



Srei: We Make Tomorrow Happen

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In 1989, fuelled by the entrepreneurial zeal to make tomorrow happen, Srei started financing of infrastructure equipment. 21 years in operation, Srei has empowered over 20,000 entrepreneurs through its bouquet of services in the infrastructure sector: Infrastructure Equipment Leasing & Finance, Infrastructure Project Finance, Advisory & Development, Insurance Broking, Venture Capital, Capital Market, Telecom Infrastructure, and Sahaj e-Village.

Srei has created creditable milestones for itself during this journey in the Infrastructure space, being the first in almost all stages of the infrastructure value chain, be it financing of infrastructure equipment, being among the first Indian NBFCs to access the international market for funds, the first Indian infrastructure financing NBFC to get listed on the London Stock Exchange, the very first Company to pioneer the concept of passive telecom infrastructure in India or creating a rural IT infrastructure set-up in the form of Srei Sahaj e-Village Limited.

Srei's competitive edge and the ability to provide all possible infrastructure related services under one umbrella makes it the most preferred partner for most infrastructure players in India.

The Evolution: Towards Creating A Better Infrastructure For Tomorrow

When Srei started its operation, India was going through one of the most difficult and testing times economically and considerable investment was required in each of the infrastructure sectors namely road, power, port, aviation and urban infrastructure. There was hardly any quality investment in the then existing infrastructure projects. Moreover, infrastructure was synonymous with the Government with

hardly any room for Public Private Participation (PPP).

Although, infrastructure creation was normally in the Government domain, Srei was hopeful that the government would realise its own limitation in exclusively trying to create world class infrastructure in India and would finally encourage private sector participation. With this conviction, Srei had started its journey to create world class infrastructure for the country. Srei entered a domain which required extensive experience, deep knowledge, tremendous expertise and of course large sum of money.

It seemed intelligent and at the same time audacious to start an infrastructure financing company with such a small

sum. But Srei's intention was noble, the resolve was firm. Srei wanted to make it happen and it had to make it happen. Srei started getting support from institutional investors and bankers who firmly backed Srei's belief in itself.

Srei was born then - a child of a belief, a belief in the ability to help create a better infrastructure for tomorrow. Srei wanted to address two of the most critical problems in the country then - financing and infrastructure. Both these were difficult areas and therefore Srei sensed an opportunity.

With such limited initial capital, the closest that Srei could get to the infrastructure domain was by financing equipment to contractors and construction companies. Financing of construction equipment was seen as a high-risk business. But then, Srei decided to choose a path less travelled. What apparently was a risky business to others, to Srei it seemed to be more of an opportunity rather than a challenge.

Srei kept on expanding and today we are the Indian market leader with around 30% market share in infrastructure equipment financing despite the fact that we are competing with global giants. Knowing that with global competition,

Srei pioneered the concept of Equipment Bank in India under the brand-name 'Quippo' in 2002. Today we provide equipment on lease, loan, hire purchase, rental, deposit, auction, valuation, maintenance and insurance.

retaining market share would be more difficult, Srei donned its thinking cap and added other products and services so as to make the Company that extra special to our customers and at the same time stay ahead of competition.

Pioneering Equipment Rental Business

Srei pioneered the concept of Equipment Bank in India under the brand-name 'Quippo' in 2002. Quippo developed into a full-fledged equipment rental business and gradually has expanded into separate verticals like telecom, construction, oil & gas, etc. Today we provide equipment on lease, loan, hire purchase, rental, deposit, auction, valuation, maintenance and insurance.

Partnership With The Tatas

In 2009, Quippo Telecom Infrastructure Limited (QTIL) announced its partnership with Tata Teleservices Ltd. (TISL) with the merger of their passive infrastructure businesses, resulting in the formation of a unified entity - Viom Networks Limited. The company further strengthened its leadership position with the acquisition of the tower arm of Tata Teleservices (Maharashtra) Limited in early 2010.

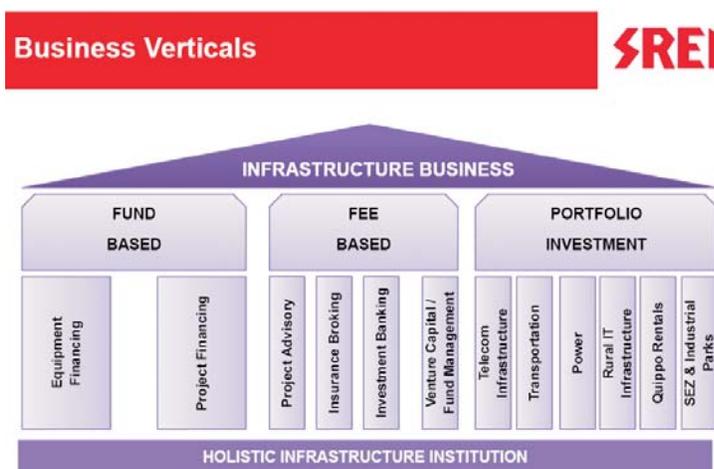
Forward Integration To Project Financing, Advisory And Development

Srei realized that to scale up its activity, forward integration was necessary. To figure among the Big League of infrastructure players, we could not be solely dependent on a single source of business, in our case, equipment financing. Thus, Srei decided to foray into financing of infrastructure projects and today in the project financing domain, we are present in almost all infrastructure sectors like roads, power, ports, aviation, railways and urban infrastructure.

We are now providing debt, equity through various funds that we manage, extend advisory services to both the government and private sector clients. We help the government to conceptualise infrastructure projects, assist them by preparing a bankable project report, support them in tendering through a transparent process and then cater to the requirements of the successful bidder. In several of

the projects, Srei has partnered with various construction firms who have been our clients for years. With them Srei has taken a consortium approach in bidding for projects. Thus, today we enjoy a presence in the entire infrastructure value chain. Some of the projects where we have provided advisory services are Ganga Expressway, 8-Lane Access Controlled Expressway from Greater Noida to Ballia; Uttar Pradesh, Non Tollable Inner Ring Road at Agra with elevated section upto Taj Mahal; 4-Laning of Rohtak-Bawal section of NH-71 in Haryana; 4/6-Laning of Thrissur - Angamali, NH47, Kerala; Review of Industrial Growth Centers at Haldia, Falta Phase I, Falta Phase II and Kharagpur etc.

Srei's unique business model drew the attention of investors, both domestic and global. Today we have institutions like IFC - Washington (of the World Bank



group), FMO - Netherlands, DEG - Germany and BIO - Belgium as stakeholders in Srei.

Partnership With BNP Paribas

In 2008, Srei entered into a strategic partnership with BNP Paribas Leasing Solutions, the leasing arm of BNP Paribas, France and hived off its equipment financing business into a 50:50 JV under the name of Srei Equipment Finance Pvt. Ltd. Through this JV, besides equipment financing, we have diversified into financing of other equipment classes like IT Equipment, Agriculture Equipment, Healthcare Equipment, Office Automation and Equipment in Education sector.

Infrastructuring Rural India

Srei also started a unique initiative aimed at bridging the

urban-rural digital divide through its subsidiary, Srei Sahaj e-Village Ltd. Srei Sahaj has a mandate of setting up over 28,000 Common Service Centres (CSCs) in six states viz. Assam, Bihar, Orissa, Tamil Nadu, Uttar Pradesh and West Bengal, offering to the rural households a host of G2C and B2C services on an ICT platform. This business model of empowering individuals (VLEs running the CSCs) is also an employment-generation arrangement that gives a full-time job to the VLE.

Synergistic Integration With Quippo

In 2009, Srei decided to merge Quippo with itself, to create a much larger single entity to house all the infrastructure businesses together, thereby significantly augmenting shareholder's value and also increasing the net worth to enable further growth in the sector. Post amalgamation, the net worth of the Company is expected to be approximately Rs. 2,900 crore.

Significant Milestones

21 years of the Growth story

- 1989 - Started operations and identified infrastructure as the core sector.
- 2002 - Promoted India's first Equipment bank - QUIPPO.
- 2005 - 1st Indian NBFI to be listed on the London Stock Exchange.
- 2008 - JV with BNP Paribas Leasing Solutions. 100% subsidiary of BNP Paribas.
- 2009 - Strategic partnership with Tata Group for Passive Telecom Infrastructure business.
- 2010 - Synergistic integration of Srei and Quippo to create a fully integrated Holistic Infrastructure Institution.

The Infrastructure sector has witnessed an unequivocal transformation over the last decade. The link to the growth of any nation depends upon its infrastructural development that has an impact on the way we live and must not only be heralded but also accompanied and followed by infrastructural development and expansion. As such, Srei, as a Holistic Infrastructure Institution is very uniquely poised in the infrastructure space towards contributing to infrastructural development in order to make a better tomorrow. The journey for Srei has only just begun.