

SREI INFRASTRUCTURE FINANCE LIMITED - LONG TERM INFRASTRUCTURE BONDS - TRANCHE 1



SREI INFRASTRUCTURE FINANCE LIMITED

(Srei Infrastructure Finance Limited (the "Company"), with CINL29219WB1985PLC055352, incorporated in the Republic of India with limited liability under the Companies Act, 1956, as amended (the "Companies Act"))
Registered Office: 'Vishwakarma', 86 C, Topsia Road (South), Kolkata 700 046; **Tel:** +91 33 6160 7734; **Fax:** +91 33 2285 7542; **Website:** www.srei.com
Compliance Officer and Contact Person: Mr. Sandeep Lakhota, Company Secretary, "Vishwakarma", 86C Topsia Road (South), Kolkata - 700 046.
Phone: +91 33 6160 7734, **Fax:** +91 33 2285 8501, **Email-id:** infrabonds2012@srei.com

**APPLICATION FORM
 (FOR RESIDENT INDIVIDUALS / HINDU UNDIVIDED FAMILIES)**

TRANCHE 1 ISSUE OPENS ON : DECEMBER 31, 2011
TRANCHE 1 ISSUE CLOSURES ON : JANUARY 31, 2012

Application No.

PUBLIC ISSUE BY SREI INFRASTRUCTURE FINANCE LIMITED (THE "COMPANY" OR THE "ISSUER") OF LONG TERM INFRASTRUCTURE BONDS WITH A FACE VALUE OF ₹ 1,000 EACH, IN THE NATURE OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES, HAVING BENEFITS UNDER SECTION 80CCF OF THE INCOME TAX ACT, 1961 (THE "DEBENTURES" OR THE "BONDS"), AGGREGATING UP TO ₹ 5,000 MILLION (THE "SHELF LIMIT") FOR THE FINANCIAL YEAR ("FY") 2012 BY WAY OF ISSUANCE OF BONDS IN ONE OR MORE TRANCHE(S) (EACH A "TRANCHE ISSUE"), AND TOGETHER ALL TRANCHE ISSUES UP TO THE SHELF LIMIT, THE "ISSUE", THE FIRST TRANCHE OF BONDS (THE "TRANCHE 1 BONDS") FOR AN AMOUNT AGGREGATING TO ₹ 3,000 MILLION (THE "TRANCHE 1 ISSUE") IS BEING OFFERED BY WAY OF TRANCHE PROSPECTUS WHICH CONTAINS, INTER ALIA THE TERMS AND CONDITIONS OF THE TRANCHE 1 ISSUE (THE "PROSPECTUS TRANCHE -1"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED DECEMBER 28, 2011 FILED WITH THE REGISTRAR OF COMPANIES, KOLKATA, WEST BENGAL (THE "SHELF 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 "SEBI Debt Regulations").

CREDIT RATING : 'CARE AA' by CARE

Broker's Name & Code	Sub-Broker's/ Agent's Code	Bank Branch Stamp	Bank Branch Serial No.	Date of Receipt
INTEGRATED 23/12718-35				

To, The Board of Directors, SREI INFRASTRUCTURE FINANCE LIMITED

Dear Sirs,

Having read, understood and agreed to the contents and terms and conditions of SREI INFRASTRUCTURE FINANCE LIMITED'S Shelf Prospectus dated December 28, 2011 and Prospectus Tranche 1 dated December 28, 2011, (together, "Prospectus") I/We hereby apply for allotment to me/us of the under mentioned Tranche 1 Bonds out of the Issue. The amount payable on application for the below mentioned Tranche 1 Bonds is remitted herewith. I/We hereby agree to accept the Tranche 1 Bonds applied for or such lesser number as may be allotted to me/us in accordance with the contents of the Prospectus subject to applicable statutory and/or regulatory requirements. I/We irrevocably give my/our authority and consent to Axis Trustee Services Limited, to act as my/our trustees and for doing such acts and signing such documents as are necessary to carry out their duties in such capacity. **I/We confirm that:** I am/We are Indian National(s) resident in India and I am/ we are not applying for the said Tranche 1 Issue as nominee(s) of any person resident outside India and/or Foreign National(s). Notwithstanding anything contained in this form and the attachments hereto, I/We confirm that I/We have carefully read and understood the contents, terms and conditions of the Prospectus, in their entirety and further confirm that in making my/our investment decision, (i) I/We have relied on my/our own examination of the Company and the terms of the Tranche 1 Issue, including the merits and risks involved, (ii) My/our decision to make this application is solely based on the disclosures contained in the Prospectus, (iii) My/our application for Tranche 1 Bonds under the Tranche 1 Issue is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by me/us, (iv) I am/We are not persons resident outside India and/or foreign nationals within the meaning thereof under the Income Tax Act, 1961 as amended and rules, regulations, notifications and circulars issued thereunder, and (v) I/We have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of Tranche 1 Bonds pursuant to the Issue.

Please fill in the Form in English using BLOCK letters

Date dd/mm/2011

APPLICANTS' DETAILS

NAME OF SOLE/FIRST APPLICANT Mr./Mrs./Ms. _____ **AGE** _____ years
ADDRESS
 (of Sole / First Applicant) _____

City _____ **Pin Code (Compulsory)** _____ **Telephone** _____ **Mobile** _____ **E-mail** _____

SECOND APPLICANT Mr./Mrs./Ms. _____

THIRD APPLICANT Mr./Mrs./Ms. _____

CATEGORY: Resident Indian individuals HUF through the Karta

OPTION TO HOLD THE TRANCHE 1 BONDS IN PHYSICAL FORM (If this option is selected, the KYC Documents as mentioned in Instruction No. 31 are mandatory)

In terms of Section 8(I) of the Depositories Act, 1996, I/we wish to hold the Tranche 1 Bonds in physical form. I/We hereby confirm that the information provided in "APPLICANTS' DETAILS" is true and correct. I/We enclose herewith self attested copies of PAN Card, Proof of Individual ID, Proof of Residence Address as the KYC Documents and a cancelled cheque.

Nomination (Please see instruction no. 18)

Name of the Nominee : _____
In case of Minor, Guardian : _____

Bank Details for payment of Refund / Interest / Maturity Amount

Bank Name : _____ **Branch :** _____
Account No.: _____ **IFSC Code :** _____

Sole/First Applicant _____ Second Applicant _____ Third Applicant _____

DEPOSITORY PARTICIPANT DETAILS (These details need not be given if the option to hold the Tranche 1 Bonds in Physical Form is selected.)

Depository Name (Please ✓)	National Securities Depository Limited <input type="checkbox"/>	Central Depository Services (India) Limited <input type="checkbox"/>
Depository Participant Name		
DP - ID	I	N
Beneficiary Account Number	(16 digit beneficiary A/c. No. to be mentioned above)	

THE SPECIFIC TERMS OF THE INSTRUMENT ARE SET OUT BELOW:

Series	1	2	3	4
Face Value per Bond	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000
Frequency of Interest payment	Annual	Cumulative	Annual	Cumulative
Buyback Facility	Yes	Yes	Yes	Yes
Buyback Date	One date, being the date falling five years and one day from the Deemed Date of Allotment			
Buyback Amount*	₹ 1,000 per Tranche 1 Bond and accrued interest calculated from the last interest payment date to the Buyback Date	₹ 1531.58 per Tranche 1 Bond and interest on Application Interest compounded annually at the end of five years	₹ 1,000 per Tranche 1 Bond and accrued interest calculated from the last interest payment date to the Buyback Date	₹ 1549.24 per Tranche 1 Bond and interest on Application Interest compounded annually at the end of five years
Buyback Intimation Period	The period beginning not more than nine months prior to the Buyback Date and ending not later than six months prior to the Buyback Date			
Interest Rate p.a. (%)	8.90% p.a.	8.90% p.a., compounded annually	9.15% p.a.	9.15% p.a., compounded annually
Redemption/Maturity Date	One date, being the date falling 120 months from the Deemed Date of Allotment		One date, being the date falling 180 months from the Deemed Date of Allotment	
Maturity Amount	₹ 1,000 per Tranche 1 Bond and accrued interest calculated from the last interest payment date to the Maturity Date	₹ 2346.73 per Tranche 1 Bond and interest on Application Interest compounded annually at the end of ten years	₹ 1,000 per Tranche 1 Bond and accrued interest calculated from the last interest payment date to the Maturity Date	₹ 3718.40 per Tranche 1 Bond and interest on Application Interest compounded annually at the end of fifteen years
Yield on Maturity *	8.90% p.a.	8.90% p.a., compounded annually	9.15% p.a.	9.15% p.a., compounded annually
Yield on Buyback *	8.90% p.a.	8.90% p.a., compounded annually	9.15% p.a.	9.15% p.a., compounded annually
No of Bonds applied for				
Amount Payable (₹)				
Total No of Bonds applied for (Series 1 + 2 + 3 + 4)				
Total Amount Payable (Series 1 + 2 + 3 + 4) (₹)				

COMMON TERMS OF THE TRANCHE 1 ISSUE:

Issuer: Srei Infrastructure Finance Limited
Security: The Tranche 1 Bonds issued by our Company will be secured. Our Company will create security in favour of Debenture Trustee pursuant to the terms of the Debenture Trust Deed.
Debenture Trustee: Axis Trustee Services Limited
Depositories: NSDL and CDSL
Listing: BSE Limited (Designated Stock Exchange)
Trading: Dematerialized form or Physical form* as specified by an Applicant in the Application Form.
Lock-in Period: 5 years from the Deemed Date of Allotment
Buyback Date: One date, being the date falling five years and one day from the Deemed Date of Allotment
Buyback Option: Buyback options are available to the Investors on the first Working Day after the expiry of 5 years from the Deemed Date of Allotment and shall be more particularly set out in the Tranche Prospectus.
Redemption/Maturity Date: One date, being the date falling 120 months / 180 months from the Deemed Date of Allotment

Basis of Allotment: Our Company shall finalise the Basis of Allotment in consultation with the Lead Managers, Designated Stock Exchange and Registrar to the Issue. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the Lead Managers and the Registrar shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.
Minimum Application: 1 Bond and in multiples of 1 Bond thereafter. An Applicant may choose to apply for the Bonds across the same series or different series, and shall be more particularly set out in the Tranche 1 Prospectus.
Deemed Date of Allotment: Deemed Date of Allotment shall be the date as may be determined by the Board/Committee of Directors of our Company and notified to the Stock Exchange. The actual allotment may occur on the date other than the Deemed Date of Allotment.
Refund Interest: The Company shall not pay any interest on refund of Application Money on the amount not allotted.
Submission of Application Forms: All Application Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Bankers to the Issue during the Issue period.
 For various modes of interest payment, please refer to the section entitled "Terms of the Issue - Manner and Mode of Payment" on page 45 of the Prospectus Tranche 1.

* The yield on the Bonds (to be paid by the Issuer shall not exceed the yield on government securities of corresponding residual maturity, as reported by FIMMDA, as on the last working day of the month immediately preceding the month of the issue of the Bonds.

PAYMENT DETAILS (See General Instruction no. 29)

Total Amount Payable	Cheque / Demand Draft No. _____ Dated _____ / 2011
(₹ in figures)	Drawn on Bank _____
(₹ in words)	Branch _____

● **Please Note:** Cheque / DD should be drawn in favour of "SIFL - Infra Bonds 2012 - Tranche 1" by all applicants. Cheques should be crossed "A/c Payee only". ● **Please write the sole/first Applicant's name, phone no. and Application no. on the reverse of Cheque/DD.**
 ● Demographic details for purpose of refunds, if any, shall be taken from (i) Bank details as mentioned above for applicants who select the option to hold the Bonds in Physical Form; or (ii) the records of the Depositories otherwise.

	SOLE/FIRST APPLICANT	SECOND APPLICANT	THIRD APPLICANT
PERMANENT ACCOUNT NUMBER (Furnishing of Subscriber's PAN is mandatory. For additional details, refer Instruction no. 26(10))			
SIGNATURE(S)			

The Issue shall remain open for subscription 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 may be, 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 newspaper advertisements on or before such earlier or extended date of Tranche 1 Issue closure.

TEAR HERE

ACKNOWLEDGEMENT SLIP



SREI INFRASTRUCTURE FINANCE LIMITED

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Registered Office: 'Vishwakarma', 86 C, Topsia Road (South), Kolkata 700 046; **Tel:** +91 33 6160 7734; **Fax:** +91 33 2285 7542
Website: www.srei.com; **Compliance Officer and Contact Person:** Mr. Sandeep Lakhota, Company Secretary, "Vishwakarma", 86C Topsia Road (South), Kolkata - 700 046. **Phone:** +91 33 6160 7734, **Fax:** +91 33 2285 8501, **Email-id:** infrabonds2012@srei.com

Date dd/mm/2011

Application No.

FOR ANY QUERIES REGARDING THE ISSUE, PLEASE WRITE TO US AT infrabonds2012@srei.com. FOR FURTHER DETAILS, INVESTORS CAN VISIT OUR WEBSITE: www.srei.com

Received From _____

Series	Face Value (A)	No. of Bonds applied for (B)	Amount Payable (₹) (A x B)
1	₹ 1,000		
2	₹ 1,000		
3	₹ 1,000		
4	₹ 1,000		
Grand Total (1+2+3+4)			

Cheque/Demand Draft No. _____ Dated _____ / 2011	Bank's Stamp & Date
Drawn on (Name of the Bank and Branch)	
All future communication in connection with this application should be addressed to the Registrar to the Issue Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 076 Tel.: +91 22 25960320 Fax : +91 22 25960329 Toll Free : 1-800-22-0320 Email : sreinfra.ncd@linkintime.co.in , Investor Grievance Email : sreinfra.ncd@linkintime.co.in Website: www.linkintime.co.in , Contact Person: Mr. Sanjeev Sud, Compliance Officer: Mr. Sanjeev Nandu, SEBI Registration No.: INR000004058 quoting full name of Sole/First Applicant, Application No., Series of Bonds applied for, Number of Bonds applied for under each Series, Date, Bank and Branch where the application was submitted and Cheque/Demand Draft Number and Issuing bank.	

This slip is an acknowledgement of an application made for "Long Term Infrastructure Bonds", being issued by SREI INFRASTRUCTURE FINANCE LIMITED in terms of section 80CCF of the Income Tax Act, 1961 and the Notification No. 50/2011.F.No.17843/2011-SD (ITA.1) dated September 9, 2011 issued by the Central Board of Direct Taxes. ● Allotment of the Bonds shall be made within 30 days of the Issue Closing Date. ● Credit to dematerialised accounts will be made within two Working Days from the date of Allotment. ● Dispatch of physical certificates shall be within 15 Working Days from the date of Allotment.
 Acknowledgement is subject to realization of Cheque / Demand Draft.

While submitting the Application Form, the Applicant should ensure that the date stamp being put on the Application Form by the Bank matches with the date stamp on the Acknowledgement Slip.

ACKNOWLEDGEMENT SLIP FOR APPLICANT

Printed: press limited. Tel.: 022-40285688

SREI INFRASTRUCTURE FINANCE LIMITED : APPLICATION FORMS AVAILABLE AT FOLLOWING LOCATIONS

CO-MANAGERS TO THE ISSUE

SMC CAPITALS LIMITED LOCATIONS WOULD BE SAME FOR SMC GLOBAL SECURITIES LIMITED

Aggra - F-4, Block No 35, Surya Kiran Building Near Metro Bar Sanjay Place Aggra Ph No 7520787708. **Ahmedabad**: 3rd Floor, Sun City House, Besides Pantalone, Opp Kotak Bank, Mithakh Khola Six Road, Ahmedabad - 380009. Ph no 9427161917; 10-A, Kalapuram C G Road, Near Municipal Market, Ahmedabad 380003 Ph no 9825612323 **Bangalore**: Premises # 7.8.9, 10, Ground floor, Gold Tower #50 (old #98), Residency Road, Bangalore - 560025 Ph no 09739112254 **Bhavnagar**: NO. 113, 1st Floor, Shopper's Plaza, Waghavadi Road, Bhavnagar, Gujarat - 364001 Ph no 9377621422 **Bhopal**: 313, Ind Floor Jyoti Shopping Complex M P Nagar, Zone-I Bhopal - 462011 Ph. No.-07829888989 **Bhubaneswar**: House No.5, Jangpali, Unit-3, Bhubaneswar, Orissa 751007 Ph no 9338568767 **Chandigarh**: SCO 174-175, 1st Floor Sector 9 C, Chandigarh Ph no 1707 **Chennai**: 2nd Floor, A' Moolambika Complex, No.4, Lady Deshikar Collage, Mysore, Chennai - 600004 **Dehradun**: 7.8.9.10 shiva place, second floor, rajpur road Dehradun 248001 Ph no 9368751205 **Faridabad**: 4th Floor Crown Plaza, Main Mathura Road Sec 15 A, FARIDABAD Ph 2112002 Ph no 9811907477, Hissar: Mago Securities Ltd 1104, SCF Gram, 1st Floor Green Square Market Hissar Ph no 09419123332 **Hyderabad**: **Second Band**: 206, 3rd Floor Bhuvana Towers, Above CMR Exclusive, S D Road SCHEERJABAD, 500003 Ph no 9347453777 **Indore**: 206, 6th Block Arcade 31' New Palasia Opp Curewell hospital, Indore, M P Ph no 9826062666 **Jalpur**: 401, fourth Floor Shyam Anurag Opp HDFC BANK Ashok Marg C scheme Jaipur Ph no 9923644402 **Jammu**: 10 - A, North Block, Bahu Plaza, Jammu 180001 Ph no 99194191091 **Jamshedpur**: K2-L1 Tiwary Becher Complex, P.O. Bistupur, Jamshedpur 831001 Ph no 9934399678 **Jodhpur**: 201, Poonam Complex, III-C Road, Sardapura, Jodhpur, Rajasthan 342 003 Ph no 9314712688 **Kanpur**: SFPL House 15.63 Civil Lines Near D A V Degree College Kanpur Ph no 9336836894, 15/24-1, CIVIL LINES, KANPUR, 208001 Ph no 9936449444 **Kolkata**: 18, Rabindra Sarani Podder Court Gate No.4, 5th Floor Kolkata - 700001 Ph no 09933694479 **Kota**: 4-a-6 Talwandi Kola Rajasthan Ph no 09829116982 **Lucknow**: Radha Krishna Bhawan, Plot No. 3/A, 5 Park Road, Lucknow Ph no 9839826932 **Meerut**: CO KSB Capital Services Ltd Shop No-1, First Floor, Hari Laxmi Road, Opp P. K. Road, Crossing Meerut Ph no 9837024084, Kaveri Complex, P.L. Sharma Road Meerut Ph no 9837101412 **Mumbai**: 258, Penn Nariman Street First Floor Fort Mumbai - 400001 Ph no 09821111219 **New Delhi**: 17, Netaji Subhash Marg, Opp. Golcha Cinema Daryaganj, New Delhi-110 002 Ph no 9818620470, 6B, First Floor Himalaya House 23, K G Marg Connaught place New Delhi -110001 Ph no 9958696929, **Noida**: 106-Ocean Plaza. P-5 SEC-18, NOIDA-201301 Ph no 9717000379 **Pune**: 1ST Floor, Dealing Chamber, J M Road, Pune, 411004 Ph no 9769345255 **Patna**: Frontline Financial Consultancy Pvt. Ltd. 209, 2nd Floor, Pandey Mall Above Vishal Mega Mart Fraser Road, PATNA, 800001 Ph no 9798991521 **Rajkot**: 302/B 3rd Floor, Shivakli - 5] Malkam Chowk] Gondal Road, Rajkot -360 002 Ph: 800903984 **Surat**: 316, 3rd Floor Empire State Building, Near Udhana Darwaja, Ring Road, Surat 39002 Ph no 9909919899

LEAD BROKERS TO THE ISSUE

ALMONDZ GLOBAL SECURITIES LTD.-AHMEDABAD: Mrs. Nisha Revanti, 2nd Floor, Unit No.5, Panchnatra, Opp.White house, Panchavati Circle, C.G.Road, Ahmedabad -380006, 079-26402945, 079-26403282, nisha.revani@almondz.com; **KOLKATA**: Mr. Abhijit Bhattacharya, Prasad Chambers, Block B-201, 2nd Floor, 10A, Shakespear Colony, Kolkata - 700 017, 033 - 22820873/7475/76, 033 - 2282 0877, abhijit.bhattacharya@almondz.com; **MUMBAI**: Mr. Surendra Tare, C/o 9, Crescent Chambers, 2nd Floor, 56 Tamarind Lane, Fort, Near Bese, Mumbai 400 001, 022-22618055, 022-22617942, surendra.tare@almondz.com; Mr. Arvind Konar, Grande Palladium, Level-5, 175, C.S.T. Road, Kalina, Santacruz (E), Mumbai-400 098, 022-6643700, arvind.konar@almondz.com; **NEW DELHI**: Mr. Adhi Kesavan, 2nd Floor, 3, Scindia House, Janpath, New Delhi - 110 001, 011-41514666, 011-41514665, adhi.kesavan@almondz.com; **EASTERN FINANCIALS LTD.-D**: N YAGNIK, 9324803136, Sai sadan, Room No.9, 3rd Floor, 68, Jannathoni Marg, Fort, Mumbai - 400 001; ROHIT JAIN, 9873391004, B-102A, Ground Floor, Kalkaji, New Delhi - 11 0019; NIDHI JHAWAR, 9830228826, 14, India Exchange Place, Alahabad Bank Building, 2nd flor, Kolkata - 700 001; Bipal Mahato, 9932618977, 117, B.C. Road, OPP. CMS School, Burdwan - 713011; AD-61, SECTOR-1, SALT LAKE CITY, DIPAK PRAMANICK, 9830012791; KOLKATA - 700084, 102, 104 & 210, LORDS T/1, LORO, Saninoh Road, KOLKATA-71. SWETA SUFREKA, 40008800, 64 MAULANA ABDUL KALAM AZAD ROAD, HOWRAH- 711 01, D.BANERJEE, 9830666717, AA-45 VIP ROAD, SHREE TOWER, 2ND FLOOR, NEAR BIG BAZAR, KOLKATA - 700059, SANKAR MUKHERJEE, 9836192527, 126A, RASH BEHARI AVENUE, KOLKATA - 700029; PANKAJ MITRA, 9830708949; **EDELWEISS BROKING LIMITED-KOLKATA**: 2nd Floor, Savitri Tower, 3A, Upper Wood, Kolkata - 700 017; 033-40104635; **Mumbai**, Abhijit Prabhu, IDBI Capital Market Services Ltd, Mafatal Centre, 3rd Flr, Nariman Point 400021, 91-22-93221212, 9322120332, 93211434; **ENAM SECURITIES PRIVATE LIMITED-Kolkata**: S-205, IDEAL PLAZA, 111, SARAT BOSE ROAD, Ph- 700020; Ph:033-32426130/33586154; **Mumbai**: KHATAU BUILDING, 2ND FLOOR, 44 BANK STREET, OFF SHAHD BHAGATSINGH ROAD, FORT, Ph- 400023; Ph:022-22677901; 201-A, LAXMI TOWERS, BANARA KURLA COMPEX, BANDRA (E), Ph- 400051; Ph:022-66803600; HARI CHAMBER, GROUND FLOOR, 586A, SHAHD BHAGAT SINGH ROAD, FORT, Ph- 400001; Ph:022-22677901; **New Delhi**: 11, INAP ROAD, OUTER CIRCLCE, OPP SUPERBAZAR, CONNAUGHT PLACE; Ph- 110001; Ph:011-49811200201; **HARYANA**: Shanti Kumar Sharma, IDBI Capital Market Services Ltd, C-1103-104, Lajpat Nagar-1, New Delhi - 110024, 9810316643; Pratap Singh Chauhan, Idbi Capital Market Services Ltd, 114, 1st Floor, Aggarwal City Plaza, Plot No. 17, Manglam Palce, Sector 3, Rohini, 98105 33146; **INTEGRATED ENTERPRISES (INDIA) LTD.-KOLKATA**: Trikut, Flat No.1-B, 4C Lansdowne Place, Opp. Road of Ramakrishna Mission Hospital, Kolkata - 700 029, 2474600, 24742765, trikut@integratedindia.in; **MUMBAI**: 59, Sonawala Building, Gr. Floor, Bombay Samachar Marg, Fort, Mumbai - 400 023, 22662825/22662728, fort@integratedindia.in; **NEW DELHI**: 1691/36, (1st Floor), Arya Samaj Road, (Opp. to Satbhawan School), New Delhi, Karolbagh, New Delhi - 110 005, 45173031 to 332, karolbagh@integratedindia.in; **JM FINANCIAL SERVICES PRIVATE LIMITED, AHMEDABAD** : Mr Bhavesh Shah Mr. Girish Shah, JM Financial Services, 6/10 Chinubhai Centre, Gr. Flr, Nehrū Bridge Corner, Ashram Road, Ph:079-26576666 - 70. Mrs. Dipii Dave, JM Financial Services, B-101, Shivaj Plaza, Opp. AIMA, IIM Road, Ambawadi, Ph:079-39627600/6727. **KOLKATA** : Mr. Bhaskar Chattopadhyay, JM Financial Services: Kankaria Estate, 8th Flr, 6th Little Russell Street, Ph: 033-3987 0330. **MUMBAI**: Mr Ashit Vora, JM Financial Services, 1st Floor, Patel House, Next to Service of Baroda, M G Road, Vileparle (East), Ph:022-26135202-0367077440-43. Mr. Sahil Shah, JM Financial Services Palm Court, M Wing, 4th Floor, Goregaon Link Road, Majid Road, (Ph:032-30877000/67617000, Mr Nllesh Gave, JM Financial Services, Ground Floor, Anushka, New Andheri (West), Ph:022-66191600/6162. Mr M Mukundram M Amin Irani, JM Financial Services, 2.3.4 Kamnawala Chambers, P.M Road, Fort, Ph:022-32001260/2665577 - 30. Ms. Jyotsna Solanki M C V George, JM Financial Services, Shop No.6, Dattani Trade Center, Chandra Varkar Road, Bonivali (West), Ph:022-3021-3040/66959120 - 26. Ms. Charulata Mehta M.M. Tiak Sanji, JM Financial Services, 42/44/45 Kaldas Plaza, V.V Lane, Ghatkopar (East), Ph:022-30978700/67104738. **NEW DELHI**: Mr. Prasad Nair/ Mr. C S Tiwari, JM Financial Services, 114 Himalya House, 23, K G Marg, Connaught Place, New Delhi, Ph:011-4130 5000/3092 5500. **SKOLAR SECURITIES LIMITED-KOLKATA**: 7th Floor, Apeejay House, Block C, 15, Park Street, 22273999; Govind Bhawan, Ground Floor, 2, Bipaltri Trilokya Meharaj Sanjari (Draoume Road), 22353015; **MUMBAI**: 32, Gr Flr, Raja Bahadur Compound, Opp Bank of Maharashtra, Fort, 22665074; 8th Floor, Kotak Towers, Building No. 21, Infiniti Park, Off Western Express Highway, Goregaon Mulund Link Road, Malad (E), 66056825; Nirlon House, 3rd Floor, Dr. Ajeesam Road, Near Passport Office, Worli, 66529191; **NEW DELHI**: 202-217, 2nd Floor, Ambadej Building, 14, Kastuba Ganj Market, Bagh, 66313131; **SCHOL SECURITIES LIMITED-Kolkata**: Calcutta Branch - Park Street, A.G. Towers 6th floor, 125/1, Park street, Calcutta, 700017, 0332262100; Haldia: Akshay Commercial Complex, Unit No 317/3rd floor, Goregaon Durgachak Dist Midnapore, Kalia, 721602, 0322-270227, Dhanial. 56 Shyam Road, first floor (opposite to old C.I. Delipuri), Post Nathali, dist.24 Parganas (North), Nabadia, 743165, (033) 250320736/30804448, -barrackpore, 4/2) SN banerjee Road, barrackpore shopping arcade, 2nd floor, Kolkata, 700120, 033-25452634 / 03325452633; Howrah: 10 Burrst Salt gola lane, ground floor, dobson Road, howrah, 711101, 26662564; kolkata 2 - RNM House, 3rd floor, 30lal bazar Street, Calcutta, 700001, 03322107594; Port Blair, First floor, No.100, Oceanipour, Haddo Post, Port Blair, 744102, 3192245652; **Mumbai**: Dombivli: Co Dombivli Nagarbnk, gunprasad bldg, 6th flr, Marpada Road, Dombivli (e), 4/1201, 99251-861199; kalyan: kalyan to 110, vasant vihar Complex, Chandulaj path, Connaught, opp.railway shikanyan/), 421301, 23154212/23294; Mulund, Shop No.2, koteswarj apts, r.h.b. Rd Near ICICI bank, opp. sharma vihal bank, Mulund (west), Mumbai 400080, 5901671, -thane, no. 1 Crystal Court, first floor, Near thane janata bank, B Cabin Road, shivaj Nagar, Naupada, thane (west), 400062, 5453790; 1; andheri, 4, Parsian apartments, V.P. Road, Indore 452003, V.P. Road, near zoroastrian Co-op. Bank, I, off s.v. Road, Andheri (W), 400058, 26230909; bonivali, shop No. 10, ground floor, Madhumini Co-op. hsg soc., Mangal kunj, s.v. Road, New Delhi, 110092, 24594439; **NETAJI SUBHASH BUILDING**, 11, 1st floor, Ashik Commercial Complex, kardarkoma Community Center, kardarkoma, Delhi, 110092; **SREI INFRASTRUCTURE LTD.-AHMEDABAD**: 803,SHIVAJI BUILDING, NEAR PANCHWATI CROSS ROAD AMBAWADI AHMEDABAD-380006, 079-30013800, 07900339040; **KOLKATA**: DAMOUND CHAMBER, ROOM NO-8 08th FLOOR, 4 CHOURVINGHEE LANE KOLKATA-700016, 033-25211537, 09831563633; **MUMBAI**: PLOT NO-629,NAYAY SAGAR COOPERATIVE HOUSING SOCIETY SAINT DAYA NESHWARIMARG KALKA NAGARBANDRA EAST (NEAR GURUNANAK HOSPITAL) MUMBAI -400051, 022-4285600-01,0982103882; **NEW DELHI**: 25, C.Block, Community Center, Janakpuri New Delhi-110058, 011-25517311/25515086/45675500.

SREI INFRASTRUCTURE FINANCE LIMITED : COLLECTION CENTRES FOR APPLICATION FORM

AXIS BANK LIMITED

AGRA: Shop No. 1, 3 to 16, Block No 51Anupam Plaza II, Sanjay Place Aggra 282 002, Uttar Pradesh, (0562) 4037500/98970 64979; **AHMEDABAD**: "Trishul", Opposite Samadhyan Temple,Lax Garden, Ellis Bridge,Ahmedabad 380 006, Gujarat, 079 - 55306161 / 55306102 / 55306116; **AHMEDABAD**: Gandhinagar Milk Consumers' Co-operative Union Ltd Plot No. 436, Near Shalimar Theatre, Sector-16, Gandhinagar, Ahmedabad 382016 Gujarat, (079) 3245580, 3243274; **AJMER**: AMC No.461-465/10,Kutchery Road/Midna Road, Ajmer 305 001,Rajasthan, 0145 - 5101451 / 51 0145 - 5101491; **AKOLA**: Khatri House/Ahmedka Plot Road Akola 444001, Maharashtra, (0724) 24538113/2324/25/17/66689805; **ALIGHAR**: OM Complex, Ramghat Road Niranjani Puri, Alighar 202 001,Uttar Pradesh, 0571 - 2742874 / 2741873; **ALLAHABAD**: 26B, Civil Station, M.P. Road, Civil Lines, Allahabad 211 001, Uttar Pradesh, 0532 - 2421845 / 46 / 47 / 0532 - 2421843; **ALWAR**: 1, Jai Complex, Road No.2, Alwar 301 001,Rajasthan , 0144 - 512 0031 / 35 / 36 / 33; **AMBALA**: I.C.I.C. Office, Ambala Cantonment,Jeewan Jyoti Building, I.C.I.C. Office/Jan. Marg, Jagadri Road, Ambala Canton, Panchsati -133001, Haryana, (0171)2601770 / 2601788-90; **AMRITSR**: On Nagrath Complex Near Nagrath Temple/Amal 365 601, Gujarat, (02792)228060 / 228070 / 231080 / 231060; **AMRITSAR**: 29, Kennedy Avenue, Court Road, Amritsar 143001,Amritsar District, Punjab, (Ph:022-32001260/2665577 - 30. Ms. Jyotsna Solanki M C V George, JM Financial Services, Shop No.6, Dattani Trade Center, Chandra Varkar Road, Bonivali (West), Ph:022-3021-3040/66959120 - 26. Ms. Charulata Mehta M.M. Tiak Sanji, JM Financial Services, 42/44/45 Kaldas Plaza, V.V Lane, Ghatkopar (East), Ph:022-30978700/67104738. **NEW DELHI**: Mr. Prasad Nair/ Mr. C S Tiwari, JM Financial Services, 114 Himalya House, 23, K G Marg, Connaught Place, New Delhi, Ph:011-4130 5000/3092 5500. **ATANKURI SECURITIES LTD.-KOLKATA**: 7th Floor, Apeejay House, Block C, 15, Park Street, 22273999; Govind Bhawan, Ground Floor, 2, Bipaltri Trilokya Meharaj Sanjari (Draoume Road), 22353015; **MUMBAI**: 32, Gr Flr, Raja Bahadur Compound, Opp Bank of Maharashtra, Fort, 22665074; 8th Floor, Kotak Towers, Building No. 21, Infiniti Park, Off Western Express Highway, Goregaon Mulund Link Road, Malad (E), 66056825; Nirlon House, 3rd Floor, Dr. Ajeesam Road, Near Passport Office, Worli, 66529191; **NEW DELHI**: 202-217, 2nd Floor, Ambadej Building, 14, Kastuba Ganj Market, Bagh, 66313131; **SCHOL SECURITIES LIMITED-Kolkata**: Calcutta Branch - Park Street, A.G. Towers 6th floor, 125/1, Park street, Calcutta, 700017, 0332262100; Haldia: Akshay Commercial Complex, Unit No 317/3rd floor, Goregaon Durgachak Dist Midnapore, Kalia, 721602, 0322-270227, Dhanial. 56 Shyam Road, first floor (opposite to old C.I. Delipuri), Post Nathali, dist.24 Parganas (North), Nabadia, 743165, (033) 250320736/30804448, -barrackpore, 4/2) SN banerjee Road, barrackpore shopping arcade, 2nd floor, Kolkata, 700120, 033-25452634 / 03325452633; Howrah: 10 Burrst Salt gola lane, ground floor, dobson Road, howrah, 711101, 26662564; kolkata 2 - RNM House, 3rd floor, 30lal bazar Street, Calcutta, 700001, 03322107594; Port Blair, First floor, No.100, Oceanipour, Haddo Post, Port Blair, 744102, 3192245652; **Mumbai**: Dombivli: Co Dombivli Nagarbnk, gunprasad bldg, 6th flr, Marpada Road, Dombivli (e), 4/1201, 99251-861199; kalyan: kalyan to 110, vasant vihar Complex, Chandulaj path, Connaught, opp.railway shikanyan/), 421301, 23154212/23294; Mulund, Shop No.2, koteswarj apts, r.h.b. Rd Near ICICI bank, opp. sharma vihal bank, Mulund (west), Mumbai 400080, 5901671, -thane, no. 1 Crystal Court, first floor, Near thane janata bank, B Cabin Road, shivaj Nagar, Naupada, thane (west), 400062, 5453790; 1; andheri, 4, Parsian apartments, V.P. Road, Indore 452003, V.P. Road, near zoroastrian Co-op. Bank, I, off s.v. Road, Andheri (W), 400058, 26230909; bonivali, shop No. 10, ground floor, Madhumini Co-op. hsg soc., Mangal kunj, s.v. Road, New Delhi, 110092, 24594439; **NETAJI SUBHASH BUILDING**, 11, 1st floor, Ashik Commercial Complex, kardarkoma Community Center, kardarkoma, Delhi, 110092; **SREI INFRASTRUCTURE LTD.-AHMEDABAD**: 803,SHIVAJI BUILDING, NEAR PANCHWATI CROSS ROAD AMBAWADI AHMEDABAD-380006, 079-30013800, 07900339040; **KOLKATA**: DAMOUND CHAMBER, ROOM NO-8 08th FLOOR, 4 CHOURVINGHEE LANE KOLKATA-700016, 033-25211537, 09831563633; **MUMBAI**: PLOT NO-629,NAYAY SAGAR COOPERATIVE HOUSING SOCIETY SAINT DAYA NESHWARIMARG KALKA NAGARBANDRA EAST (NEAR GURUNANAK HOSPITAL) MUMBAI -400051, 022-4285600-01,0982103882; **NEW DELHI**: 25, C.Block, Community Center, Janakpuri New Delhi-110058, 011-25517311/25515086/45675500.

DBS BANK LIMITED

BENGALURU: DBS Bank Limited, Salisbury Windows 93, Ulsoor Road Bangalore 560042, Tel: +91 80 6632 8888, Liza Varghese; **CHENNAI**: 806, Anna Salai/Chennai 600 042, Tel: +91 44 6656 8888, Chitti Babu; **KOLKATA**: 4A, Little Russel street, (Elndab Basu Sarani/Kolkata 700 071, Tel: +91 33 621888, Arjit Basu; **MUMBAI**: Fort House, 3rd Floor/221 D.R. Road, Fort Mumbai 400001, Tel: +91 22 6638 8888, Alvin Desai; **NASIK**: 411 A, Jolly Plaza,Howson Road, Deolali camp, Nasik - 422401, Tel: +91 253 6632100, Vishal Mantri; **NEW DELHI**: Bita Tower, Upper Ground Floor/25 Barakhamba Road/New Delhi 110001, Tel: +91 11 3041 8888, Amit Kohli; **PUNE**: Elndab Basu Survey No 4/57rdthirth Path, Off Dhole, Palni Road, Pune 411 001, Tel: +91 020 6621 8888, R.D.N. Wamy; **SALAM**: No. 24, Yercaud Main Road/ Opp Modern Theatre/Kannakurichi, Salem: 636008, 0427 - 6453299/64530552, Vijesh B; **SURAT**: 2nd Floor, Shree Ambika Auto/Bhapore - GIDC, Opp. ONGC, Hazira, Surat 395410, 0, Kamal Joshi; **CHENNAI**: 806, Anna Salai/Chennai 600 002, +91 44-6656 8880/ 9841431394, Chitti Babu; **MORADABAD**: 8km Stone,Naya Moradabad, Near Prakash Kamal/Factory, Delhi Road, Moradabad - 244001, +91 591-6601304/ 9719273100, Deepak Sakar; **MUMBAI**: Fort House, 3rd Floor/221 D.R. Road, Fort/Mumbai 400001, +91 22 6638 8888, Puneeta Sharma; **NEW DELHI**: Bita Tower, Upper Ground Floor/25 Barakhamba Road/New Delhi 110001, +91 11 3041-8821/ 99687-15058, Amit Kohli;

DHANLAXMI BANK LIMITED

AHMEDABAD: Dhanlaxmi Bank, 3, Motilal Chambers , Income Tax Circle, Near Sales India ,Ashram Road ,143-Ahmedabad ,Ahmedabad Dist, Gujarat - 380 009, 079 - 64520960, 64520992, 64502694; **BANGALORE**: #11, 1ST Cross, B. B. Naidu Road, Gandhinagar, 1ST Cross, Bangalore - 560009, 80 - 64548688/89190; **BHOPAL**: Dhanlaxmi Bank , Ground Floor, Vnnv Plaza, 606 - 7, Zone - 2, Maharan Pratap Nagar ,Bhopal ,Madhya Pradesh - 462 011, 0755 - 6459927; **CHANDIGARH**: Gf Floor, Rai Building, S/o Sushma, Sector 93/94, Sector 17 & B&C, Near K C Cinema, Chandigarh - 160017, 0171 - 62538924/25/26; **CHENNAI**: Dhanlaxmi Bank Ltd, P.B.No.359, 104 & 107, Om Sakthi Towers ,Mount Road, Anna Salai, Chennai, Tamil Nadu - 600 002, 044-64530014 / 119 / 124; **COIMBATORE**: 461, Vivekananda Road, Ram Nagar, 62 - Coimbatore, Tamil Nadu -641 0090; **DURGAPUR**: Dhanlaxmi Bank/Bangalaya, 1ST Floor, Opp. To Csi Kalyani Hospital, Mylapore, Chennai - 600004 , 9381750927; **HYDRABAD**: No. 115, Dr. Radhakrishnan Salai, 2nd Floor, Opp. To Csi Kalyani Hospital, Mylapore, Chennai - 600004 , 9381750927; **COCHIN**: First Floor, Palairavattam 25, 0484-4456607, 09349133899; **COMBATOR**: Who, 1552,87, First Floor, Classic Towers, Trichy Road, Coimbatore, 0422-4020630/422-4202646 (Rim 3945728878); **CUTTACK**: Holding No 32, 32/A Bajrakabati Road, Cuttack, Orissa - 753 00, 077-232744 / 9380816590; **DELHI**: Flg-Figs 01st Floor, To Csi Kalyani Hospital, Mylapore, Chennai - 600004 , 9381750927; **GONDWIT**: Plot No.1, Sector-8, Brabandranahar, Jaipur, 02836-652521 / 02836-233514 / 937748177; **HYDERABAD**: Who 1 - 10-60/3, Ii Floor, Sanyodaya,Begumpet, 040-30472772 / 2770 / 2771; **INDORE**: Who 1 - 10-60/3, Ii Floor, Sanyodaya,Begumpet, 040-30472772 / 2770 / 2771; **INDORE**: Who 1 - 10-60/3, Ii Floor, Sanyodaya,Begumpet, 040-30472772 / 2770 / 2771; **INDORE**: Who 1 - 10-60/3, Ii Floor, Sanyodaya,Begumpet, 040-30472772 / 2770 / 2771; **JAMSHEDPUR**: 1st Floor, Kumbhara Menes, 636, Vijay Nagar, Mr.-4, Main Road, Sai Chokh, Jabalpur (M) - 482002, 0761-4018773 / 0761-4084963/9301744303/9301744304; **JAIPUR**: 2nd Floor, O-11, On Ashok Marg,C-Scheme New Jaipur, 5103496, 5115476 & 931427496; **JALANDHAR**: 1st Floor, 911, Gf Road, Nr. Narinder Cinema, Jalandhar, 0181-5017790-92/9316939408/9316950993/931785643; **KANPUR**: 15/46-1, 1st Floor, Civil Lines, Kanpur-208001, 0512-3028933, 0936907859, 09336015983; **KARNAL**: Basement, Shop 778-779, Opp. Mahabharat Dist Hospital, 0184-2202921/9315135220; **KOLHAPUR**: Gemstone, 51/A/2 E Ward New Jaipur, Nr Central Bus Stand/Kolhapur, 0231-2652791/2010099/2651906/937083495/937053918; **KOLKATA**: Abhisaha - ii, 6 Royd Street (2nd Floor), 22273761, 9331992557, 9331430891; **KOLKATA**: Abhisaha - ii, 6 Royd Street (2nd Floor), 22273761, 9331992557, 9331430891; **KOTA**: 13-14, Main Ghadwara Road, 0744-2390485/9314480984; **LUCKNOW**: Pranay Towers 38, Darbani Lal Sharma Marg Lucknow, 0522-3918326/9335090834/9336661744; **MUMBAI**: Ground Floor, Maneckji Wadia Building,Nanik Motwani Marg,Near Kala Ghoda,Opp Mumbai University,Fort Mumbai- 400 001, 022-40801570 / 1528 / 1570 / 1560; **MUMBAI**: Ground Floor, Maneckji Wadia Building,Nanik Motwani Marg,Near Kala Ghoda,Opp Mumbai University,Fort Mumbai- 400 001, 022-40801570 / 1528 / 1570 / 1560; **MYSORE**: Myrthi Arcade, Saraswathipuram,1st Main, Mysore, 0821-4253049/9324591264; **NAGPUR**: 2 / Mile Stone "Block No 303 & 304, Near Lokmat Square, Wardha Road, Nagpur - 440010, Maharashtra, 0172-2454417/2451746 And Rim 9372153142, 397167462; **NASIK**: 3rd Floor, Archit Centre, Opp Sandeep Hotel, Chandak Circle Link Road, Near Mahamahab Vandan, Nasik 422002, 0253-6620251/252-99253/2578322/95253-257832; **RAIPUR**: No. 93727 48487; **NAVARSAR**: Gf Flr, Nandani Complex , Station Road, 02637-280901,9327586065; **NEW DELHI**: Flg-Figs 01st Floor, Kaillash Bldg, 111-431374011/11-431374012/11-431374013/11-431374014; **PANIPAT**: 801 A/O,Opps Railway Road, G.T Road ,Panipat, 9315416685/01804015268; **PANJINI**: 301, Mitroc Lar Meneszes, Swami Vivekanand Road, 6629744, 45, 9326801996, 9372491097; **PATALIA**: Building No 11520, 1st Floor Leela Bhawan, Near Gopal Sweets, 0175-5022200/3317664797, 9350605165; **PATNA**: Plot No 651, Jamal Rd Patna - 9334394862; **PONDICHERY**: T.S No 105, 100th Road, Ellapalliachavayal, 4013 - 2106575/9328254444; **PUNE**: Fortune Square 3 Rd 3 Floor, Deep Bungalow Chowk, Model Colony, Shivajinagar, 020-41224390/020-41224391/020-41224335; **RAIPUR**: Chawla Towers, Near Bottle House, Shankar Nagar, Raipur, Chhattisgarh 492071, 0771-4001311/1102; **RAJOKOT**: Shivakli - V, 3rd Floor, Gondal Road, Rajkot, 0821-6536982/09377408494; **RANCHI**: 56 Rohini Complex Circular Road Lajpur Ranchari 834001, Bihar, 94310 21846; **PONDICHERY**: Pipavay, Dist. Amrli, Gujarat 365560 Bussy Street/Pondichery 605 001, (0413)222731 / 2227312 / 2227313; **PUNE**: Sterling Plaza, Plot No.1262/Banjari Maharaj Road/Near Deccan Gymkhana, Pune City 411004, (020)5520557 /0558 / 0559 / 0560; **RAJKOT**: "Titan", Near K K V Circle/Laladwad Road/Rajkot - 360 005, (022) 6695999 / 6695901 / 02 / 982530037; Samir Dave (IPONFV) - 9879497980; **RANCHI**: No. 4, 5, 8, Ward No. 15, Ground Floor Below Batla Showroom, Main Road, Albert Ekta Chowk/Ranchi 834001, Jharkhand, (0661)2514138 / 4143 / 4146; **SALEM**: TS No. 13, 14, 1, Omkar Main Road/No.5, Main Road, Chinnarayada/Tamil Nadu 636007, (0427) 2353420 / 11 2 9994464848; **SURAT**: Digvijay Towers/Opp. St. Xavier'S School

GENERAL INSTRUCTIONS

Applicants are advised to read the Shelf Prospectus dated December 28, 2011 and The Prospectus - Tranche 1 dated December 28, 2011 (together, the "Prospectus") filed with Registrar of Companies, Kolkata, West Bengal and the general instructions contained in this application form carefully and to satisfy themselves of the disclosures including the risk factors before making an application for subscription. Unless otherwise specified, all the terms used in this Application Form have the same meaning as in the Prospectus - Tranche 1. For a copy of the Prospectus, the applicant may request us and/or the Lead Managers. Further, investors are advised to retain the copy of the Prospectus/Abridged Prospectus for future reference. Please fill in the Form in English using BLOCK letters. Investors should carefully choose the Series of Tranche 1 Bonds they wish to apply for. Please refer to Terms of the Issue in the Prospectus for details.

TERMS OF THE ISSUE

1. Authority for the Issue : The Board of Directors, at their meeting held on December 19, 2011, have approved the issue, in one or more tranches, of secured, redeemable, non-convertible debentures having benefits under Section 80CCF of the Income Tax Act of face value of ₹ 1,000 each, for an amount aggregating up to ₹ 5,000 million for the FY 2012 (the "Shelf Limit"). The Tranche 1 Bonds shall be issued on the terms set out in the Prospectus - Tranche 1 for an amount not exceeding the Shelf Limit. In terms of the Notification, the aggregate volume of issuance of Long Term Infrastructure Bonds (having benefits under Section 80CCF of the Income Tax Act) by our Company during the FY 2012 shall not exceed 25% of the incremental infrastructure investment made by our Company during the FY 2011. The incremental infrastructure investments made by our Company during the FY 2010-11 were ₹ 34,024.50 million and therefore, the limit available for the Issue is ₹ 8,506.10 million.

2. Issue, Status of Tranche 1 Bonds : 2.1. The public issue of Tranche 1 Bonds of our Company for an amount aggregating up to ₹ 3,000 million. These terms and conditions are for the Tranche 1 Bonds issued under the Prospectus - Tranche 1. 2.2. The Tranche 1 Bonds are constituted, and issued pursuant to a Debenture Trust Deed. The Bondholders are entitled to the benefit of the Debenture Trust Deed and are bound by and are deemed to have notice of all the provisions of the Debenture Trust Deed. Our Company is issuing the Tranche 1 Bonds in accordance with and pursuant to the Notification and the Tranche 1 Bonds issued by our Company can be classified as 'Long Term Infrastructure Bonds' for the purposes of Section 80 CCF of the Income Tax Act. 2.3. The Tranche 1 Bonds are issued in the form of secured, redeemable, non convertible debentures. The Tranche 1 Bonds constitute direct and secured obligations of our Company and shall rank *pari passu* inter se and without any preference or priority among themselves. Subject to any obligations preferred by mandatory provisions of the law prevailing from time to time, the Tranche 1 Bonds shall also, as regards the principal amount of the Tranche 1 Bonds, interest and all other monies in respect of the Tranche 1 Bonds, rank *pari passu* with all other present and future secured debentures of our Company. The claims of the Bondholders shall be *pari passu* to the claims of the secured creditors of our Company (subject to any obligations preferred due to mandatory provisions of the applicable law prevailing from time to time). 3. **Form, Face Value, Title and Listing etc.** 3.1. **Form :** 3.1.1 In terms of Regulation 4(2)(d) of the Debt Regulations, our Company will make public issue of the Tranche 1 Bonds in dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the Tranche 1 Bonds in physical form, will fulfill such request. Our Company has made depository arrangements with NSDL and CDSL for issue of the Tranche 1 Bonds in a dematerialized form pursuant to the tripartite agreement between: (i). Our Company, NSDL and the Registrar dated December 23, 2011; and; (ii). Our Company, CDSL and the Registrar dated December 23, 2011 (together the "Tripartite Agreements"). Our Company shall take necessary steps to credit the Depository Participant account of the Bondholders with the number of Tranche 1 Bonds allotted. Our Company shall take necessary steps to credit the Depository Participant account of the Applicants with the number of Tranche 1 Bonds allotted. The Bondholders holding the Tranche 1 Bonds in dematerialized form shall deal with the Tranche 1 Bonds in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time. 3.1.2 The Bondholders may rematerialize the Tranche 1 Bonds at any time after allotment, in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time. 3.1.3 In case an investor wishes to hold the Tranche 1 Bonds in physical form, our Company will issue one certificate to the Bondholder for the aggregate amount of the Tranche 1 Bonds that are held by such Bondholder (each such certificate a "Consolidated Tranche 1 Bond Certificate"). In respect of the Consolidated Tranche 1 Bond Certificate(s), our Company will, upon receipt of a request from the Bondholder within 30 days of such request, split such Consolidated Tranche 1 Bond Certificate into smaller denominations in accordance with the Articles of Association, subject to a minimum denomination of one Tranche 1 Bond. No fees will be charged for splitting any Consolidated Tranche 1 Bond Certificate but, stamp duty, if payable, will be paid by the Bondholder. The request to split a Consolidated Tranche 1 Bond Certificate shall be accompanied by the original Consolidated Tranche 1 Bond Certificate which will, upon issuance of the split Consolidated Tranche 1 Bond Certificates, be cancelled by our Company. 3.2 **Face Value :** The face value of each Tranche 1 Bond is ₹ 1,000. 3.3 **Title :** 3.3.1 In case of: (i) Tranche 1 Bonds held in the dematerialised form, the person for the time being appearing in the Register of Bondholders (as defined below) maintained by the Depository; and; (ii) The Tranche 1 Bonds held in physical form, the person for the time being appearing in the Register of Bondholders (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 Consolidated Tranche 1 Bond Certificate issued in respect of the Tranche 1 Bonds and no person will be liable for so treating the Bondholder. 3.3.2 No transfer of title of a Tranche 1 Bond will be valid unless and until entered on the Register of Bondholders prior to the Record Date. In the absence of transfer being registered, interest, Buyback Amount and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of Bondholders. In such cases, claims, if any, by the transferees of the Tranche 1 Bonds will need to be settled with the transferors of the Tranche 1 Bonds and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act shall apply, *mutatis mutandis* (to the extent applicable) to the Tranche 1 Bond(s) as well. 3.4 **Listing :** The Tranche 1 Bonds will be listed on BSE. 3.5. **Market Lot :** 3.5.1 Irrespective of whether the Tranche 1 Bonds are held in dematerialized or physical form, the trading of the Tranche 1 Bonds on the Stock Exchanges shall be in dematerialised form only in multiples of one (1) Tranche 1 Bond ("Market Lot"); 3.5.2 For details of allotment refer to chapter entitled "Issue Procedure" under the section titled "Issue Related Information" beginning on page 35 of the Prospectus - Tranche 1; 3.6. **Procedure for Rematerialisation of Tranche 1 Bonds :** Bondholders who wish to hold the Tranche 1 Bonds in physical form may do so by submitting his or her request to his or her Depository Participant in accordance with the applicable procedure stipulated by the Depository Participant. 3.7 **Procedure for Dematerialization of Tranche 1 Bonds :** Bondholders who are holding the Tranche 1 Bonds in physical form and wish to hold the Tranche 1 Bonds in dematerialized form may do so by submitting his or her request to his or her Depository Participant in accordance with the applicable procedure stipulated by the Depository Participant.

4. Transfer of the Tranche 1 Bonds, Issue of Consolidated Tranche 1 Bond Certificates, etc. : For details, regarding Register of Bondholders, Lock-in Period, Transfer of Tranche 1 Bonds, Issue of Consolidated Tranche 1 Bond Certificates etc., please refer page 40 of the Prospectus Tranche 1.

5. Debenture Redemption Reserve ("DRR") : Regulation 16 of the Debt Regulations and Section 117C of the Companies Act requires any company that intends to issue debentures to create a DRR to which adequate amounts shall be credited out of the profits of our Company till the redemption of the debentures. However, the Ministry of Company Affairs (the "MCA") has, through its circular dated April 18, 2002, specified that NBFCs which are registered with the RBI under Section 45-IA of the RBI Act, 1934 shall create DRR to the extent of 50 percent of the value of the debentures issued through public issue. Accordingly, our Company shall create DRR of 50 per cent of the value of Tranche 1 Bonds issued and allotted in terms of the Prospectus - Tranche 1, for the redemption of the Tranche 1 Bonds. Our Company shall credit adequate amounts to DRR from its profits every year until the Tranche 1 Bonds are redeemed. The amounts credited to the DRR shall not be utilized by our Company for any purpose other than for the redemption of the Tranche 1 Bonds.

6. Deemed Date of Allotment : The Deemed Date of Allotment for the Tranche 1 Bonds shall be the date as may be determined by the Board / Committee of Directors and notified to the Stock Exchanges. All benefits under the Tranche 1 Bonds including payment of interest will accrue to the Bondholders from the Deemed Date of Allotment. The actual allotment may occur on a date other than the Deemed Date of Allotment.

7. Application amount and Tax Savings : Eligible investors can apply for up to any amount (₹ 1000 or in multiples thereof) of the Tranche 1 Bonds across any of the Series(s) or a combination thereof. The investors will be allotted the Tranche 1 Bonds in accordance with the Basis of Allotment. In the event that any investor applies for and is allotted long term infrastructure bonds in excess of ₹ 20,000 per annum (including long term infrastructure bonds issued by any other eligible entity), the above tax benefit shall be available to such investor only to the extent of ₹ 20,000 per annum.

8. Subscription : 8.1 Period of Subscription : The Tranche 1 Issue shall remain open for:

TRANCHE 1 ISSUE OPENS ON	DECEMBER 31, 2011
TRANCHE 1 ISSUE CLOSES ON	JANUARY 31, 2012

The Tranche 1 Issue shall remain open for subscription during banking hours for the period indicated

above, except that the issue may close on such earlier date as may be decided by the Board/Committee of Directors subject to necessary approvals. In the event of an early closure of subscription for the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through newspaper advertisements prior to such earlier date of issue closure. **8.2. Underwriting :** The Tranche 1 Bonds Issue is not underwritten; **8.3. Minimum Subscription :** In terms of the Debt Regulations, an issuer undertaking a public issue of debt securities may decide the minimum amount of subscription that it proposes to raise through the issue in the offer document. In the event that an issuer does not receive the minimum subscription disclosed in the offer, an application monies received in the public issue are to be refunded. Our Company has decided to set no minimum subscription for the Issue.

9. Utilization of the proceeds : The proceeds of the Issue shall be utilized towards 'infrastructure lending' as defined by the RBI in the regulations issued by it from time to time. The end-use shall be duly reported in the annual reports and other reports submitted by our Company to the regulatory authority concerned, and specifically certified by the Statutory Auditor of our Company. Our Company shall report the use of the proceeds in its annual report and other report submitted by us to any regulatory authority. Our Company shall also file these along with term sheets to the Infrastructure Division, Department of Economic Affairs, Ministry of Finance, within three months from the end of financial year.

10. Interest : 10.1. Annual Payment of Interest; 10.1.1 For Series 1 and Series 3 Tranche 1 Bonds, interest at the rate of 8.90% and 9.15% respectively, per annum will be paid annually commencing from the Deemed Date of Allotment, subject to buyback of the Tranche 1 Bonds as specified in the section 12 below.; **10.2. Cumulative Payment of Interest; 10.2.1** For Series 2 and Series 4 Tranche 1 Bonds, interest shall be compounded annually at the rate of 8.90% and 9.15% respectively, per annum commencing from the Deemed Date of Allotment and shall be payable on the Maturity Date, subject to buyback of the Tranche 1 Bonds as specified in the section 12 below.; **10.3. Day Count Convention :** Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the Tranche 1 Bonds. 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 Tranche 1 Bonds; **10.4. Interest on Application and Refund Money; 10.4.1. Application Interest :** The Company shall pay to the successful Applicants, interest at the rate of 5% p.a. on the Application Money on the amount allotted, three days from the date of receipt of the Application Form, or the date of realization of the Application Money, whichever is later, upto 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 Money shall be paid along with first interest payment for Series 1 and Series 3 Tranche 1 Bonds at their respective coupon rates and at buyback date or maturity date whichever is earlier compounded annually for Series 2 and Series 4 Tranche 1 Bonds at their respective coupon rates. **TDS on Interest on Application Money :** Interest on Application Money 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 Money, if any, should be submitted along with the Application Form.; **10.4.2. Refund Interest :** The Company shall not pay any interest on refund of Application Money on the amount not allotted.

11. Redemption : 11.1 Unless previously redeemed or bought back as provided under the Debenture Trust Deed, our Company shall redeem the Tranche 1 Bonds on the Maturity Date.; **11.2 Procedure for Redemption by Bondholders :** The procedure for redemption is set out below: **11.2.1 Tranche 1 Bonds held in electronic form:** No action is required on the part of Bondholders at the time of maturity of the Tranche 1 Bonds. **11.2.2 Tranche 1 Bonds held in physical form:** No action will ordinarily be required on the part of the Bondholder at the time of redemption and the Maturity Amount will be paid to those Bondholders whose names appear in the Register of Bondholders maintained by our Company on the Record Date fixed for the purpose of redemption. However, our Company may require that the Consolidated Tranche 1 Bond Certificate(s), duly discharged by the sole holder or all the joint-holders (signed on the reverse of the Consolidated Tranche 1 Bond Certificate(s)) to be surrendered for redemption on Maturity Date and shall be sent by the Bondholders by registered post with acknowledgment due or by hand delivery to the Registrar or our Company or to such persons at such addresses as may be notified by our Company from time to time. Bondholders may be requested to surrender the Consolidated Tranche 1 Bond 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. See the section titled "Payment on Redemption or Buyback" on page 44 of the Prospectus - Tranche 1.

12. Buyback of Tranche 1 Bonds : The Tranche 1 Bonds shall have Buyback options as provided in the Prospectus Tranche 1.

13. Payments : 13.1 Payment of Interest : Payment of interest on the Tranche 1 Bonds will be made to those Bondholders, whose name appears first in the Register of Bondholders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be, on the Record Date. Whilst our Company will use the electronic mode of payments for making payments, where facilities for electronic mode of payments are not available to the Bondholder or where the information provided by the Applicant is insufficient or incomplete, our Company proposes to use other modes of payment to make payments to the Bondholders, including the dispatch of cheques through courier, hand delivery or registered post to the address provided by the Bondholder and appearing in the Register of Bondholders maintained by the Depository and/or our Company and/or the Registrar to the Issue, as the case may be, as on the Record Date.; **13.2 Record Date :** The record date for the payment of interest or the Buyback Amount or the Maturity Amount shall be 15 days prior to the date on which such amount is due and payable ("Record Date") or such other date as may be notified by our Company.; **13.3 Effect of holidays on payments :** If the date of payment of interest or principal or any date specified does not fall on a Working Day, then the next Working Day will be considered as the effective date. Interest and principal or other amounts, if any, will be paid on the next Working Day. 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 or the date of buyback falls on a holiday, the payment will be made on the next Working Day, without any interest for the period overdue.; **13.4 Payment on Redemption or Buyback :** The manner of payment on Maturity or Buyback is set out below: **13.4.1 Tranche 1 Bonds held in electronic form:** On the Maturity Date or the Buyback Date as the case may be, the Maturity Amount or the Buyback Amount as the case may be will be paid in a manner as detailed in "Terms of the Issue - Modes of Payment" on page 45 of the Prospectus Tranche 1. These names will be as per the Depositories' records on the Record Date fixed for this purpose. The cheque for Maturity Amount or the Buyback Amount as the case may be will be dispatched by courier or hand delivery or registered post to the address provided in the Application Form or to the address as notified by the Bondholders or to the address as per the Depositories' record on the Record Date. No action is required on part of the Bondholders.; **13.4.2 Tranche 1 Bonds held in physical form:** On the Maturity Date or the Buyback Date as the case may be, the Maturity Amount or the Buyback Amount as the case may be will be paid in a manner as detailed in "Terms of the Issue - Modes of Payment" on page 45 of the Prospectus - Tranche 1. However, if our Company so requires, payments on maturity may be made on surrender of the Consolidated Tranche 1 Bond Certificate(s). Dispatch of cheques or pay orders in respect of payments with respect to redemptions will be made on the Maturity Date or Buyback Date or if the Consolidated Tranche 1 Bond Certificate is requested by our Company in this regard, then within a period of 30 days from the date of receipt of the duly discharged Consolidated Tranche 1 Bond Certificate.; **13.5** Our Company's liability to the Bondholders including for payment or otherwise shall stand extinguished from the Maturity Date or upon dispatch of the Maturity Amounts to the Bondholders. Further, our Company will not be liable to pay any interest, income or compensation of any kind from the Maturity Date.

14. Manner and Modes of Payment : 14.1 Manner of Payment: All payments to be made by our Company to the Bondholders shall be made in any of the following manners: **14.1.1 For Tranche 1 Bonds applied or held in electronic form:** The bank details will be obtained from the Depositories for payments. Investors who have applied or who are holding the Tranche 1 Bond in electronic form are advised to immediately update their bank account details as appearing on the record of Depository Participant. Please note that failure to do so could result in delays in credit of the payments to investors at their sole risk and neither the Lead Managers and Co Lead Managers nor our Company shall have any responsibility and undertake any liability for such delays on part of the investors. **14.1.2 For Tranche 1 Bonds held in physical form:** The bank details will be obtained from the Registrar for effecting payments. **14.2 Modes of Payment:** All payments to be made by our Company to the Bondholders shall be made through any of the following modes: **14.2.1 Cheques or Demand drafts :** By cheques or demand drafts made in the name of the Bondholders whose names appear in the Register of Bondholders as maintained by our Company and/or as provided by the Depositories. All Cheques or demand drafts, as the case may be, shall be sent by registered/speed post at the Bondholder's sole risk.; **14.2.2 National Electronic Clearing System ("NECS") :** Through NECS for Applicants having an account at any of the centres notified by the RBI. This mode of payment will be subject to availability of complete bank account details including the Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf, from the Depositories. Please note that our Company shall not be responsible for any delay to the Bondholder receiving credit of interest or refund of Buyback Amount or Maturity Amount so long as our Company has initiated the process in time.; **14.2.3 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 Bank. We may enter into arrangement(s) 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(s), would be directly credited to the account of those investors who have given their bank mandate for such banks.; **14.2.4 NEFT :** Through NEFT wherever the Applicant's 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 demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment will be made to the Applicants through this method. In the event that NEFT is not operationally feasible, the payments would be made through any one of the other modes as discussed in this sections. **14.2.5 RTGS :** An Applicant having a bank account with a participating bank and whose refund / interest payment / redemption amount exceeds ₹ 0.2million, has the option to receive the refund through RTGS. Such eligible applicant who indicates its preference to receive interest payment / refund / redemption through RTGS is required to provide the IFSC code in the Application Form or intimate our Company before the record date. In the event the same is not provided, interest payment / refund / redemption shall be made through ECS. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. Please note that our Company shall not be responsible for any delay to the Bondholder receiving credit of interest or refund or Buyback Amount or Maturity Amount so long as our Company has initiated the process in time. **14.3 Printing of Bank Particulars :** As a matter of precaution against possible fraudulent encashment of Consolidated Tranche 1 Bond Certificates due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be provided for printing on the Consolidated Tranche 1 Bond Certificate. Applications without these details are liable to be rejected. However, in relation to applications for dematerialised Bonds, these particulars will be taken directly from the Depositories. In case of Tranche 1 Bonds held in physical form either on account of rematerialisation or transfer, the Bondholders are advised to submit their bank account details with the Registrar before the Record Date failing which the amounts will be dispatched to the postal address of the Bondholders as held in the records of the Bank. Bank account particulars will be printed on the Consolidated Tranche 1 Bond Certificates which can then be deposited only in the account specified.

15. Taxation : 15.1 The Applicants are advised to consider the tax implications of their respective investment in the Tranche 1 Bonds. For details, please refer page 46 of the Prospectus Tranche 1.

16. Security : The Tranche 1 Bonds issued by our Company will be secured. Our Company will create security in favour of Debenture Trustee pursuant to the terms of the Debenture Trust Deed.

17. Events of Defaults : 17.1 The Debenture Trustee at its discretion may, and if so requested in writing by the Bondholders of not less than 75 percent in principal amount of the Tranche 1 Bonds then outstanding or if so directed by a Special Resolution passed by the Bondholders, shall give notice to our Company specifying that the Bonds and/or any particular Series of Bonds, in whole but not in part are and have become due and repayable for the early redemption amount on such date as may be specified in such notice *inter alia* if any of the events (each an "event of default") specified therein occurs. For details, please refer page 47 of the Prospectus Tranche 1.

18. Bondholder's Rights, Nomination Etc. : 18.1 Bondholder Not a Shareholder : The Bondholders will not be entitled to any of the rights and privileges available to the equity and preference shareholders of our Company. For details, please refer page 47 of the Prospectus Tranche 1.

19. Debenture Trustees : 19.1 Our Company has appointed Axis Trustee Services Limited to act as the Debenture Trustee for the Bondholders. Our Company intends to enter into a Debenture Trust Deed with the Debenture Trustee, the terms of which will govern the appointment and functioning of the Debenture Trustee and shall specify the powers, authorities and obligations of the Debenture Trustee. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Bondholders the principal amount on the Tranche 1 Bonds on the relevant Maturity Date and also that it will pay the interest due on Tranche 1 Bonds on the rate specified under the Debenture Trust Deed. **19.2** The Bondholders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of their agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Tranche 1 Bonds as the Debenture Trustee may in their absolute discretion deem necessary or require to be done in the interest of the Bondholders. Any payment made by our Company to the Debenture Trustee on behalf of the Bondholders shall discharge our Company *pro tanto* to the Bondholders. All the rights and remedies of the Bondholders shall vest in and shall be exercised by the Debenture Trustee without reference to the Bondholders. No Bondholder shall be entitled to proceed directly against our Company unless the Debenture Trustee, having become so bound to proceed, failed to do so. **19.3** The Debenture Trustee will protect the interest of the Bondholders in the event of default by our Company in regard to timely payment of interest and repayment of principal and they will take necessary action at our Company's cost.

20. Miscellaneous : For details, please refer page 50 of the Prospectus Tranche 1.

21. Jurisdiction : The Tranche 1 Bonds, the Debenture Trust Deed, the Tripartite Agreements with the Depositories and other relevant documents shall be governed by and construed in accordance with the laws of India. Our Company has in the Debenture Trust Deed agreed, for the exclusive benefit of the Debenture Trustee and the Bondholders, 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 and the Tranche 1 Bonds 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 Bonds may be brought only in the courts in Kolkata.

ISSUE PROCEDURE : This section applies to all Applicants. Please note that all Applicants are required to make payment of the full Application money along with the Application Form. The Shelf Prospectus and the Prospectus - Tranche 1 and the Application Forms together with the Abridged Prospectus may be obtained from our Registered Office or from the Lead Managers. In addition, Application Forms would also be made available to BSE where listing of the Tranche 1 Bonds is sought, and to brokers, being members of BSE, upon their request.

22. Application Form : Applicants are required to submit their applications through the Bankers to the Issue. Such Applicants shall only use the specified Application Form bearing the stamp of the Banker to the Issue or the Lead Managers for the purpose of making an application in terms of the Shelf Prospectus and the Prospectus - Tranche 1. While submitting the Application Form the investors should ensure that the date stamp on their counter foil matches with the date stamp on the part of the Application Form being retained by the Banker to the Issue.

23. WHO CAN APPLY : The following categories of persons are eligible to apply in the Issue: • Individuals resident in India (as per Income tax Act), who are not minors, in single or joint names (not more than three); and • Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Applications by HUFs would be considered at par with those from individuals. Please note that non-resident investors including NRIs, FIs and erstwhile OCBs are not eligible to participate in the Issue.

24. Application Size : Applications are required to be for a minimum of 1 Tranche 1 Bond and multiples of 1 Tranche 1 Bond thereafter. For the purpose of fulfilling the requirement of minimum subscription of 1 Tranche 1 Bond, an Applicant may choose to apply from any of the Series of the Tranche 1 Bonds.

25. INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM : Applicants must be: (a). Made only in the prescribed Application Form. (b). Completed in block letters in English as per the instructions contained herein and in the Application Form, and are liable to be rejected if not so completed. Applicants should note that the Bankers to the Issue will not be liable for errors in data entry due to incomplete or illegible Application Forms. (c). In single name or in joint names (not more than three, and in the same order as their Depository Participant details). (d). Applications are required to be for minimum of 1 Tranche 1 Bonds and in multiples of 1 Tranche 1 Bond thereafter. An Applicant may choose to apply for the Tranche 1 Bonds across the same series or different series. The applications without the minimum specified lot shall be rejected by our Company. (e). Thumb impressions and signatures other than in English/ Hindi/ Bengali or any of the other languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his official seal. (f). No receipt would be issued by our Company for the Application money. However, the Bankers to the Issue, on receiving the Applications will acknowledge receipt by stamping and returning the acknowledgment slip to the Applicant. While submitting the Application Form the Applicant should ensure that the date stamp on their counter foil matches with the date stamp on the part of the Application Form being retained by the Banker to the Issue. (g). All Application Forms duly completed together with cheque/demand draft for the amount payable on application must be delivered before the closing of the Issue to any of the Bankers to the Issue or collection centre(s) agent(s) as may be specified before the closure of the Issue. (h). Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form. **IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE APPLICATION FORM DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITORIES, THE APPLICATION FORM IS LIABLE TO BE REJECTED. IN THE EVENT AN APPLICANT OPTS TO HOLD THE TRANCHE 1 BONDS IN PHYSICAL FORM KYC DOCUMENTS ARE MANDATORILY REQUIRED TO BE SUBMITTED. SUCH APPLICANTS NEED NOT PROVIDE ANY DETAILS OF THEIR DEMAT ACCOUNT. HOWEVER, IF SUCH DETAILS ARE PROVIDED, OUR COMPANY RESERVES THE RIGHT BUT DOES NOT HAVE THE OBLIGATION TO DO THE KYC CHECK FROM THE DEMAT ACCOUNT DETAILS. INSERTION OF DEMAT ACCOUNT DETAILS DOES NOT ALLEVIATE THE APPLICANT FROM PROVIDING THE KYC DOCUMENTS. BASED ON THE INFORMATION PROVIDED BY THE DEPOSITORIES, OUR COMPANY SHALL HAVE THE RIGHT TO ACCEPT BIDS BELONGING TO AN ACCOUNT FOR THE BENEFIT OF A MINOR (UNDER GUARDIANSHIP). FOR HOLDERS OF PHYSICAL TRANCHE 1 BONDS, THE ADDRESS TO WHICH SUCH CERTIFICATES MUST BE DISPATCHED MUST BE MENTIONED. The demat accounts for Applicants for which PAN details have not been verified shall be "suspended for credit" and no allotment of Tranche 1 Bonds pursuant to the Issue shall be made into accounts of such Applicants.**

IN THE NATURE OF FORM 2A - ABRIDGED PROSPECTUS CONTAINING SALIENT FEATURES OF THE PROSPECTUS

GENERAL INSTRUCTIONS

26. Do's : 1. Check if you are eligible to apply.; 2. Read all the instructions carefully and complete the Application Form in all respects by providing all the information including PAN and demographic details.; 3. Applications are required to be in single or joint names (not more than three).; 4. Ensure that the details about the Depository Participant and beneficiary account are correct and the demat account is active (if demat option is preferred). The requirement for providing Depository Participant details shall be mandatory only for Applicants who wish to subscribe to the Tranche 1 Bonds in dematerialized form. Any Applicant who provides the Depository Participant details in the Application Form shall be Allotted the Tranche 1 Bonds in the dematerialized form only. Such Applicant shall not be Allotted the Tranche 1 Bonds in physical form.; 5. 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.; 6. Applicant's Bank Account details.; 7. The Tranche 1 Bonds shall be allotted in dematerialized form or in physical form. The Registrars to the Issue will obtain the Applicant's bank account details from the Depository in case of allotment in dematerialized form or from the Application Form in case of allotment in physical form.; 8. The Applicant should note that in case of allotment in dematerialized form, on the basis of the name of the Applicant, Depository Participant's (DP) name, Depository Participant's identification number and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Applicant's DP A/c, the Applicant's bank account details. Applicants are advised to ensure that bank account details are updated in their respective DP A/c and correct as these bank account details would be printed on the refund order(s), if any. The Applicants desirous of subscribing to the Tranche 1 Bonds in physical form should ensure that they have provided the correct bank account details in the Application Form, and provided a self attested copy of a cancelled cheque of the bank account to which the amounts pertaining to refunds, interest and redemption, as applicable, should be credited as these bank account details would be printed on the refund order(s), if any. Please note that failure to do so could result in delays in credit of refunds to Applicants at the sole risk and neither the Lead Managers nor the Co-Lead Managers nor our Company nor the Refund Bank nor the Registrar shall have any responsibility and undertake any liability for the same.; 9. Applications under Power of Attorney: Unless we specifically agree in writing, and subject to such terms and conditions as we may deem fit, in the case of applications made under Power of Attorney, a certified copy of the Power of Attorney is required to be lodged separately, along with a copy of the Application Form at the office of the Registrar to the Issue simultaneously with the submission of the Application Form, indicating the name of the Applicant along with the address, application number, date of submission of the Application Form, name of the bank and branch where it was deposited, Cheque/Demand Draft Number and the bank and branch on which the Cheque/Demand Draft was drawn.; 10. Permanent Account Number: All Applicants should mention their PAN allotted under the Income Tax Act in the Application Form. In case of joint applicants, the PAN of the first Applicant should be provided and for HUFs, PAN of the HUF should be provided. The PAN would be the sole identification number for participants transacting in the securities markets, irrespective of the amount of the transaction. Any Application Form without the PAN is liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR Number instead of the PAN as the application is liable to be rejected on this ground.; 11. Joint Applications: Applications may be made in single or joint names (not exceeding three). In the case of joint applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form at the address mentioned therein.; 12. Multiple Applications: An Applicant shall be allowed to use a single application to apply for Tranche 1 Bonds for multiple options. All additional applications, if any, made by the Investor either for one option or multiple options shall be considered valid, aggregated based on the PAN of the first Applicant and shall be considered for allotment as per the procedure detailed under Basis of Allotment.; 13. Applicants are requested to write their names and application serial number on the reverse of the instruments by which the payments are made.; 14. Tax Deduction at Source: Persons (other than companies and firms) resident in India claiming interest on bonds without deduction of tax at source are required to submit Form 15G/ Form 15H at the time of submitting the Application Form, in accordance with and subject to the provisions of the Income Tax Act. Other Applicants can submit a certificate under section 197 of the Income Tax Act. For availing the exemption from deduction of tax at source from interest on Tranche 1 Bonds the Applicant is required to submit Form 15G/ 15H/ certificate under section 197 of the Income Tax Act/ valid proof of exemption, as the case may be along with the name of the sole/ first Applicant, Bondholder number and the distinctive numbers of Tranche 1 Bonds held to us on confirmation of Allotment. Applicants are required to submit Form 15G/ 15H/ certificate under section 197 of the Income Tax Act/ valid proof of exemption each financial year.; 15. Category: All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form.; 16. Ensure that the Applicants have specified the series of the Tranche 1 Bonds that they wish to subscribe to. The Application Forms which do not indicate the series for which the Applicant has applied shall be allotted such series of Tranche 1 Bonds as will be more specifically set out in the respective Tranche Prospectus.; 17. Ensure that the applications are submitted to the Bankers to the Issue or collection centre(s)/ agents as may be specified before Issue Closing Date.; 18. Ensure that the 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. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form.; 19. For holding the Tranche 1 Bonds in physical form: (i) Please select the option for holding the Tranche 1 Bonds in physical form in the Application Form; (ii) please provide full details under "Applicants Details", the bank account details in the Application Form; and (iii) provide self attested copies of the KYC Documents along with the Application Form

27. Don'ts : 1. Do not make an application for lower than the minimum Application size.; 2. Do not pay the Application Amount in cash, by money order or by postal order or by stockinvest.; 3. Do not send Application Forms by post; instead submit the same to a Banker to the Issue only.; 4. Do not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.; 5. Do not submit the Application Forms without the full Application Amount. For further instructions, please read the Application Form carefully.

PAYMENT INSTRUCTIONS

28. Escrow Mechanism : Our Company shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Applicants shall make out the cheque or demand draft in respect of his or her application. Cheques or demand drafts received for the Application Amount from prospectus would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of the Shelf Prospectus, the Prospectus – Tranche 1 and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Applicants, shall maintain the monies in the Escrow Account until creation of security for the

Tranche 1 Bonds. 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. The Escrow Collection Banks shall transfer the funds represented by Allotment of the Tranche 1 Bonds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account after the creation of security. Payments of refund to the Applicants shall also be made from the Refund Account as per the terms of the Shelf Prospectus, the Prospectus – Tranche 1 and the Escrow Agreement.

29. Payment into Escrow Account : Each Applicant shall draw a cheque or demand draft or remit the funds electronically through the NEFT / RTGS mechanism for the Application Amount as per the following terms: a. All Applicants would be required to pay the full Application money at the time of the submission of the Application Form. b. The Applicants shall, with the submission of the Application Form, draw a payment instrument for the Application money in favour of the Escrow Account and submit the same to Bankers to the Issue. If the payment is not made favouring the Escrow Account along with the Application Form, the Application shall be rejected. c. The payment instruments for payment into the Escrow Account should be drawn in favour of "SIFL – Infra Bonds 2012 – Tranche 1". d. The monies deposited in the Escrow Account will be held for the benefit of the Applicants until the Designated Date. e. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue. The Escrow Collection Bank shall also transfer all amounts payable to Applicants whose applications have been rejected by our Company to the Refund Account(s) with the Refund Bank. The Refund Bank shall refund all the amounts to the Applicants in terms of the Escrow Agreement. f. Payments should be made by cheque, or a demand draft drawn on any bank (including a Co-operative bank) or through RTGS or NEFT, which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. 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. g. Cash/ stockinvest/ money orders/ postal orders will not be accepted.

30. Submission of Application Forms : All Application Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Bankers to the Issue during the Issue period. No separate receipts shall be issued for the money payable on the submission of Application Form. However, the collection centre of the Bankers to the Issue will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

31. KYC Documents : Self-attested copies of the following documents are required to be submitted by the Applicants as KYC Documents: 1. Proof of identification for individuals; the following documents are accepted as proof for individuals: • Passport; • Voter's ID; • Driving Licence; • Government ID Card; • Defence ID Card; • Photo PAN Card; • Photo Ration Card. 2. Proof of residential address; the following documents are accepted as proof of residential address: • Passport; • Voter's ID; • Driving Licence; • Ration Card; • Society Outgoing Bill; • Life Insurance Policy; • Electricity Bill; • Telephone (Land/ Mobile) Bill; 3. Copy of the PAN card

32. Online Applications : Our Company may decide to offer an online application facility for the Tranche 1 Bonds, as and when permitted by applicable laws, subject to the terms and conditions prescribed.

33. Tranche 1 Bonds in dematerialised form with NSDL or CDSL : (i) An Applicant applying for the Tranche 1 Bonds in dematerialised form must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the application. (ii) The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form. (iii) Allotment to an Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant. (iv) 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. (v) If incomplete or incorrect details are given under the heading "Applicants Depository Account Details" in the Application Form, it is liable to be rejected. (vi) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-a-vis those with his or her Depository Participant. (vii) Tranche 1 Bonds in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. BSE where the Tranche 1 Bonds are proposed to be listed has electronic connectivity with CDSL and NSDL. (viii) The trading of the Tranche 1 Bonds on the Stock Exchange shall be in dematerialised form only. **Allottees will have the option to re-materialise the Tranche 1 Bonds so Allotted as per the provisions of the Companies Act and the Depositories Act. Tranche 1 Bonds to be held in physical form Our Company shall dispatch physical certificates of Tranche 1 Bonds to Applicants who select the option for holding the Tranche 1 Bonds in physical form in the Application Form.** For holding the Tranche 1 Bonds in physical form: (i) Please select the option for holding the Tranche 1 Bonds in physical form in the Application Form; (ii) please provide full details under "Applicants Details", the bank account details in the Application Form; and (iii) provide self attested copies of the KYC Documents along with the Application Form. In case of Tranche 1 Bonds that are issued in physical form, our Company will issue one certificate to the Bondholder for the aggregate amount of the Tranche 1 Bonds that are allotted (each such certificate a "Consolidated Tranche 1 Bond Certificate"). Our Company shall dispatch the Consolidated Tranche 1 Bond Certificate to the address of the Applicant provided in the Application Form within 15 Working Days from the Deemed Date of Allotment. In case of joint holders, the names should be in the proper sequence i.e. the Application Form should clearly state the first holder and the joint holder. If incomplete or incorrect details are given under the heading "Applicants Details" in the Application Form, it is liable to be rejected. The trading of the Tranche 1 Bonds on the Stock Exchange shall be in dematerialised form only and Bondholders holding the Tranche 1 Bonds in physical form will be required to dematerialize the Tranche 1 Bonds if they wish to trade in the same. **Allottees will have the option to dematerialise the Tranche 1 Bonds so Allotted as per the provisions of the Companies Act and the Depositories Act. PLEASE NOTE THAT, SUBJECT TO THE LOCK-IN PERIOD, TRADING OF TRANCHE 1 BONDS ON THE STOCK EXCHANGES SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE TRANCHE 1 BOND.**

34. 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 regarding the Applicant/application. Applicants may address our Compliance Officer as well as the contact persons of the Lead Managers and the Registrar to the Issue in case of any post-Issue related problems such as non-receipt of letters of Allotment/credit of Tranche 1 Bonds in the Depository's beneficiary account/refund orders, etc.

35. Rejection of Applications : 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 would be liable to be rejected on one or more technical grounds, including but not restricted

to: • Number of Tranche 1 Bonds applied for is less than the minimum application size; • Applications not duly signed by the sole/joint Applicants; • Applications for a number of Tranche 1 Bonds which is not in a multiple of 1; • Investor category not ticked; • Application amount paid not tallying with the number of Tranche 1 Bonds applied for; • Bank account details not given; • Individuals resident in India who are not competent to contract under the Indian Contract Act, 1872, as amended; • In case of applications under Power of Attorney where relevant documents not submitted; • Applications by persons/entities who have been debarred from accessing the capital markets by SEBI; • Applications by any persons outside India; • Application by stockinvest; • Address not provided in case of exercise of option to hold Tranche 1 Bonds in physical form; • Applications accompanied by cash / money order/ postal order; • Applications without PAN; • GIR number furnished instead of PAN; and • DP ID, Client ID and PAN mentioned in the Application Form do not match with the DP ID, Client ID and PAN available in the records with the depositories. • Copy of KYC documents not provided in case of exercise of option to hold Tranche 1 Bonds in physical form. The collecting bank shall not be responsible for rejection of the application on any of the technical grounds mentioned above. Application form received after the closure of the Issue shall be rejected. In the event, if any Tranche 1 Bond(s) applied for is/are not allotted, the application monies of such Tranche 1 Bonds will be refunded, as may be permitted under the provisions of applicable laws.

36. Basis of Allotment : Our Company shall finalise the Basis of Allotment in consultation with the Lead Managers, Designated Stock Exchange and Registrar to the Issue. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the Lead Managers and the Registrar shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner. Subject to the provisions contained in the Prospectus – Tranche 1 and the Articles of Association of our Company, the Board or the Committee of Directors will to Allot the Tranche 1 Bonds under the Prospectus – Tranche 1 on a first come first basis up to the Issue Closing Date, regardless of the Series of Tranche 1 Bonds applied for. However, in the event of oversubscription above ₹ 3,000 Million, for valid applications for the Tranche 1 Bonds received on the date of oversubscription, the Tranche 1 Bonds shall be allotted proportionately, subject to the overall limit of ₹ 3,000 Million. Any applications for Tranche 1 Bonds received after the date of oversubscription or Issue Closing Date, whichever is earlier, shall be rejected.

37. Letters of Allotment/ Refund Orders : Our Company reserves, in its absolute and unqualified discretion and without assigning any reason thereof, the right to reject any application in whole or in part. The unutilised portion of the Application Money will be refunded to the Applicant by an account payee cheque/demand draft. In case the cheque payable at par facility is not available, we reserve the right to adopt any other suitable mode of payment. Our Company shall credit the allotted Tranche 1 Bonds to the respective beneficiary accounts/dispatch the Letter(s) of Allotment or Letter(s) of Regret/ Refund Orders by registered/speed post at the Applicant's sole risk. Further, (a) Allotment of the Tranche 1 Bonds shall be made within 30 days of the Issue Closing Date; (b) Credit to dematerialised accounts will be made within two Working Days from the date of Allotment; (c) Dispatch of physical certificates shall be within 15 Working Days from the date of Allotment; (d) Our Company shall pay interest at 5% per annum if the Allotment has not been made and/ or the Refund Orders have not been dispatched to the Applicants beyond the time period prescribed under the Act for this purposes. Our Company will provide adequate funds to the Registrar to the Issue, for this purpose.

38. Filing of the Shelf Prospectus and Tranche Prospectus with the ROC : A copy of the Shelf Prospectus and the Prospectus – Tranche 1 has been filed with the Registrar of Companies in terms of Sections 56 & 60 of the Companies Act.

39. Pre-Issue Advertisement : Subject to Section 66 of the Companies Act, our Company shall, on or before the Issue Opening Date, publish a pre-Issue advertisement, in the form prescribed by the Debt Regulations, in one national daily newspaper with wide circulation.

40. IMPERSONATION : Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below: "Any person who: (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years"


41. Issue of Certificates : Letter(s) of Allotment will be dispatched at the sole risk of the Applicant, through registered/speed post, within 15 days from the date of closure of the Issue, or such extended time as may be permitted under applicable laws.

42. Listing : The Tranche 1 Bonds are proposed to be listed on the BSE. BSE is the designated stock exchange with which the Basis of Allotment will be finalised. If the permissions to deal in and for an official quotation of the Tranche 1 Bonds are not granted by the Stock Exchanges, we shall forthwith repay, without interest, all such moneys received from the applicants in pursuance of Prospectus – Tranche 1. If such moneys is not repaid within eight days after we become liable to repay it, then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 5% p.a. on Application Money, as prescribed under Section 73 of the Companies Act. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within seven Working Days from the date of Allotment.

43. Utilisation of Application Money : The sums received in respect of the Issue will be kept in the Escrow Account and our Company will have access to such funds after creation of security for the Tranche 1 Bonds.

44. Undertaking by the Issuer : We undertake that: (i). The complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily; (ii). We shall take necessary steps for the purpose of getting the Tranche 1 Bonds listed in the concerned stock exchange(s) within the specified time; (iii). The funds required for dispatch of refund orders/Allotment letters/certificates by registered post shall be made available to the Registrar to the Issue by us; (iv). Necessary cooperation to the credit rating agency(ies) shall be extended in providing true and adequate information till the debt obligations in respect of the Tranche 1 Bonds are outstanding; (v). We shall forward the details of utilisation of the funds raised through the Tranche 1 Bonds duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year; (vi). We shall disclose the complete name and address of the Debenture Trustee in our annual report; (vii). We shall provide a compliance certificate to the Debenture Trustee (on yearly basis) in respect of compliance with the terms and conditions of issue of Bonds as contained in the Prospectus – Tranche 1; The necessary consents for creation of *pari passu* charge, on our mortgage property will be obtained prior to filing the Shelf Prospectus with the ROC.

FOR FURTHER DETAILS, PLEASE REFER TO THE PROSPECTUS - TRANCHE 1

LEAD MANAGERS TO THE ISSUE			REGISTRAR TO THE ISSUE	
 ICICI Securities	 KARVY INVESTMENT BANKING	 RR	 SREI	 LINK INTIME INDIA PRIVATE LTD
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 Maharashtra, India 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. Sumit Agarwal Compliance Officer : Mr. Subir Saha SEBI Registration No: INM000011179	Karvy Investor Services Limited Hallmark Business Plaza, 7 th Floor, Sant Dyaneshwar Marg, Opp: Gurunank Hospital, Bandra - East, Mumbai - 400 051 Maharashtra, India Tel: +91 22 6149 1500 Fax: +91 22 6149 1515 Email: sreinfra@bondissue@karvy.com Investor Grievance E mail: cmg@karvy.com Website: www.karvy.com Contact Person: Mr. Lokesh Singh / Mr. Omkar Barve Compliance Officer : Mr. V. Madhusudan Rao SEBI Registration No.: INM000008365	RR Investors Capital Services Private Limited 133A, Mittal Tower, Nariman Point, Mumbai 400 021 Maharashtra, India Tel : +91 22 2288 6627/28 Fax : +91 22 2285 1925 E-mail : sreinfra@rrfcl.com Investor Grievance E-mail ID: investors@rrfcl.com Website: www.rfcl.com Contact person: Mr. Brahmduitt Singh Compliance Officer: Mr. Sandeep Mahajan SEBI Registration No: INM000007508	Srei Capital Markets Limited* *Vishwakarma, 86C, Topsia Road (South) Kolkata - 700 046, West Bengal, India Tel: +91 33 6602 3845 Fax: +91 33 6602 3861 Email: capital@srei.com Investor Grievance E mail: somlinvestors@srei.com Website: www.srei.com Contact Person: Mr. Manoj Agarwal Compliance Officer: Manoj Agarwal SEBI Registration No.: INM 000003762 *Srei Capital Markets Limited, which is a wholly owned subsidiary of the Company, shall only be involved in marketing of the Issue.	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandrup (West), Mumbai 400 078 Tel.: +91 22 25960320 Fax : +91 22 25960329 Toll Free : 1-800-22-0320 Email : sreinfra.ncd@linkintime.co.in Investor Grievance Email : sreinfra.ncd@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Sanjog Sud Compliance Officer: Mr. Sanjeev Nandu SEBI Registration No.: INFRO00004058
Investors can contact the Registrar or the Compliance Officer in case of any pre-issue or post-issue related problems such as non-receipt of letters of allotment, demat credit, refund orders or interest on application money.				
Co-Lead Managers : Bajaj Capital Limited , 672, 7th Floor, Building No. 6, Solitaire Corporate Park, Andheri (East), Mumbai - 400 093. Telephone No.: +91 22 4009 9999, Fax: +91 22 4009 9911, Email: sumitd@bajajcapital.com, Investor Grievance E-mail ID: info@bajajcapital.com, Website: www.bajajcapital.com, Contact person: Mr. Sumit Dudani, Compliance officer: Mr. Janardhan P, SEBI Reg. No. INM000105444, SMC Capitals Limited , 3rd Floor, 'A' Wing, Laxmi Tower, Bandra Kurla Complex, Bandra (E), Mumbai - 400051, Telephone number: +91 22 61383899, Fax number: +91 22 61383899, E-mail ID: srei.bond@smccapitals.com, Investor Grievance E-mail ID: investor.grievance@smccapitals.com, Website: www.smccapitals.com, Contact person: Mr. Abhishek Gaur, Compliance Officer: Mr. Sanjeev Barnwal, SEBI Registration No.: MB/INM000011427				
Compliance Officer : Mr. Sandeep Lakhotia, "Vishwakarma", 86C Topsia Road (South), Kolkata - 700 046, Telephone: +91 33 6160 7734, Fax : +91 33 2285 8501, E-Mail : infrobonds2012@srei.com				
Debenture Trustee : Axis Trust Services Limited , Axis House, 2nd Floor, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai: 400 025, Tel: +91 22 2425 2525 / 4325 2525, Email: debenturetrustee@axistrustee.com, Contact Person: Mr. Indraprakash Rai				
Statutory Auditors : M/s. Haribhakti & Co., Chartered Accountants , Geelanjali Apartments, Suite 7G, 7 th Floor, 8B, Middleton Street, Kolkata 700 001. Tel: +91 33 3201 6298, Fax: +91 33 2229 8936, Website: www.bdindia.co.in, Firm registration no:103523 W				
Credit Rating Agency : Credit Analysis and Research Limited , 3 rd Floor, Prasad Chambers (Shagun Mall Building), 10A, Shakespeare Sarani, Kolkata 700 071. Tel: +91 334018 1600 / 1601 / 1602, Fax: +91 33 4018 1603, E-mail: care@careratings.com				
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				
Escrow Collection Banks / Bankers to the Issue : Axis Bank Limited , Kolkata Main Branch, 7, Shakespeare Sarani, Kolkata - 700071, India. Tel: +91 33 22822685, Fax: +91 33 22827611, Contact Person: Ms. Smita Nandi; DBS Bank Ltd. 4A Little Russel Street, Kolkata - 700071, India. Tel: +91 33 66218888, Fax: +91 33 66218899, Contact Person: Mr. Subhasish Dutta; Dhanlaxmi Bank Limited , Ground Floor, Janmabhoomi Bhavan, Janmabhoomi Marg, Fort, Mumbai - 400001, India. Tel: +91 22 61541700, Fax: +91 22 22028208/22871637, Contact Person: Mr. Venkataraghavan T A; HDFC Bank Ltd. Lodha, I-Think Techno Campus, 3 rd Floor, Opp. : Crompton Greaves Ltd., Next to Kanjurmarg Railways Station, Kanjurmarg East, Mumbai - 400 042, India. Tel: +91 22 30752901, Fax: +91 22 25799801, Contact Person: Mr. Deepak Rane; ICICI Bank Limited , Capital Market Division, 30, Rajabhadur Mansion, Mumbai Samachar Marg, Fort, Mumbai - 400 001, India. Tel: +91 22 66310322, Fax: +91 22 66310350, Contact Person: Mr. Anil Gadoo; Punjab National Bank , Large Corporate Branch, 44, Park Street, Kolkata - 700 016, India. Tel: +91 33 44033232, Fax: +91 33 44033280, Contact Person: Mr. R.K. Acharya; Yes Bank Ltd. 3 rd Floor, Ion House, Dr. E. Moses Road, Mahalaxmi Mumbai - 400 011, India. Tel: +91 22 66229031, Fax: +91 22 24974875, Contact Person: Mr. Mahesh Shirali.				

RISK FACTORS

Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in the Shelf Prospectus before making any investment decision relating to the Issue. 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 Bonds could decline and you may lose all or part of your redemption 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. The 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 the Shelf Prospectus. Investors are advised to read the following risk factors carefully before making an investment in this Tranche 1 Bonds Issue. You may rely on your own examination of our Company and this Tranche 1 Bonds Issue, including the risks and uncertainties involved.

INTERNAL RISKS : 1. There are outstanding material legal proceedings involving our Company. Any adverse outcome in such legal proceedings may affect our business, results of operations and financial condition. There are outstanding legal proceedings involving our Company and one of our Non Executive & Independent Directors, Mr. Sujitendra Krishna Deb. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, appellate tribunals and arbitrators. If there are any rulings against us, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. In addition, further liability may arise out of these claims. Brief details of such outstanding material litigation as of the date of the Shelf Prospectus are as follows: i. We are involved in a number of disputed income tax and interest tax demands amounting to ₹ 236.40 Million as on September 30, 2011. ii. 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. iii. 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%. We have disputed the claim and the matter is still pending. iv. Mr. Vijay Gopal Jindal, an ex-employee of Srei Venture Capital Ltd., has filed a suit for recovery and an application for mandatory and permanent injunction bearing 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 Venture Capital Limited alleging that he was promised 500,000 equity shares at the rate of ₹ 100 per share of our Company. The objection to the injunction application has been filed by our Company and the written statement has also been filed by our Company. The matter is pending before the said Court for filing of the list of witnesses and evidence by Mr. Vijay Gopal Jindal. The amount involved is not ascertainable. v. Dr. Syed Sabahat Azim, ex-chief executive officer of Srei Sahaj E-village Ltd., has filed a company petition being No. 259 of 2011 before the Company Law Board, Eastern Region Bench, Kolkata against our Company, Srei Sahaj E-village Ltd. and others making various claims. The said Petition is currently pending. The amount involved in the matter is not ascertainable. For further details of these legal proceedings, see the section titled "Outstanding Litigation and Statutory Defaults" on page 122 of the 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 ₹ 64,797.70 million as at September 30, 2011. 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 were 0.15%, NIL%, NIL%, NIL% as of September 30, 2011, March 31, 2011, 2010, 2009 and 2008, respectively, while the net NPAs as a percentage of net outstanding loans were 0.13%, NIL%, NIL%, NIL% and NIL% as of September 30, 2011, March 31, 2011, 2010, 2009 and 2008 respectively. 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 ₹ 9.5 million in respect of gross NPAs as of September 30, 2011. In addition, we maintain a provision against standard assets, as per RBI Guidelines. As of September 30, 2011 and March 31, 2011, we have made provisions of ₹ 41.60 million and ₹ 119.60 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 is still at a relatively early stage of development and is linked to the continued growth of the Indian economy, the sectors on which we focus and stable regulatory regimes. 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. 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, 2009 to March 31, 2011, our total loans outstanding increased by a CAGR of 117.11%. 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. **6. 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 institutions. 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. **7. 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 September 30, 2011 our outstanding loans were ₹ 64,797.70 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 • the other risks discussed in the sub section "External Risks — Risks Relating to India", on page 19 of the 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. **8. 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 September 30, 2011, our three largest single sector Exposures were in the Power, Telecommunication and Road sectors, which constituted 35.17%, 23.18%, 16.33% (aggregating to total percentage Exposure of 74.68%) respectively, of our total infrastructure loan. Out of exposure of 35.17% in the power sector, exposure of 11.30% consists of Renewable energy. For the foreseeable future, we expect to continue to have a significant concentration of loans in these three sectors. Any material negative trends or financial difficulties in the Power, Telecommunication and Road 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. **9. 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. **10. 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 September 30, 2011, 99.70% 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. **11. Our investments can be particularly volatile and may not be recovered.** As at September 30, 2011, our investments accounted for 25.68% of our total assets. The value of investments depends on the success and continued viability of these projects. 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. **12. 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, FITCH, 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 Ministry of Corporate Affairs, 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 Act. 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/infrastructure financing, the financial statement should show that its income from industrial/infrastructure 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 Bonds.

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 recently notified as a PFI under section 4A of the Companies Act. 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 128 of the 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. **13. 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.** Our outstanding Non-convertible Debentures/Bonds are rated 'CARE AA' by CARE and 'BWR AA' by BRICKWORK. Our on-going short-term debt instruments are rated 'CARE A1+' by CARE and 'ICRA A1+' by ICRA. Our outstanding Unsecured Subordinated Bonds (Tier II Capital) are rated 'CARE AA-' by CARE, 'AA-(ind)' by FITCH 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. **14. 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 – Related Party Disclosure" on page 93 of the Shelf Prospectus. **15. Any increase in or realization of our contingent liabilities could adversely affect our financial condition.** As at September 30, 2011, our financial statements disclosed and reflected the following contingent liabilities: (₹ in million); Particulars; As at September 2011 : Bank Guarantees, 196.70; Corporate Guarantee to Banks, 402.20; Guarantee in the form of Put Option to Banks against loan facility, 915.00; Disputed income tax and Interest tax demand, 236.40; Fringe Benefit Tax, 22.60; Total, 1772.90. If at any time we are compelled to realize 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. **16. Material changes in the regulations that govern us and our borrowers could cause our business to suffer.** We are regulated by the Companies Act and some of our activities are subject to supervision and regulation by statutory authorities including the Ministry of Corporate Affairs (MCA), RBI, SEBI and Stock Exchanges. 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 the Companies Act 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. **17. 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. **18. 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 of liability to us. **19. Our failure to comply with financial and other restrictions imposed on us under the terms of our borrowings could adversely affect our ability to conduct our business and operations.** In connection with our borrowings from lenders, we have agreed to restrictive covenants that require, among other things, that we maintain certain levels of debt, capital and asset quality. These restrictive covenants require that we either obtain the prior approval of, or provide notice to, our lenders in connection with certain activities, such as undertaking any merger, amalgamation or restructuring or making substantial changes in the composition of our management. 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. **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 31st 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, 2009, 2010, and 2011 our Company's total capital to risk-weighted asset ratio was 39.18%, 21.99%, and 29.36% respectively. As on September 30, 2011, our Company's total capital to risk-weighted asset ratio was 23.03%. The RBI may also in the future require compliance with other financial ratios and standards and/or 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. Devaluation of the Indian Rupee against the U.S. Dollar may have a material adverse effect on our business, financial condition and results of operation.** The Indian Rupee has depreciated sharply against the U.S. Dollar since July 2011 due to a number of macroeconomic factors including the Eurozone crisis, falling foreign direct investment and FDI inflows, and RBI's reluctance

to interfere in the foreign exchange markets. The Indian Rupee to U.S. Dollar exchange rate increased from ₹ 44.05 for one U.S. Dollar as at August 1, 2011 (source: www.rbi.org.in) to ₹ 52.81 for one U.S. Dollar as at December 16, 2011 (source: www.rbi.org.in). As at September 30, 2011, our aggregate foreign currency borrowings amounted to USD 174.15 million and JPY 802 million, comprising 12.26% of our aggregate borrowings as at that date. A further depreciation of the Indian Rupee against the U.S. Dollar could negatively affect us in a number of ways, including, amongst other things, by increasing the aggregate cost of financing our U.S. Dollar liabilities and by making it more difficult for Indian borrowers to service their U.S. Dollar loans. While we are currently exploring options to hedge our foreign exchange open positions, we cannot assure that we shall be able to hedge all or part of our aggregate foreign exchange Exposure. A further depreciation of the Indian Rupee against the U.S. Dollar may result in an adverse effect on our business, financial condition and results of operations. **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 September 30, 2011, our total employees amounted to 251. 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 the 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 the 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 the 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 the 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 Ministry of Corporate Affairs, GoI in January, 2010. The convergence of certain Indian Accounting Standards with IFRS was notified by the Ministry of Corporate Affairs on February 25, 2011. The date of implementing such converged Indian accounting standards has not yet been determined, and will be notified by the Ministry of Corporate Affairs 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 shall benefit 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 will be 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 department which are pending for assessment. There is a possibility that the tax department may impose additional tax liability on our Company upon completion of these assessments. 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. **EXTERNAL RISKS**
Risks Relating to India : For details, please refer page 19 of the Shelf Prospectus.
Risks Associated with the Bonds : 1. **The Bonds are classified as "Long Term Infrastructure Bonds" and eligible for tax benefits under Section 80CCF of the Income Tax Act up to an amount of ₹20,000 per annum. In the event that your investment in Long Term Infrastructure Bonds exceeds ₹20,000 per annum, you shall be eligible for benefits under Section 80CCF of the Income Tax Act only for an amount up to ₹20,000 per annum.** 2. **There has been no prior secondary market for Long Term Infrastructure Bonds and it may not develop in the future, and the price of the Bonds may be volatile.** 3. **The legal regime in respect of public issue of infrastructure bonds has been recently introduced and its efficiency is yet to be established.** 4. **There is no guarantee that the Bonds issued pursuant to the Tranche 1 Bonds issue will be listed on BSE in a timely manner, or at all.** 5. **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 Bonds.** 6. **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;** 7. **Debt Redemption Reserve ("DRR") would be created up to an extent of 50% for the Bonds.** 8. **Any downgrading in credit rating of our Bonds may affect our trading price of the Bonds.** 9. **The Bondholders are required to comply with certain lock-in requirements.** 10. **Changes in interest rates may affect the price of our Company's Bonds.** 11. **Payments made on the Bonds is subordinated to certain tax and other liabilities preferred by law.** 12. **There may be a delay in making refunds to Applicants.** For details, please refer page 20 of the Shelf Prospectus.

GENERAL INFORMATION

Srei Infrastructure Finance Limited: Date of Incorporation: March 29, 1985. A public limited company incorporated under the Act; **Registered Office:** Vishwakarma, 86C, Toposa Road (South), Kolkata - 700046, West Bengal, India; **Registration:** Corporate Identification Number: L29219WB1985PLC055352 issued by the Registrar of Companies, West Bengal Kolkata. 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 the 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 the Company as an Infrastructure Finance Company - Non - Deposit Taking under section 45-IA of the RBI Act, 1934. The Ministry of Corporate Affairs, through its notification dated 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 Act. **Income-Tax Registration:** PAN: AAACS1425L

Credit Ratings and Rationale : CARE: By its letter dated December 15, 2011, CARE has assigned a rating of "CARE AA" (Double A) to the issue of Bonds by the Issuer to the extent of ₹ 5,000 million with a minimum term of 5 years and maximum term of 15 years. 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, established experience of the promoter group with prominent position in infrastructure financing space, access to long term foreign funds at competitive rates, comfortable asset quality, satisfactory financial position with low gearing & adequate CAR (capital adequacy ratio) and comfortable asset-liability maturity profile. Receipt of Infrastructure Finance Company status from RBI also supports the ratings. The long-term rating is however, constrained by the risk associated with volatility in interest rates, portfolio concentration risk, exchange rate risks in respect of foreign currency borrowings, relatively recent entry into new areas of financing, company's significant exposure to group companies and increasing competition in the infrastructure financing business. Ability to maintain regulatory CAR, asset quality and improving level of profitability would remain the key rating sensitivities." Kindly note that the above ratings are not a recommendation to buy, sell or hold the Bonds and investors should take their own independent decisions. The ratings may be subject to revision or withdrawal at any time by the rating agencies and each rating should be evaluated independently of any other rating. CARE has a right to suspend or withdraw the rating(s) at any time on the basis of new information, etc. For details in relation to the rationale for the credit rating, please refer to the Annexure to the Shelf Prospectus.

Issue Programme: The Tranche 1 Issuance shall remain open for subscription during banking hours for the period indicated below, except that the Tranche 1 Issue may close on such earlier date or extended date as may be decided by the Board/ Committee of Directors, as the case may be, 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 newspaper advertisements on or before such earlier or extended date of Tranche 1 Issue closure.

TRANCH 1 ISSUE OPENS ON	DECEMBER 31, 2011
TRANCH 1 ISSUE CLOSSES ON	JANUARY 31, 2012

CAPITAL STRUCTURE

Details of Share Capital: The share capital of our Company as at date of the Shelf Prospectus is set forth below:

Share Capital	Amount (in ₹ Mn)
Authorised Capital	
710,000,000 Equity Shares of ₹ 10/- each	7,100
10,000,000 Preference Shares of ₹ 100/- each	1,000
Total	8,100
Issued and Subscribed Capital	
503,559,160 Equity Shares of ₹ 10/- each	5,035.60
Paid-up Capital	
503,086,333 Equity Shares of ₹ 10/- each	5,030.90
Add : Share Forfeiture Account	1.50
Total	5,032.40

* of the above equity shares: (a) 92,915,839 shares (previous year Nil) were allotted as Bonus Shares by capitalisation of Securities Premium; (b) 294,025,696 shares (previous year Nil) were allotted pursuant to Scheme of Amalgamation, without payment being received in cash and includes 48,600,000 shares allotted to Srei Growth Trust

For further details, please refer page 42 of the Shelf Prospectus.

OBJECTS OF THE ISSUE

Issue Proceeds: Our Company has filed the Prospectus - Tranche 1 for a public issue of the Tranche 1 Bonds not exceeding the Shelf Limit for the FY2012. The funds raised through the Tranche 1 Bonds Issue will be utilized towards "infrastructure lending" as defined by the RBI in the regulations issued by it from time to time, after meeting the expenditures of, and related to, the Issue. The Tranche 1 Bonds will be in the nature of debt and will be eligible for capital allocation and accordingly will be utilized in accordance with statutory and regulatory requirements including requirements of the RBI and the Ministry of Finance. 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 the Tranche 1 Bonds Issue. Further, in accordance with the Debt Regulations, our Company will not utilize the proceeds of the Tranche 1 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. The Tranche 1 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. **Tranche 1 Issue Expenses:** A portion of the Tranche 1 Issue proceeds will be used to meet Tranche 1 Issue expenses. The following are the estimated Issue expenses: (₹ in million) **Particulars; Percentage of Issue expenses; Percentage of Issue proceeds; Amount;** Fees paid to the Lead Managers and the Co-Lead Managers: 4.68%; 0.15%; 4.41; Fees paid to the Debenture Trustees: 0.76%; 0.02%; 0.72, Fees paid for advertising, marketing and selling & brokerage commission: 76.99%; 2.42%; 72.50; Miscellaneous: 17.57%; 0.55%; 16.55, Total: 100.00%, 3.14%, 94.17; The fees detailed in the table above may also be paid by way of commission to various intermediaries. The above expenses are indicative and subject to change depending on the actual levels of subscription, number of Allotees and other relevant factors. **Monitoring of Utilization of Funds:** There is no requirement for appointment of a monitoring agency in terms of the Debt Regulations. Our Board/ Audit Committee/ Committee of Directors, as the case may be, shall monitor the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the proceeds of the Tranche 1 Issue under a separate head along with details, if any, in relation to all such proceeds of the Tranche 1 Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Tranche 1 Issue, in our Company's financial statements for the relevant financial year. Our Company shall report the use of the proceeds in its annual report and other report submitted by us to any regulatory authority. Our Company shall also file these along with term sheets to the Infrastructure Division, Department of Economic Affairs, Ministry of Finance, within three months from the end of financial year.

STATEMENT OF TAX BENEFITS : For details, please refer page 30 of the Prospectus - Tranche 1. **INDUSTRY :** For details, please refer page 56 of the Shelf Prospectus.

BUSINESS OVERVIEW: When Srei 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 to mobilise resource and fund a larger number of customers. Srei persisted and persevered through the ups and downs of the business cycles and today the Company is one of the prominent players in the infrastructure space with a 22-year track record of high performance and solid credentials. Our Company was originally incorporated by the name Srei Radhakrishna Export Industries Limited on March 29, 1985 with the Registrar of Companies, New Delhi (registration number 21-55352) in accordance with the Companies Act as a public limited company to undertake lease and hire purchase financing, bill discounting and manufacture and export of certain goods. 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.

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 Private Limited (Srei EBF Paribas); Project Financing; Infrastructure Project Development; International Business Operations FEE BASED BUSINESS : Project Advisory; Investment Banking; Venture Capital; Insurance Broking

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 represented 57.13% of the total source of funds of our Company as at September 30, 2011 and the corresponding figures as at March 31, 2011, 2010, 2009, and 2008 stood at 57.61%, 65.63%, 56.52% and 37.87% respectively.

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 and approved by the Central Credit & Investment Committee (CC&IC).

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 potential threat in the future. Risk quantification, integration and assessment are the next steps of risk management at Srei. Based on these, strategic decisions are taken and implemented to mitigate risks and maintain the required risk-return profile.

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; Legal; Internal Audit and Compliance; Treasury; Secretarial Department; Corporate Accounts Department; Information Technology**

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 122 of the Shelf Prospectus.

For further details, please refer page 77 of the Shelf Prospectus.

HISTORY AND MAIN OBJECTS: Our Company was originally incorporated by the name Srei Radhakrishna Export Industries Limited on March 29, 1985 with the Registrar of Companies, New Delhi (registration number 21-55352) in accordance with the Companies Act as a public limited company to undertake lease and hire purchase financing, bill discounting and manufacture and export of certain goods. 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.

For details regarding the Main Objects of our Company, please refer to page 78 of the Shelf Prospectus.

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 the Shelf Prospectus are as follows: **Name of Directors; D.O.B; Age; Residential Address; Other Directorships:** Mr. Sali K. Gupta, Chief Mentor, August 14, 1928/83 years; 5/38, Jodhpur Park, Kolkata - 700068; 1. Srei Sahaj e-Village Limited; 2. Corporate Health Check Services Private Limited; 3. Jagaran Microfin Private Limited; **Mr. Hemant Kanoria**, Chairman & Managing Director, August 05, 1962; 49 years "Kanoria House", 3 Middle Road, Hastings, Kolkata - 700022; 1. Srei Venture Capital Limited; 2. Srei Capital Markets Limited; 3. Bengal Shristi Infrastructure Development Limited; 4. Kolkata Mass Rapid Transit Private Limited; 5. Texmaco Rail & Engineering Limited; 6. Srei Equipment Finance Private Limited; 7. Srei Sahaj e-Village Limited; 8. Quippo Energy Private Limited; 9. Viom Networks Limited; 10. DPSC Limited; 11. Zao Srei Leasing, Russia; 12. IIS International Infrastructure Services GmbH, Germany; **Mr. Sunil Kanoria**, Vice Chairman; May 04, 1965/46 years; "Kanoria House", 3 Middle Road, Hastings, Kolkata - 700022; 1. Srei Equipment Finance Private Limited; 2. DPSC Limited; 3. Viom Networks Limited; 4. Quippo Construction Equipment Limited; 5. Quippo Oil & Gas Infrastructure Limited; 6. Quippo Energy Private Limited; 7. Upper Ganges Sugar & Industries Limited; 8. Viom Infra Networks (Maharashtra) Limited; 9. Zao Srei Leasing, Russia; 10. Quippo Prakash Marine Holdings Pte. Limited, Singapore; 11. Quippo Prakash Pte. Limited, Singapore; **Mr. Saubhik Sridhikar**, Joint Managing Director; May 02, 1958; 53 years; Flat No. 1A, 1st Floor, Rameswara Apartments, 19A, Sarat Bose Road, Kolkata - 700020; 1. Srei Venture Capital Limited; 2. Srei Capital Markets Limited; 3. Emerging Africa Infrastructure Fund (EAIF), Africa; 4. Violet Arch Capital Advisors Private Limited; **Mr. S. Rajagopal**, Non Executive & Independent Director; March 10, 1940/71 years; "VARENYA", 1043, 10th Main Road, Judicial Officers Layout, GKVK Post, Bangalore - 560065; 1. Srei Venture Capital Limited; 2. GMR Tambaram Tindivanam Expressways Private Limited; 3. GMR Tuni - Anakapalli Expressways Private Limited; 4. National Trust Housing Finance Limited; 5. GMR Energy Limited; 6. Zylg Systems Limited; 7. Varun Industries Limited; 8. Vivek Limited; 9. Zylg Systems (India) Limited; 10. GMR Kamalanga Energy Limited; 11. GMR Hyderabad Vijayawada Expressways Private Limited; 12. Wisdomleaf Technologies Private Limited; 13. GMR Chattisgarh Energy Limited; 14. Careercube Technologies Private Limited; **Mr. V. H. Pandya**, Non Executive & Independent; Director; December 08, 1933/78 years; Flat no. 1202, 12th floor, Park Side II, Bldg., Rajeha Estate, Wing "B", Kulpwad Road no. 1 Borivli (East), Mumbai - 400 066; 1. Srei Capital Markets Limited; 2. GIC Asset Management Company Limited; 3. Libord Finance Limited; 4. Aegis Logistics Limited; **Dr. Satish C. Jha**, Non Executive & Independent; Director; April 1, 1934/77 years; G-51, P.O. Palam Vihar, Gurgaon - 122 017, Haryana; 1. Walchand Peoplefirst Limited; 2. Srei Venture Capital Limited; **Mr. S. K. Deb**, Non Executive & Independent; Director; October 22, 1947; 64 years; 43-B, Jatindra Mohan Avenue, Kolkata - 700 005; **Mr. Avinder Singh Bindra**, Non Executive & Independent; Director; September 16, 1949; 62 years Court Green 7, Penthouse A, Laburnum Complex, Sushant Lok, Gurgaon - 122001; 1. ARX Analytics and Advisory Private Limited; 2. JJ Buildwell Private Limited; 3. AIG Global Asset Management Company (India) Private Limited; **Mr. S. Chatterjee**, Non Executive Director; December 24, 1946/65 years; South City Apartments 17K, Tower - 1, SVC - 2/375, Prince Anwar Shah Road Kolkata - 700068; 1. Nabil Bank (Nepal) 2. Srei Sahaj e-Village Limited

For further details, please refer page 82 of the Shelf Prospectus.

STOCK MARKET DATA FOR OUR EQUITY SHARES/DEBENTURES : For details, please refer page 90 of the Shelf Prospectus.

IN THE NATURE OF FORM 2A - ABRIDGED PROSPECTUS CONTAINING SALIENT FEATURES OF THE PROSPECTUS

OUR PROMOTER: The Promoter of our Company is Mr. Hemant Kanoria, Name of the Promoter Mr. Hemant Kanoria; Photo of the promoter; Designation: Chairman and Managing Director, PAN No. AKSPK3708R; Voter Id No. H2G3787363; Driving License No. WB - 012009716492, Mr. Hemant Kanoria has over thirty one years of experience in industry, trade and financial services. He is the Chairman of FICCI National Committee on Infrastructure. He is the former President of the Calcutta Chamber of Commerce and former member of Board of Governors of Indian Institute of Management, Calcutta.

SUMMARY FINANCIAL INFORMATION
Statement of Assets and Liabilities, as Audited

	As at 30.09.2011	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	As at 31.03.2007
A Fixed Assets						
Gross Block	19,940.90	17,996.20	4,013.00	3,561.00	5,302.40	4,844.60
Less: Depreciation / Amortisation	4,158.40	3,378.40	842.20	422.30	965.10	488.70
Net Block	15,782.50	14,617.80	3,170.80	3,138.70	4,337.30	4,355.90
Capital Work In Progress	661.10	274.10	-	-	-	-
Project Work in Progress	542.90	470.90	-	-	-	-
	16,986.50	15,362.80	3,170.80	3,138.70	4,337.30	4,355.90
B Goodwill	4,378.10	4,253.40	62.20	62.20	5.70	2.50
C Investments	20,851.10	20,314.40	6,707.40	4,438.20	3,218.90	1,438.10
D Deferred Tax Assets	340.60	358.30	8.40	2.20	6.10	-
E Current Assets, Loans and Advances						
Inventories	167.20	169.10	100.70	240.10	228.70	-
Sundry Debtors	3,955.10	2,287.00	1,084.40	675.90	120.40	348.10
Cash and Bank Balances	5,702.60	3,176.50	2,909.70	4,830.80	2,793.10	883.00
Financial & Other Current Assets	52,201.30	45,530.40	34,011.50	29,962.30	44,360.70	32,177.90
Loans and Advances	66,730.90	47,604.70	36,185.10	13,436.30	10,512.10	1,592.70
	128,757.10	98,767.70	74,291.40	49,145.40	58,015.00	35,001.70
F Loan Funds						
Secured Loans	107,609.80	88,063.70	55,774.70	37,515.50	41,880.00	23,696.50
Unsecured Loans	23,779.30	12,577.30	9,921.20	5,307.40	13,565.00	9,771.10
	131,389.10	100,641.00	65,695.90	42,822.90	55,445.00	33,467.60
G Minority Interest	813.90	737.90	236.10	221.10	76.20	39.70
H Deferred Tax Liability	1,051.00	1,015.00	736.30	274.30	114.00	637.80
I Current Liabilities and Provisions						
Current Liabilities	5,258.90	4,325.40	3,979.30	1,288.40	2,073.20	1,158.10
Provisions	1,157.00	1,670.70	738.50	712.20	702.90	493.70
	6,415.90	5,996.10	4,717.80	2,000.60	2,776.10	1,651.80
J Networth (A+B+C+D+E-F-G+H-I)	31,643.50	30,666.60	12,854.10	11,467.80	7,171.70	5,001.30

Statement of Profits and Losses, As Audited

	Period from 01.04.2011 to 30.09.2011	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2007
INCOME						
Income from Operations	10,929.90	16,316.70	9,704.50	8,442.10	7,345.20	4,205.70
Other Income	81.50	64.20	25.90	80.90	676.60	10.40
	11,011.40	16,380.90	9,730.40	8,523.00	8,021.80	4,216.10
Staff Expenses	836.80	1,234.40	625.90	538.30	450.40	277.30
Administrative & Other Expenses	1,104.80	1,908.30	862.30	1,066.50	660.40	385.50
Interest & Finance Charges	6,506.40	8,292.00	5,336.70	5,229.80	4,598.50	2,175.10
Depreciation/ Amortisation	851.80	1,240.90	432.80	365.80	490.10	334.50
Miscellaneous	2.20	22.80	7.30	4.40	8.30	7.70
Expenditure written off	9,302.00	12,698.40	7,265.00	7,204.80	6,207.70	3,180.10
	1,709.40	3,682.50	2,465.40	1,318.20	1,814.10	1,036.00
PROFIT BEFORE BAD DEBTS, PROVISIONS AND TAX						
Bad Debts/Advances written off (net of recovery)	175.30	350.70	259.00	8.70	69.30	36.80
Provision for Bad written off (net of recovery)	8.00	48.50	-	-	-	-
Contingent Provisions against Standard Assets	57.50	223.60	-	-	-	-
Provision for Non Performing Assets	43.90	161.20	-	-	-	-
Provisions as per the norms of Reserve Bank Of India & Foreign Financial Institutions	-	-	21.00	251.30	173.60	77.80
Provision for Premium on Unsecured Subordinated Bonds	4.40	8.80	8.80	8.80	8.80	8.80
Stock for Trade written off	-	-	-	-	34.70	-
	289.10	792.80	288.80	268.80	286.40	123.40
PROFIT BEFORE TAX	1,420.30	2,889.70	2,176.60	1,049.40	1,527.70	912.60
Provision for Tax:						
-Current Tax	506.60	826.70	343.70	70.10	80.70	55.20
-MAT Credit Entitlement	(12.10)	(9.40)	(219.00)	(71.10)	(16.20)	-
-Deferred Tax	8.10	(20.30)	461.90	219.90	114.00	(0.20)
-Fringe Benefits Tax	-	-	-	4.60	1.50	-
-Income Tax in respect of earlier years	52.40	130.90	22.00	0.20	0.40	12.00
PROFIT AFTER TAX BEFORE SHARE OF ASSOCIATE AND MINORITY INTERESTS	865.30	1,961.80	1,568.00	825.70	1,347.30	845.60
Share of loss of Associates	-	-	-	-	(23.20)	(4.30)
PROFIT AFTER TAX BEFORE MINORITY INTERESTS	865.30	1,961.80	1,568.00	825.70	1,324.10	841.30
Minority Interest	68.80	169.40	9.40	4.90	4.70	(1.70)
NET PROFIT	796.50	1,792.40	1,558.60	820.80	1,319.40	843.00
Pre Acquisition Profit/(Loss)	-	47.40	-	-	5.20	(0.60)
Minority Interest of Pre Acquisition Profit/(Loss)	-	(47.40)	-	(0.40)	2.70	(0.80)

	796.50	1,792.40	1,558.60	820.40	1,327.30	841.60
PROFIT AFTER TAX AFTER ADJUSTMENT OF MINORITY INTERESTS						
Surplus brought forward from previous year	3,033.90	2,561.80	1,577.50	1,335.30	625.10	319.00
Adjustment on account of Amalgamation	-	(57.00)	-	-	-	-
PROFIT AVAILABLE FOR APPROPRIATION	3,830.40	4,297.20	3,136.10	2,155.70	1,952.40	1,160.60
APPROPRIATIONS						
Special Reserve (As per Reserve Bank of India guidelines)	201.30	399.70	315.10	164.70	268.20	160.00
Debt Redemption Reserve	231.40	422.80	66.70	262.90	155.60	186.60
General Reserve	-	0.20	30.00	0.30	30.00	60.00
Proposed Dividend	-	377.80	139.40	116.30	139.60	108.90
Dividend on Preference Shares	-	-	-	-	-	-
Profit on sale of Investment in Subsidiaries	(31.30)	-	-	-	-	-
Corporate Dividend Tax on Proposed Dividend	(1.50)	62.80	23.10	19.80	23.70	18.50
Adjustment due to conversion of Subsidiary into Joint Venture	-	-	-	14.20	-	-
Surplus carried to Balance Sheet	3,430.50	3,033.90	2,561.80	1,577.50	1,335.30	626.60
	3,830.40	4,297.20	3,136.10	2,155.70	1,952.40	1,160.60
Earnings Per Equity Share (Basic & Diluted) (*Not annualised) in ₹ (Face Value ₹ 10/- per Share)	1.58	7.74	7.46	3.93	6.54	4.18

For further details, please refer to the Shelf Prospectus.
OUTSTANDING LITIGATION AND STATUTORY DEFAULTS: Except as described below, there are no outstanding litigations against our Company that may have an adverse effect on our business. Further, there are no defaults, 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 as on the date of the Shelf Prospectus. Save and except as disclosed hereinbelow, there are no pending proceedings of our Company pertaining to: • matters likely to affect operation and finances of our Company including disputed tax liabilities of any nature; and • criminal prosecution launched against our Company and the Directors for alleged offences under the enactments specified in Paragraph 1 of Part I of Schedule XIII to the Act. For further details, please refer to section titled "Outstanding Litigation And Statutory Defaults" starting on page 122 of the Shelf Prospectus.

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 293(1)(d) of the Act, at the annual general meeting held on July 30, 2011, authorising the maximum monetary limit for the purpose of borrowing as ₹200,000million. The aggregate value of the Debentures offered under the Prospectus Tranche 1, together with the existing borrowings of our Company, is within the approved borrowing limits of ₹200,000million. The Tranche 1 Issued Debentures offered under the Prospectus - Tranche 1 is being made pursuant to resolution passed by the Board of Directors of our Company at its meeting held on December 19, 2011. In terms of the Notification, the aggregate volume of issuance of long term infrastructure bonds (having benefits under Section 80CCF of the Income Tax Act) by our Company during FY 2012 shall not exceed 25% of the incremental infrastructure investment made by our Company during the FY 2011. The incremental infrastructure investments made by our Company during the FY 2010-11 were ₹34,024.50million and therefore, the limit for the issue is ₹8,506.10 million. Thus, our Company has been duly authorized to issue the Tranche 1 Bonds. The borrowings under the Tranche 1 Bonds will be within the prescribed limits as aforesaid.

Prohibition by SEBI / Eligibility of our Company to come out with the Issue: Our Company and our Promoter 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 the BSE: BSE LIMITED ("THE EXCHANGE") HAS GIVEN VIDE ITS LETTER DATED DECEMBER 28, 2011 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 THE 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 THE 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 AUGUST 1, 1998 AND A FRESH CERTIFICATE OF REGISTRATION DATED MARCH 30, 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 PROSPECTUS - TRANCHE 1 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.

Listing: The Tranche 1 Bonds proposed to be offered in pursuance of the Shelf Prospectus and the Prospectus - Tranche 1 is proposed to be listed on BSE. If permissions to deal in and for an official quotation of our Tranche 1 Bonds are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Shelf Prospectus and the Prospectus - Tranche 1. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange(s) mentioned above are taken within seven working days from the date of allotment. For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Options, such Bonds with Option(s) shall not be listed.

Consents: Consents in writing of: (a) the Directors, (b) the Compliance Officer, (c) the Statutory Auditors, (d) Bankers to our Company, (e) Lead Managers and Co-Lead Managers, (f) Registrar, (g) Legal Advisor to the Issue, (h) Credit Rating Agency, (i) Lead Brokers, (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 the Prospectus - Tranche 1 with the Stock Exchange.

Expert Opinion: Except for the report of CARE dated December 15, 2011 in respect of the credit rating(s) of the Issue and the letters furnishing their rationale for their respective rating, the report in relation to our financial statements and the statement of tax benefits issued by M/s Haribhakti & Co., Chartered Accountants, our Company has not obtained any expert opinions.

Common Form of Transfer: The Issuer undertakes that there shall be a common form of transfer for the Tranche 1 Bonds 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 Tranche 1 Bonds and registration thereof.

Minimum Subscription: In terms of the Debt Regulations, an issuer undertaking a public issue of debt

securities may disclose the minimum amount of subscription that it proposes to raise through the issue in the offer document. In the event that an issuer does not receive the minimum subscription disclosed in the offer, an application monies received in the public issue are to be refunded. Our Company has decided to set no minimum subscription for the Issue. Issue Related Expenses The expenses of the Tranche 1 Bonds Issue include, among others, fees for the Lead Managers, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated issue expenses to be incurred for the Issue size of ₹ 3,000 Million are as follows: (₹ in million); **Particulars; Percentage of Issue expenses; Percentage of Issue proceeds; Amount:** Fees paid to the Lead Managers and the Co-Lead Managers: 4.68%, 0.15%, 4.41; Fees paid to the Debenture Trustees: 0.76%, 0.02%, 0.72; Fees paid for advertising, marketing and selling & brokerage commission: 76.99%, 2.42%, 72.50; Miscellaneous: 17.57%, 0.55%, 16.55; **Total: 100.00%, 3.14%, 94.17;** 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: The Tranche 1 Bonds Issue has not been underwritten.
Commission or Brokerage on Previous Public Issues: Our Company has made no public issues in the preceding five years. Details regarding the capital issue during the last three years by our Company and other listed companies under the same management within the meaning of section 370 (1B)

Other than as disclosed in this section, neither our Company nor any other listed company under the same management within the meaning of Section 370(1B) of the Act has made any public or rights or composite issue of capital in the last three years

Public / Rights Issues by our Company and our Promoter: Our Company undertook a public issue of its equity shares in 1992. The particulars of which have been set forth below.

Date of Opening	July 7, 1992	Date of Closing	July 16, 1992
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Total Issue Size: 32,20,000 equity shares of ₹10/- each

Whether subsequently dividend was declared: Yes; **Date of Allotment:** August 31, 1992

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 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 capitalisation of free reserves, pursuant to the aforesaid Scheme of Amalgamation.

Dividend: The details of dividend pay-out by our Company in the previous five years are as follows: **Financial Year ended: Dividend Per Share (₹); Total Dividend (₹ in Mn):** 31.03.2011; 0.75; 438.5; 31.03.2010; 1.20; 162.5; 31.03.2009; 1.00; 135.9; 31.03.2008; 1.20; 163.1; 31.03.2007; 1.00; 127.4

*Inclusive of dividend distribution tax; Revaluation of assets; Our Company has not re-valued its assets in the last five years

Trading of Debentures: Subject to the Lock-in period of five years, the Debentures shall be traded on the BSE. **Debentures or bonds and redeemable preference shares and other instruments outstanding by our Company:** As at September 30, 2011, our Company had outstanding listed / rated / unrated, secured / unsecured, non-convertible redeemable debentures and commercial papers aggregating to ₹ 15,673.55 million. Apart from the above, there are no outstanding debentures, bonds, redeemable preference shares or other instruments issued by our Company that are outstanding.

Mechanism for redressal of investor grievances: Link Intime India 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 should be addressed to the Registrar giving full details of the applicant, number of Bonds applied for, amount paid on application and the bank branch or collection centre where the application was submitted etc. **Link Intime India Private Limited:** C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078. Tel.: +91 22 25960320; Fax: +91 22 25960329; Toll Free: 1-800-22-0320; Email: sreinfra.nod@linkintime.co.in; Investor Grievance Email: sreinfra.nod@linkintime.co.in; Website: www.linkintime.co.in; Contact Person: Mr. Sanjog Sud; Compliance Officer: Mr. Sanjeev Nandru; SEBI Registration No.: INR000004058; In addition, our Company's Compliance Officer would also handle all investors' grievances. Name: **Mr. Sandeep Lakhotia;** Address: "Vishwakarma", 86C Topsis Road (South), Kolkata - 700 046; Telephone: (033) 6160 7734; Fax: (033) 2285 8501; E-Mail: sreinfra@linkintime.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: The auditors of our Company during the preceding three years are:

SI. No.; Financial Year; Name of the Statutory Auditors: 1. 2008-09: Deloitte Haskins & Sells, Chartered Accountants; 2. 2009-10: Deloitte Haskins & Sells, Chartered Accountants; 3. 2010-11: M/s. Haribhakti & Co, Chartered Accountants; The erstwhile auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, have requested for not being re-appointed. The current statutory auditor of our Company, M/s Haribhakti & Co., Chartered Accountants having registration No. 103523W allotted by The Institute of Chartered Accountants of India (ICAI) were appointed as the statutory auditor of our Company pursuant to the resolution passed at the 26th AGM of our Company held on July 30, 2011.

Trading: Debt securities issued by our Company, which are listed on BSE WDM 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: Though the provisions of sub-section (1) of section 68-A of the Act, do not apply to an issue of bonds / debentures, the attention of the investors is drawn to the provisions as a matter of abundant caution: "Any person who - (a) makes in a fictitious name, an application to a company for acquiring, or subscribing for, any shares therein, or; (b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in fictitious name, shall be punishable with imprisonment for a term which may extend to five years."