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Public Issue of Secured Redeemable Non-Convertible Debentures by SREI Equipment Finance Limited

Issue Opens: April 25, 2018

Issue Closes: May 16, 2018[@]

Srei Equipment Finance Limited

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

Tel: +91 33 6160 7734; Fax: +91 33 2285 7542; CIN: U70101WB2006PLC109898

@The Issue shall remain open for subscription on Working Days from 10 A.M. to 5 P.M. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board/ Executive Committee of Directors, as the case maybe, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through advertisements in a leading national daily newspaper with wide circulation on or before such earlier date of Issue Closure or initial Issue Closing Date, as the case may be. On the Issue Closing date, the Application Forms will be accepted only between 10 a.m. to 3 p.m. (Indian Standard Time) and uploaded till 5 p.m. or such extended time as may be permitted by the Stock Exchanges. For further details please refer to "General Information" on page 46 of the Prospectus.





Srei Equipment Finance Ltd.

Public Issue of Secured Redeemable
Non-Convertible Debentures.

Credit Rating:

"BWR AA+" (BWR Double A Plus) (Outlook : Stable) by BRICKWORK
"SMERA AA+/Stable" (SMERA Double A Plus/Stable)" by SMERA

Indicates high degree of safety regarding timely servicing of financial obligations

- Allotment on first-come-first-serve basis[#]
- Minimum application size: ₹10,000 /- across all series
- Assets Under Management of ₹285,221.70 million and has a Networth of ₹26,422 million as on December 31st, 2017.
- Application in Demat & Physical Mode*

UPTO
9.60 %
Interest

To know more, SMS 'SREI' to 56161.

Issue opens on

25th April, 2018.

Issue closes on

16th May 2018.*



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SREI



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**Srei Equipment Finance
Limited – The Issuer**

SREI



About SREI Equipment Finance Limited

- ▶ Srei Equipment Finance Limited (“SEFL”) is the leading financier in the Construction, Mining and allied Equipment (“CME”) sector in India, with an approximately 32.7%* market share in Fiscal 2017 (Source: Feedback Report).
- ▶ It is registered with RBI as a non-deposit taking systemically important, non-banking financial company (“NBFC-ND-SI”). It is classified as “Asset Finance Company” (AFC) within the meaning of NBFC.
- ▶ Our business verticals consists of CME, Tippers, IT and allied equipment, Medical and allied equipment, Farm equipment, and other assets. SEFL provides financial products which offers loans, lease, rental in these verticals.
- ▶ SEFL enjoys a pan-India presence in approximately 21 states, including 89 branch offices with more than 64,000 current customers as on September 30, 2017.
- ▶ SEFL has an AUM of ₹285,221.70 million and Profit after Tax of ₹1,819.8 million as on December 31, 2017.

*Report from Feedback Business Consulting Services Private Limited titled “Market Assessment of the Construction, Mining and Allied Equipment (CME) Financing Segment” dated November 27, 2017

Board of Directors



Hemant Kanoria, Chairman & Managing Director

- Mr. Hemant Kanoria has over 32 years of experience in industry, trade and financial services.
- Presently serving as Board Member in the Indian Institute of Information Technology, Guwahati, Neotia University and New Delhi Institute of Management.
- He has held the position of President of Calcutta Chamber of Commerce, Chairman of FICCI National Committee on Infrastructure and the chairman of the FICCI National Committee on Infrastructure, and has served on the board of governors of Indian Institute of Management, Calcutta.



Sunil Kanoria, Vice Chairman

- Mr. Sunil Kanoria is a Chartered Accountant with more than 28 years of experience in the financial service industry.
- He had been the president of The Associated Chambers of Commerce & Industry of India (ASSOCHAM), a former governing body member of the Construction Industry Development Council (CIDC) and is presently the Council member of the Institute of Chartered Accountants of India



Board of Directors



Supriya Prakash Sen, Independent Director

- Ms. Supriya Prakash Sen holds a bachelors' degree in engineering (electronics and communication), and is a gold medallist from the Bangalore University, and holds a post-graduate diploma in management from Indian Institute of Management, Calcutta.
- She has also completed the 'Leaders in Development' from the John F. Kennedy School of Government of the Harvard University.
- She has experience in advising on financing transport, power and social infrastructure for Asia and Middle East. At present, she is a senior advisor in banking and infrastructure finance at McKinsey & Co., Singapore.



Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director

- He an ex-banker and has been associated with the State Bank of India, and with UTI Bank Limited (now Axis Bank Limited) as an executive director in the past.
- He has also served as a member of the Board of Directors of Nabil Bank Limited, Nepal



Mr. Suresh Kumar Jain, Independent Director

- He holds a bachelor's degree in science from Panjab University and a master's degree in economics from Kurukshetra University.
- He is also a certified associate of the Indian Institute of Bankers.
- He is a banker by profession and has experience in domestic and international markets. He has formerly been associated with Bank of India and Union Bank of India as an executive director.

Key Strengths

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

- According to Feedback's report we are the leading financier in the CME sector in India in Fiscal 2017 with an approximately 32.7% market share in the CME vertical.

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

- SEFL operates a holistic business model providing end-to-end solutions across the equipment lifecycle beginning from the equipment's acquisition to its refinancing or resale.

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

- SEFL has a strong relationship network through partnerships with OEMs and vendors that have enabled us to maintain sustainable growth and market leadership over the years.
- SEFL has strategically expanded our distribution and marketing network and operations through partnerships with SEPs, our exclusive channel partners.

Strong parentage aided by an experienced Board and management team

- SEFL is a wholly-owned subsidiary of SIFL. SIFL is a well-established brand domestically in the infrastructure financing business.
- Our mid-level management team, which includes the heads of our business departments, has experience in the financial and leasing sectors.

Our Presence

- Presence in 21 states, including 89 branches across India as on September 30, 2017.
- SEFL has strategically expanded its distribution and marketing network and operations through partnerships with SEPs, its exclusive channel partners. As of September 30, 2017, SEFL has partnered with 120 SEPs.

Equipment Finance Business Verticals



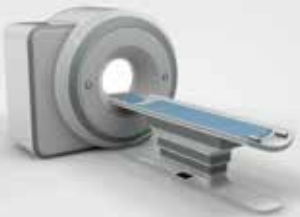
CME (including used equipment)

- Financing for the purchase of infrastructure equipment that is used in the construction, roads, mining, railways, port and other infrastructure sectors.
- Target customers include Retail, SME and Strategic players.
- Average tenor of financing varies from 36-45 months.



IT and allied equipment

- Finance/lease for purchase of hardware, software and office equipment.
- Target customers are various institutional and corporate players.
- Tenor of loan provided varies from 50-60 months.



Medical and allied equipment

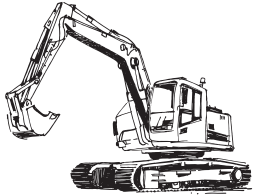
- Finance/lease for purchase of all major medical equipment. Medical equipment includes x-ray machine, CT and MRI scanners etc.
- Tenor of loan provided varies from 50-60 months.
- Target customers include hospitals and diagnostic centers.

Equipment Finance Business Verticals



Farm Equipment

- Finance for purchase of all major farming, agricultural and allied equipment.
- Farming and allied equipment, including tractors, which are used for sowing, tilling, irrigation and for other agricultural purposes.
- Tenor of the loan provided to the customers in this vertical typically varies between 50 to 60 months.



Tippers

- Finance/lease for procurement of tipper trucks.
- The tenor of the loan provided to the customers in this vertical typically varies between 35 to 42 months.





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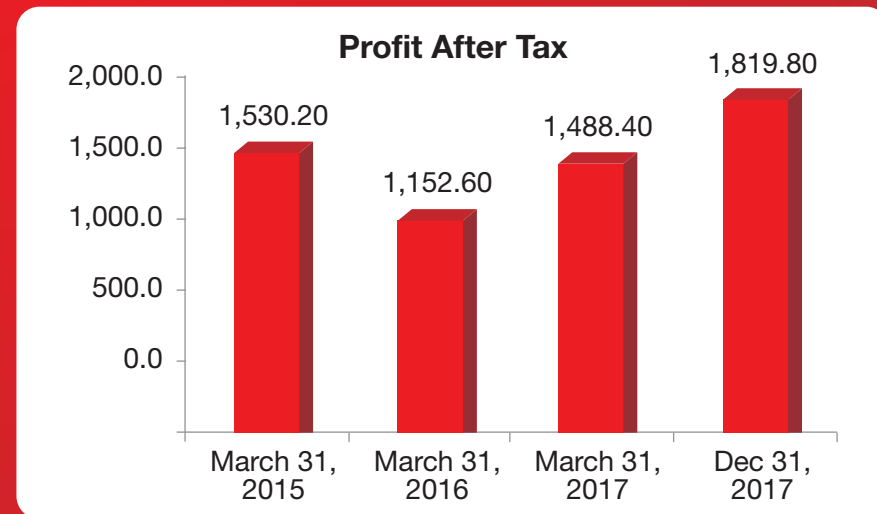
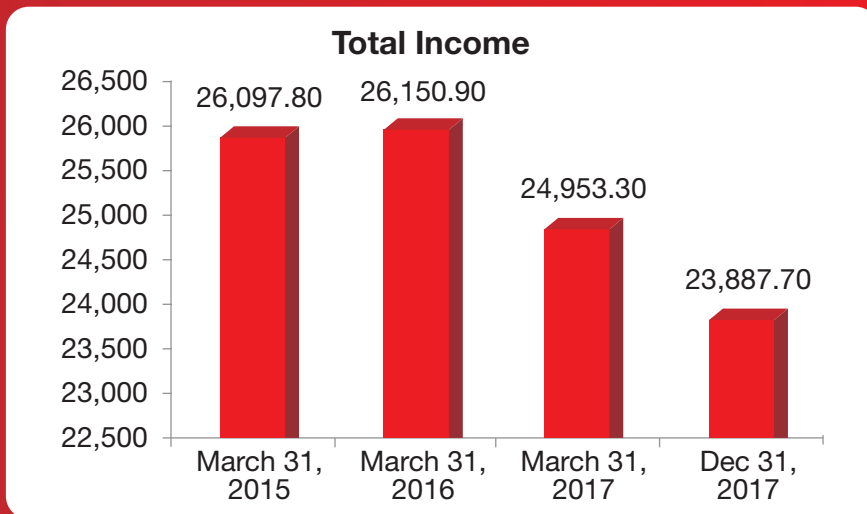
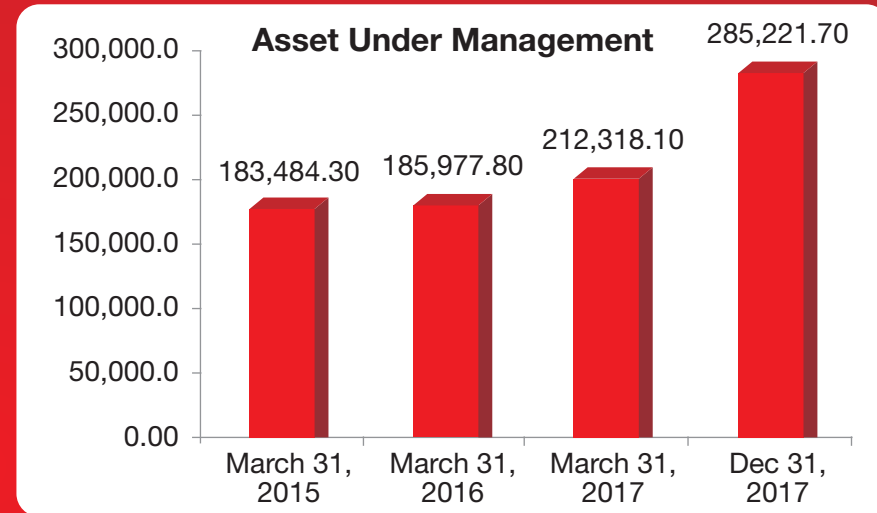
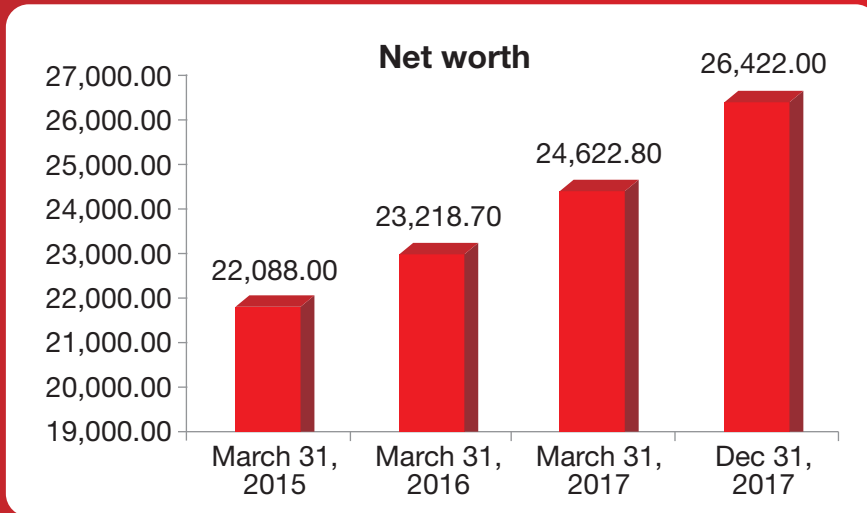
Srei Equipment Finance Limited – Financial Performance

SREI



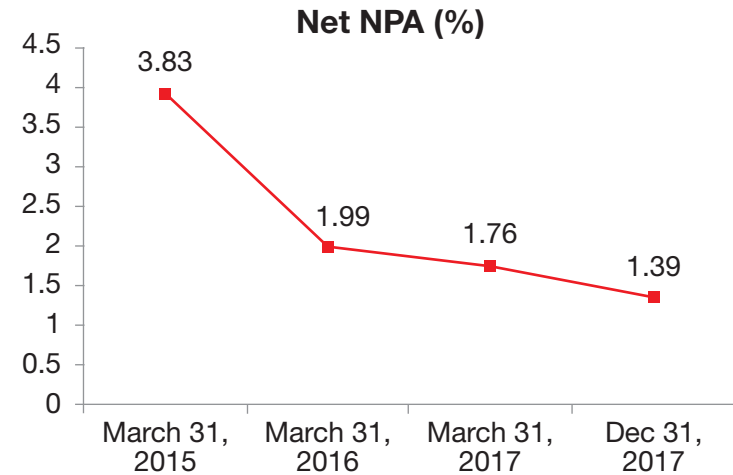
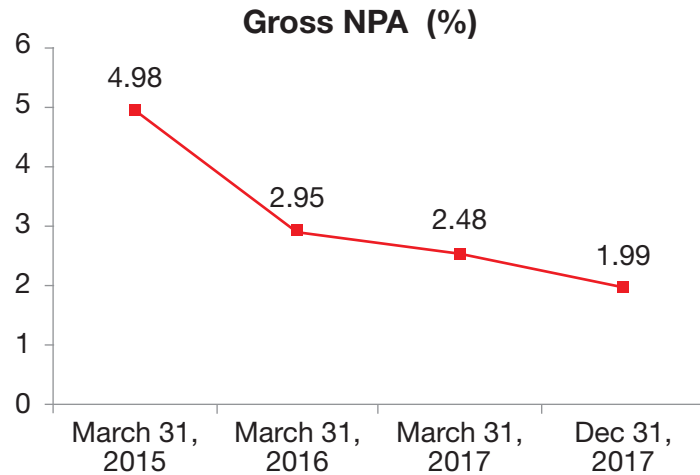
Financial Performance Highlights

(Amount in ₹ mn.)

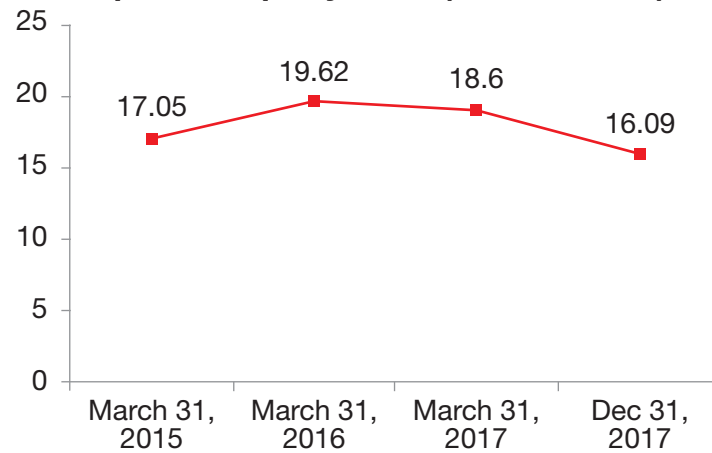




Financial Performance Highlights



Capital Adequacy Ratio (Tier I & Tier II)





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Issue Structure

SREI



Issue Structure

Issuer	<ul style="list-style-type: none">Srei Equipment Finance Limited (“Company” or “Issuer”)
Instrument & Issue size	<ul style="list-style-type: none">Public issue by Srei Equipment Finance Limited (the “Company” or the “Issuer”) of Secured Redeemable Non-convertible Debentures of face value of ₹1,000/- each (the “Debentures” or the “NCDs”), for an amount upto ₹5,000,000,000 (Rupees Five Thousand Million) (“Base Issue Size”) with an option to retain over subscription upto additional NCDs of face value of ₹1,000/- each, for an amount upto ₹5,000,000,000 (Rupees Five Thousand Million) aggregating to 10,000,000,000 (Rupees Ten Thousand Million) (“Overall Issue Size”)
Credit Rating	<ul style="list-style-type: none">“BWR AA+” (BWR Double A Plus) (Outlook: Stable) by Brickwork Ratings India Private Limited (“BRICKWORK”)“SMERA AA+/Stable” (SMERA Double A plus/Stable) by SMERA Ratings Limited (“SMERA”)Instruments with such ratings are considered to have high degree of safety regarding timely servicing of financial obligations.
Use of Proceeds	<ul style="list-style-type: none">The Net Proceeds raised through this Issue will be utilized for following activities in the ratio provided as below:<ul style="list-style-type: none">I For the purpose of lending/ repayment of loan - minimum 75% of the Net Proceeds of the Issue.II For General Corporate Purposes – up to 25% of the Net Proceeds of the Issue. The unutilized amount if any will be used for purpose of lending/ repayment of loan.
Issue Period	<ul style="list-style-type: none">Issue Opens: April 25, 2018Issue Closes: May 16, 2018[®] (with an option for early closure or extension)
Listing & Depositories	<ul style="list-style-type: none">Proposed to be listed on BSE Ltd. (BSE shall be the Designated Stock Exchange)National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL)

Lead Managers



Registrar



Debenture Trustee



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

Allocation Ratio

Investor Category	Basis of allotment on a first come first serve basis
Category I (Institutional Portion)	20% of the Overall Issue Size
Category II (Non-Institutional Portion)	20% of the Overall Issue Size
Category III (Individual Category Portion)	60% of the Overall Issue Size



Issue Structure

SPECIFIC TERMS AND CONDITIONS IN CONNECTION WITH EACH SERIES OF NCDs:

The terms of the NCDs offered pursuant to the Issue are as follows:

Series	I#	II#	III#	IV***	V#	VI#	VII	VIII#	IX#	X	XI#
Frequency of Interest Payment	N.A.	Annual	Monthly	Annual	N.A.	Monthly	Annual	N.A.	Monthly	Annual	N.A.
Nature of Instruments	Secured		Secured			Secured			Secured		
Minimum Application	₹ 10,000/- (10 NCDs) across all Series collectively										
Face Value/Issue Price of NCDs (₹/ NCD)	₹ 1,000/-										
In Multiples of (₹) thereafter	₹ 1,000/- (1 NCD)										
Tenor from Deemed Date of Allotment	400 days		3 years			5 years			10 years		
Coupon (% per annum) for Category I, Category II & Category III Investor(s)	N.A.	8.50%	8.75%	9.10%	N.A.	9.00%	9.35%	N.A.	9.20%	9.60%	N.A.
Effective Yield (per annum) for Category I, Category II & Category III Investor(s)	8.54%	8.60%	9.10%	9.12%	9.10%	9.37%	9.37%	9.35%	9.59%	9.60%	9.60%
Mode of Interest Payment	Through various mode available										
Amount (₹/NCD) on Maturity for Category I, Category II & Category III Investor(s)	₹1,094/-	₹1,000/-	₹1,000/-	₹1,000/-	₹1,299/-	₹1,000/-	₹1,000/-	₹1,564/-	₹1,000/-	₹1,000/-	₹2,503/-
Maturity Date (from Deemed Date of Allotment)	400 days		3 years			5 years			10 years		

All category of investors can subscribe to all Series of NCDs

*** Our Company shall allocate and allot Series IV NCDs wherein the Applicants have not indicated their choice of the relevant NCD Series.

#Series I, Series II, Series III, Series V, Series VI, Series VIII NCDs, Series IX NCDs and Series XI NCDs would be allotted compulsorily in dematerialized form to all categories of Investors. Only Category III Investors can apply for allotment of NCDs in the physical form for Series IV, Series VII and Series X NCDs. In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, the Company will make public issue of NCDs in the dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfil such request through the process of rematerialisation.

*** Our Company shall allocate and allot Series IV NCDs wherein the Applicants have not indicated their choice of the relevant NCD Series.



Issue Structure

Type of Instrument

Secured Redeemable Non-Convertible Debentures

Debenture Trustee/Security

Axis Trustee Services Limited is acting as Debenture Trustee to the Issue

The principal amount of the NCDs to be issued in terms of the Draft Prospectus and Prospectus together with all interest due on the NCDs in respect thereof shall be secured by way of exclusive charge in favour of the Debenture Trustee on specific present and/or future receivables/assets of our Company as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs (along with the interest due thereon).

Interest on Application Amount

The Company shall pay to the successful Applicants, interest at 7% p.a on the Application Amount allotted, from the date of realization of the Application Amount through cheque(s)/demand draft(s)/any other mode up to 1 (one) day prior to the Deemed Date of Allotment, subject to deductions under the provisions of the Income Tax Act or any other statutory modification or re-enactment thereof, as applicable. However no interest is to be paid on Application Amount(s) to the ASBA Applicants.

Interest on Refund Amount

The Company shall pay interest on Application Amounts which is liable to be refunded to the Applicants (other than ASBA Applicants) at the rate 5% p.a. subject to the deduction of income tax as per the Income Tax Act, as applicable from the date of realization of the cheque(s) /demand draft (s) upto one day prior to the Deemed Date of Allotment. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest from three days from the date of upload of the Application on the electronic bidding platform of the Stock Exchanges, whichever is later, upto one day prior to the Deemed Date of Allotment. Such interest shall be paid along with the monies liable to be refunded.

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Investment Consideration



Benefits of Investment in Srei NCDs

Return

- 9.60% p.a. highest coupon per annum for all Category Investors for Series X having a tenor of 10 years with frequency of annual payment.

Tenor and Frequency

- Different tenor of 400 days, 3 years, 5 years and 10 years available with various interest payment option like Monthly, Annual and Payment at redemption.

Liquidity

- Proposed to be listed on BSE Ltd. (BSE shall be the designated Stock Exchange)
- Trading will be in dematerialized form only.

Mode of Allotment

- Series I, Series II, Series III, Series V, Series VI, Series VIII, Series IX and Series XI NCDs would be allotted compulsorily in dematerialized form to all categories of Investors.
- Only Individual Category of Investors can apply for allotment of NCDs in the physical form for Series IV, Series VII and Series X NCDs.
- NCDs would be allotted to Institutional and Non Institutional Category in dematerialized form only.
- Our Company shall allocate and allot Series IV NCDs wherein the Applicants have not indicated their choice of the relevant NCD Series

Disclaimer:

* Please refer to the Issue Structure on page no 179 in the Prospectus dated April 16, 2018.

Capitalized term used and not defined herein shall have the same meaning assigned to such terms in the Prospectus dated April 16, 2018.

- Determined on the basis of date of application on the electronic bidding platform of BSE Limited.

Disclaimer Clause of BSE: “It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the Prospectus has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the Prospectus. The investors are advised to refer to the Prospectus for the full text of the Disclaimer clause of BSE Limited”.

Disclaimer of the Issuer: Srei Equipment Finance Limited is, subject to market conditions and other considerations, proposing a public issue of 5,000,000 Secured Redeemable Non-Convertible Debentures of Face Value of ₹1,000/- each (the “Debentures” or the “NCDs”), amounting to ₹5,000 million (“Base Issue Size”), with an option to retain oversubscription up to additional 5,000,000 NCDs of ₹1,000/- each for an amount of ₹5,000 million, aggregating to ₹10,000 million (“Overall Issue Size”) and is being offered by way of the Prospectus dated April 16, 2018 (The “Prospectus”), has filed with the Registrar of Companies, West Bengal, the Securities and Exchange Board of India and BSE. The Investors are advised to take any decision to invest in the NCDs pursuant to their examination of the Issuer and on the basis of the disclosures made in the Prospectus. Please see the section titled “Risk Factors” beginning on page 19 of the Prospectus for the risks in this regard.

Availability of Prospectus: The Prospectus is available on our website at www.srei.com, on the website of the stock exchange at www.bseindia.com and also on the respective websites of the Lead Managers at www.edelweissfin.com, www.akgroup.co.in, www.liflcap.com, www.srei.com, www.spacapital.com, www.tipsons.com and www.trustgroup.in. Investors proposing to participate in the Issue should invest only on the basis of information contained in the Prospectus dated April 16, 2018. Physical copies of the Prospectus can be obtained from the Company's Registered Offices and Corporate offices, Offices of the Lead Managers, Lead Brokers and sub-brokers, Trading Members and Designated Branches of the SCSBs.

Customer Contact Points



Toll Free: 18004197734
(9am to 6pm, Monday – Saturday)



Mail us: connect@sreibonds.com



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Corporate Office: Room no 12 & 13, 2nd Floor, 6A, Kiran Shankar Roy Road, Kolkata - 700 001

Corporate Identification No: U70101WB2006PLC109898

Company Secretary and Compliance Office: Ms. Ritu Bhojak

Phone: +91 33 6160 7734, Toll Free no.:1800 419 7734,

Email-id: ncdsrei@srei.com