



## Media Release

### **Andhra Pradesh Government and SREI in Public Private Partnership (PPP) Initiative.**

*Hyderabad, August 29, 2007:* SREI Infrastructure Finance Ltd. has picked up a majority stake in Andhra Pradesh Government promoted Venture Fund.

In consonance with the spirit of Public Private Partnership (PPP), the institutional stakeholders in the Fund titled HIVE recently invited corporate bodies with rich investment experience to partner HITVEL, the asset management company.

The Andhra Pradesh state institutions accepted the offer from SREI and agreed to divest 76% equity stake in HITVEL to its venture capital arm. The Shareholders Agreement was signed in Hyderabad today.

The prominent institutional stakeholders of HITVEL are the Andhra Pradesh Infrastructure Development Corporation (APIDC), Small Industries Development Bank of India (SIDBI) and Andhra Pradesh Infrastructural Industrial Corporation (APIIC) and others.

HIVE as of now is invested in companies, which have since set up their ventures and launched their products and services. Some of these companies have come to acquire a good mix of tangible and intangible assets and have business plans and aspirations to scale up their enterprises.

SREI will reinforce the management team of HITVEL with new strategy and direction given its rich history of investment experience, especially in building and funding of emerging and fast growing infrastructure companies.

In a statement shortly after the signing of the agreement on Wednesday, August 29, **Mr. Hemant Kanoria, Vice Chairman and Managing Director of SREI** said, “The mandate to SREI is a vindication of the state’s confidence in the company to forge strong partnerships within the PPP ambit.” Mr. Kanoria said SREI would endeavour to work alongside the investee companies in a bid to add value to their efforts and enhance profitability. Mr. Kanoria also spoke about raising the corpus of the Fund for investing further in companies in Andhra Pradesh.

The Public Private Partnership (PPP) Initiative has started to gain momentum in the country with a large number of state governments exhibiting a keenness to invite strong private partners to take over the mantle of developing critical infrastructure. SREI on its part has been quick to spot infrastructure opportunities and funding infrastructure building companies.

Mr. Kanoria felt that given the vast infrastructure funding requirement of nearly \$450billion, neither public nor private sector alone can fulfill this gigantic task ahead. “It is only through collaboration and partnership between government and private sector companies that massive and urgent need of infrastructure creation in our country can be achieved,” Mr. Kanoria opined.

The advantages of such partnerships lie in the institutions’ ability to raise funds and private sector’s innate strengths in the delivery mechanism. SREI as a partner has the requisite experience in project identification, project appraisal, project funding and project management. There is a symbiotic relationship between the two, and it is in this context that the initiative of Andhra Pradesh Government in inviting SREI to lead the management of HITVEL assumes significant importance.



### **About SREI Infrastructure Finance Ltd.**

SREI, the country's leading private sector infrastructure equipment, infrastructure project and renewable energy financing company commenced its operations in the year 1989. SREI is operating across the country with a network of 52 offices and has also expanded its operations overseas. SREI is the first Indian Infrastructure Financing Company to be listed on the London Stock Exchange (LSE). International Finance Corporation (IFC) Washington (World Bank Group), KfW Germany & DEG Germany (Financial Institutions owned by the Government of Germany), FMO the Netherlands (Financial Institution owned by the Government of Netherlands), BIO Belgium (Financial Institutions owned by the Government of Belgium) and FINFUND Finland (Financial Institution owned by the Government of Finland) are among the large stakeholders in the Company. The Company has recently entered into a strategic alliance with BNP Paribas Lease Group, a subsidiary of BNP Paribas of France for equipment financing business, besides expanding to new areas such as agriculture equipment, medical equipment, information technology and other equipment classes.

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