

Srei plans significant capital infusion

Kolkata, July 01, 2021: Srei Infrastructure Finance Limited, and its wholly-owned subsidiary Srei Equipment Finance Limited, have announced plans to raise significant capital in both the companies.

Srei Infrastructure Finance has announced its plan to raise capital by way of issue of one or more instruments through public offer/qualified institutional placement ("QIP")/private placements/preferential issue/rights issue. The board of directors in their meeting today has passed a resolution to raise up to Rs 2,500 crore.

Srei Equipment Finance has received a term sheet from Singapore's Makara Capital Partners for investment of Rs 2,200 crore by way of capital. It has also received a term sheet from USA-based Arena Investors LP for investment of Rs 2,000 crore. The company's Strategic Coordination Committee ("SCC"), consisting of Independent Directors, is evaluating the proposals and taking necessary steps. The company has received expressions of interest ("EoIs") from several other global private investment firms, including from Cerberus Global Investments, Charlestown Capital Advisors, CarVal Investors LP, Varde Partners Asia Pte. Ltd. and Maystone Capital.

Many investors have expressed their desire to invest in Srei, which has been supporting and financing India's construction and infrastructure sectors for the last 32 years as one of the leading financial institutions.

The outbreak of coronavirus in India in 2020 and the peaking of the second wave of the pandemic in 2021 have severely affected MSME construction companies and infrastructure companies. With infrastructure activities significantly slowing down, claims and arbitration awards getting delayed, cash flows of Srei's borrowers have been affected, which has resulted in a debilitating situation for all. This has also created a mismatch in Srei's cash flows for the first time in 32 years as it has been supporting its customers.

With the pandemic still looming large and affecting lives and livelihoods, Srei has made consolidated provisions of Rs 5,513 crore during the year ended March 31, 2021, in compliance with the regulatory requirements on provisioning. This has impacted Srei's profitability with the company reporting a consolidated net loss of Rs 7,338.39 crore in the year ended March 31, 2021. The consolidated total income during the year was Rs 3,487.54 crore and the consolidated assets under management ("AUM") was at Rs 39,498 crore as on March 31, 2021.

Srei Infrastructure Finance Limited

CIN: L29219WB1985PLC055352

'Vishwakarma', 86 C, Topsia Road (South) Kolkata - 700046

Tel +91 33 61607734 Fax +91 33 22857542 / 22858501

Email corporate@srei.com

The first wave of the pandemic had affected the infrastructure sector and the second wave has been more virulent. The construction and infrastructure sectors have been severely affected and their cash flows have been deeply impaired.

In the wake of this once in a hundred years pandemic, it has become imperative for the government and regulators to understand the specific problems of the players in the infrastructure sector, both financiers and operators. If the financiers' and their borrowers' problems are not resolved, it may result in wiping out many companies, which will later lead to higher cost for infrastructure creation as only few players will remain.

Srei has been working closely with its clients for resolution and recovery but it will take time and patience to resolve the problems. However, since most of Srei's loans are backed with assets and cash flows, Srei remains confident of making significant recovery once the macro situation stabilises.

Srei Infrastructure Finance also announced the appointment of Mrs. Deepali Pant Rajeev Joshi as an Independent Director on its Board. Mrs. Joshi holds a Ph.D. degree in Politics, B.A from University of Allahabad, L.L.B. from University of Lucknow, Diploma in Management from I.G.N.O.U., Delhi. She has done Masters of Arts (MA) in Political Science and International relations. She has also done postdoctoral work in Finance and Economics from the University of Harvard and is a fellow of the Harvard University Asia Centre. She was associated with the Reserve Bank of India ("RBI") since 1981 and has served at the Central Office/ Regional Offices of the RBI. She has headed as Executive Director Position in RBI. She has over 42 years of experience in macro-economic policies with regard to Banking Services.

About Srei Infrastructure Finance Limited:

Srei Infrastructure Finance Limited, constantly and consistently, has been delivering innovative solutions in the infrastructure sector. The Company has been playing a significant role in nation-building for more than three decades, both in urban and rural India. Its expertise involves infrastructure advisory, structuring and syndication solutions, investment banking advisory, fund management and insurance broking.

About Srei Equipment Finance Limited:

Srei Equipment Finance Limited, a wholly-owned subsidiary of Srei Infrastructure Finance Limited, has been an industry leader in construction and mining equipment financing and structured infrastructure financing. The Company enjoys a pan-India presence and has an experienced management team having significant expertise in asset backed financing and structured credit.

Media persons, for further information, please contact:

Somasroy Chakraborty

Vice President – Corporate Communications
Srei Equipment Finance Limited
Phone: +91 98302 25681
Email: somasroy.chakraborty@srei.com

Neha Kakkar

Senior Manager – Corporate Communications
Srei Equipment Finance Limited
Phone: +91 98102 67826
Email: neha.kakkar@srei.com