



“SREI Infrastructure Limited Q1 Financial Year  
2015 Earnings Conference Call”

August 4, 2014



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*SREI Infrastructure Finance Limited*  
*August 4, 2014*

**Moderator:** Ladies and gentlemen, good day and welcome to the SREI Infrastructure Finance Limited Q1 FY 2015 earning conference call hosted by IDFC Securities. As a remainder, all participant lines will be in the listen only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” and then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Manish Chowdhary from IDFC Securities. Thank you and over to you Sir!

**Manish Chowdhary:** Welcome everybody on this call. On behalf of IDFC Securities, I would like to thank the management of SREI Infra Finance for giving us the opportunity to host this call. SREI Infra management is represented today by Mr. Hemant Kanoria, CMD; Mr. D. K. Vyas, CEO of SREI, BNP Paribas; Mr. Bajrang Choudhary, CRO Infrastructure Project Development, SREI Infra; Mr. Sanjeev Sancheti, Group Head and Corporate Strategy and Planning SREI Infra; Mr. Kishore Lodha, CFO, SREI Infra, and Mr. Amit Agarwal, Chief Manager, Investor Relations. So without any delay I will hand it over to Mr. Kanoria who will open with the brief overview on the results. Over to you Sir!

**Hemant Kanoria:** Good morning everyone. Thank you very much for joining on this particular call today. We basically this first quarter as we had expected that the results would start improving, so we have seen an improvement in the profit. The profit has gone up by about 30% compared to the first quarter of last year. We see this trend should be continuing in the future now. The results have already been put on the site and you would have gone into the financial figures. My colleague, Sanjeev Sancheti, will give you all the detailed information on that but just to give you an overview that we had given a guidance that gradually from this quarter onwards we will start this financial year, every quarter will start diluting the investment that we have and the profit booking would take place. So in this particular quarter we have basically exited out of the Kingfisher loans and the interest has been booked in, which has come as the income in this quarter. Similarly going forward, we would like to do the same thing for the other investment that we have in telecom tower, in roads, and other sectors. As we had also mentioned earlier that there is no stress that we have to sell without realizing value. Like the Kingfisher loan also in spite of the fact that the whole market felt that it was not the right decision, but because the loan was well ring fenced and we exited at the right time when we saw the value was good enough, we did not go in for open offer, but we sold the shares in the market because we had the authority to be in a position to do that and also demonstrate that the money was safe and the interest has come to all the investors and whatever SREI had invested also they have got their interest on that. In general, after this particular new government which is coming, in the road sector primarily what the government has announced and the minister has been proposing that they would like to go



*SREI Infrastructure Finance Limited*  
*August 4, 2014*

in for larger number of EPC contracts because there is less appetite on the BOT projects because financial institutions are stressed at this juncture and many of the earlier concessioners are also up to their brim. So therefore the government is deciding to go in for EPC contract, which is good news for us especially in SREI BNP where we do equipment financing because as soon as more EPC contracts are awarded by NHAI and the Ministry of Road Transport, the advantage would be that there would be more demand for construction equipment and also the clients, especially the contractors who are not having too many orders, they will start getting more orders, which will help them in restarting their cash flows and when the contract comes from National Highway, Ministry of Surface Transport. It is always good because it is from the Central Government where there is no constraint on funds. Many of the state government contracts usually get stuck up because their expenditure is always more than the budget, but the central government has the privilege of issuing government bonds and raising money, so therefore the money is never stuck up for the contractors because of not having money in the office of the government. So I think from the next quarter onwards the new contracts will get awarded and this year third and fourth quarters there will be a pick up in the construction equipment sales and also the contractors' cash flow cycle will restart, but still we will have to wait for a couple of quarters to see that. In the infrastructure project financing side, what we will be going forward to do is that, again roads as I said that there will be a little slow movement in financing of new road projects. Power also because of the stress which is there in the power sector in general until it is sorted out by the government and streamlined, it will take time for new power plants to come up and also for us to restart financing the power sector, but where we see opportunities could be in two to three new areas, which have been included in infrastructure sector, which is hospitals, hotels, cold chain, etc., where the loan amounts will also be lower, so we are evaluating, we are doing a full detailed risk mapping on that and as soon as we are ready we will launch the financing in these sectors which will help us to increase our portfolio for infrastructure financing. So these are the two to three things which we will be concentrating going forward in the next couple of quarters and the cost cutting, reduction of the interest cost, diluting various stakes, etc. that will be an ongoing process to see that how the profits can increase quarter-to-quarter. Also on the NPA, we have taken a very conservative policy. We have been providing for NPAs. We have been basically also taking into account bad debt which we are writing off because it also helps in conservation of cash for the company and as we keep on it, it is not that all these money will be written off finally because we have equipment against that in the equipment financing. We have also taken collateral property in many of the cases; especially the larger one and we are also selling off some of the properties in conjunction with the owners. So therefore we do not usually go in for legal cases. We do it in collaboration so that the sale becomes easier and the process also is factor. So we have taken up all these particular actions on the NPA side so therefore going forward we are not overly worried but definitely



*SREI Infrastructure Finance Limited*  
*August 4, 2014*

there has to be, the performance would be seen by way of what we are actions doing on the ground and let me assure you that we are taking all possible actions which is practical and we are quite sanguine that things should be picking up and we can see some signs. The mood is quite good now and especially in India and almost every sphere. So I will hand over to my colleague, Sanjeev Sancheti. He will just go through the financial numbers and then Mr. D. K. Vyas will just give a very quick brief on the SREI Equipment Financing. Thank you.

**Sanjeev Sancheti:**

Good morning. Just very quickly run you through the numbers. I will start with the consolidated earnings of SREI for Q1'FY'15. What I would also like to do is that largely while we will give you the figures of both this quarter and the corresponding quarter, but what is important is compare it with the trailing quarter it was last March, which we have already said that should be the bottom for us. If you look at the income from financing activity, it has gone up from 673 Crores from the previous quarter of the previous year to 828 Crores in the current quarter. Whereas for the trailing quarter, it was 745 Crores. Profit before tax for the current quarter is 97 against 80 in the previous year, whereas it was 9 Crores in the trailing quarter. I will now go to the SREI Equipment Finance numbers for a similar comparison. If you would look at the numbers then the income has gone up, the disbursements have actually picked up a little bit this quarter and we have done about 2633 Crores against the previous quarter of 2525 Crores and the last March quarter at 1177 Crores. Income from financing activity has been at about 578 Crores, against 579 Crores at the previous quarter and 616 Crores from March. Profit after tax has been 63 Crores for the current quarter, against 69 Crores for the previous year same quarter, but the trailing March quarter was only 23 Crores. Cost of funds has remained flat over the previous year, but it has improved over the March quarter, the cost of funds have gone down from 11.2% in March 2014 to about 10.8% in June, whereas the yield had gone up slightly from 14.5% in this quarter against the previous year same quarter of 14.3%. Gross NPA as you would see has significantly gone down, as I was telling you that March numbers would be the peak for the cycle and it was at 4.8%, it has gone down to 3.6% in June 14, as I had already told that Q-o-Q we should see the gross NPAs going down, so the trend is very visible now while it is still higher than June 13, but we are very sanguine that this number over a period of time over the next 12 months should come down. Coming to SREI Infrastructure finance standalone numbers, the disbursement as already guided by Mr. Hemant Kanoria that we are still very cautious on disbursements, our disbursements are still low at 584 Crores against 970 Crores in the previous year same quarter. The income from financing activity has gone up to 545 Crores from 384 Crores in the previous quarter and from 448 Crores in the trailing quarter March 2014. The profit after tax has gone up from 21 Crores in the previous year to 37 Crores in the current financial year, but it is significantly higher than the trailing quarter profit of 9 Crores. The cost of fund has come down again as we had guided



*SREI Infrastructure Finance Limited*  
*August 4, 2014*

earlier from 12.3% in March 2014 to about 11.8% in the current quarter. The gross NPA has gone up slightly from 2.4% to 2.9%. We do not see any further significant increase in the gross NPA and should be able to hold on to these levels around 3%. This is more or less about the results on the numbers side. Now I would like to hand it over to Mr. D. K. Vyas, who would run you through the equipment finance business.

**D. K. Vyas:**

Hi good morning. Equipment finance side, the equipment sale for construction and mining equipment, there has been a bit of degrowth in sale of equipment in the industry. There is degrowth of around 15% to 20% on the sale of equipment and large customers buying the equipment are reduced substantially, but the retail sales is happening. The smaller equipment retail sales, there has been a growth in sale of equipment and that is how our portfolio retail also has grown. We have also focussed on the retail business. Apart from the construction mining equipment, we had a good growth in our medical equipment business in the last quarter. We also had started as I said in the last call about used equipment financing and that has picked up well, used equipment gives us good margin and also relatively less risk in the business small ticket and the good quality equipment, so we had good growth in terms of healthcare equipment, used equipment, material handling equipment, and these equipment we started focussing last six months onwards and we see a good growth. As Hemant said in the beginning that we will see equipment sales growth happening from maybe next quarter onwards. December quarter onwards we should see good pickup in the equipment sale so hopefully the growth in construction mining equipment also should be back from the December onwards. So overall retail sales is doing well, retail portfolio is behaving much better. Strategic portfolio is a bit of stress, but been able to manage well. As you see NPA has come down from our 4.9% to 3.6% in last quarter and we see this trend to continue to improve Q-o-Q in terms of our profitability and also on the NPA side.

**Hemant Kanoria:**

Now I would like to open it for questions and answers, so whatever questions that you have if you please call out your name and mention the question and then we will just answer that.

**Moderator:**

Thank you. Participants we will now begin with the question and answer session. Anyone who wishes to ask a question may press "\*" and then "1" on their touchtone telephone. If you wish to remove yourself from the question queue you may press "\*" and "2." Participants are requested to use handsets while asking a question. We have the first question is from the line of Mr. Sudhakar Prabhu from Span Capital. Please go ahead.

**Sudhakar Prabhu:**

First of all, let me congratulate for good set of numbers. I have couple of questions, my first question is regarding your equipment finance book, as you already mentioned in your opening commentary that you expect some growth in the second half. So my question is what kind of growth do you expect in the second half and going into FY'16?



*SREI Infrastructure Finance Limited*  
*August 4, 2014*

**Hemant Kanoria:** I think in the second half you do not see much of growth and it will be basically from the third quarter of this financial year and gradually as I said that it will be difficult to mention that now. We hope that there will be growth because the road transport minister announced that they will be coming out with large number of EPC contracts in this particular quarter from September onwards. So in September we see that the large number of contracts announced then it will be pickup from the third quarter, otherwise it will be pushed to the fourth quarter. So it is all dependent upon what are the announcements which are going to come. We are only hopeful about these things happening.

**Sanjeev Sancheti:** I think towards the end of probably the second quarter, like we said last time also by the end of the first half we should be able to be in a better position to actually put a finger on exactly how we are moving on that.

**Sudhakar Prabhu:** Right and if you look at your NIMs, NIMs have improved by almost 50 basis points in the current quarter how sustainable are the NIMs?

**Hemant Kanoria:** Basically the NIMs have improved because of two reasons, one that there was the investment, which was in the debt fund. NIMs in BNP Paribas has improved because of our change in the portfolio mix also and one thing is because of our floating interest rate we have been able to protect and improve a bit it, but the major reason would be financing of used equipment and rural equipment financing, I think that if you see has become around 3% to 4% of our portfolio and that is the high-yield business, which gives us the interest rate around 17% to 18% so that really helped us to push on and I think that is sustainable because we are going to grow that portfolio Q-o-Q.

**Sudhakar Prabhu:** Sir, your gross NPA is also down sequentially so any target for gross and net NPAs for the end of this year, can you see the gross NPA going below 3%?

**Sanjeev Sancheti:** As Hemant said let us see how it evolves in the year, it is very difficult to predict anything, but we are quite hopeful that we should be able to manage it well and our endeavor is that only, but at the moment very difficult to say, let us wait and watch till December, I think we will be able to have a better prediction by that time.

**Hemant Kanoria:** We do not see it increasing and but how substantial will be the decrease that would be seen, because as I said that we are well secured by way of the equipment that we have and also we have taken a lot of properties as collateral in the year 2011 and 2012, when we saw that some strain was coming before the banks could do it so we have taken collateral, but it does not mean that we should sell off all those collateral that is going to give us the assurance that the money is not going to go down the drain, but it will take sometime because we have to be with the clients also to help them to come out of this down turn.



*SREI Infrastructure Finance Limited*  
*August 4, 2014*

**Sudhakar Prabhu:** Thanks, but overall trend is down, right. My another question is on your infrastructure portfolio, you are saying that this quarter includes one-time income or something in your net income?

**Sanjeev Sancheti:** The income from the fund we have got about 120 cores, but the whole of it is obviously not one time because there is something which is accrued in the current quarter and something to the previous quarter, which has accumulated the fund which has come up. So, there is some amount of increase because of that and that is why the NIMs have gone up, but I would say that the NIMs will still be sustainable at about slightly more than the last year.

**Sudhakar Prabhu:** And out of the Kingfisher portfolio 400 Crores, how much is that funds sold off?

**Hemant Kanoria:** Everything.

**Sudhakar Prabhu:** Everything is sold off?

**Hemant Kanoria:** So we have totally exited. We sold out the entire USL shares and we got the money so the investors have got their money along with the interest and amount which was balance was about 600 odd Crores, which has been deposited with the Bangalore High Court for the other lenders to do whatever they want to.

**Sudhakar Prabhu:** So the outstanding interest has already been accounted right in this quarter?

**Hemant Kanoria:** Yes, everything, it has been closed now, so therefore we have totally exited out of that investment

**Sudhakar Prabhu:** Sir lastly any progress on the Viom stakes sale?

**Hemant Kanoria:** As I mentioned also that the process is on for Viom, for road, so we are evaluating and now you might have noticed that in this last budget in the month of July, the government has also announced infrastructure investment trust so therefore we are now evaluating that as the third option, which is available so the three options which are available to us is now through the infrastructure investment trust, IPO whether in the domestic market and external markets and private equities. So we are evaluating all these three and we will see wherever we can optimize the value, we will dilute accordingly and take that decision

**Sudhakar Prabhu:** Okay. Thank you Sir and all the best. I will join the queue.

**Moderator:** Thank you. We have the next question is from the line of Amit Sonthalia from SKS capital. Please go ahead. Excuse me Sir Mr. Sonthalia is just out of the queue, will pursue the next



question that is from the line of Sameer Dalal from Natverlal & Sons Stock Brokers. Please go ahead.

**Sameer Dalal:** You mentioned 120 Crores was the income from the sale of Kingfisher that you have registered in the current quarter, can you give a breakup of how this 120 Crores registered in the sense how much of it was the actual interest component and how much of it was the one-time profit?

**Hemant Kanoria:** There is no one-time profit, actually this was the loan which was novated by ICICI, so therefore it is only interest income, which has come in and we do not get any spillover, so the spillover is deposited in the court, which is close to about 650 Crores, so two years back in retrospect we are thinking that if we had taken that particular risk of just keeping the investment then we would have made 650 Crores as profit.

**Sameer Dalal:** So you are saying 120 Crores that is just the interest component?

**Hemant Kanoria:** Yes, it is interest component

**Sameer Dalal:** And this is for how many quarters?

**Sanjeev Sancheti:** This will be about seven quarters, but out of that a part of it is also the default interest, which normally is accounted at the time of exit.

**Sameer Dalal:** So if I were to ask you in another way, if I were to look at my yield on funds this time has come in at 18.6% as per what you have given in the presentation, if I were to remove this income that came because of the sale of company, what could be your average yield on funds on the rest of your portfolio?

**Sanjeev Sancheti:** I think what you need to do is just remove about 85 to 90 Crores on the income side to get the yield, so we can work out the numbers, but about 85 to 90 Crores would be for previous quarters.

**Sameer Dalal:** So roughly going forward, what do you think would be a sustainable kind of yield on fund?

**Sanjeev Sancheti:** So coming to your sustainable kind of yield for the project finance, I would say it will be closer to about between 14.5 to 14.75, 14.75 probably on a Q-o-Q basis.

**Sameer Dalal:** So basically have you all increased the rate of interest to your borrowers?



*SREI Infrastructure Finance Limited*  
*August 4, 2014*

- Sanjeev Sancheti:** No, we have not. As I told you that we will see some decrease in the cost of fund so in the current quarter if you see we have already had some reduction in the cost of fund for about 40 basis points, so we have not increased anything unless we see a reversal in trend.
- Sameer Dalal:** As you indicated, yield of funds will be 14.75% and last in March, you had 14.6 that is why I was asking on
- Sanjeev Sancheti:** So that 0.15 interest is also because this money which has come in from Kingfisher, we were not accruing that income anywhere Q-o-Q that money on 400 or 500 Crores, will also get accrued so obviously yield will increase because up to last quarter it was zero.
- Sameer Dalal:** You were not earning any interest on that?
- Sanjeev Sancheti:** We were not accruing it in our books. Apart from that Sameer I must add that we have also made higher provisioning this time because we had higher income so we have made about 77 Crores of extra provision over and above the requirement.
- Sameer Dalal:** That is why, my next question was why such a high provisioning?
- Sanjeev Sancheti:** So that is exactly I said we thought that we will have some buffer now so that if there are any provisional requirements in the coming quarter this can take care of it.
- Sameer Dalal:** And also the gross NPAs have gone up from 2.4 to 2.9, any particular loans which defaulted, anymore in the pipeline which you see could be turning NPAs where there is some stress?
- Sanjeev Sancheti:** I do not think any new account should come in, very difficult to just tell now, but at this point in time we do not see new accounts coming in. There is no very large portfolio, which has gone NPA. There are possibly three small portfolios, which have technically gone in NPA for which we have provided the technical provision.
- Sameer Dalal:** Just to follow up on one of the questions asked earlier, on the equipment financing you said that NPAs have come down, in the last conference call you had mentioned that one of the companies that you had lent to had got an NPA because of elections and they were not able to get the release of funds from the government, so is that one that has turned back to the normal category or is that yet to move back to normal and something else, if you can just give some guidance on continuation of what you have said in the last quarterly call?
- Hemant Kanoria:** No, it was not the one of the companies, basically most of the construction companies were not able to get the money from the government because of the elections, both at the State



*SREI Infrastructure Finance Limited*  
*August 4, 2014*

level and the Central level, so gradually the money started getting released from June, July onwards, so therefore we can see the effect coming in and it all happens gradually, so therefore we would see that in the next three, four, five months, some substantial money will keep on getting released from time-to-time by the State Government and the Central.

**Sameer Dalal:** Yes, so that is what I was asking, what you had classified as NPAs in the last quarter, how many of those have come back into the standard asset book, is there nothing of that has still come back into the standard asset book?

**Sanjeev Sancheti:** Samir, I think we need to go back to the specifics on this, we will just check that, but obviously some of them would have reversed.

**D. K. Vyas:** Because there are a large number of cases, it is very difficult to give one specific odd case because when money did not come from one stage, it does not come from few customers, then again it will come, so at the moment we do not have very specific norms, we have not compared like that because overall portfolio we calculate and see, make the provisions.

**Sanjeev Sancheti:** But I can come back to you on how many numbers have reversed.

**Sameer Dalal:** Okay and last question on the NPA provisioning, also I heard Sunil Kanoria speaking on TV earlier, he mentioned something that provisioning would remain high for the next couple of quarters as well, what kind of provisioning are you looking at having over the next couple of quarters, how much buffer do you want to create above the required limit and where do you think you would be comfortable at, where you would like to end provisioning at the end of the year?

**Sanjeev Sancheti:** If you see our net NPA for equipment business, our net NPA is 2.7%, gross is 3.6, so we keep evaluating because we are very conservative in terms of approaching, we just do not follow RBI norms, we go beyond that. In terms of making provision we have RBI norms and our management estimate, so we really actually evaluate each and every customers and see whether we have a little doubt that okay, money may get delayed, we just try to make that provision, so that way we will keep evaluating quarter-on-quarter and try to improve our coverage ratio. At the moment net NPA is 2.7, we should bring it below, let us see how much we can bring it because as we say we have to wait for another two quarters to see the actual trend and if you ask me which could be that, we will try to bring it below 2, but very difficult to put a number now, let us see we will definitely try to make it low.

**Sameer Dalal:** One last question, you had this loan to Deccan Chronicle where you had a lot of assets which you will be looking to dispose off, I think in the last quarter and the quarter before also you mentioned that it could happen in the next quarter or two where do we stand with



Deccan Chronicle collection of your funds on disposal of assets and how long do you think it will actually take now?

**Hemant Kanoria:** That process is already on the sale of property, as you know when we are selling the property, it takes time in India so therefore that is the whole process and now we had gone to DRT, so we have got the approval of the DRT. The DRT had appointed a receiver who had taken a symbolic position and those particular processes are all over now. Now we are going to just put it on action so that we get the right value because we are going through the DRT, so that tomorrow a person who is buying it does not get into do it. We have taken the consent of the borrowers also, so that they do not create a problem, but we are going through the DRT process so that the buyer ultimately also does not face any problem.

**Sameer Dalal:** Have you got some valuation done for this property that you are selling and what was the value that comes out of that property if you have done it and how much of the loans does it cover?

**Sanjeev Sancheti:** After the provisioning which you have already done okay we maybe just slightly below the property value, so there is not much of a difference between the balance amount, net of provision and the amount which we can get out of sale of property.

**Sameer Dalal:** So what is the valuation that you have currently managed to get for this property if you can throw a number?

**Sanjeev Sancheti:** Out of the five properties, we have not started the process on all the five properties, we started on three properties out of that, so I will have to get back to you with exact numbers on that, but out of the five properties as I told you earlier three properties are the one on which we are working on sales.

**Sameer Dalal:** Okay and also any other NPAs that you have where you are looking to sell and by when do you see any money coming in, if you can give an guidance would this happen in Q2 where some sort of funds would get released, would it be Q3 earliest or Q4 or next, some sort of guidance when we can expect some of these assets to actually finally get sold?

**Hemant Kanoria:** It will start from the next quarter on, from this quarter onwards. We are looking at one of the NPAs, which we have provided for KS oils, which has a wind farm, so finally the process was undertaken by SBI Capital and it has been going on for the last one-and-a-half, two years because you know how the banks are, the whole process is very slow so we had moved to the Calcutta High Court and we have now forced them to sell it within the next 15 days, otherwise it will be handed over to us for sale and that is what we are now pleading with the court to allow us to do it, so that we can do it expeditiously instead of just holding



it and if you can do that then by September we should get that money coming out and though we have made an NPA provision, but we should realize the money from there. There are some cases which are basically large cases where we work in a concerted way to see that how we can resolve those issues and if it is our hand then it becomes easier, but when there are other bankers which get involved then the process get a little slower.

**Sameer Dalal:** So you just mentioned that in the next 15 days may be KS oil wind farm will get sold, what percentage of that sale would come to and how much of your exposure would that cover?

**Hemant Kanoria:** That we can come back with the specific.

**Sameer Dalal:** Can you give at least what is the KS oil NPA at the moment?

**Hemant Kanoria:** We will just come back on that.

**Sameer Dalal:** Okay, so I will just go back to queue if I have more questions.

**Moderator:** Thank you. The next question is from the line of Pritesh Bumb from Prabhudas Lilladher. Please go ahead.

**Pritesh Bumb:** I just wanted to know about the management's view on the treasury stock which we hold on our investment book, I hope we hold it on the investment book, we hold about 48.6 million shares of Srei.

**Sanjeev Sancheti:** Yes, that is about 9.66%.

**Pritesh Bumb:** What is the plan going ahead on the treasury stock?

**Hemant Kanoria:** The plan is that the day we achieve a price of 200 we will sell it.

**Pritesh Bumb:** So you want to sell it in open market right, something we want to monetize, right.

**Hemant Kanoria:** We will do monetization, but we feel that the price once it reaches 200, then it will be worthwhile selling it because today we feel the stock is quite undervalue and we feel that the appropriate valuation should be 200. So therefore we do it at that time.

**Pritesh Bumb:** Fair enough.

**Hemant Kanoria:** That is our view, we may be wrong, but market may not view that way, but that is our view.

**Pritesh Bumb:** The thing is that you have about 211 Crores worth of equities hitting in your books...



- Hemant Kanoria:** As on today's value.
- Pritesh Bumb:** If you are doing more of leveraging on your equity, so I was just wondering about if you monetize on this and you lend to your businesses whether the opportunity...
- Sanjeev Sancheti:** So at the right moment obviously, as we have already told, the opening statement was made that one-by-one we are looking at exiting some of these investments and we are absolutely focused on that. It is a combination of the right time and the right value. It does not mean that we are going to stretch it endlessly, but the whole team is very focused on doing that and we are very conscious about that.
- Pritesh Bumb:** My second question is I think I was also looking at your equity investments and Q-o-Q I see that transportation investments has increased by 200 Crores, so what kind of equity investment we have made in that?
- Sanjeev Sancheti:** Basically this is an investment which is a technical issue. It is a debt structure, but because of the company's requirement it has been to be clubbed as an equity, it is restructured. So that is the difference.
- Pritesh Bumb:** So you just transferred it from debt to equity, right. I have hope that your USL shares which you have sold, it is not in the investments now?
- Sanjeev Sancheti:** Never in the investment, it was a debt fund, that has been sold and it is out of it.
- Pritesh Bumb:** Fair enough and third question is on the Viom stakes, just a little update if I missed it earlier. Can you give a little more elaborate timeline now? I think the process would have gone a lot ahead because this has been talked for the last three to four quarters?
- Hemant Kanoria:** I think basically you are right, last three to four quarters we have been discussing and evaluating various options, but every time new option comes in, which gives us a hope that we can get a better value and the whole objective is to optimize the values. Now, in this budget the infrastructure investment trust has coming and which gives a new opportunity, so therefore now we are just evaluating that to see the investment bankers, so therefore we have three tracks going on simultaneously; one is on the infrastructure investment trust, another one is IPO route, and the third is brining in private equity guys. All the three processes are going on simultaneously. The idea is to optimize the value. So therefore during the financial year of 2014-2015, we are surely going to get the dilution and whatever actions have to be taken we would definitely do that. But at present, it is just all work in progress.



*SREI Infrastructure Finance Limited*  
*August 4, 2014*

**Pritesh Bumb:** So, in one quarter it will be decided and what route to take right. Just a related question to that, what are you going to do with that money, will it be more leverage or will it be lending to existing business through equity, just wanted to understand how you are going to use that money?

**Hemant Kanoria:** Actually, the business of the company is to lend, to invest, so therefore we will look at opportunity. Immediately it will get deployed towards the lending book and as soon as we see that there is any opportunity in the future which crops up in the infrastructure sector then we will evaluate it, but at this juncture it will be too early to say that. So at this present moment we would be putting it through the business.

**Pritesh Bumb:** Thanks. That is all from me.

**Moderator:** Thank you. We have the next follow up question from the line of Sameer Dalal from Natwarlal&Sons Stock Brokers. Please go ahead.

**Sameer Dalal:** One more quick question. Any amount of restructuring or rescheduling of loans that you have done, which are not part of the NPAs, can you give me a number for that one?

**Hemant Kanoria:** No, we do not do any restructuring.

**Sameer Dalal:** No loans have been pushed back for later payments or any of that sort of things?

**Sanjeev Sancheti:** In fact, there were three cases where we have provided this quarter in the infrastructure.

**Sameer Dalal:** And that will be in part of the NPAs or that is not?

**Sanjeev Sancheti:** It is a part of the gross NPA.

**Sameer Dalal:** Okay, thanks, that is the only one I had.

**Sanjeev Sancheti:** If there are no more questions, then I would like to thank all the participants and also IDFC, Manish for coordinating and arranging this call. Thank you very much.

**Moderator:** Thank you. Ladies and gentlemen, on behalf of IDFC Securities that concludes this conference call. Thank you for joining us. You may now disconnect your lines.