JPY / USD	-	-	JPY 8,020	-	JPY 27196
Options / Swaps	SGD / USD	SGD 140	SGD 175	SGD 175	SGD 175	-
Options / Swaps	USD / INR	USD 1,827	USD 2,268	USD 2,244	USD 2,532	USD 2306
Options / Swaps	YEN / USD	YEN 6,799	YEN 13,109	YEN 19,201	YEN 25,130	-
Forwards	CHF / INR	-	CHF 2	CHF 2	-	-
Forwards	EUR / INR	EUR 60	EUR 98	EUR 112	EUR 47	EUR 45
Forwards	SGD / INR	-	-	SGD 3	-	SGD 3
Forwards	USD / INR	USD 67	USD 151	USD 182	USD 113	USD 64
Forwards	YEN / INR	YEN 258	-	-	-	-
Forwards	JPY / INR	-	-	-	-	JPY 1715
Forwards	GBP / INR	-	-	-	-	GBP 2
Forwards	USD / RUR	USD 120	USD 137	USD 168	-	-
Interest Rate Swaps	RUR	-	RUR 264	-	-	-
Interest Rate Swaps	EUR	EUR 14	EUR 20	EUR 25	-	-
Interest Rate Swaps	USD	USD 1,502	USD 1,813	USD 2,340	USD 797	USD 80

- 36 The Reporting Company's proportionate share in the assets, liabilities, income and expenses of its Joint Venture Company included in these consolidated financial statements are given below:

(₹ in lakh)

Particulars	As at 31st March,				
	2014	2013	2012	2011	2010
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share capital	2,983	2,983	2,661	2,500	2,500
Reserves and surplus	101,845	90,576	67,420	52,744	46,199
	<b>104,828</b>	<b>93,559</b>	<b>70,081</b>	<b>55,244</b>	<b>48,699</b>
<b>Non-current liabilities</b>					
Long-term borrowings	204,619	216,443	175,699	197,367	165,078
Deferred tax liabilities (Net)	7,847	7,644	5,567	3,044	3,923
Other long-term liabilities	7,275	7,657	6,196	3,470	359
Long-term provisions	7,907	6,769	7,004	6,581	4,398
	<b>227,648</b>	<b>238,513</b>	<b>194,466</b>	<b>210,462</b>	<b>173,758</b>
<b>Current liabilities</b>					
Short-term borrowings	369,761	371,819	233,078	123,039	71,170
Trade payables	14,109	18,646	33,067	27,433	27,488
Other current liabilities					
- Current maturities of long-term borrowings	80,417	89,057	106,840	68,178	47,589
- Other current liabilities	10,936	8,541	4,794	3,097	3,067
Short-term provisions	5,659	4,265	1,861	3,730	76
	<b>480,882</b>	<b>492,328</b>	<b>379,640</b>	<b>225,477</b>	<b>149,390</b>
<b>TOTAL</b>	<b>813,358</b>	<b>824,400</b>	<b>644,187</b>	<b>491,183</b>	<b>371,847</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
<b>Fixed Assets</b>					
- Tangible Assets	62,679	62,142	62,007	26,305	19,232
- Intangible Assets	1,893	905	858	884	945
Non current investments	57	92	-	-	-
Long-term Loans and Advances					
- Financial Assets	384,657	420,503	307,896	246,230	183,830
- Other Long-term Advances	1,294	3,479	2,790	2,299	2,847
Other Non-Current Assets	13,434	10,076	41,764	19,544	7,383
	<b>464,014</b>	<b>497,197</b>	<b>415,315</b>	<b>295,262</b>	<b>214,237</b>
<b>Current Assets</b>					
Current Investments	1,486	1,477	-	-	-
Trade Receivables	3,299	2,010	1,277	268	329
Cash and Bank Balances	30,868	51,447	21,859	9,271	14,022
Short-term Loans and Advances					
- Financial Assets	85,241	51,715	40,544	46,565	31,764
- Other Advances	720	646	346	499	980
Other Current Assets					
- Current Maturities of Long-term Financial Assets	224,141	213,855	158,807	136,398	108,151
- Other Current Assets	3,589	6,053	6,039	2,920	2,364
	<b>349,344</b>	<b>327,203</b>	<b>228,872</b>	<b>195,921</b>	<b>157,610</b>
<b>TOTAL</b>	<b>813,358</b>	<b>824,400</b>	<b>644,187</b>	<b>491,183</b>	<b>371,847</b>

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
<b>STATEMENT OF PROFIT AND LOSS</b>					
<b>INCOME</b>					
Revenue from operations	130,897	118,660	90,890	61,939	46,448
Other income	70	29	36	147	120
<b>TOTAL</b>	<b>130,967</b>	<b>118,689</b>	<b>90,926</b>	<b>62,086</b>	<b>46,568</b>
<b>EXPENDITURE</b>					
Employee Benefits Expense	4,802	5,761	5,049	3,362	2,193
Finance Costs	76,645	68,330	52,196	32,765	26,799
Depreciation/Amortisation/Impairment	12,117	11,197	7,833	4,027	3,106
Administrative and Other expenses	6,513	5,927	5,377	3,920	2,656
Miscellaneous Expenditure written off	42	42	42	218	73
<b>TOTAL</b>	<b>100,119</b>	<b>91,257</b>	<b>70,497</b>	<b>44,292</b>	<b>34,827</b>
<b>PROFIT BEFORE BAD DEBTS, PROVISIONS AND TAX</b>	<b>30,848</b>	<b>27,432</b>	<b>20,429</b>	<b>17,794</b>	<b>11,741</b>
Bad debts written off (net of recovery)	11,541	6,595	4,884	5,112	5,017
Provision for Non Performing Assets	1,446	229	131	971	-
Contingent provisions against standard assets	(17)	434	182	1,041	-
<b>PROFIT BEFORE TAX</b>	<b>17,878</b>	<b>20,174</b>	<b>15,232</b>	<b>10,670</b>	<b>6,724</b>
Provision for Tax	6,609	6,678	5,384	4,126	2,368
<b>PROFIT AFTER TAX</b>	<b>11,269</b>	<b>13,496</b>	<b>9,848</b>	<b>6,544</b>	<b>4,356</b>
<b>Proportionate Share in Reserves of Joint Venture:</b>					
Capital Reserves	16	16	16	18	16
Debt Redemption Reserve	20,478	13,388	7,853	4,053	2,053
Special Reserve as per Reserve Bank of India Directions	9,969	7,715	5,016	3,043	1,735
Securities Premium Account	51,990	51,990	42,330	37,500	37,500
Statement of Profit and Loss	19,392	17,467	12,205	8,130	4,895
<b>TOTAL</b>	<b>101,845</b>	<b>90,576</b>	<b>67,420</b>	<b>52,744</b>	<b>46,199</b>
Contingent Liabilities	1,428	1,386	9,583	12,090	7,729
Capital Commitments (Net of Advances)	1,896	3,235	2,091	3,530	8

### 37 Financial Assets

#### 2010-11

Financial Assets at the commencement of the year included certain long term project loans aggregating to ₹ 5,375 lakhs, being share of the Company in Joint Venture, given in earlier years. Against the above, during the year, the Joint Venture Company has recovered an amount of ₹ 5,000 lakhs and the balance amount of ₹ 375 lakhs considered as doubtful of recovery has been provided for in their accounts.

#### 2009-10

Financial Assets includes certain long term project loans amounting to ₹ 5375 lakh, being share of the Company in Joint Venture. There has been considerable delay in executing these projects; the Joint Venture is in the process of assessing the status of these projects. However in view of the Joint Venture, the principal amounts in these loans are recoverable as per the respective loan agreements.

### 38 Segment Reporting

#### 2013-14

Segment wise details (information provided in respect of revenue items for the year ended 31st March, 2014 and in respect of assets/ liabilities as at 31st March, 2014 – denoted as “CY” below, previous year denoted as “PY”) as required by AS - 17 “Segment Reporting” notified by the Central Government under the Companies (Accounting Standards) Rules, 2006 are as under:-

Particulars	Financial Services		Infrastructure		Others		Total	
	CY	PY	CY	PY	CY	PY	CY	PY
Segment Revenue	318,088	291,856	13,331	21,217	374	4,056	331,793	317,129
Segment Result before Interest & Finance Charges	253,955	234,600	3,593	10,886	42	5,129	257,590	250,615
Interest & Finance Charges	233,734	206,992	1,294	6,521	-	412	235,028	213,925
Tax Expenses							8,811	10,271
Net Profit After Tax							13,751	26,007
Segment Assets	2,346,783	2,219,975	27,820	23,617	44,450	14,995	2,419,053	2,258,587
Segment Liabilities	2,043,559	1,900,446	12,624	15,795	359	(13,193)	2,056,542	1,903,048
Capital Expenditures	21,112	22,175	192	2,083	1	3	21,305	24,261
Depreciation/Impairment	14,870	14,474	1,417	4,684	48	204	16,335	19,362
Other non-cash expenditure	14	42	-	-	-	-	14	42

(₹ in lakh)

**2012-13**

Segment wise details (information provided in respect of revenue items for the year ended 31st March, 2013 and in respect of assets / liabilities as at 31st March, 2013 – denoted as “CY” below, previous year denoted as “PY”) as required by AS - 17 “Segment Reporting” notified by the Central Government under the Companies (Accounting Standards) Rules, 2006 are as under:-

(₹ in lakh)

Particulars	Financial Services		Infrastructure Equipment Services		Others		Total	
	CY	PY	CY	PY	CY	PY	CY	PY
Segment Revenue	291,856	214,619	21,217	29,726	4,056	6,468	317,129	250,813
Segment Result before Interest & Finance Charges	234,600	169,412	10,886	10,947	5,129	(179)	250,615	180,180
Interest & Finance Charges	206,992	148,863	6,521	6,709	412	931	213,925	156,503
Tax Expenses							10,271	11,362
Net Profit After Tax							26,007	12,315
Segment Assets	2,219,975	1,870,021	23,617	95,779	14,995	42,851	2,258,587	2,008,651
Segment Liabilities	1,900,446	1,596,209	15,795	70,557	(13,193)	9,601	1,903,048	1,676,367
Capital Expenditures	22,175	50,347	2,083	9,702	3	360	24,261	60,409
Depreciation	14,474	9,423	4,684	6,587	204	493	19,362	16,503
Other non-cash expenditure	42	43	-	-	-	-	42	43

**2011-12**

Segment wise details (information provided in respect of revenue items for the year ended 31st March, 2012 and in respect of assets/ liabilities as at 31st March, 2012 – denoted as “CY” below, previous year denoted as “PY”) as required by AS - 17 “Segment Reporting” notified by the Central Government under the Companies (Accounting Standards) Rules, 2006 are as under:-

(₹ in lakh)

Particulars	Financial Services		Infrastructure Equipment Services		Others		Total	
	CY	PY	CY	PY	CY	PY	CY	PY
Segment Revenue	214,619	139,067	29,726	23,273	6,468	6,093	250,813	168,433
Segment Result before Interest & Finance Charges	169,412	105,631	10,947	7,410	(179)	(1,136)	180,180	111,905
Interest & Finance Charges	148,863	77,673	6,709	4,839	931	496	156,503	83,008
Tax Expenses							11,362	9,279
Net Profit After Tax							12,315	19,618
Segment Assets	1,870,021	1,266,342	95,779	86,401	42,851	31,905	2,008,651	1,384,648
Segment Liabilities	1,596,209	988,430	70,557	68,175	9,601	2,939	1,676,367	1,059,544
Capital Expenditures	50,347	44,815	9,702	53,854	360	1,502	60,409	100,171
Depreciation	9,423	5,861	6,587	6,117	493	431	16,503	12,409
Other non-cash expenditure	43	228	-	-	-	-	43	228

**2010-11**

Segment wise details (information provided in respect of revenue items for the year ended 31st March 2011 and in respect of assets/ liabilities as at 31st March 2011 – denoted as “CY” below, previous year denoted as “PY”) as required by AS - 17 “Segment Reporting” notified by the Central Government under the Companies (Accounting Standards) Rules, 2006 are as under:-

Particulars	Financial Services		Infrastructure Equipment Services*		Others		Total	
	CY	PY	CY	PY	CY	PY	CY	PY
Segment Revenue	139,067	93,734	23,273	-	6,093	4,272	168,433	98,006
Segment Result before Interest & Finance Charges	105,631	72,639	7,410	-	(1,136)	2,494	111,905	75,133
Interest & Finance Charges	77,673	51,908	4,839	-	496	1,459	83,008	53,367
Tax Expenses							9,279	6,086
Net Profit After Tax							19,618	15,680
Segment Assets	1,266,342	790,066	86,401	-	31,905	23,186	1,384,648	813,252
Segment Liabilities	988,430	664,218	68,175	-	2,939	12,442	1,059,544	676,660
Capital Expenditures	44,815	4,652	53,854	-	1,502	212	100,171	4,864
Depreciation	5,861	4,150	6,117	-	431	178	12,409	4,328
Other non-cash expenditure	228	73	-	-	-	-	228	73

\* During the year, new entities have been considered for consolidation and based on their operational activities, the Company has identified new business segment as ‘Infrastructure Equipment Services’.

**2009-10**

Segment wise details as required by AS - 17 "Segment Reporting" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006 is as under.

(₹ in lakh)			
Particulars	Financing Activity	Others	Total
Segment Revenue	92,594 (81,767)	5,435 (3,386)	98,029 (85,153)
Segment Result before Finance Charges	72,576 (61,337)	2,557 (1,466)	75,133 (62,803)
Finance Charges	51,908 -	1,459 -	53,367 (52,309)
Tax Expenses	- (2,129)	- (108)	4,619 (2,237)
Net Profit After Tax	- -	- -	15,680 (8,257)
Segment Assets	787,796 (563,851)	25,456 (6,413)	813,252 (570,264)
Segment Liabilities	662,332 (452,034)	14,328 (11,796)	676,660 (449,597)
Capital Expenditures	4,650 (11,119)	214 (3,264)	4,864 (14,383)
Depreciation	4,130 (3,486)	198 (172)	4,328 (3,658)
Other non-cash expenditure	73 (42)	- (2)	73 (44)

Amount in brackets represent previous year figures

39 Disclosure pursuant to Accounting Standard (AS) 18 - Related Party Disclosures

List of related parties:

Joint Ventures:	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Srei Equipment Finance Limited (ceased to be subsidiary w.e.f 02.04.2008)	√	√	√	√	√
Quippo valuers and Auctioneers Private Ltd. (Formerly GoIndustry Quippo Valuers and Auctioneers Private Limited) (upto 30.03.2011)	-	-	-	√	-

Trusts :	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Srei Mutual Fund Trust (w.e.f 07.08.2010)	-	-	-	√	-
Srei Growth Trust (w.e.f 04.03.2011)	-	-	-	√	-

Key Management Personnel (KMP):		As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Name	Designation					
Hemant Kanoria	Chairman & Managing Director (w.e.f. 14th May, 2008)	√	√	√	√	√
Prasad Kumar Pandey	Wholetime Director (resigned on 31.03.2009)	-	-	-	-	-
Saud Ibne Siddique (upto 30.04.2013)	Joint Managing Director (w.e.f 01.04.2009)	-	√	√	√	√
Shyamalendu Chatterjee	Resigned on 31.03.2009 as Wholetime Director, Appointed as Non- Executive Director w.e.f 29.04.2009	-	-	-	-	-
Kishore Kumar Mohanty (upto 31.01.2011)	Wholetime Director	-	-	-	√	√
Anil Agarwal	Chief Financial Officer (from 20.05.2013 to 31.03.2014)	-	-	-	-	-
Kishore Kumar Lodha	Chief Financial Officer (w.e.f. 01.04.2014)	√	-	-	-	-
Sanjeev Sancheti (upto 20.05.2013)	Chief Financial Officer	-	√	√	√	√

Enterprises over which KMP and their relatives have significant influence	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Viom Networks Limited (w.e.f. 18.11.2011)	√	√	√	-	-

Summary of transactions with related parties:

(₹ in lakh)

Name of related party and Nature of transactions	2013-14		2012-13		2011-12		2010-11		2009-10	
	Value of Transaction/ Outstanding	Amount Considered in Consolidation	Value of Transaction/ Outstanding	Amount Considered in Consolidation	Value of Transaction/ Outstanding	Amount Considered in Consolidation	Value of Transaction/ Outstanding	Amount Considered in Consolidation	Value of Transaction/ Outstanding	Amount Considered in Consolidation
<b>(A) Joint venture</b>										
<b>Srei Equipment Finance Limited</b>										
Subscription to Equity Shares	-	-	9,982	4,991	4,991	2,496	-	-	-	-
Loan advanced	-	-	-	-	-	-	-	-	43,544	21,772
Refund of loan advanced	-	-	-	-	-	-	-	-	43,544	21,772
Security Deposit Received	-	-	-	-	54	27	669	335	35	18
Security Deposit Paid	-	-	-	-	-	-	7	4	24	12
Security Deposit Refund Received	-	-	-	-	50	25	96	48	-	-
Security Deposit Refunded	-	-	-	-	7	4	-	-	-	-
Advance Paid	-	-	-	-	-	-	270	135	-	-
Refund of Advance Received	-	-	-	-	-	-	270	135	-	-
Interest received on Loan	-	-	-	-	-	-	-	-	1,600	800
Rent Paid	-	-	-	-	-	-	211	106	104	52
Rent Received	1,568	784	1,456	728	1,388	694	999	500	642	321
Balance Payable - Security Deposit	1,459	730	1,425	713	1,425	713	1,421	711	752	376
Balance Receivable - Security Deposit	-	-	-	-	-	-	7	4	96	48
Purchase of Investment	-	-	-	-	143	72	-	-	-	-

Name of related party and Nature of relationship	Nature of transactions and outstanding balances	2013-14	2012-13	2011-12	2010-11	2009-10
<b>(B) Key Management Personnel</b>						
Hemant Kanoria	Remuneration	164	159	163	178	87
	Commission	60	60	60	60	36
	Dividend paid	2	2	3	3	2
Saud Ibne Siddique	Remuneration	55	429	339	325	335
Kishore Kumar Mohanty	Remuneration	-	-	-	76	64
	Dividend paid	-	-	-	2	1
Sanjeev Sancheti	Remuneration	13	111	73	66	48
	Loan advanced	45	-	5	-	-
	Refund of Loan Advanced	-	1	4	-	-
	Interest received on Loan	-	0.02	0.21	-	-
	Balance Receivable-Loan	-	-	1	-	-
Mr. Anil Agarwal	Remuneration	49	-	-	-	-
	Balance Payable - Remuneration	5	-	-	-	-

(₹ in lakh)

Name of related party and Nature of relationship	Nature of transactions and outstanding balances	2013-14	2012-13	2011-12	2010-11	2009-10
<b>(C) Transaction with Relative of KMP</b>						
Mr. Saroj Agrawal (Spouse of Mr. Anil Agrawal)	Car Hire Charges	2	-	-	-	-

(₹ in lakh)

Name of related party and Nature of relationship	Nature of transactions and outstanding balances	2013-14	2012-13	2011-12	2010-11	2009-10
<b>(D) Enterprises over which KMPs and their relatives have significant influence:</b>						
Viom Networks Limited (w.e.f. 18.11.2011)	Deposit Received	-	-	76	-	-
	Rent received	835	803	306	-	-
	Balance Receivable-Others	16	21	6	-	-
	Balance Payable-Deposit	663	660	660	-	-

(₹ in lakh)

Name of related party and Nature of relationship	Nature of transactions and outstanding balances	2013-14	2012-13	2011-12	2010-11	2009-10
<b>(E) Trusts :</b>						
Srei Mutual Fund Trust	Contribution to corpus	-	-	-	1	-
Srei Growth Trust	Contribution to corpus	-	-	-	0.25	-

**40 2013-14**

Adjustment on disposal / cessation of Subsidiary, Step-down subsidiaries and Joint Ventures of a subsidiary ₹ 6 Lakhs (31st March 2013 ₹ 10462 Lakhs) for the year ended 31st March, 2014 is on account of a subsidiary i.e., Quippo Valuers and Auctioneers Private Limited, two step-down subsidiaries i.e., Quippo Energy Middle East Limited and Quippo Energy Yemen Limited and two joint ventures of a subsidiary i.e., Srei (Mauritius) Infrastructure Development Company Limited and SICOM Srei Maharashtra Infrastructure Private Limited. Such disposal / cessation has been accounted for as per Accounting Standard 21, "Consolidated Financial Statements" and Accounting Standard 27, "Financial Reporting of Interests in Joint Ventures", notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

**41 2012-13**

The Company has further infused an amount of ₹ 9,982 Lakh in Srei Equipment Finance Private Limited, the Joint Venture Company, by subscribing to its Equity Share Capital in two equal tranches on 31.08.2012 and 01.10.2012.

**42 2012-13**

The Securities and Exchange Board of India (SEBI) has granted the Certificate of Registration under Regulation 9 of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 to SREI MUTUAL FUND - IDF, of Srei Mutual Fund Asset Management Private Limited (a subsidiary of the Company) on 15th November, 2012.

**43 2012-13**

Adjustment on disposal/cessation of Subsidiaries, Step-down subsidiaries and Joint Ventures of subsidiaries ₹ 10,462 Lakhs for the year ended 31st March, 2013 is on account of two subsidiaries i.e. Sahaj e-Village Limited and Quippo Construction Equipment Limited (Including its joint venture i.e NAC Infrastructure Equipment Limited), two step down subsidiaries i.e. Quippo Prakash Pte. Limited and Quippo Prakash Marine Holdings Pte. Limited and joint venture of a subsidiary i.e. Aalat LLC. Such disposal/cessation has been accounted for as per Accounting Standard 21, "Consolidated Financial Statements" and Accounting Standard 27, "Financial Reporting of Interests in Joint Ventures", notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

**44 2010-11**

The Company has been classified by RBI as 'Infrastructure Finance Company – Non Deposit Taking' within the overall classification of 'Non Banking Finance Company' w.e.f. 31<sup>st</sup> March, 2011.

**45 2009-10**

The Company is a Non Banking Finance Company (NBFC) and being currently classified as Asset Finance Company (Deposit Taking). In terms of Reserve Bank of India (RBI) Circular DNBS.PD.CC.No.168/03.02.089/2009-10 dated 12th February, 2010, the Company has approached RBI for change in classification as Infrastructure Finance Company (IFC) based on the asset pattern for the year ended 31st March, 2009. However the Company has been advised by RBI to convert into non deposit taking NBFC in order to qualify for classification as IFC in terms of the captioned circular. Accordingly, the Company has complied with the steps advised by RBI and has requested RBI for change in classification as Infrastructure Finance Company.

As a result, the Company has decided that it would not accept any further public deposits or renew the maturing deposits in any manner w.e.f. 20th April, 2010.

**46 2009-10**

The Board of Directors of the Company at its meeting held on 28th January, 2010 has, based on the recommendation of the Committee of Independent Directors, approved amalgamation of Quippo Infrastructure Equipment Limited (Quippo) into and with the Company in terms of a Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956. The Appointed Date of the amalgamation shall be 1st April, 2010.

**47 2010-11**

Previous year's consolidated financial statements have been audited by M/s Deloitte Haskins & Sells, Chartered Accountants.

**48** Figures pertaining to the previous year/period have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current period.

## Statement of Accounting Ratios

Annexure XI

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013	Year Ended 31.03.2012	Year Ended 31.03.2011	Year Ended 31.03.2010
Number of shares at the beginning of the year/period	503,086,333	503,086,333	503,086,333	116,144,798	116,144,798
Number of shares at the end of the year/period	503,086,333	503,086,333	503,086,333	503,086,333	116,144,798
Weighted average number of equity share of ₹ 10/- each	503,086,333	503,086,333	503,086,333	231,616,033	209,060,637
Dilutive effect on weighted average number of shares	-	-	-	-	-
Weighted average number of equity shares of ₹ 10/- (Diluted)	503,086,333	503,086,333	503,086,333	231,616,033	209,060,637
Net Profit after tax available for Equity Shares ( ₹ in million)	593.20	949.60	579.60	1343.00	1114.90
Net worth at the end of the year/period ( ₹ in million)	25841.40	25537.40	24986.90	24911.00	7208.60
Average Networth during the year/Period [(Opening+Closing)/2] ( ₹ in million)	25689.40	25262.15	24948.95	16059.80	7078.60
Basic Earning Per Share (EPS) ₹	1.18	1.89	1.15	5.80	5.33
Dilutive Earning Per Share (EPS) ₹	1.18	1.89	1.15	5.80	5.33
<b>Return on Net Worth (%)</b>					
<b>Considering Networth at the end of the year</b>	2.30%	3.72%	2.32%	5.39%	15.47%
<b>Considering Average Networth during the year</b>	2.31%	3.76%	2.32%	8.36%	15.75%
<b>Net Asset Value Per Share (₹)</b>	51.37	50.76	49.67	49.52	62.07
Borrowing ( ₹ in million)	129601.30	111784.10	98473.20	52896.40	35382.20
<b>Debt Equity</b>	5.02	4.38	3.94	2.12	4.91

## Notes:

Earning Per Share (Basic)

= Net Profit attributable to Equity Shareholders  
Weighted Average Number of Equity Share Outstanding during the year

Earning Per Share (Diluted)

= Net Profit attributable to Equity Shareholders  
Weighted Average Number of Diluted Equity Share Outstanding during the year

Return on Net Worth (%)  
(Based on Net worth at the end of the year)

= Net Profit After Tax  
Net Worth at end of the year

Return on Net Worth (%)  
(Based on Average Networth during the year)

= Net Profit After Tax  
Average Net Worth during the year

Net Asset Value Per Share

= Net worth at the end of the year  
Number of Equity Shares outstanding at the end of the year

Debt Equity

= Borrowing  
Net worth

\* Net Worth = Share Capital + Reserves -Deferred Expenditure- Miscellaneous Expenditure to the extent not written off

## DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS

### Annexure XII

The outstanding borrowings of the Company as at June 30, 2014 are as follows:

Sl. No.	Nature of Borrowing	Amount(₹ in Million)
1.	Secured Borrowings	117,520.20
2.	Unsecured Borrowings	13,183.67

Set forth below, is a brief summary of the borrowings by our Company as at June 30, 2014 together with a brief description of certain significant terms of such financing arrangements.

For details of the lenders from whom we have not received any consent as required under Rule 3 of the Companies (Draft Shelf Prospectus and Allotment of Securities) Rules, 2014, please see page No [●] of this Draft Shelf Prospectus.

#### (I) Details of Secured Loan Facilities:

Sl. No.	Name of Lender	Type of Facility	Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Repayment Schedule
1	Andhra Bank	Term Loan	1,000.00	722.22	18 equal quarterly instalments with an initial moratorium of 6 months from date of disbursement.
2	Bank of Baroda	Term Loan	1,000.00	1,000.00	54 equal monthly instalments after a moratorium of 6 months from the date of first disbursement.
3	Bank of India	Term Loan	1,000.00	125.00	40 equal monthly instalments of ₹ 25.00 million commencing after 2 months from the date of disbursement.
4	Bank of Maharashtra	Term Loan	1,000.00	7,22.20	54 equal monthly instalments after a moratorium of 6 months from the date of first disbursement.
5	Canara Bank	Term Loan	2,000.00	1,800.00	20 equal quarterly instalments of ₹ 100 million each after 6 months moratorium.
6	Corporation Bank	Term Loan	650.00	310.00	48 equal instalments after 6 months moratorium from the date of first disbursement.
7	DBS Bank Ltd	Term Loan	1,000.00	630.00	1 <sup>st</sup> year-nil, 2 <sup>nd</sup> year-4% of facility amount payable at the end of each quarter, 3 <sup>rd</sup> year to 5 <sup>th</sup> year (final maturity) - 7% of facility amount payable at the end of each quarter.
8	ICICI Bank	Term Loan	1,500.00	1,031.25	16 equal quarterly instalments, first instalment commencing after end of 12 <sup>th</sup> month from the date of disbursement.
9	ICICI Bank	Term Loan	1,500.00	1,000.00	12 quarterly instalments after a 1 year moratorium from the date of first disbursement.
10	ICICI Bank	Term Loan	1,000.00	1,000.00	8 quarterly instalments commencing from 15th months moratorium from the date of first disbursement.
11	Indian Overseas Bank	Term Loan	500.00	71.43	14 quarterly instalments after a moratorium of 6 months.
12	Karur Vysya Bank	Term Loan	500.00	361.11	18 equal quarterly instalments with an initial moratorium of 6 months from date of disbursement.
13	Oriental Bank of Commerce	Term Loan	2,500.00	1,944.44	54 equal monthly instalments starting from the first month after the date of disbursement.

Sl. No.	Name of Lender	Type of Facility	Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Repayment Schedule
14	Oriental Bank of Commerce	Term Loan	2,000.00	2,000.00	20 quarterly instalments after a moratorium of 6 months from the date of first disbursement.
15	Punjab & Sind Bank	Term Loan	1,000.00	550.00	20 quarterly instalments after a moratorium of 3 months from the date of first disbursement.
16	Punjab & Sind Bank	Term Loan	1,000.00	1,000.00	54 equal monthly instalments after a moratorium of 6 months from the date of first disbursement.
17	South Indian Bank	Term Loan	1,000.00	716.10	60 equal monthly instalments of ₹16.70 million after a moratorium of 6 months from the date of first disbursement.
18	State Bank of Bikaner & Jaipur	Term Loan	500.00	35.60	46 monthly instalments, first 45 instalments of ₹10.80 million & last instalment of ₹14.00 million with repayment to start after 2 months from the date of first disbursement.
19	State Bank of Bikaner & Jaipur	Term Loan	1,000.00	900.00	60 equal monthly instalments after a moratorium of 6 months from the date of first disbursement
20	State Bank Of Hyderabad	Term Loan	500.00	194.44	54 equal monthly instalments, first instalment commencing after 6 months from the date of first disbursement.
21	State Bank of Hyderabad	Term Loan	750.00	359.38	4 years and 6 months including the moratorium of 6 months from date of first disbursement.
22	State Bank of Patiala	Term Loan	1,000.00	604.17	48 equal monthly instalments after a moratorium of 6 months from the date of first disbursement.
23	Syndicate Bank	Term Loan	1,000.00	851.85	54 equal monthly instalments, of ₹18.50 million after the moratorium of 6 months from the date of first disbursement.
24	Union Bank of India	Term Loan	2,000.00	1,000.00	18 equal quarterly instalments of ₹111.11 million, after a moratorium of 6 months from the date of disbursement.
25	Union Bank of India	Term Loan	2,000.00	1,555.56	18 equal quarterly instalments, first instalment commencing after 6 months from the date of first disbursement.
26	United Bank of India	Term Loan	2,000.00	875.00	16 equal quarterly instalments of ₹125.00 million after a moratorium of 6 months, from the date of first disbursement.
27	United Bank of India	Term Loan	2,000.00	1,777.78	18 equal quarterly instalments after a moratorium of 6 months from the date of first disbursement.
28	Various Banks, Axis Bank being the Lead Bank under consortium*	Cash Credit	79,580.00	40,325.00	One year with renewable clause every year.
		WCDL		27,272.00	
29	Nederlandse Financierings-Maatschappij voor Ontwikkelingsland en N V	ECB	A: 902.55 B: 1,805.10	A: 258.12 B: 150.42	For A: 14 semi-annual installments with 30 months moratorium For B: 12 semi-annual installments with 30 months moratorium

Sl. No.	Name of Lender	Type of Facility	Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Repayment Schedule
30	Nederlandse Financierings-Maatschappij voor Ontwikkelingsland en N V	ECB	A1:1,203.4 A2:1,203.40 B:1,805.10	A1:902.55 A2:902.55 B:1,263.57	For A1 & A2: 12 semi-annual installments with 36 months moratorium.  For B: 10 semi-annual installments with 36 months of moratorium
31	Australia and New Zealand Banking Group Limited & DBS Bank Limited	ECB	1,805.10	1,805.10	72 months with 30 months moratorium, half yearly principal payment.
32	DBS Bank Ltd	ECB	601.70	601.70	72 months with 36 months moratorium, half yearly principal payment.
33	Oesterreichische Entwicklungsbank AG	ECB	1,235.69	1,235.69	96 months with 36 months moratorium, half yearly principal payment.
34	UPS Capital Business Credit	ECB	1,919.07	1,235.25	96 months, half yearly principal payment.

**\*Note: Name of Consortium members banks for Cash Credit facility as on June 30, 2014:**

Sl. No.	Name of lender	Sl. No.	Name of lender
1	Allahabad Bank	16	Karur Vysya Bank
2	Andhra Bank	17	Oriental Bank of Commerce
3	Axis Bank	18	Punjab & Sind Bank
4	Bank of Baroda	19	Punjab National Bank
5	Bank of India	20	State Bank of Bikaner & Jaipur
6	Bank of Maharashtra	21	State Bank of Hyderabad
7	Canara Bank	22	State Bank of India
8	Central Bank of India	23	State Bank of Mysore
9	Corporation Bank	24	Syndicate Bank
10	Dena Bank	25	South Indian Bank
11	Dhanlaxmi Bank	26	UCO Bank
12	ICICI Bank	27	Union Bank of India
13	IDBI Bank	28	United Bank of India
14	Indian Bank	29	Vijaya Bank
15	Indian Overseas Bank		

*Security: Term loans from Banks are secured by exclusive charge by way of hypothecation/assignment of assets financed and assignment of the rentals and instalments receivable against such assets.*

*Term loans from foreign banks/financial institutions are secured by Receivables to the Company arising from Infrastructure Project Financing and Infrastructure Equipment Financing.*

*The Working Capital Facilities from Banks are secured by First exclusive charge by way of Hypothecation of specific assets for operating lease, Lease rentals and hire purchase/loan instalments for assets acquired/financed and /or to be acquired /to be financed out of the loan proceeds.*

## (II) Details of Unsecured Loan Facilities:

Sl. No.	Name of Lender	Type of Facility	Amount Sanctioned (₹ in Million)	Amount Outstanding (₹ in Million)	Repayment Schedule
1	Quippo Telecom Infrastructure Ltd	Inter Corporate Deposit	6.30	6.30	On maturity, repayable within one year
2	Srei Mutual Fund Assets Management Pvt Ltd	Inter Corporate Deposit	98.60	98.60	On maturity, repayable within one year
3	Supreme Infrastructure BOT	Inter Corporate Deposit	8.87	8.87	On maturity, repayable within one year

**(III) Details of NCD's:**

- **Secured Redeemable Non-convertible Debentures\*:**

Sl. No.	Debenture Series	Tenor / Period of Maturity (Days/Year)	Coupon per annum	Amount Outstanding (₹ in Million)	Date of Allotment	Date of Maturity	Credit Rating
1	N.A	5 Years	11.75%	500.00	4-Nov-11	4-Nov-16	CARE AA-
2	N.A	5 Years	11.75%	550.00	9-Sep-11	9-Sep-16	CARE AA- & BWR AA
3	N.A	10 Years	11.90%	100.00	9-Sep-11	9-Sep-21	CARE AA- & BWR AA
4	N.A	5 Years	11.75%	130.00	10-Oct-11	10-Oct-16	CARE AA- & BWR AA
5	N.A	3 Years	11.40%	270.00	10-Oct-11	10-Oct-14	CARE AA- & BWR AA
6	N.A	5 Years	11.75%	150.00	29-Oct-11	29-Oct-16	CARE AA- & BWR AA
7	N.A	10 Years	11.90%	300.00	29-Oct-11	29-Oct-21	CARE AA- & BWR AA
8	N.A	3 Years	11.40%	400.00	21-Nov-11	21-Nov-14	CARE AA- & BWR AA
9	N.A	5 Years	11.75%	634.00	21-Nov-11	21-Nov-16	CARE AA- & BWR AA
10	N.A	5 Years	11.75%	464.00	16-Dec-11	16-Dec-16	CARE AA- & BWR AA
11	N.A	5 Years	11.75%	250.00	23-Dec-11	23-Dec-16	CARE AA- & BWR AA
12	N.A	5 Years	11.75%	252.00	12-Jan-12	12-Jan-17	CARE AA- & BWR AA
13	N.A	5 Years Redeemable in 3 equal instalments at the end of 3rd, 4th&5th year.	10.80%	2,000.00	15-Feb-12	15-Feb-17	CARE AA-
14	N.A	5 Years	11.30%	750.00	24-May-12	24-May-17	CARE AA- & BWR AA
15	N.A	10 Years	11.40%	7.00	8-Jun-12	8-Jun-22	CARE AA- & BWR AA
16	N.A	5 Years: Put /call option after 3 years from the date of allotment.	11.25%	150.00	8-Jun-12	8-Jun-15	CARE AA- & BWR AA
17	N.A	5 Years	11.50%	250.00	8-Jun-12	8-Jun-17	CARE AA- & BWR AA
18	N.A	3 Years	11.40%	910.00	8-Jun-12	8-Jun-15	CARE AA- & BWR AA
19	N.A	3 Years	11.40%	150.00	25-Jun-12	25-Jun-15	CARE AA- & BWR AA
20	N.A	5 Years	11.30%	200.00	25-Jun-12	25-Jun-17	CARE AA- & BWR AA
21	Series I	10 Years; buy back options after the expiry of 5 years from date of allotment	8.90%	34.10	22-Mar-12	22-Mar-17	CARE AA-

Sl. No.	Debenture Series	Tenor / Period of Maturity (Days/Year)	Coupon per annum	Amount Outstanding (₹ in Million)	Date of Allotment	Date of Maturity	Credit Rating
22	Series II	10 Years; buy back options after the expiry of 5 years from date of allotment	8.90%	95.00	22-Mar-12	22-Mar-17	CARE AA-
23	Series III	15 Years; buy back options after the expiry of 5 years from date of allotment	9.15%	26.10	22-Mar-12	22-Mar-17	CARE AA-
24	Series IV	15 Years; buy back options after the expiry of 5 years from date of allotment	9.15%	93.70	22-Mar-12	22-Mar-17	CARE AA-
25	N.A	3 Years	11.20%	62.00	31-Jul-12	31-Jul-15	CARE AA- & BWR AA
26	N.A	10 Years	11.40%	13.00	31-Jul-12	31-Jul-22	CARE AA- & BWR AA
27	N.A	5 Years	11.30%	427.00	31-Jul-12	31-Jul-17	CARE AA- & BWR AA
28	N.A	5 Years	11.55%	200.00	16-Jul-12	16-Jul-17	CARE AA- & BWR AA
29	N.A	3 Years	11.40%	100.00	22-Aug-12	22-Aug-15	CARE AA- & BWR AA
30	N.A	5 Years	11.48%	17.00	17-Sep-12	17-Sep-17	CARE AA- & BWR AA
31	N.A	3 Years	11.45%	100.00	17-Sep-12	17-Sep-15	CARE AA- & BWR AA
32	N.A	7 Years	11.55%	14.00	17-Sep-12	17-Sep-19	CARE AA- & BWR AA
33	N.A	10 Years	11.35%	200.00	05-Oct-12	05-Oct-22	CARE AA- & BWR AA
34	N.A	5 Years	11.30%	100.00	31-Oct-12	31-Oct-17	CARE AA- & BWR AA
35	Series I	7 Years; with put option after 60 months from date of allotment	9.84%	4.62	05-Nov-12	05-Nov-17	CARE AA- & BWR AA
36	Series II	7 Years; with put option after 60 months from date of allotment	9.92%	0.98	05-Nov-12	05-Nov-17	CARE AA- & BWR AA
37	Series III	7 Years; with put option after 60 months from date of allotment	10.30%	112.13	05-Nov-12	05-Nov-17	CARE AA- & BWR AA
38	Series III	7 Years from date of allotment	10.25%	630.00	05-Nov-12	05-Nov-19	CARE AA- & BWR AA
39	Series IV	7 Years; with put option after 60 months from date of allotment	N.A	5.17	05-Nov-12	05-Nov-17	CARE AA- & BWR AA

Sl. No.	Debenture Series	Tenor / Period of Maturity (Days/Year)	Coupon per annum	Amount Outstanding (₹ in Million)	Date of Allotment	Date of Maturity	Credit Rating
40	Series IV	7 Years from date of allotment	N.A	15.00	05-Nov-12	05-Nov-19	CARE AA- & BWR AA
41	N.A	5 Years from date of allotment	11.35%	150.00	2-Jan-13	2-Jan-18	CARE AA- & BWR AA
42	N.A	7 Years from date of allotment	11.45%	20.00	2-Jan-13	2-Jan-20	CARE AA- & BWR AA
43	N.A	10 Years from date of allotment	11.50%	4.00	24-Jan-13	24-Jan-23	CARE AA- & BWR AA
44	N.A	10 Years from date of allotment	11.50%	7.00	24-Jan-13	24-Jan-23	BWR AA
45	N.A	5 Years from date of allotment	11.40%	61.00	24-Jan-13	24-Jan-18	CARE AA- & BWR AA
46	N.A	15 Months from date of allotment	11.00%	1,375.00	26-Apr-13	26-Jul-14	CARE AA-
47	Series I	3 Years from date of allotment	10.35%	43.87	06-May-13	06-May-16	CARE AA- & BWR AA
48	Series II	3 Years from date of allotment	10.75%	55.95	06-May-13	06-May-16	CARE AA- & BWR AA
49	Series III	3 Years from date of allotment	10.76%	19.47	06-May-13	06-May-16	CARE AA- & BWR AA
50	Series IV	3 Years from date of allotment	11.00%	1,121.39	06-May-13	06-May-18	CARE AA- & BWR AA
51	Series V	5 Years from date of allotment	11.00%	15.48	06-May-13	06-May-18	CARE AA- & BWR AA
52	Series VI	6 Years 6 Months from date of allotment	11.24%	80.87	06-May-13	06-May-16	CARE AA- & BWR AA
53	N.A	3 Years from date of allotment	10.65%	89.70	11-Jun-13	11-Jun-16	CARE AA- & BWR AA
54	N.A	18 months from date of Allotment	10.35%	4.00	02-Jul-13	02-Jan-15	CARE AA- & BWR AA
55	N.A	3 Years from date of allotment	10.65%	25.00	02-Jul-13	02-Jul-16	CARE AA- & BWR AA
56	Series I	3 Years from date of allotment	10.75%	9.00	26-Sep-13	26-Sep-16	CARE AA- & BWR AA
57	Series I	3 Years from date of allotment	10.90%	3.40	26-Sep-13	26-Sep-16	CARE AA- & BWR AA
58	Series I	3 Years from date of allotment	11.50%	166.64	26-Sep-13	26-Sep-16	CARE AA- & BWR AA
59	Series II	3 Years from date of allotment	N.A.	73.67	26-Sep-13	26-Sep-16	CARE AA- & BWR AA

Sl. No.	Debenture Series	Tenor / Period of Maturity (Days/Year)	Coupon per annum	Amount Outstanding (₹ in Million)	Date of Allotment	Date of Maturity	Credit Rating
60	Series III	5 Years from date of allotment	11.16%	149.71	26-Sep-13	26-Sep-18	CARE AA- & BWR AA
61	Series IV	5 Years from date of allotment	10.85%	33.20	26-Sep-13	26-Sep-18	CARE AA- & BWR AA
62	Series IV	5 Years from date of allotment	11.00%	351.25	26-Sep-13	26-Sep-18	CARE AA- & BWR AA
63	Series IV	5 Years from date of allotment	11.75%	151.53	26-Sep-13	26-Sep-18	CARE AA- & BWR AA
64	Series V	6 Years 6 Months from date of allotment	N.A.	88.10	26-Sep-13	26-Dec-19	CARE AA- & BWR AA
65	N.A.	5 Years from date of allotment	11.00%	170.00	29-Nov-13	29-Nov-18	CARE AA- & BWR AA
66	N.A.	10 Years from date of allotment	11.10%	45.00	29-Nov-13	29-Nov-23	CARE AA- & BWR AA
67	N.A.	5 Years from date of allotment	11.00%	500.00	27-Dec-13	27-Dec-18	CARE AA- & BWR AA
68	Series I	2 Years from date of allotment	11.00%	22.93	11-Feb-14	11-Feb-16	CARE AA- & BWR AA
69	Series I	2 Years from date of allotment	11.25%	42.73	11-Feb-14	11-Feb-16	CARE AA- & BWR AA
70	Series II	2 Years from date of allotment	N.A.	1.00	11-Feb-14	11-Feb-16	CARE AA- & BWR AA
71	Series II	2 Years from date of allotment	N.A.	30.24	11-Feb-14	11-Feb-16	CARE AA- & BWR AA
72	Series III	3 Years from date of allotment	11.25%	2.00	11-Feb-14	11-Feb-17	CARE AA- & BWR AA
73	Series III	3 Years from date of allotment	11.25%	10.00	11-Feb-14	11-Feb-17	CARE AA- & BWR AA
74	Series III	3 Years from date of allotment	11.50%	67.42	11-Feb-14	11-Feb-17	CARE AA- & BWR AA
75	Series IV	3 Years from date of allotment	N.A.	44.02	11-Feb-14	11-Feb-17	CARE AA- & BWR AA
76	Series V	5 Years from date of allotment	11.50%	195.00	11-Feb-14	11-Feb-19	CARE AA- & BWR AA
77	Series V	5 Years from date of allotment	11.50%	268.30	11-Feb-14	11-Feb-19	CARE AA- & BWR AA
78	Series V	5 Years from date of allotment	11.75%	111.52	11-Feb-14	11-Feb-19	CARE AA- & BWR AA
79	Series VI	5 Years from date of allotment	10.94%	3.00	11-Feb-14	11-Feb-19	CARE AA- & BWR AA

Sl. No.	Debenture Series	Tenor / Period of Maturity (Days/Year)	Coupon per annum	Amount Outstanding (₹ in Million)	Date of Allotment	Date of Maturity	Credit Rating
80	Series VI	5 Years from date of allotment	11.16%	173.16	11-Feb-14	11-Feb-19	CARE AA- & BWR AA
81	Series VII	5 Years from date of allotment	Year 1: 12.50% Year 2: 12.00% Year 3: 11.50% Year 4: 11.25% Year 5: 11.25%	28.65	11-Feb-14	11-Feb-19	CARE AA- & BWR AA
82	Series I	3 Years from date of allotment	10.70%	20.90	28-May-14	28-May-17	CARE AA- & BWR AA
83	Series I	3 Years from date of allotment	11.40%	161.97	28-May-14	28-May-17	CARE AA- & BWR AA
84	Series II	3 Years from date of allotment	11.25%	31.66	28-May-14	28-May-17	CARE AA- & BWR AA
85	Series II	3 Years from date of allotment	12.00%	279.60	28-May-14	28-May-17	CARE AA- & BWR AA
86	Series III	3 Years from date of allotment	N.A.	107.25	28-May-14	28-May-17	CARE AA- & BWR AA
87	Series IV	5 Years from date of allotment	10.95%.	5.6	28-May-14	28-May-19	CARE AA- & BWR AA
88	Series IV	5 Years from date of allotment	11.40%.	75.66	28-May-14	28-May-19	CARE AA- & BWR AA
89	Series V	5 Years from date of allotment	11.50%.	201.53	28-May-14	28-May-19	CARE AA- & BWR AA
90	Series V	5 Years from date of allotment	12.00%.	562.54	28-May-14	28-May-19	CARE AA- & BWR AA
91	Series VI	5 Years from date of allotment	N.A.	53.29	28-May-14	28-May-19	CARE AA- & BWR AA
92	N.A.	5 Years from date of allotment	11.50%	200.00	10-Jun-14	10-Jun-19	CARE AA- & BWR AA
93	N.A.	10 Years from date of allotment	11.40%	100.00	10-Jun-14	10-Jun-24	CARE AA- & BWR AA
94	N.A.	5 Years from date of allotment	11.35%	150.00	16-Jun-14	16-Jun-19	CARE AA- & BWR AA

**Security:** Secured by receivables/assets of the Company & immovable property

• **Unsecured Subordinate Debentures:**

Sl. No.	Debenture Series	Tenor/ Period of Maturity	Coupon per annum	Amount Outstanding (₹ in Million)	Date of Allotment	Date of Maturity	Credit Rating
1	N.A	10 years	12.00%	500.00	30-Mar-07	30-Mar-17	CARE AA- & ICRA A+
2	N.A	10 years	10.20%	2,000.00	23-Mar-10	23-Mar-20	CARE AA- & BWR AA
3	N.A	10 years	10.50%	500.00	10-Nov-10	10-Nov-20	CARE AA- & BWR AA
4	N.A	5 years 3 months	11.85%	200.00	30-Nov-11	28-Feb-17	BWR AA
5	N.A	10 years	11.90%	690.50	23-Dec-11	23-Dec-21	CARE AA- & BWR AA
6	N.A	5 years 3 months	11.75%	8.50	23-Dec-11	23-Mar-17	CARE AA- & BWR AA
7	N.A	10 years	11.90%	660.00	11-Jan-12	11-Jan-22	CARE AA- & BWR AA
8	N.A	5 years 3 months	11.75%	100.00	11-Jan-12	11-Apr-17	CARE AA- & BWR AA
9	N.A	10 years	11.90%	841.00	12-Jan-12	12-Jan-22	CARE AA- & BWR AA
10	N.A	10 years	11.40%	1,000.00	30-Mar-12	30-Mar-22	CARE AA- & BWR AA
11	N.A	5 years 3 months	11.50%	3.50	1-Jun-12	1-Sep-17	CARE AA- & BWR AA
12	N.A	10 years	11.50%	113.00	1-Jun-12	1-Jun-22	CARE AA- & BWR AA
13	N.A	5 years 3 months	11.50%	130.80	31-Jul-12	31-Oct-17	CARE AA- & BWR AA
14	N.A	10 years	11.50%	120.60	31-Jul-12	31-Jul-22	CARE AA- & BWR AA
15	N.A	5 years 3 months	11.50%	294.00	28-Sep-12	28-Dec-17	CARE AA- & BWR AA
16	N.A	10 years	11.70%	289.00	28-Sep-12	28-Sep-22	CARE AA- & BWR AA
17	N.A	10 years	11.70%	106.00	18-Oct-12	18-Jan-22	CARE AA- & BWR AA
18	N.A	10 years	11.70%	49.00	31-Oct-12	31-Oct-22	CARE AA- & BWR AA
19	N.A	5 years 3 months	11.50%	202.00	18-Oct-12	18-Jan-18	CARE AA- & BWR AA
20	N.A	5 years 3 months	11.50%	110.00	31-Oct-12	31-Jan-18	CARE AA- & BWR AA
21	N.A	5 Years 3 Months	11.50%	155.00	1-Jan-13	1-Apr-18	BWR AA
22	N.A	10 Years	11.85%	700.00	16-Jan-13	16-Jan-23	CARE AA- & BWR AA
23	N.A	5 Years 3 Months	11.50%	132.00	16-Jan-13	16-Apr-18	CARE AA- & BWR AA
24	N.A	10 Years	11.70%	25.00	16-Jan-13	16-Jan-23	CARE AA- & BWR AA
25	N.A	10 Years	11.80%	607.00	24-Jan-13	24-Jan-23	CARE AA- & BWR AA
26	N.A	5 Years 3 Months	11.50%	62.00	24-Jan-13	24-Apr-18	CARE AA- & BWR AA
27	N.A	5 Years 3 Months	11.50%	250.00	24-Jan-13	24-Apr-18	BWR AA
28	N.A	10 Years	11.80%	70.00	28-Jan-13	28-Jan-23	CARE AA- & BWR AA
29	N.A	5 Years 3 Months	11.50%	14.00	28-Jan-13	28-Apr-18	CARE AA- & BWR AA
30	N.A	10 Years	11.25%	175.00	1-Mar-13	1-Mar-23	CARE AA- & BWR AA

Sl. No.	Debenture Series	Tenor/ Period of Maturity	Coupon per annum	Amount Outstanding (₹ in Million)	Date of Allotment	Date of Maturity	Credit Rating
31	N.A	5 Years 3 Months	11.10%	114.00	1-Mar-13	1-Jun-18	CARE AA- & BWR AA
32	N.A	5 Years 3 Months	11.10%	30.00	22-Mar-13	22-Jun-18	CARE AA- & BWR AA
33	N.A	10 Years	11.25%	165.00	28-Mar-13	28-Mar-23	CARE AA- & BWR AA
34	N.A	7 Years	10.75%	116.00	29-Jun-13	29-Jun-20	CARE AA- & BWR AA
35	N.A	10 Years	10.75%	250.00	29-Jun-13	29-Jun-23	BWR AA
36	N.A	10 Years	10.75%	104.00	29-Jun-13	29-Jun-23	CARE AA- & BWR AA
37	N.A	5 Years 10 Months	10.60%	250.00	29-Jun-13	29-Apr-19	CARE AA- & BWR AA
38	N.A	5 Years 10 Months	10.60%	100.00	29-Jun-13	29-Apr-19	BWR AA
39	N.A	10 Years	10.75%	230.00	17-Jul-13	17-Jul-23	CARE AA- & BWR AA
40	N.A	5 Years 10 Months	10.60%	3.00	17-Jul-13	17-May-19	CARE AA- & BWR AA
41	N.A	5 Years 10 Months	10.60%	50.00	17-Jul-13	17-May-19	BWR AA
42	N.A	7 Years	10.75%	50.00	17-Jul-13	17-Jul-20	CARE AA- & BWR AA

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

Year/Period ended	Amount Issued (₹ in million)
30 <sup>th</sup> June, 2014	450.00
31 <sup>st</sup> March, 2014	2,208.70
31 <sup>st</sup> March, 2013	3,892.00
31 <sup>st</sup> March, 2012	6,530.00
31 <sup>st</sup> March, 2011	82,050.00
31 <sup>st</sup> March, 2010	63,730.00

**(V) Top 10 holders of Debt instruments, as on June 30, 2014:**

**i. Top 10 Debenture Holders on cumulative basis for all outstanding Secured NCDs:**

Sl. No.	Name of Debenture Holders	Address of Debenture Holder	Amount (₹ in Million)
1	Life Insurance Corporation Of India	Investment Department 6th Floor, West Wing, Central Office Yogakshema, Jeevan Bima Marg Mumbai 400021	2,000
2	Standard Chartered Bank (Mauritius) Limited –Debt	Standard Chartered Bank, Crescenzo Securities Services, 3rd Floor C-38/39 G-Block, Bkc Bandra (East) Mumbai India 400051	1,375
3	APSRTC Employees Provident Fund Trust	C/O Apstrc Employees Provident Fund Bus Bhavan (Administrative Building) Mushirabad, Hyderabad 500020	960
4	The Ratnakar Bank Ltd	Floor 6th, One Indiabulls Centre Tower 2, 841 Senapati Bapat Marg Elphinstone Mumbai 400012	940
5	United India Insurance Company Limited	Investment Department 24 Whites Road Royapettah Chennai 600014	800
6	Indian Overseas Bank	Treasury (Domestic) Central Office 763 Anna Salai Chennai 600002	750
7	The South Indian Bank Ltd	Crescenzo 804 8th Floor B Wing G Block Behind Mca Ground Bandra Kurla Complex Bandra E Mumbai 400051	500

	Union Bank Of India	C/O. Ilfs, Ilfs House, Plot No.14, Raheja Vihar, Chandivali, Andheri (E) Mumbai 400072	500
8	General Insurance Corporation Ltd	Suraksha. 170, J. T A T A Road, Church Gate Mumbai 400020	350
9	Bank of India	Treasury Branch, Head Office, Star House, 7 <sup>th</sup> Floor, C-5, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai, 400 051	250
10	Nps Trust- A/C Lic Pension Fund Scheme - Central Govt	C/O Lic Pension Fund Ltd Yogakshema, East Wing, 7th Floor Jeevan Bima Marg Mumbai 400021	235

**ii. Top 10 Debenture Holders on cumulative basis for all outstanding Unsecured NCDs:**

Sl. No.	Name of Debenture Holders	Address of Debenture Holder	Amount (₹ in Million)
1	Ksrtc Employees Contributory Provident Fund Trust	KSRTC Employees Contributory Provident Fund Trust, Board of Trustees, Provident Fund Transport House, K H Road, Bangalore, 560027	1,948.00
2	Bank Of India	Treasury Branch, Head Office, Star House, 7 <sup>th</sup> Floor, C-5, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai, 400 051	750.00
	Central Bank Of India	Central Bank Of India Treasury Department, Chandramukhi Building, Nariman Point, Mumbai 400021	750.00
3	Axis Bank Limited	Treasury Ops Non Slr Desk Corp Off Axis House Level 4 South Blk Wadia International Centre P B Marg Worli Mumbai 400025	633.00
4	Rajasthan Rajya Vidyut Karamchari Contributory Provident Fund	Rajasthan Rajya Vidut Prasaran Nig L Shed No 11 Vidyut Bhavan Jyoti Nagar Jaipur 302005	515.00
5	Food Corporation Of India CPF Trust	Khadya Sadan 13th Floor 16 20 Barakhamba Lane New Delhi 110001	500.00
6	Syndicate Bank	F I M Department Maker Towers E Ii Floor Cuffe Parade Colaba Mumbai 400005	450.00
7	RSRTC Contributory Provident Fund Trust	Secretary Rsrtc Lpf Trust C/O Rsrtc, Parivahan Marg Jaipur 302001	330.00
	Trustees Hindustan Steel Limited Contributory provident Fund, Rourkela	Sail Rourkela Rourkela 769001	330.00
8	Powergrid Employee Provident Fund Trust	Saudamini, Plot No 2 Sector 29 Near Iffco Chowk Gurgaon, Haryana 122001	274.00
9	Yes Bank Limited	2nd Floor, Tiecicon House Dr E Moses Road Opp Famous Studio Mahalaxmi, Mumbai 400011	251.00
10	Rajasthan Rajya Vidyut Karamchari General Provident Fund	Rajasthan Rajya Vidut Prasaran Nig L Shed No 11 Vidyut Bhavan Jyoti Nagar Jaipur 302005	250.00

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

Sl. No.	Counterparty	Amount (₹ in Million)
1	Quippo Oil and Gas Infrastructure Limited	417.30
2	Quippo Energy Private Limited	452.50
3	Ghaziabad Aligarh Expressway Pvt Ltd	1,013.60
4	Sahaj e Village Ltd.(Formerly Srei Sahaj e Village Pvt Ltd)	571.70
5	Right Towers Pvt. Ltd.	906.40
6	Optimum Infratel Pvt. Ltd.	2,014.50
	<b>Total</b>	<b>5,376.00</b>

**(VII) Details of Commercial Paper:**

Sl. No.	Maturity Date	Amount Outstanding (₹ in Million)
1	01-Aug-14	250
2	04-Aug-14	250
3	22-Aug-14	1000

## **Restrictive Covenants**

Many of our financing agreement includes various restrictive conditions and covenants restricting certain corporate actions, and our Company may be required to take the prior approval of the lender before carrying out such activities. For instance, our Company is required, inter alia, to obtain the prior written consent of the lenders in the following instances:

- Change in the capital structure of our Company;
- Substantial changes in the management set up;
- Make any fundamental changes such as the financial year of our Company;
- Formulate any scheme for merger, amalgamation or re-organization;
- Implement any scheme of expansion or diversification or capital expenditure except normal replacement;
- Approaching the capital markets for mobilising additional resources either in the form of debt or equity;
- Create or form a subsidiary of our Company;
- Undertake guarantee obligations on behalf of any other company, firm or person, other than in ordinary course of business;

Our Company has from time to time, obtained the consent of its lenders to undertake certain corporate actions and enter into various transactions. Our Company has obtained the requisite consents from its lenders in order to undertake the present Issue. For further information on restrictive covenants, please see “**Risk Factors**” on page no. 12 of this Draft Shelf Prospectus.

## **Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities**

As on the date of this Draft Shelf Prospectus, there have been no defaults in payment of principal or interest on any term loan or debt securities issued by our Company in the past.

**Srei Infrastructure Finance Limited****Statement of Dividends****Annexure XIII**

<b>Particulars</b>	<b>Year ended 2013-14</b>	<b>Year ended 2012-13</b>	<b>Year ended 2011 - 12</b>	<b>Year ended 2010 - 11</b>	<b>Year ended 2009 - 10</b>	<b>Year ended 2008 - 09</b>
Equity Share Capital ( ₹ in million)	5032.40	5032.40	5032.40	5032.40	1162.90	1162.90
No. of shares (Nos.)	503086333	503086333	503086333	503086333	116144798	116144798
Dividend %	5.00%	5.00%	5.00%	7.50%	12.00%	10.00%
Dividend Per share (₹)	0.50	0.50	0.50	0.75	1.20	1.00

## Statement of Tax Shelter

(₹ in Million)

	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Profit before Tax	876.30	1,354.10	1,087.90	2,121.40	1,481.30
Income Tax Rate (A)	33.99%	32.45%	32.45%	33.22%	33.99%
Tax at above rate (B)	297.90	439.34	352.97	704.73	503.49
<b>Adjustments:</b>					
<b>Permanent Differences:</b>					
Exempt Income (Dividend Income & LTCG)	(30.50)	(27.90)	(2.80)	(11.00)	(118.80)
Capital receipt Income	-	-	-	-	-
Other Adjustments	6.50	4.14	15.60	3.40	45.80
<b>Sub Total (C)</b>	<b>(24.00)</b>	<b>(23.76)</b>	<b>12.80</b>	<b>(7.60)</b>	<b>(73.00)</b>
<b>Timing Difference</b>					
Difference between tax depreciation and book depreciation	(206.70)	(355.10)	(533.90)	(1,064.00)	(113.90)
Disallowance for Provisions	158.20	250.20	163.60	119.60	-
Deferred Revenue Expenditure	6.70	(106.70)	(210.50)	69.30	(685.10)
Other Adjustments	(64.40)	(21.60)	16.50	21.20	1.20
<b>Sub Total (D)</b>	<b>(106.20)</b>	<b>(233.20)</b>	<b>(564.30)</b>	<b>(853.90)</b>	<b>(797.80)</b>
<b>Net Adjustments (E) = (C) + (D)</b>	<b>(130.20)</b>	<b>(256.96)</b>	<b>(551.50)</b>	<b>(861.50)</b>	<b>(870.80)</b>
Tax on Adjustments (F) = (E*A)	(44.30)	(83.37)	(178.93)	(286.19)	(295.98)
Net Tax after adjustments (G) = (B)+ (F)	253.60	355.97	174.03	418.54	207.51
Adjustment for Tax related to Earlier years/ Capital Gain/ House Property Income (H)	(37.90)	(101.04)	(2.95)	-	-
Tax adjustment on account of Brought forward Business Loss and Unabsorbed Depreciation (I)	-	-	-	-	(207.51)
Normal Tax Provision (J) = (G) + (H) + (I)	215.70	254.92	171.08	418.54	-
Tax Liability Under MAT (K)	132.40	262.00	176.00	324.50	219.00
Tax Provision L = (Higher of J or K)	215.70	262.00	176.00	418.54	219.00
MAT credit entitlement/ adjustment (M)	-	(7.10)	(4.90)	-	(219.00)
Tax Liability after MAT credit adjustment (N) = (L)+ (M)	215.70	254.90	171.10	418.54	-
Income Tax in respect of earlier years	-	-	217.40	24.90	22.40
Provision for Tax	215.70	254.90	388.50	443.44	22.40
Deferred Tax Adjustment	66.00	149.60	119.80	335.00	344.00
Interest u/s 234B/ 234C	-	-	-	8.90	-

**Srei Infrastructure Finance Limited**

**Capitalisation Statement**

**Annexure XV**  
**(₹ in million)**

<b>Particulars</b>	<b>Pre Issue as at 31.03.2014 (Audited)</b>	<b>Post Issue</b>
<b>Debt</b>		
Long Term	60455.50	75455.50
Short Term	69145.80	69145.80
	<b>129601.30</b>	<b>144601.30</b>
<b>Shareholders Fund</b>		
Share Capital	5032.40	5032.40
<b>Reserves &amp; Surplus</b>		
Special Reserve under section 45-IC of Reserve Bank of India Act, 1934	1767.10	1767.10
General Reserve	13960.40	13960.40
Capital Reserve	194.50	194.50
Securities Premium Account	1975.40	1975.40
Debenture Redemption Reserve	1220.10	1220.10
Surplus in Profit and Loss Account	2624.40	2624.40
	21741.90	21741.90
<b>Total Shareholders' Fund</b>	<b>26774.30</b>	<b>26774.30</b>
<b>Long Term Debt-Equity Ratio</b>	<b>2.26</b>	<b>2.82</b>

## Statement of Accounting Ratios (Consolidated)

Annexure XVI

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013	Year Ended 31.03.2012	Year Ended 31.03.2011	Year Ended 31.03.2010
Number of shares at the beginning of the year/period	503,086,333	503,086,333	503,086,333	116,144,798	116,144,798
Number of shares at the end of the year/period	503,086,333	503,086,333	503,086,333	503,086,333	116,144,798
Weighted average number of equity share of ₹ 10/- each	503,086,333	503,086,333	503,086,333	231,616,033	209,060,637
Dilutive effect on weighted average number of shares	-	-	-	-	-
Weighted average number of equity shares of ₹ 10/- (Diluted)	503,086,333	503,086,333	503,086,333	231,616,033	209,060,637
Net profit after tax available for Equity Share ( ₹ in million)	1385.10	2631.80	1114.20	1792.40	1558.60
Net worth at the end of the year/period ( ₹ in million) <sup>a</sup>	33719.70	32668.60	30527.00	29553.90	11985.00
Average Networth During the year/Period[(Opening+Closing)/2] ( ₹ in million)	33194.15	31597.80	30040.45	20769.45	11726.40
Basic Earning Per Share (EPS) ₹	2.75	5.23	2.22	7.74	7.46
Dilutive Earning Per Share (EPS) ₹	2.75	5.23	2.22	7.74	7.46
Return on Net Worth (%):					
Considering Networth at the end of the year	4.11%	8.06%	3.65%	6.06%	13.00%
Considering Average Networth during the year	4.17%	8.33%	3.71%	8.63%	13.29%
Net Asset Value Per Share (₹)	67.03	64.94	60.68	58.75	103.19
Borrowing ( ₹ in million)	197673.00	182815.30	159158.50	100641.00	65695.90
Debt Equity	5.86	5.60	5.21	3.41	5.48

## Notes:

Earning Per Share (Basic)	= <u>Net Profit attributable to equity Shareholders</u> Weighted Average Number of Equity Share Outstanding during the year
Earning Per Share (Diluted)	= <u>Net Profit attributable to equity Shareholders</u> Weighted Average Number of Diluted Equity Share Outstanding during the year
Return on Net Worth (%) (Based on Net worth at the end of the year)	= <u>Net Profit After Tax</u> Net Worth at end of the year
Return on Net Worth (%) (Based on Average Networth during the year)	= <u>Net Profit After Tax</u> Average Net Worth during the year
Net Asset Value Per Share	= <u>Net worth at the end of the year</u> Number of Equity Shares outstanding at the end of the year
Debt Equity	= <u>Borrowing</u> Net worth

<sup>a</sup> Net Worth = Share Capital + Reserves -Deferred Expenditure- Miscellaneous Expenditure to the extent not written off

September 09, 2014

Shri S. B. Tiwari,  
Chief Operating Officer  
Srei Infrastructure Finance Ltd,  
"Viswakarma Building"  
86/C, Topsia Road (South),  
**Kolkata - 700 046**

**Confidential**

Dear Sir,

**Validity of Credit Rating for proposed Non-Convertible Debenture (Series IX) issue  
of Rs.500.0 crore**

This has reference to your letter dated September 6, 2014 and our rating letter July 16, 2014 for the credit rating of your proposed Non-Convertible Debenture (Series IX) issue aggregating Rs.500 crore.

In this context, we would once again like to mention that the rating for the bonds issue is valid for six months from our letter dated July 16, 2014 and as such, the same is valid as on date.

Hope this clarifies the position. If you need any further information, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

*Jai Agarwalla*  
(Jai Agarwalla)  
Deputy Manager

*Ayush Poddar*  
(Ayush Poddar)  
Manager

**CREDIT ANALYSIS & RESEARCH LTD.**

September 09, 2014

**Shri S. B. Tiwari,**  
Chief Operating Officer  
**Srei Infrastructure Finance Ltd,**  
"Viswakarma Building"  
86/C, Topsia Road (South),  
**Kolkata - 700 046**

**Confidential**

Dear Sir,

**Validity of Credit Rating for proposed Non-Convertible Debenture (Series VIII)**  
**issue of Rs.1000.0 crore**

This has reference to your letter dated September 6, 2014 and our rating letter July 03, 2014 for the credit rating of your proposed Non-Convertible Debenture (Series VIII) issue aggregating Rs.1000 crore.

In this context, we would once again like to mention that the rating for the bonds issue is valid for six months from our letter dated July 03, 2014 and as such, the same is valid as on date.

Hope this clarifies the position. If you need any further information, you are welcome to approach us in this regard.

Thanking you.

Yours faithfully.

*Jai Agarwalla*  
(Jai Agarwalla)  
Deputy Manager

*Ayush Poddar*  
(Ayush Poddar)  
Manager

**CREDIT ANALYSIS & RESEARCH LTD.**

July 03, 2014

Shri S. B. Tiwari,  
Chief Operating Officer  
Srei Infrastructure Finance Ltd,  
"Viswakarma Building"  
86/C, Topsia Road (South),  
Kolkata - 700 046

Confidential

Dear Sir,

**Credit Rating for proposed Non-Convertible Debenture issue**

Please refer to your request for rating of proposed non-convertible debenture (NCD) issue aggregating to Rs.1,000.0 crore of your company. The proposed NCDs would have a minimum tenure of one year & maximum tenure of ten years with repayment as per the terms of the issue.

2. The following ratings have been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Remarks
Proposed Non-Convertible Debenture issue (Series VIII)	1,000.0	CARE AA- (Double A minus)	Assigned

- The rationale for this rating will be communicated to you separately.
- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of our initial communication of rating to you (that is June 30, 2014)
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
- Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of payment of interest, date and amount of repayment etc.] as soon as the NCDs have been placed.
- Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without reference to you.
10. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
11. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

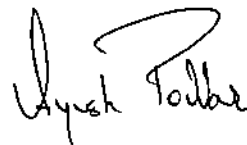
Yours faithfully,

Jai Agarwalla

(J.Agarwalla)

Dy. Manager

[jai.agarwalla@careratings.com](mailto:jai.agarwalla@careratings.com)



(A.Poddar)

Manager

[ayush.poddar@careratings.com](mailto:ayush.poddar@careratings.com)

Encl: As above

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

July 16, 2014

Shri S. B. Tiwari,  
Chief Operating Officer  
Srei Infrastructure Finance Ltd,  
"Viswakarma Building"  
86/C, Topsia Road (South),  
Kolkata - 700 046

**Confidential**

Dear Sir,

**Credit rating for proposed Non-Convertible Debenture issue**

Please refer to our letter dated June 30, 2014 conveying the rating of your Proposed Unsecured Subordinated Tier II Bond issue (Series VI & VII) aggregating Rs.493.51 crore and your request for revalidation of the said rating on the basis of revised terms. Proposed Unsecured Subordinated Tier II Bond Issue (Series VI & VII) aggregating Rs.493.51 crore would now change to Non-Convertible Debenture (Series IX) and have a minimum tenure of one year & maximum tenure of ten years with repayment as per the terms of the issue.

Furthermore, please also refer to our letter dated June 30, 2014 conveying you the rating of your Proposed Non-Convertible Debenture issue (Series IV, V & VII-Tranche I) aggregating Rs.182.6 crore and your request to take Rs.6.49 crore from Proposed Non-Convertible Debenture issue (Series V) aggregating Rs.71.52 crore and add the same to the Proposed Non-Convertible Debenture (Series IX).

2. We are pleased to reaffirm the rating of '**CARE AA-**' [Double A minus] to the aforesaid Proposed Non-Convertible Debenture (Series IX) issue aggregating Rs.500 crore.
3. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
4. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of maturity, etc.] as soon as it has been placed.
5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE reserves the right to suspend / withdraw / revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material and clarifications as may be required by CARE. CARE shall also be entitled to publicize / disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without any reference to you.



Page 1 of 2  
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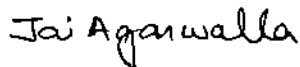


7. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
8. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

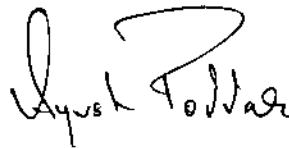
Yours faithfully,



(J.Agarwalla)

Dy. Manager

[jai.agarwalla@careratings.com](mailto:jai.agarwalla@careratings.com)



(A.Poddar)

Manager

[ayush.poddar@careratings.com](mailto:ayush.poddar@careratings.com)

Encl.: As above

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

July 03, 2014

Shri S. B. Tiwari,  
Chief Operating Officer  
Srei Infrastructure Finance Ltd,  
"Viswakarma Building"  
86/C, Topsia Road (South),  
Kolkata - 700 046

Confidential

Dear Sir,

Credit Rating

Please refer to our letters dated June 30, 2014 and July 03, 2014 on the captioned subject.

2. The rationale for the ratings is attached as **Annexure-I**. Kindly note that the rationale would be published in the forthcoming issue of our monthly journal - 'CAREVIEW'.
3. A write-up (brief rationale) on the above ratings is proposed to be issued to the press shortly. A draft of the same is enclosed for your perusal as **Annexure - II**.
4. We request you to peruse the annexed documents and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by July 05, 2014, we will proceed on the basis that you have no comments to offer.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

*Jai Agarwalla*

(Jai Agarwalla)  
Dy. Manager

*Ayush Poddar*

(Ayush Poddar)  
Manager

Encl : As above

CREDIT ANALYSIS & RESEARCH LTD.

## Rating Rationale

## Srei Infrastructure Finance Ltd (SIFL)

## Ratings

Instrument/Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
STD programme (incl. Commercial Paper)	2,000.00	CARE A1+ (A one plus)	Reaffirmed
Long term infrastructure bond	24.89		
Secured Redeemable Bonds (Series I)	5.00		
Secured Redeemable Bonds (Series II)	428.00		
Secured Redeemable Bonds (Series III)	250.00		
Secured Redeemable Bonds (Series IV)	483.27		
Proposed Secured Redeemable Bonds (Series IV)	13.73		
Secured Redeemable Bonds (Series V)	403.59		
Proposed Secured Redeemable Bonds (Series V)	71.52		
Secured Redeemable Bonds (Series VII)	202.65	CARE AA- (Double A minus)	
Proposed Secured Redeemable Bonds (Series VII)	97.35		
Insecured Subordinated Tier II NCD (Series I)	50.00		
Insecured Subordinated Tier II NCD (Series II)	200.00		
Insecured Subordinated Tier II NCD (Series III)	50.00		
Insecured Subordinated Tier II NCD (Series IV)	250.00		
Insecured Subordinated Tier II NCD (Series V)	250.00		
Insecured Subordinated Tier II NCD (Series VI)	256.49		
Proposed Unsecured Subordinated Tier II NCD (Series VI)	243.51		
Proposed Unsecured Subordinated Tier II NCD (Series VII)	250.00		
Proposed Secured Redeemable Bonds (Series VI)	200.00*	In-principle CARE AA(SO) [Double A (Structured Obligation)]	Assigned
Long term bank facilities	11,207.25 (reduced from 12,016.91)	CARE AA- (Double A minus)	
Short term bank facilities	1,500.00	CARE A1+ (A one plus)	
Proposed Secured Redeemable Bonds (Series VIII)	1,000.00	CARE AA- (Double A minus)	

\* proposed to be partially backed by fixed deposit to the extent of 22.5%

<sup>1</sup> Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications




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CIN-L67190MH1993PLC071691

## Rating Rationale

*The above ratings continue to draw strength from the satisfactory track record of the company with 'Infrastructure Finance Company' status from RBI, established experience of the promoter group with prominent position in infrastructure financing space, continuing growth in advances, diversified resource mix, satisfactory gearing with adequate capitalization and moderate asset quality & financial performance. The ratings are however, constrained by the risk associated with volatility in interest rates, exchange rate risks in respect of foreign currency borrowings, portfolio concentration risk and also the challenging operating environment in the infrastructure financing space. The ratings also factor in SIFL's investment in group companies, majority of which are in infrastructure space and are yet to be divested/diluted to yield commensurate returns. Ability of the company to monetize its strategic investments, improve its asset quality and profitability would remain the key rating sensitivities.*

## Background

SIFL, 24 years old Kolkata based NBFC, was engaged in leasing and hire-purchase/hypothecation financing of heavy construction equipment and financing of infrastructure related projects. Pursuant to forming a 50:50 joint venture (JV) with BNP Paribas Lease Group (BPLG) – a 100% subsidiary of BNP Paribas, SIFL divested major part of its equipment financing and leasing business alongwith the assets & liabilities as on Jan.1, 2008 in the JV company – Srei Equipment Finance Pvt. Ltd. (SEFPL).

Post divestment, SIFL is engaged in project financing, infrastructure project advisory, equipment financing business (equipment of more than Rs.15.0 cr).

SIFL is classified as 'NBFC-IFC' by RBI and it has also received 'Public Finance Institution' status from Ministry of Corporate Affairs, GoI.

## Credit Risk Assessment

### ***Experienced promoter with established track record***

Long track record of operation in construction equipment financing, existing client relationships in infrastructure business and market knowledge of the promoters has helped the company in managing the relatively new infrastructure portfolio.

Both the promoters, Shri Hemant Kanoria (CMD) and his brother Shri Sunil Kanoria (Vice Chairman) have over three decades of business experience in the financial sector.



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### ***Continuing growth in advances***

SIFL's loan portfolio (including operating lease assets) grew by 12.5% y-o-y to touch Rs.11,316.9 crore as on March 31, 2014 as against Rs.10,061 crore as on March 31, 2013, despite its disbursements remaining flat in FY14 at Rs.4,706 crore as against Rs.4,717 crore in FY13. SIFL's major focus areas continue to be power, road, urban infrastructure, telecom, and SEZ & industrial park.

### ***Diversified resource mix***

SIFL has a well-diversified borrowing mix. Around 25% of its total borrowings as on Mar.31, 2014 were in the form of term loans (from domestic banks, financial institutions and foreign institutions), which are typically of longer tenure. Working capital borrowings & short term loans comprised about 52% and 1% of the total borrowing respectively, as on Mar.31, 2014. The balance borrowings were in the form of debentures and other sources like mezzanine capital (about 22%).

### ***Exchange risks in respect of foreign currency borrowings***

In the last few years, SIFL has successfully raised foreign funds, to carry out its financing activities, which, in turn, exposes SIFL to exchange fluctuation risk. However, in order to minimize its losses, it hedges most of its foreign currency exposure based on assessment on forex movement. Out of the foreign currency loans of Rs.870.4 crore outstanding as on March 31, 2014, loans aggregating Rs.228.5 crore (\$38 million converted at Rs.60.13 as on March 31, 2014) remained unhedged, reduced from Rs.325.8 crore as on March 31, 2013 (\$60 million converted at Rs.54.30). Accordingly, in FY14, SIFL recognised mark to market losses of about Rs.29.0 crore (as against Rs.39.1 crore in FY13) against outstanding unhedged foreign currency loans. Furthermore, the aforesaid losses were non-cash and the repayment for such borrowings would fall due over a period of time.

### ***Satisfactory gearing with adequate capitalization***

Though overall gearing deteriorated in line with increase in business volume and availment of higher debts to fund the same, overall gearing ratio continued to remain satisfactory at 4.84 as on Mar.31, 2014 (vis-à-vis 4.22 as on Mar.31, 2013). Furthermore, overall CAR of SIFL declined 17.78% as on March 31, 2014 from 21.67% as on March 31, 2013, however the same continued to remain well above the regulatory benchmark (15%).

### ***Moderate asset-liability maturity profile***



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Liquidity position of SIFL was satisfactory as on Mar.31, 2014, with positive mismatches in the short term time buckets.

***Portfolio concentration risk***

SIFL's clients mainly belong to infrastructure related sectors. Due to nature and requirement of the infrastructure space, their ticket sizes are relatively large. Accordingly, concentration risk remains high for the company.

***Substantial exposure in subsidiaries, associates, joint venture companies and strategic investments***

SIFL's investment in subsidiaries, associates and joint venture companies remained at Rs.636.58 crore as on March 31, 2014 (as against Rs.637.45 crore as on March 31, 2013). Furthermore, loans & advances extended to these companies increased to Rs.1,130.24 crore as on March 31, 2014 from Rs.708.14 crore as on March 31, 2013. Accordingly, its aggregate exposure (in the form of both investments and loans & advances) to such companies formed 66% of its tangible networth as on March 31, 2014 (as against 51% on March 31, 2013). Majority of the SIFL's exposure in group & subsidiary companies are yet to generate returns and the management expects to achieve higher return in the long term in view of long gestation period involved in majority of such exposure being in infrastructure space. Accordingly, the ability of such companies to yield commensurate returns, as also SIFL's ability to liquidate these investments in a timely and profitable manner remains crucial (as the same shall have impact on its capitalisation and profitability profile, going forward). However, SIFL draws comfort from its investment in a joint venture with BNP Paribas Lease Group, SEFL (rated CARE AA/AA-/A1+), where it has a 50% stake, as the company has been making satisfactory profit over the years.

Furthermore, SIFL also has direct investment to the tune of Rs.728.5 crore in various private funds managed by its subsidiaries as on Mar.31, 2014 (Rs.975.2 crore, as on Mar.31, 2013). Most of these funds invest the money in infrastructure projects having long gestation period (mainly road projects). SIFL plans to earn profit from aforesaid funds through sale of stake, as & when the market favours for exit. Furthermore, India Global Competitive Fund (IGCF), a debt fund in which SIFL has made investments, had bought the entire debt exposure of ICICI Bank Ltd. in Kingfisher Airlines Ltd. (KFA) during FY13. As an underlying security to the debt, the fund received shares of



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United Spirits Ltd and KFA, which it has recently (in Q1FY15) sold in entirety and the fund has been able to realize its exposure in full.

This apart SIFL has an equity exposure of Rs.1,598.0 crore in Viom Networks Ltd (VNL ~ rated CARE A-/CARE A2+) as on Mar.31, 2014 as against Rs.1,384.8 crore as on Mar 31, 2013. VNL is the pioneer in the shared passive telecom infrastructure industry in India with a portfolio of over 41,198 towers across the country as on Dec.31, 2013.

#### ***Moderate asset quality***

Gross and net NPA ratios remained at 3.53% and 3.09% respectively as on Mar. 31, 2014 as against 3.60% and 3.26% as on Mar.31, 2013 respectively, on account of only marginal fresh slippages coupled with increase in advance portfolio. Majority of the advances of SIFL have been extended to companies in the infrastructure sector which currently remain affected on account of the challenging operating environment. Further, the restructured assets outstanding as on Mar.31, 2014 stood low at only Rs.22.5 crore.

#### ***Moderate financial performance***

SIFL's total income grew by 8.4% in FY14 over FY13 to reach Rs.1,805.9 crore. Its interest income grew by 13.3% in FY14 over FY13 and the same was almost similar to the growth in interest expense, which grew by 14.3% in FY14 over FY13. Accordingly, Net Interest Margin, which stood at 1.41% in FY14, also remained at similar levels to that of FY13 (1.52%). However, ROTA- after MTM loss/gain declined to 0.44% in FY14 as compared to 0.82% in FY13 on account of decline in other income.

#### ***Prospects***

Prospects of the company remain dependent on performance of the domestic economy mainly infrastructure related sectors where SIFL has significant exposure. The company's ability to contain incremental NPAs and improve its profitability, as also its ability to gradually monetize its strategic investments remains the key rating factors.

#### **Financial results**

	(Rs. crore)		
Y.E./As on Mar.31,	2012 (12m, A)	2013 (12m, A)	2014 (12m, A)
<b><u>Working Results</u></b>			
Interest income	1,080.4	1,463.8	1,657.8
Other operating income	66.6	139.2	138.6




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Y.E./As on Mar.31,	2012 (12m, A)	2013 (12m, A)	2014 (12m, A)
Other income	33.7	63.5	9.5
<b>Total Income</b>	<b>1,180.7</b>	<b>1,666.5</b>	<b>1,805.9</b>
Operating Expenses	86.8	112.0	122.3
Depreciation	15.4	31.0	26.1
Total Provision / Write offs	21.7	30.7	34.0
Int. & fin. charges - excl. MTM loss/(gain)	892.9	1,318.2	1506.8
PBT – before MTM loss/(gain)	163.9	174.6	116.6
PBT – after MTM loss/(gain)	108.8	135.4	87.6
PAT – after defd tax– before MTM loss/(gain)	134.8	134.2	88.5
PAT – after defd tax– after MTM loss/(gain)	79.7	95.0	59.5
Reported PAT – after defd tax	58	95.0	59.3
Gross cash accruals	162.2	180.1	92.2
<b>Financial Position</b>			
Tangible networkth	2,582.0	2,647.5	2,677.4
Total borrowings	9,847.3	11,178.4	12,960.1
Total loan portfolio (including operating lease assets)	9,085.5	10,060.4	11,316.8
Total assets	12,703.3	14,225.8	16,104.3
<b>Key Ratios (%)</b>			
<b>Solvency</b>			
Overall gearing ratio (times)	3.81	4.22	4.84
Interest coverage (times)	1.20	1.16	1.09
Int. coverage - before prov. & w/off (times)	1.23	1.18	1.12
Tier I CAR (%)	14.59	14.28	10.69
Overall CAR (%)	20.17	21.67	17.78
<b>Profitability</b>			
NIM	2.66	1.52	1.41
ROTA- before MTM loss/gain	1.41	1.11	0.63
ROTA- after MTM loss/gain	0.88	0.82	0.44
Op. Exp. (bef. prov. & w/off) / Avg. CE	0.85	0.85	0.82
<b>Asset Quality</b>			
Gross NPA	1.25	3.60	3.53
Net NPA	1.12	3.26	3.09
Net NPA to Networth (%)	3.83	11.91	12.60

#### Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from

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sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.



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## Draft Brief Rationale

CARE reaffirms the ratings assigned to various instruments/facilities of Srei Infrastructure Finance Ltd.

## Ratings

Instrument/Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
STD programme (incl. Commercial Paper)	2,000.00	CARE A1+ (A one plus)	Reaffirmed
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Secured Redeemable Bonds (Series VII)	202.65	CARE AA- (Double A minus)	
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Proposed Secured Redeemable Bonds (Series VI)	200.00*	In-principle CARE AA(SO) [Double A (Structured Obligation)]	Assigned
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SIFL earned PAT (after defd. tax) of Rs.59.5 crore (PY Rs.95.0 crore) on total income of Rs.1,805.9 crore (PY Rs. 1,666.5 crore) in FY13. Furthermore, it's Gross and net NPA ratios remained at 3.53% and 3.09% respectively as on Mar. 31, 2014 as against 3.60% and 3.26% as on Mar.31, 2013 respectively. However, both Tier I and overall CAR of SIFL deteriorated to 10.69% and 17.78% as on March 31, 2014 from 14.28% and 21.67% as on March 31, 2013.

## Analyst Contact

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Tel # 033-4018 1637



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**BWR/BNG/RL/2014-15/0205**

CIN: U67190KA2007PTC043591

**September 22, 2014**

**Mr. Hemant Kanoria**  
Chairman & Managing Director  
**Srei Infrastructure Finance Ltd**  
Kolkata- 700 046

Dear Sir,

**Sub:** Validation of Rating – Secured NCD issue of ₹1000 Crores with tenure up to 10 years rated by us on June 18, 2014

**Ref:** Your letter SIFL:HO:TRS:2014-15:2099 dated September 20, 2014

We advise that the current rating of **BWR AA** (Pronounced BWR Double A) (**Outlook: Stable**) for your Company's above issue for the amount ₹1000 Crores rated by us and advised vide letter BWR/BNG/RL/2014-15/0076 dated June 18, 2014 is valid up to June 17, 2015. We note that the Company has not yet utilized the said rated amount.

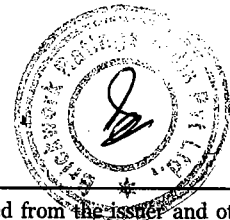
Instruments with **BWR AA** rating are considered to have a **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

Please note that all terms and conditions of our letter BWR/BNG/RL/2014-15/0076 dated June 18, 2014 remain unchanged.

On completion of borrowing, please furnish details of security creation and other aspects related to the borrowing.

Best Regards,

  
MSR Manjunath  
Director - Ratings



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**BWR/BNG/RL/2014-15/0183**

CIN: U67190KA2007PTC043591

September 10, 2014

**Mr. Hemant Kanoria**  
Chairman & Managing Director  
**Srei Infrastructure Finance Ltd.**  
Kolkata - 700 046

Dear sir,

**Sub:** Validation of Rating - Secured NCD issue of ₹393.01 Crores rated by us on August 06, 2014

**Ref:** Your letter SIFL:HO:TRS:2014-15:1911 dated September 06, 2014

We advise that the current rating of **BWR AA (Pronounced BWR Double A) (Outlook: Stable)** for your Company's above issue rated by us and advised vide letter BWR/BNG/RL/2014-15/0142 dated August 06, 2014 is valid up to August 05, 2015.

Instruments with BWR AA rating are considered to have a **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

Please note that all terms and conditions of our letter BWR/BNG/RL/2014-15/0142 dated August 06, 2014 remain unchanged.

Please note to furnish complete details of borrowings under the above issue, as and when is completed.

Best Regards,

  
MSR Manjunath  
Director - Ratings



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**BWR/BNG/RL/2014-15/0181**

CIN: U67190KA2007PTC043591

September 10, 2014

**Mr. Hemant Kanoria**  
Chairman & Managing Director  
**Srei Infrastructure Finance Ltd.**  
Kolkata - 700 046

Dear sir,

**Sub:** Validation of Rating – Long term NCD issue of ₹250 Crores rated by us on November 04, 2011

**Ref:** Your letter SIFL:HO:TRS:2014-15:1914 dated September 06, 2014

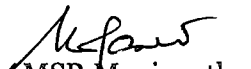
We advise that the current rating of **BWR AA (Pronounced BWR Double A) (Outlook: Stable)** for your Company's above issue, for the unutilized amount of ₹5 Crores out of ₹250 Crores rated by us and advised vide letter BWR/BLR/RA/2011-12/NS/0293 dated November 04, 2011 and reaffirmed thereafter, is valid up to June 17, 2015.

Instruments with BWR AA rating are considered to have a **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

Please note that all terms and conditions of our letter BWR/BLR/RA/2011-12/NS/0293 dated November 04, 2011 remain unchanged.

On Completion of borrowing, please furnish details of security and other aspects related to the borrowing.

Best Regards,



MSR Manjunath  
Director - Ratings



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**BWR/BNG/RL/2014-15/0179**

CIN: U67190KA2007PTC043591

**September 10, 2014****Mr. Hemant Kanoria**  
Chairman & Managing Director  
**Srei Infrastructure Finance Ltd.**  
Kolkata - 700 046

Dear sir,

**Sub:** Validation of Rating - NCD issue of ₹200 Crores rated by us on September 14, 2012**Ref:** Your letter SIFL:HO:TRS:2014-15:1910 dated September 06, 2014

We advise that your Company's NCD issue amounting to ₹200 Crores carries the rating of **BWR AA (Pronounced BWR Double A) (Outlook: Stable)** communicated to you vide our letter BWR/BLR/RA/2012-13/NS/0239 dated September 14, 2012 and reaffirmed thereafter. We note that the current unutilized amount is ₹6.23 Crores out of the rated amount of ₹200 Crores, is valid up to June 17, 2015.

Instruments with BWR AA rating are considered to have a **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

Please note that all terms and conditions of our rating letter BWR/BNG/RA/2012-13/NS/0239 dated September 14, 2012 remain unchanged.

On completion of borrowing, please furnish details of security and other aspects related to the borrowing.

Best Regards,

  
MSR Manjunath  
Director - Ratings

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**BWR/BNG/RL/2014-15/0180**

CIN: U67190KA2007PTC043591

September 10, 2014

**Mr. Hemant Kanoria**  
Chairman & Managing Director  
**Srei Infrastructure Finance Ltd.**  
Kolkata - 700 046

Dear sir,

**Sub:** Validation of Rating – Secured NCD issue of ₹200 Crores with tenure up to 10 years rated by us on June 19, 2013

**Ref:** Your letter SIFL:HO:TRS:2014-15:1915 dated September 06, 2014


We advise that the current rating of **BWR AA (Pronounced BWR Double A) (Outlook: Stable)** for your Company's above issue, for the unutilized amount of ₹97.35 Crores out of ₹200 Crores rated and advised vide letter BWR/BNG/RL/2013-14/NS/0075 dated June 19, 2013 and reaffirmed thereafter, is valid up to June 17, 2015.

Instruments with BWR AA rating are considered to have a **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

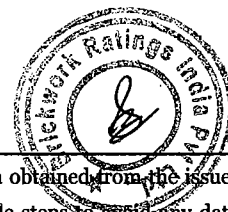
Please note that all terms and conditions of our rating letter BWR/BNG/RL/2013-14/NS/0075 dated June 19, 2013 remain unchanged.

On completion of borrowing, please furnish details of security creation and other aspects related to the borrowing.

Best Regards,



**MSR Manjunath**  
Director - Ratings



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BWR/BLR/RA/2011-12/0293  
November 4, 2011



Mr. Hemant Kanoria  
Chairman & Managing Director  
Srei Infrastructure Finance Ltd  
Kolkata – 700 046

Dear Sir,

**Sub:** Rating NCD issue for ₹250 Crore (₹ Two Hundred and Fifty Crore only) with a tenure upto ten years

Thank you for giving us an opportunity to undertake Rating of proposed long term NCD issue of ₹250 Crore of Srei Infrastructure Finance Ltd.

Based on the information and clarifications provided by your company, as well as information available in public sources, Brickwork Ratings is pleased to inform you that Srei Infrastructure Finance Ltd's long term NCD issue of Rs 250 Crore has been assigned **BWR AA (Pronounced BWR double A) (Outlook: Stable)** Rating. Instruments with this rating are considered to have **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

The Rating is valid for one year from the date of assignment. Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any significant information/development that may affect your Company's finances/performance without any delay. The above Rating is subject to terms and conditions that were agreed in your mandate dated October 28, 2011 and other correspondence, if any and Brickwork Ratings standard disclaimer appended below.

Please let us have your acceptance for the above rating. Unless accepted, the rating should not be used for any purpose whatsoever.

Please furnish complete details of borrowing under the above issue.

Best Regards,

V. Nagaraja

Head - Rating Administration

**Disclaimer:** Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

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**BWR/BLR/RA/2012-13/0239**

September 14, 2012

To,  
Mr. Hemant Kanoria  
Chairman & Managing Director  
Srei Infrastructure Finance Ltd.  
Kolkata- 700 046

Dear Sir,

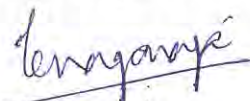
**Sub:** Rating NCD Issue of ₹ 200 Crores (₹ Two Hundred Crores Only) with a tenure of up to 10 years

Based on the information and clarification provided by your company, as well as information available in public sources, Brickwork Ratings is pleased to inform you that Srei Infrastructure Finance Limited's NCD issue of ₹ 200 Crores has been assigned **BWR AA (Pronounced BWR Double A) (Outlook: Stable)** rating. Instruments with this rating are considered to have **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

The Rating is valid for one year from the date of assignment subject to terms and conditions that were agreed in your mandate dated 9<sup>th</sup> August, 2012 and other correspondence, if any and Brickwork Ratings standard disclaimer appended below. Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any significant information/development that may affect your Company's finances/performance without any delay.

Please let us have your acceptance for the above rating on or before 21<sup>st</sup> September, 2012. Please note that unless acceptance is conveyed to us by the said date, the rating will not be valid and should not be used for any purpose whatsoever.

Best Regards,



V. Nagaraja  
Head - Rating Administration

**Disclaimer:** Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

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**BWR/BNG/RL/2013-14/NS/0075**  
June 19, 2013

**Mr. Hemant Kanoria**  
Chairman & Managing Director  
**Srei Infrastructure Finance Ltd.**  
Kolkata- 700 046

Dear Sir,

**Sub: Rating of Secured NCD Issue of ₹ 200 Crores (INR Two Hundred Crores Only)  
with tenure up to 10 years**

**Ref: Your mandate dated March 15, 2013**

Based on the information and clarification provided by your company, as well as information available in public sources, Brickwork Ratings is pleased to inform you that Srei Infrastructure Finance Limited's proposed secured NCD issue of ₹ 200 Crores has been assigned **BWR AA (Pronounced BWR Double A) (Outlook: Stable)** rating. Instruments with this rating are considered to have **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

The Rating is valid for one year from the date of assignment subject to terms and conditions that were agreed in your mandate dated March 15, 2013 and other correspondence, if any and Brickwork Ratings standard disclaimer appended below. Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any significant information/development that may affect your Company's finances/performance without any delay.

Please let us have your acceptance for the above rating before June 26, 2013. Please note that unless acceptance is conveyed to us by the said date, the rating will not be valid and should not be used for any purpose whatsoever.

Best Regards,

  
**M.S.R Manjunatha**  
Director - Ratings



**Disclaimer:** Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

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**BWR/BNG/RL/2014-15/0076**

June 18, 2014

**Mr. Hemant Kanoria**  
Chairman & Managing Director  
**Srei Infrastructure Finance Ltd.**  
Kolkata- 700 046

Dear Sir,

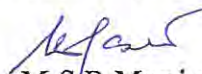
**Sub:** Rating of Proposed Secured NCD Issue of ₹ 1000 Crores (₹ One Thousand Crores Only) with tenure up to 10 years

Based on the information and clarification provided by your company, as well as information available in public sources, Brickwork Ratings is pleased to inform you that Srei Infrastructure Finance Limited's proposed secured NCD issue of ₹ 1000 Crores has been assigned **BWR AA (Pronounced BWR Double A) (Outlook: Stable)** rating. Instruments with this rating are considered to have **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

The Rating is valid for one year from the date of assignment subject to terms and conditions that were agreed in your mandate dated June 6, 2014 and other correspondence, if any and Brickwork Ratings standard disclaimer appended below. Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any significant information/development that may affect your Company's finances/performance without any delay.

Please let us have your acceptance for the above rating before June 20, 2013. Please note that unless acceptance is conveyed to us by the said date, the rating will not be valid and should not be used for any purpose whatsoever.

Best Regards,

  
**M.S.R Manjunatha**  
Director Ratings



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**BWR/BNG/RL/2014-15/0142**

August 6, 2014

**Mr. Hemant Kanoria**  
Chairman & Managing Director  
**Srei Infrastructure Finance Ltd.**  
Kolkata- 700 046

Dear Sir,

**Sub:** Rating of Proposed Secured NCD Issue of ₹ 393.01 Crores (₹ Three Hundred Ninety Three Crores and One Lakh Only) with tenure up to 10 years.

Based on the information and clarification provided by your company, as well as information available in public sources, Brickwork Ratings is pleased to inform you that Srei Infrastructure Finance Limited's proposed secured NCD issue of ₹ 393.01 Crores has been assigned **BWR AA (Pronounced BWR Double A) (Outlook: Stable)** rating. Instruments with this rating are considered to have **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**.

The Rating is valid for one year from the date of assignment subject to terms and conditions that were agreed in your mandate dated August 1, 2014 and other correspondence, if any and Brickwork Ratings standard disclaimer appended below. Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any significant information/development that may affect your Company's finances/performance without any delay.

Please let us have your acceptance for the above rating before August 8, 2013. Please note that unless acceptance is conveyed to us by the said date, the rating will not be valid and should not be used for any purpose whatsoever.

Best Regards,

  
**M.S.R Manjunatha**  
Director Ratings



**Disclaimer:** Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

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## Rating Rationale

**Brickwork Ratings assigns “BWR AA” Rating for the Long term Secured NCD issues of ₹ 393.01 Crs (INR Three Hundred Ninety Three crores and One Lakh only) for SREI Infrastructure Finance Limited (SIFL).**

**NCD Issue Rating: BWR AA**

**Outlook : Stable**

Brickwork Ratings (BWR) has assigned the rating of BWR AA (Pronounced BWR Double A) with a stable outlook for the long term **Secured NCD issue of ₹ 393.01 Crs** of SREI Infrastructure Finance Ltd (SIFL). The rating “BWR AA” stands for an instrument that is considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. BWR has also reaffirmed the following ratings of SIFL:

Instruments	Amount	Rating	Assigned/ Reaffirmed
NCD	₹ 393.01 Cr	BWR AA(Stable Outlook)	Assigned
NCD	₹ 1000 Cr	BWR AA(Stable Outlook)	Reaffirmed
NCD	₹ 300 Cr	BWR AA(Stable Outlook)	Reaffirmed
NCD	₹ 200 Cr	BWR AA(Stable Outlook)	Reaffirmed
NCD	₹ 200 Cr	BWR AA(Stable Outlook)	Reaffirmed
Unsecured Subordinated debenture (Tier II)	₹ 436.90 Cr	BWR AA(Stable Outlook)	Reaffirmed
Unsecured Subordinated debenture (Tier II)	₹ 200 Cr	BWR AA(Stable Outlook)	Reaffirmed
Unsecured Subordinated debenture (Tier II)	₹ 50 Cr	BWR AA(Stable Outlook)	Reaffirmed
Unsecured Subordinated debenture (Tier II)	₹ 250 Cr	BWR AA(Stable Outlook)	Reaffirmed
NCD	₹ 500 Cr	BWR AA (Stable Outlook)	Reaffirmed
Unsecured Subordinated debenture (Tier II)	₹ 170.09 Cr	BWR AA(Stable Outlook)	Reaffirmed
NCD	₹ 250 Cr	BWR AA (Stable Outlook)	Reaffirmed

NCD	₹ 250 Cr	BWR AA (Stable Outlook)	Reaffirmed
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The rating, inter alia, factors the Infrastructure Finance Company status enjoyed by SIFL as per **RBI's prescribed norms**, experience of the Promoter group in the line of business, and overall management of asset quality. However, the rating is constrained by the difficult economic scenario which has adversely affected the infrastructure sector, portfolio concentration with high exposure to power sector, decline in profitability due to steep increase in financing costs, and consequential drop in Capital Adequacy Ratio.

BWR has essentially relied upon the audited financial results of the company upto FY13, audited financials for FY14 and projected financials for FY15, publicly available information and clarification provided by the Company.

**Background: Srei** Infrastructure Finance Limited (SIFL) - incorporated in 1985 and having **it's headquarter at Kolkata** - is primarily engaged in financing of infrastructure projects and equipment's. **Apart from Infrastructure Financing, SIFL is also engaged in infrastructure project development and provides advisory services.** SIFL has been classified as an Infrastructure Finance Company ("IFC") by the Reserve Bank of India within the overall classification of Non-Banking Financial Companies ("NBFC") in India.

**Financial Performance:** SIFL's consolidated disbursements during FY14 were Rs 12706 Cr as against Rs. 15667 crore for FY13, representing a fall of 19% y-o-y. Consolidated AUM increased marginally to Rs 34070 Cr in FY14 vs Rs. 33330 crore as on FY13. On standalone basis, **SIFL's** disbursements were Rs 4706 Cr in FY14 vs Rs 4717 crore in FY13. The outstanding standalone portfolio of the company as of FY14 is Rs 11317 Cr vs FY13 level of Rs 10060 Cr representing a growth of 12.5%. Looking at sectoral break up, around 32.7% of this portfolio is into Power sector (including Renewable Energy), 30.06% is in Transportation sector , 17.7% is in Social & Commercial infrastructure , 7.8% is in Communication , 4.6% is in Oil& Gas Sector and others is 5.3%. SIFL (standalone) reported Gross NPAs at 2.4% and Net NPAs at 2.1% as of FY14 vs 2.5% and 2.2% respectively for FY13 on total assets.

**Rating Outlook:** SIFL's performance is linked to the growth and health of Infrastructure Sector, which has gone through difficulties over the last couple of years. With a stable

government at the Centre, and increasing focus on infrastructure, outlook for the sector is expected to be better, and it will benefit SIFL's clients. Continuing focus on asset quality, steps to bring down overall borrowing cost, reducing ticket size of its exposures and improve capitalization levels will be the key rating sensitivities.

Analysts Contact	Relationship Contact
<a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a>	<a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a>
Phone	Media Contact
<a href="tel:1-860-425-2742">1-860-425-2742</a>	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>

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ATSL/CO/14-15/1828/22

July 30, 2014

To,  
**Srei Infrastructure Finance Limited**  
Vishwakarma  
86C Topsia Road (South)  
Kolkata 700 046

Kind Attn: Mr. Samir Kejriwal

Dear Sir,

**RE: PROPOSED PUBLIC OFFERING BY SREI INFRASTRUCTURE FINANCE LIMITED ("COMPANY") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ` 1,000/- EACH (THE "DEBENTURES" OR THE "NCDS"), AGGREGATING UPTO ` 15,000 MILLION ("SHELF LIMIT") ("ISSUE") IN ONE OR MORE TRANCHE (EACH BEING A "TRANCHE ISSUE") SUBJECT TO THE SHELF LIMIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET OUT IN SEPARATE TRANCHE PROSPECTUS FOR EACH SUCH TRANCHE ISSUE WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS OF THE ISSUE.**

We, AXIS TRUSTEE SERVICES LIMITED, do hereby consent to act as the "Debenture Trustee to the Issue" in accordance Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended with respect to the Issue and to our name being inserted as the "Debenture Trustee to the Issue" in the draft shelf prospectus to be filed with the Stock Exchanges for the purposes of receiving public comments and to be forwarded to Securities and Exchange Board of India ("SEBI") for record purpose, in the shelf prospectus/tranche prospectus(es) in relation to each Tranche Issue to be filed with the Registrar of Companies, West Bengal ("RoC"), Stock Exchanges and to be forwarded to SEBI for the purposes of the Issue and also in all the subsequent periodical communications sent to the holders of debt securities pursuant to the Issue.

We hereby confirm that as on date of our consent letter, the following details with respect to us are correct and may be disclosed:

Name	Axis Trustee Services Limited
Address	2nd Floor, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Mumbai - 400 025
Telephone Number	022-2425 5206
Fax Number	022 - 2425 4200
E-mail ID	debenturetrustee@axistrustee.com
Investor Grievance E-mail ID	<a href="mailto:complaints@axistrustee.com">complaints@axistrustee.com</a>
Website	<a href="http://www.axistrustee.com">www.axistrustee.com</a>
Contact person	Mr. Neelesh Baheti - Chief Operating Officer
Compliance Officer	Mr. D J Bora - Chief Compliance Officer
SEBI Registration No.	IND000000494

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this

**AXIS TRUSTEE SERVICES LTD.**

*(A wholly owned subsidiary of Axis Bank)*

Corporate Identity Number (CIN): U74999MH2008PLC182264

CORPORATE & REGISTERED OFFICE : Axis House, 2nd Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

TEL : 022-2425 5215 / 2425 5216

letter. We enclose a copy of our registration certificate and declaration regarding our registration with SEBI in the required format [As enclosed in Annexure A]. We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues. [Enclose a copy of the registration certificate and declaration in the required format] We hereby authorize you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory authorities as required by law.

Also, Axis Trustee Services Limited (ATSL) consenting to act as Debenture Trustees is purely its business decision and not an indication on the Issuer Company's standing or on the Issue. By consenting to act as Debenture Trustees, ATSL does not make nor deems to have made any representation on the Issuer Company, its Operations, the details and projections about the Issuer Company or the Debenture under Offer made in the Prospectus / Information Memorandum / Offer Document. Applicants / Investors are advised to read carefully the Prospectus / Information Memorandum / Offer Document and make their own enquiry, carry out due diligence and analysis about the Issuer Company, its performance and profitability and details in the Prospectus / Information Memorandum / Offer Document before taking their investment decision. ATSL shall not be responsible for the investment decision and its consequence.

We also agree to keep strictly confidential, until such time as the proposed Issue is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) Our knowledge of the proposed transaction of the Company.

Yours faithfully,

For **Axis Trustee Services Limited**

Authorised Signatory



Annexure A

July 30, 2014

**Srei Infrastructure Finance Limited**  
Vishwakarma  
86C Topsia Road (South)  
Kolkata 700 046

Dear Sir/ Madam,

**RE: PROPOSED PUBLIC OFFERING BY SREI INFRASTRUCTURE FINANCE LIMITED ("COMPANY") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ` 1,000/- EACH (THE "DEBENTURES" OR THE "NCDs"), AGGREGATING UPTO ` 15,000 MILLION ("SHELF LIMIT") ("ISSUE") IN ONE OR MORE TRANCHEs (EACH BEING A "TRANCHE ISSUE") SUBJECT TO THE SHELF LIMIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET OUT IN SEPARATE TRANCHE PROSPECTUS FOR EACH SUCH TRANCHE ISSUE WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS OF THE ISSUE.**

We hereby confirm that as on date of our consent letter, the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

S. No.	Particulars	Details
1.	Registration Number	IND000000494
2.	date of last renewal of registration	31 <sup>st</sup> January, 2014
3.	Date of expiry of registration	Permanent
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	None
5.	Details of any pending inquiry/ investigation being conducted by SEBI	None
6.	Details of any penalty imposed by SEBI	None

We shall immediately intimate the Company, the Lead Managers and Co-Lead Managers to the Issue of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the NCDs of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the relevant Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the NCDs on the relevant Stock Exchange.

Yours Sincerely,  
For **Axis Trustee Services Limited**

  
**Authorised Signatory**



Telegram : COMPANYREG

Fax : (033)2290-3795



(033)2287-3156

(033)2287-3404

भारत सरकार/GOVERNMENT OF INDIA

कारपोरेट कार्य मंत्रालय/Ministry of Corporate Affairs

कम्पनी रजिस्ट्रार कार्यालय( प.बंगाल)/Office of the Registrar of Companies (West Bengal)

निजाम पैलेस,दुसरा एम एस ओ बिल्डिंग,द्वितीय तल/Nizam Palace, 2<sup>nd</sup> M. S. O. Building, 2nd Floor

आचार्य जगदीश चन्द्र बोस रोड 234/4, Acharya Jagadish Chandra Bose Road

कोलकाता/Kolkata – 700 020

FORM II

[See Regulation 20 of the Companies Regulations 1956]

**Memorandum acknowledging receipt of documents in the format as prescribed under  
Schedule – II of the Companies Act 1956**

The Registrar of Companies, West Bengal acknowledges receipt of the under mentioned document relating to SREI INFRASTRUCTURE FINANCE LIMITED (CIN No. L29219WB1985PLC055352) in terms of the provisions of Section 26 (4) of the Companies Act 2013.

**Brief Description of documents**

Shelf Prospectus dated 22<sup>nd</sup> September' 2014 enclosed with Form GNL -2 having SRN No. C21496567 regarding public issue of 1,50,00,000 Secured Redeemable Non-Convertible Debentures (NCD) of face value of Rs. 1000 /- each for an amount up to Rs. 15000 Million ("Overall issue size"). The NCDs will be issued in one or more Tranches.

Place: Kolkata

Dated: 23-09-2014

Yours faithfully,

**(B Mohanty)**

Registrar of Companies  
West Bengal

कम्पनी रजिस्ट्रार

Registrar of Companies  
पश्चिम बंगाल / West Bengal.