SREI

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December 29, 2015

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

Dear Sir,

Sub: Disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith details of a proposed transaction pursuant to the Share Purchase Agreement dated December 29, 2015 executed between Srei Infrastructure Finance Limited, BNP Paribas Lease Group, Srei Equipment Finance Limited, Srei Growth Trust, Mr. Hemant Kanoria and Mr. Sunil Kanoria for your records.

Thanking You,

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

Sandeep Lakhotia

Sandeep Lakhotia
Company Secretary
FCS 7671

Encl. a/a

cc: The Secretary

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

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

Details of the Transaction

Background of the parties and percentage of shareholding and/or number of shares acquired:

Srei Equipment Finance Limited ("**SEFL**") is a joint venture between Srei Infrastructure Finance Limited ("**SREI**") and BNP Paribas Lease Group ("**BPLG**"), in which each of SREI and BPLG holds 50% of the total paid-up equity share capital on a fully-diluted basis.

Srei Growth Trust ("**Seller**"), a trust established under the Indian Trusts Act, 1882, of which SREI is the 100% beneficiary, owns 4,86,00,000 equity shares of SREI, comprising 9.66% of the total paid-up equity share capital of SREI on a fully-diluted basis ("**SREI Shares**").

Transaction:

SREI, BPLG, SEFL the Seller, Mr. Hemant Kanoria and Mr. Sunil Kanoria have entered into a share purchase agreement ("**SPA**") whereby BPLG has agreed to (i) acquire 2,51,54,317 equity shares of SREI representing 5% of the total paid-up equity share capital from the Seller ("**First Transfer**"), and (ii) in lieu thereof, sell its entire shareholding of 2,9830,000 equity shares of SEFL representing 50% of the total paid-up equity share capital to SREI ("**Second Transfer**"), in accordance with applicable laws (collectively, the First Transfer and Second Transfer are hereinafter referred to as the "**Transaction**").

Pursuant to the terms and conditions of the SPA, the consideration received by SREI as a result of the First Transfer shall be utilized for the acquisition of the additional stake in SEFL in terms of the Second Transfer. Consequently, as a result of the consummation of the Second Transfer, 100% of the total paid-up equity share capital of SEFL shall be held by SREI. The pricing guidelines of the Reserve Bank of India ("**RBI**") and the Securities and Exchange Board of India, as applicable, would be fully complied with in respect of the Transaction.

Objects and Effects of the Transaction:

In order to take advantage of the emerging opportunities in the infrastructure sector in India, BPLG desires to become a shareholder in SREI. This would enable BPLG to gain exposure to and take advantage of the larger infrastructure play in the country. Further, SREI would benefit by having BPLG, a subsidiary of BNP Paribas S.A., as a shareholder, coupled with the dual advantage of SREI holding 100% shareholding in SEFL. This would enable SREI to consolidate 100% of the financial results of the infrastructure equipment finance business.

Industry to which the entity being acquired belongs :

Business of asset-based financing for equipment such as construction equipment, transportation, materials handling, agricultural equipment, medical systems, information technology, and office equipment and renewable energy systems such as solar heaters.

Related Party Transaction:

The Transaction is not a Related Party Transaction under the Companies Act, 2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



Mr. Hemant Kanoria and Mr. Sunil Kanoria, promoters of SREI are interested to the extent of their shareholding and directorship in SREI and SEFL.

Cost of Acquisition and Nature of Consideration:

BPLG shall sell its entire shareholding in SEFL to SREI for a consideration equal to the total consideration which BPLG will pay for acquiring 2,51,54,317 equity shares of SREI representing 5% of the total paid-up equity share capital from the Seller at a price being the higher of:

(a) the average of the weekly high and low of the volume weighted average price of the equity shares of SREI during the 26 (twenty six) weeks preceding the closing date of the acquisition as contemplated under the SPA; *and*

(b) the average of the weekly high and low of the volume weighted average price of the equity shares of SREI during the 2 (two) weeks preceding the closing date of the acquisition as contemplated under the SPA, in each case computed in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The consideration payable by SREI to BPLG for the Second Transfer shall be compliant with the RBI pricing norms.

Regulatory Approvals:

The Transaction is subject to the receipt of RBI approval, lender consents as may be applicable and other customary conditions applicable to the transactions of a similar nature.

Brief Background about the entity being acquired:

SEFL is a non-banking finance company registered with the RBI. SEFL has emerged as one the major equipment financiers in India. SEFL is a 50:50 joint venture between SREI and BPLG and SEFL enjoys a pan-India presence with offices in 89 locations. SEFL has an experienced management team having significant expertise in the financial services sector.

The total asset under management of SEFL stood at Rs 18,747 crore as on September 30, 2015. SEFL reported profit after tax at Rs 27.62 crores for the quarter ended September 30, 2015, up from Rs 22.85 crores in the previous quarter. The gross NPA for the quarter ended September 30, 2015 stood at 4.43%, down from 4.94% a quarter earlier.

Indicative time period for Completion of Acquisition:

The Transaction is expected to be consummated by March 31, 2016, subject to obtaining the approval of the RBI as mentioned above and the satisfaction of customary conditions precedent applicable to transactions of a similar nature.

Srei Infrastructure Finance Ltd. Kolkata