




J.R. Laddha Financial Services (P) Ltd.



**Public Issue of Secured Redeemable Non-Convertible
Debentures
of SREI INFRASTRUCTURE FINANCE LIMITED
September 7, 2016 – September 28, 2016**



SREI INFRASTRUCTURE FINANCE LIMITED

INVESTMENT RATIONALE

- **The issue offers effective yields ranging from 9.08% to 10.04% depending up on the Category of Investor and the option applied for.**
- **Credit Rating of 'BWR AA+ (BWR Double A plus)' by Brickworks Ratings India Private Limited**
- **The NCDs are proposed to be listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited("BSE")**

COMPANY PROFILE

- SREI Infrastructure Finance limited was originally incorporated on March 29, 1985. SREI Infra entered the segment of infrastructure financing in 1989 in a limited capacity as a construction equipment financier.
- With a history of over 25 (twenty five) years in the infrastructure sector, Srei Infra has been a holistic infrastructure institution. The company's equity shares are presently listed on the NSE, the BSE and the Calcutta Stock Exchange Limited ('CSE').
- The business model of the Company encompasses providing financial products and services for the customers engaged in infrastructure development and construction, with particular focus on power, road, telecom, port, oil and gas & special economic zone sectors in India with a medium to long term perspective.
- 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, the Company has been classified as Infrastructure Finance Company (NBFC-ND-SI) w.e.f March 31, 2011.
- On September 26, 2011 the 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).
- The company was among the few Indian NBFCs to have accessed the international market for funds and to have been listed on the London Stock Exchange. Many multilateral 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, OeEB (Development Bank of Austria), European Bank (EIB) etc. had invested in SREI Group.
- The total income of the Company on a standalone basis for the year ended March 31, 2016 and March 31, 2015 was Rs 1,896.33 crore and Rs 1,900.03 crore respectively.
- Loans outstanding (gross of provisions) as at March 31, 2016 and as at March 31, 2015 were Rs 13,013.24 crore and Rs 11,748.91 crore respectively. Total disbursements for the year ended March 31, 2016 and March 31, 2015 and March 31 2014 were Rs 5,374.32 crore, Rs 4,826.76 crore and Rs 4,705.64 crore respectively.

Source: Shelf Prospectus dated August 31, 2016 and Tranche I Prospectus dated August 31, 2016.

Disclaimer: Invest only after referring to the shelf prospectus and Tranche I Prospectus

ISSUE Structure

Issuer	Srei Infrastructure Finance Limited
Lead Managers	A. K. Capital Services Limited , ICICI Securities Limited, Edelweiss Financial Services Limited, IIFL Holdings Limited, Karvy Investor Services Limited, Srei Capital Markets Limited, Trust Investment Advisors Private Limited and YES Securities (India) Limited
Issue	Public Issue of Secured Redeemable Non-Convertible Debentures of face value of Rs 1000 each, for an amount aggregating upto Rs 1000 Crore ("Shelf Limit") pursuant to the Shelf Prospectus and the relevant Tranche Prospectus (es). The NCDs will be issued in one or more tranches 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 this Tranche 1 shall constitute the "Prospectus"
Tranche 1 Issue Size	Base Issue of Rs 250 Crore with an option to retain oversubscription up to the Shelf Limit, i.e. up to Rs 1000 Crore
Type/Nature of Instrument	Secured, redeemable, non-convertible debentures
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
Listing	The NCDs are proposed to be listed on BSE and NSE. The NCDs shall be listed within 12 Working Days from the date of Issue Closure. For more information, see "Other Regulatory And Statutory Disclosures – Listing" in Tranche 1 Prospectus.
Rating of the Instrument	The NCDs have been rated 'BWR AA+ (BWR Double A plus)' by BRICKWORK pursuant to letters dated June 19, 2013, July 21, 2014 and August 6, 2014 and all of which have been revalidated vide revalidation letters dated August 23, 2016. Instruments with a rating of 'BWR AA+ (BWR Double A plus)' by BRICKWORK are considered to have high degree of safety regarding timely servicing of financial obligations. The rating provided by 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	Rs 250 Crore
Option to retain Oversubscription Amount	Upto the Shelf Limit, i.e. upto Rs 1000 crore
Interest on Application Amounts received, which are used towards Allotment of NCDs	The Company shall pay to the successful Applicants, interest at 8% on the Application Amount allotted, from the date of realization of the Application Amount through cheque(s)/demand draft(s)/any other mode up to 1 (one) day prior to the Deemed Date of Allotment, subject to deductions under the provisions of the Income Tax Act or any other statutory modification or re-enactment thereof, as applicable. However no interest is to be paid on Application Amount(s) to the ASBA Applicants.
Interest on Application Amounts received, which are liable to be refunded	The company shall pay interest on Application Amounts which is liable to be refunded to the Applicants (other than ASBA Applicants) subject to deduction of income tax under the provision of Section 194A of the Income Tax Act, as applicable, from the date of realization of the cheque(s)/demand draft(s) or three days from the date of upload of the Application on the electronic bidding platform of the Stock Exchanges, whichever is later, upto one day prior to the Deemed Date of Allotment, at the rate of 6% . Such interest shall be paid along with the monies liable to be refunded. Interest warrants will be dispatched/credited (in case of electronic payment) along with the letter(s) of refund at the sole risk of the Applicant, to the sole/first Applicant.
Issue Price/Face Value (Rs per NCD)	Rs 1,000/-
Call Option/Put Option	N.A.
Minimum Application and in multiples of 1(one) NCD thereafter	Rs 10,000/- (10 NCDs) across all Series.
Issue Opening Date	Wednesday, September 7, 2016
Issue Closing Date*	Wednesday, September 28, 2016
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 the Company and/or a duly authorized committee thereof and notified to the Stock Exchanges. All benefits under the NCDs including payment of interest will accrue to the NCD Holders from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.
Issuance mode of the Instrument	Compulsorily in dematerialized form to all categories of investors other than Individual Category Investors who have opted for allotment of NCDs in the physical form in accordance with Section 8(1) of the Depositories Act, 1996. Only Category III Investors can apply for allotment of NCDs in the physical form. However Series II & Series V NCDs would be allotted compulsorily in dematerialized form to all categories of Investors
Trading Lot	1 (one) NCD
Trading mode of the Instrument	The trading of the NCDs on the Stock Exchanges shall be in dematerialized form only.
Security	The principal amount of the NCDs to be issued in terms of the Tranche 1 Prospectus together with all interest due on the NCDs in respect thereof shall be secured by way of first charge in favour of the Debenture Trustee on specific future receivables/assets and first pari passu charge on an identified immovable property of the Company as may be decided mutually by the Company and the Debenture Trustee. The 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" in the Tranche 1 Prospectus.

**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 Tranche 1 Issue, the 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 Tranche 1 Issue Closure or initial date of Tranche 1 Issue closure, as the case may be.*

Source: Shelf Prospectus dated August 31, 2016 and Tranche I Prospectus dated August 31, 2016.

Disclaimer: Invest only after referring to the shelf prospectus and Tranche I Prospectus

SPECIFIC TERMS FOR EACH SERIES OF NCDs

Series	I**	II#	III***	IV**	V#	VI	VII**
Frequency of Interest Payment	Cumulative	Monthly	Annual	Cumulative	Monthly	Annual	Cumulative
Minimum Application	Rs 10,000/- (10 NCDs) across all Series						
Face Value/Issue Price of NCDs (Rs / NCD)	Rs 1,000/-						
In Multiples of (Rs)	1000(1NCD)	1000(1NCD)	1000(1NCD)	1000(1NCD)	1000(1NCD)	1000(1NCD)	1000(1NCD)
Tenor from Deemed Date of Allotment	400 days	3 years			5 years		
Coupon (% per annum) for Category I, Category II & Category III Investor(s)	N.A.	9.35%	9.75%	N.A.	9.60%	10.00%	N.A.
Effective Yield (per annum) for Category I, Category II & Category III Investor(s)	9.08%	9.76%	9.82%	9.75%	10.02%	10.04%	10.00%
Mode of Interest Payment	Through various mode available.						
Amount (Rs / NCD) on Maturity for Category I, Category II & Category III Investor(s) **	Rs 1100/-	Rs 1,000/-	Rs 1,000/-	Rs 1322/-	Rs 1,000/-	Rs 1,000/-	Rs 1611/-
Maturity Date (from Deemed Date of Allotment)	400 days	3 years	3 years	3 years	5 years	5 years	5 years

Institutional, Non Institutional Category Investor(s) and Individual Category Investor(s) can subscribe to all Series of NCDs.

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

**** the Company shall allocate and allot Series III NCDs wherein the Applicants have not indicated their choice of the relevant NCD Series or have applied for wrong Series.*

#Series II & Series V NCDs would be allotted compulsorily in dematerialized form to all categories of Investors.

INVESTOR CATEGORIES AND ALLOTMENT

Category I	Category II	Category III
Institutional Investors	Non Institutional Investors	Individual Category
<ol style="list-style-type: none"> Public financial institutions, statutory corporations, scheduled commercial banks, co-operative banks Indian multilateral and bilateral development financial institution and regional rural banks, which are authorized to invest in the NCDs; Provident funds, pension funds, superannuation funds and gratuity fund, which are authorized to invest in the NCDs; Venture capital funds and / or Alternative investment funds registered with SEBI; Insurance companies registered with the IRDA; Insurance funds set up and managed by the army, navy, or air force of the Union of India; Insurance funds set up and managed by the Department of Posts, the Union of India; National investment fund set up by resolution no. F. No. 2/3/2005- DDII dated November 23, 2005 of the Government of India published in the Gazette of India; State industrial development corporations; and Mutual funds. 	<ol style="list-style-type: none"> Companies within the meaning of section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorized to invest in the NCDs; Trusts including Public/private charitable/religious trusts which are authorized to invest in the NCDs; Scientific and/or industrial research organizations, which are authorized to invest in the NCDs; Partnership firms in the name of the partners; Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); Association of Persons; and Any other incorporated and/ or unincorporated body of persons 	<ol style="list-style-type: none"> Resident Indian individuals; and Hindu undivided families through the karta.

APPLICATIONS CANNOT BE MADE BY

Minors without a guardian name *;

Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;

NRIs on repatriation basis;

Persons resident outside India including without limitation Foreign Institutional Investors, Foreign Portfolio Investors, Qualified Foreign Investors and Overseas Corporate Bodies;

Persons ineligible to contract under applicable statutory/regulatory requirements and

Any category of investor other than the Investors mentioned in categories I, II and III

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Source: Shelf Prospectus dated August 31, 2016 and Tranche I Prospectus dated August 31, 2016.

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ALLOCATION RATIO

<i>Institutional Portion</i>	<i>Non-Institutional Portion</i>	<i>Individual Category Portion</i>
20% of Overall Issue Size	20% of Overall Issue Size	60% of Overall Issue Size

Under Subscription

Under subscription, if any, in any Portion, priority in allotments will be given in the following order (decreasing order of priority):

- i. Individual Category Portion
- ii. Non-Institutional Portion
- iii. Institutional Portion

Within each Portion, priority in Allotments will be given on a first-come-first-serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchanges.

Allotments in case of oversubscription

In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription (i.e. where in the number of NCDs available for allotment in the respective Category is less than the demand for NCDs by the applicants in the respective Category) and proportionate allotment of NCDs to the Applicants on the date of oversubscription (based on the date of upload of each Application into the Electronic Book with Stock Exchanges, in each Category).

However for the purposes of allotment of NCDs under the Tranche 1 Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application and re-categorised based on their total application amount. This re- categorization of investor categories may result in proportionate allotment on the date of oversubscription in the respective categories. Pursuant to re-categorization, each of the applications (based on the date of upload of each Application into the Electronic Book with Stock Exchanges, in each Category) made by the applicant, will compete for allocation with other applications made by the applicants in that respective Category on that respective date.

MODES OF MAKING APPLICATIONS

- (a) ASBA Applications through the Lead Managers, Brokers to the Issue and trading members of the Stock Exchanges for Applicants who intend to hold the NCDs in demat form; ("Syndicate ASBA");
- (b) ASBA Applications through SCSBs for Applicants who intend to hold the NCDs in demat form;
- (c) Non ASBA Applications through the Lead Managers, Brokers to the Issue and trading members of the Stock Exchanges for Applicants who intend to hold the NCDs in demat form; and
- (d) Non ASBA Applications through the Lead Managers, Brokers to the Issue and trading members of the Stock Exchanges for Applicants who intend to hold the NCDs in physical form.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange(s) 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(s) 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.

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Key Operational and Financial Parameters (Consolidated)**(Rs.in Crores)**

Particulars	FY'16	FY'15	FY'14
Net worth	3539.09	3,481.36	3,371.97
Total Debt	20672.68	20,325.76	19,767.30
of which –Long Term Borrowing	6212.6	6,804.18	7,103.66
- Short Term Borrowing	12101.18	11,357.45	10,608.57
- Current Maturities of Long Term Borrowing	2358.9	2,164.13	2,055.07
Fixed Assets(Tangible Assets+ Intangible Assets+ Capital work in Progress)	1431.97	1,551.34	1,714.63
Non-Current Assets (Excluding Fixed Assets)	16240.87	15,269.53	13,864.39
Cash and Cash Equivalents	664.15	574.76	563.72
Current Investments	15.17	20.28	343.36
Current Assets (Excluding Cash and Cash Equivalents & Current Investments)	7185.48	7,478.01	7,697.52
Current Liabilities (Excluding Short Term Borrowing and Current Maturities of Long Term Borrowings)	855.27	613.83	595.44
Asset Under Management	36701.99	35,388.01	34,069.99
Off Balance Sheet Assets (Securitisation)	2935.65	2,053.39	2,039.19
Income from Loans/Financial Assets	2862.09	2,696.47	2,683.21
Finance Cost (Interest expense and other borrowing costs)	2310.75	2,274.15	2,350.28
Provisioning & Write-offs (Bad Debts/Advances written off (net) + Provision for Bad Debts/Advances+ Contingent Provisions against Standard Assets + Provision for Diminution in Value of Stock for Trade and Investment + Loss on Sale of Stock for Trade and Investment (net))	272.48	309.83	175.98
Profit After Tax but before Share of Loss of Associate and Minority Interest	61.53	121.40	137.51
Gross NPA (%)	4.02	4.71	3.25
Net NPA (%)	3.09	3.84	2.75
Tier I Capital Adequacy Ratio (%) *	12.51	11.21	10.69
Tier II Capital Adequacy Ratio (%) *	5.03	5.76	7.09

*Standalone Basis

*Source: Shelf Prospectus dated August 31, 2016 and Tranche I Prospectus dated August 31, 2016.****Disclaimer: Invest only after referring to the shelf prospectus and Tranche I Prospectus***

DISCLAIMER:

'The investors shall invest only on the basis of information contained in the final prospectus'

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