



Together We Make Tomorrow Happen

## INVESTOR PRESENTATION SEPTEMBER, 2019



# EXECUTIVE SUMMARY – Q2FY20

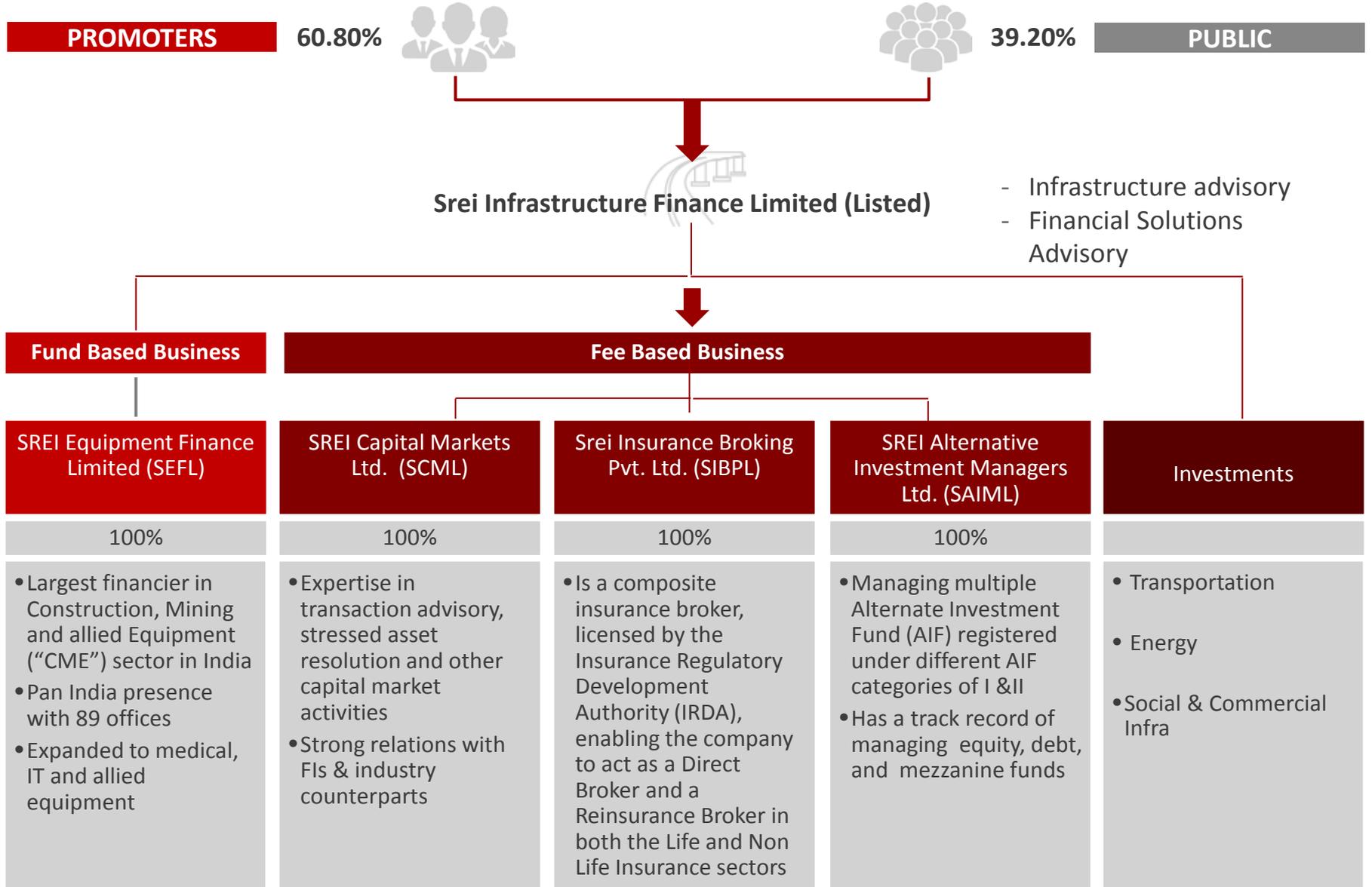


- **Srei continued to remain focused on sustainable growth and profitability. We continued to strengthen our business model in Q2 FY20 as well.**
- Consolidated Net worth grew by 6% to INR 4,130 crs as on Sep'19.
- **Consolidated NNPA\* improved in this quarter and stood at 6.2% vs 7.6 % in June quarter.**

## EQUIPMENT FINANCE BUSINESS

- Equipment Finance business PAT grew by 10% in this quarter to Rs.44 crs
- **Asset Quality in Equipment Finance business is improving Q-o-Q, in the current quarter, NNPA stood at 3.1% vis-à-vis 4.3% in June'19 and 5.0% in Mar'19**
- Co-lending model is getting established and we have done ~ INR 300 crs of disbursement in H1FY20
- **Credit approval received to the tune of ~ USD 180 million from large multi lateral institutions**
- Nearly INR 2,000 crs of Portfolio sell down in H1FY20

# Corporate Structure



# Milestones – In 30 Years Journey of SREI

## CONSISTENTLY GROWING OVER THE LAST 30 YEARS

### 1981-1990

**1989**

Started operations and identified infrastructure sector as the core business

### 1991-2000

**1992**

Initial Public Offering. Currently listed on all major Stock Exchanges BSE, NSE and CSE

**1997**

International Developmental Institutions – IFC, Washington (World Bank Group); DEG (Owned by Govt. of Germany) & FMO (Owned by Govt. of Netherlands) invested as strategic equity partners

### 2001-2010

**2008**

50:50 JV with BNP Paribas for equipment financing business

**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

### 2011-2020

**2011**

Infrastructure Finance Company and Public Finance Institution status

**2012**

Srei received certificate of registration for mutual fund (infra-structure debt fund) from SEBI

**2016**

Sells stake in Viom to ATC, Equipment Financing arm becomes 100% Subsidiary w.e.f, 17th June, 2016

**2019**

SREI completes 30 years

Consolidation of Loan Portfolio in single entity

# Board of Directors



## Hemant Kanoria - Chairman

He has over 39 years of experience in industry, trade and financial services. He is currently serving as Board Member in the Indian Institute of Information Technology, Guwahati, Neotia University and New Delhi Institute of Management.



## Sunil Kanoria - Vice Chairman

He has more than 29 years of experience in the financial services industry. He is the immediate past President of The Associated Chambers of Commerce & Industry of India, nominated Council member of The Institute of Chartered Accountants of India and the former Governing body member of the Construction Industry Development Council (CIDC). He is also presently the Honorary Consul of Spain in Kolkata, with jurisdiction over the State of West Bengal.



## S. Rajagopal – Independent Director

He has more than 41 years of experience in the Banking industry and is the former Chairman & Managing Director of Bank of India and Indian Bank.



## S. Chatterjee - Independent Director

A seasoned professional, he has over 45 years of experience in Retail, Commercial, Investment Banking and NBFC. Associated with the State Bank of India for 26 years, he has extensive exposure in the area of International Banking at SBI, London and as the Chief Representative in Washington DC having worked closely with IFC, World Bank and IMF.



## Dr. Punita Kumar Sinha - Independent Director

She has focused on investment management and financial markets during her 27 year career. She spearheaded some of the first foreign investments into the Indian equity markets in the early 1990s. Currently, she is the Founder and Managing Partner, Pacific Paradigm Advisors, an independent investment advisory and management firm focused on Asia.



## Malay Mukherjee - Independent Director

He has over 40 years' of experience in the field of Banking and NBFC including Venture Funding, Factoring and Broking. He is the former Chief Executive Officer (CEO) and Managing Director of IFCI Limited and also the former Executive Director of Central Bank of India.



## R. K. Agarwal - Independent Director

He has over 40 years of experience in various fields like Audit, Taxation, Company Law, Consultancy etc. He has been a Partner with S. R. Batliboi & Co. (Member firm of Ernst & Young in India) since 1978 and was the Managing Partner of the Firm at the time of his retirement in June, 2013.



## Balaji Viswanathan Swaminathan – Non-Executive Director

He has over three decades of experience in various leadership roles in the domain of finance and consultancy. He was the CFO of ICICI Bank and President - International at Westpac Banking Corp. Asia. Mr. Swaminathan has previously served on various boards including JSW Steel Ltd., McLeod Russel India Ltd., Firstsource Solutions Limited etc.



## Dr. Tamali Sengupta - Independent Director

She has over 32 years of experience in the legal field and is a specialist in transnational legal transactions in media, real estate development, insurance and infrastructure. She is a widely published author and is a Fellow of the Centre of International Legal Studies at Salzburg. She is the Principal of T. Sen Gupta & Associates, a corporate law practice based in New Delhi.



FUND BASED

## COMPANY PROFILE

Leading financier in the Construction, Mining and allied Equipment (“CME”) sector in India offering loans and leases for new as well as used equipment

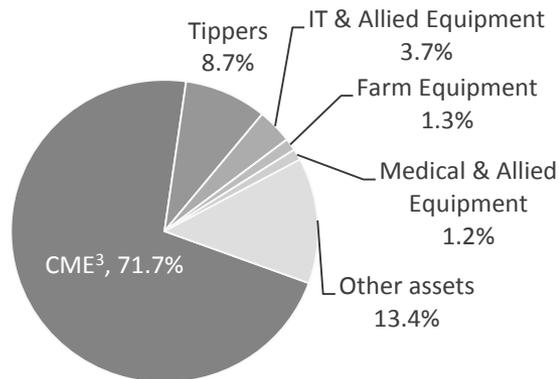
Finances equipment segment across Tipper, IT, Farm, Medical & other asset



100% owned by SREI Infrastructure Finance Limited which has over 30 years of experience in CME finance

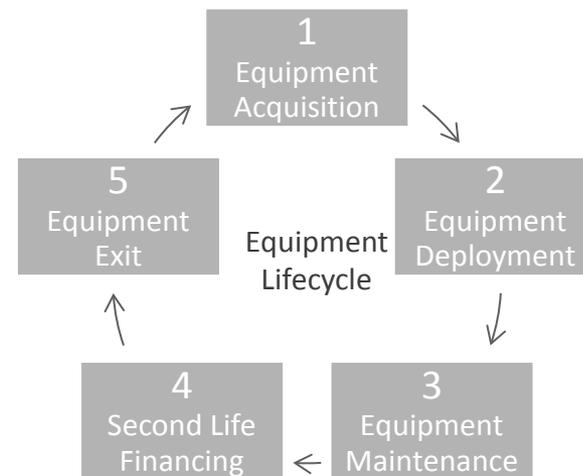
Gross Earning Assets of INR 31,692Cr<sup>1</sup>

### Diversified Product Portfolio By Gross Earning Assets (June 2019)



Source: Feedback Analysis; Gross Earning Assets: Aggregate of Earning Assets and assets derecognized by way of securitization and assignment of receivables outstanding  
Disbursements: Aggregate of loans and leases (both operating & finance lease)  
1. As at Sep 2019;

### Presence across Lifecycle of an Equipment



# Equipment Centric Model Pushed by Long Standing OEM Tie-ups

## LONG-STANDING PARTNERSHIPS WITH LEADING OEMS



**TATA HITACHI**

Reliable solutions



Quality Changes the World



WIRTMEN  
GROUP



**Mahindra**  
Construction Equipment

**AMMANN**



*Atlas Copco*

OEMs are Key to Equipment-Centric Business Model

## Strategic Expansion of Network

OEMs



SEPs<sup>1</sup>

- Deep knowledge on diverse range of equipment
- Offer innovative financing solutions to customers, also meet future project requirements
- Strategic expansion through SEPs<sup>1</sup>
- Partnered with 272 OEMs and 124 SEPs

1. Srei Entrepreneur Partners As on Sep 2019

# Wide Distribution Network and Strong Brand Name



## VINTAGE REFLECTS OUR UNDERSTANDING OF BUSINESS

Sep 2019



**89** Branches;  
**77** Satellite  
Locations

**21**  
States

**272**  
Vendor &  
Manufacturer  
Partnerships

**1,439**  
Employees

**124**  
SEPs<sup>1</sup>

## Srei Entrepreneur Partners (SEPs)

- ✓ Exclusive distribution partners, SEPs, help in sourcing customers and ensuring regular repayment
- ✓ Local risk insight and ground presence facilitates:
  - Customer acquisition
  - Screening
  - Broadening of market coverage

- ✓ 124 SEPs across the country<sup>2</sup>

<sup>1</sup> Srei Entrepreneur Partners  
<sup>2</sup> As at Sep 2019

## WIDE RANGE OF CUSTOMERS

~59,147 Current Customers<sup>2</sup>

First Time Users  
(FTUs)

First Time  
Buyers (FTBs)

Fleet  
Owners

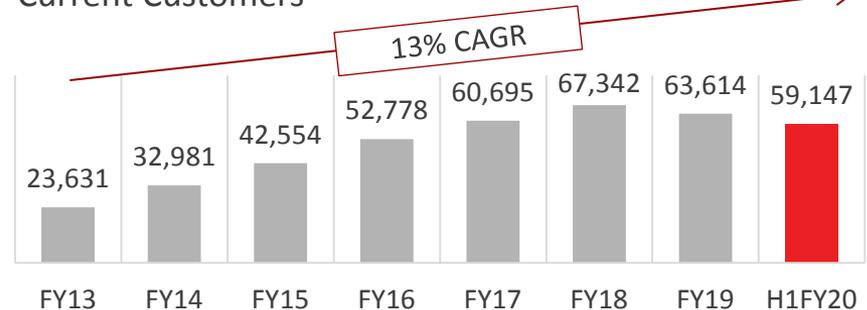
Mid-size  
Contractors

Large  
Corporations

Project  
Owners

## Customer Focused Approach Leading to Retention

Current Customers



Over 60% of total disbursements were to repeat customers in FY16, FY17, FY18 & FY19

Co-Lending



Capitalize on our three decades of eco-system in equipment financing



Intensify OEM & Customer relationship

Increase Market Share and improve risk weighted return

## BALANCE SHEET LIGHT MODEL

Srei Equipment - Sole origination Partner for the arrangement

- Retain OEM, customer interface & intimacy
- Leverage our risk understanding
- Increase market share and strengthen leadership

Responsibilities:

- Sourcing
- Disbursement
- Collection
- Equipment Management Services

### Asset Light growth model

- Low Investment and Less Capital Intensive

### Higher market share

- Through Co-lending tie-ups with banks

### Highly Scalable

- Less dependence on Balance sheet funding

### Volume Ramp-up

- Significant operating leverage can be achieved

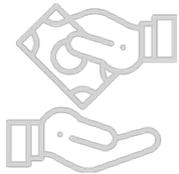
### Leverage Existing Strength

- Understanding asset lifecycle
- Existing client and OEM relationship
- Risk understanding

### Fee Income Growth

- Sourcing & Appraisal
- Disbursement & Customer Service
- Collection, Recovery & Legal

# Platform Partner – Enabling Co-lending



## Buy/Sell

- Offering platform for buy/sell of new and used equipment
- Platform for sale of spare parts
- Opportunity matchmaking
- Up-sell and Cross-sell



## Auction

- Simulcast Auction
- Online Auction
- Reverse Auction



## Finance

- Co-lending platform
- Co-origination platform
- Integration with financiers
- Collection Services



## Asset Solutions

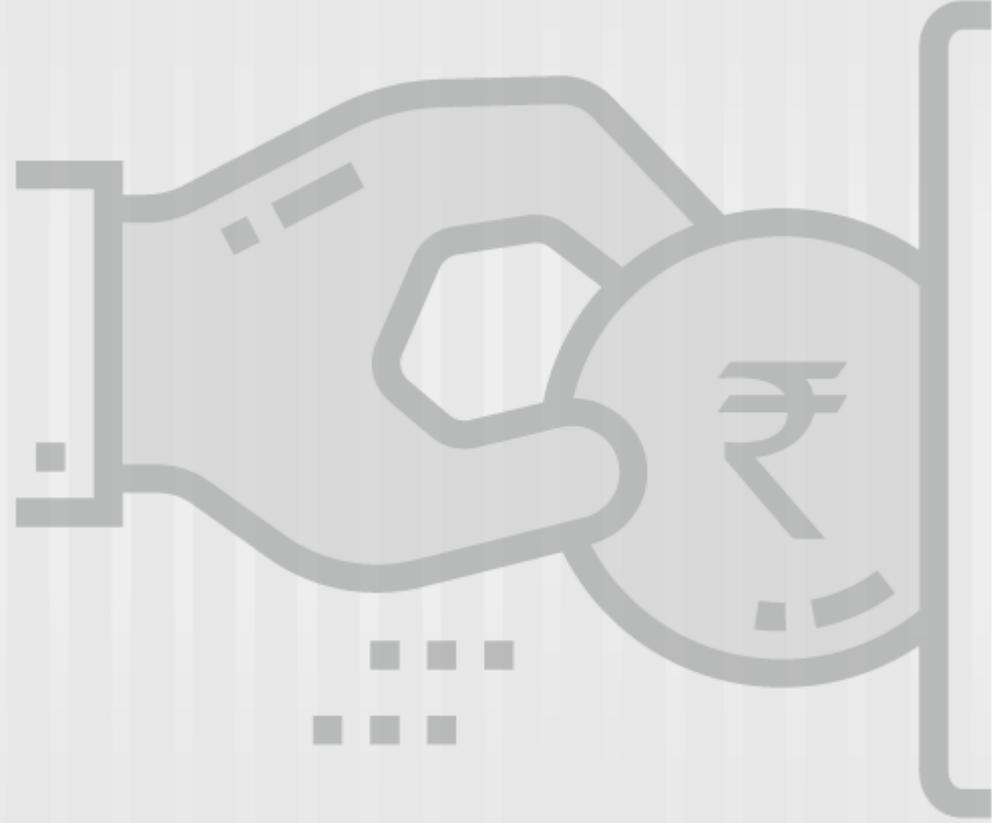
- Yard Management
- Rentals
- Asset Management
- Insurance Services
- Logistics



## Valuation

- Valuation of equipment
- Image based models

FEE BASED



## SREI ADVISORY

- Proven credentials – with both Government and Private Clients across India
- Knowledge partner to the entire Srei Group
- A pool of Engineers, Planners, Architects, Management Professionals and Finance experts
- Expertise ranges from Project Conceptualization to Commissioning

## POSITIONING

- Empaneled as preferred service provider with Government, multi-lateral and private bodies
- Leverages domain knowledge & comprehensive relationships in the Indian infrastructure space to deliver customised solutions
- Immense potential in offering services in new areas such as training & skill development

## SERVICES OFFERED



## SECTORIAL EXPERTISE



Smart Cities, Urban Planning, Urban Housing & Transportation, Roads & Bridges



Power/Energy & Tourism



Industrial Park/IT Park/SEZ



Water Supply, Storm Water Drainage/ Sewerage/ Solid Waste Management

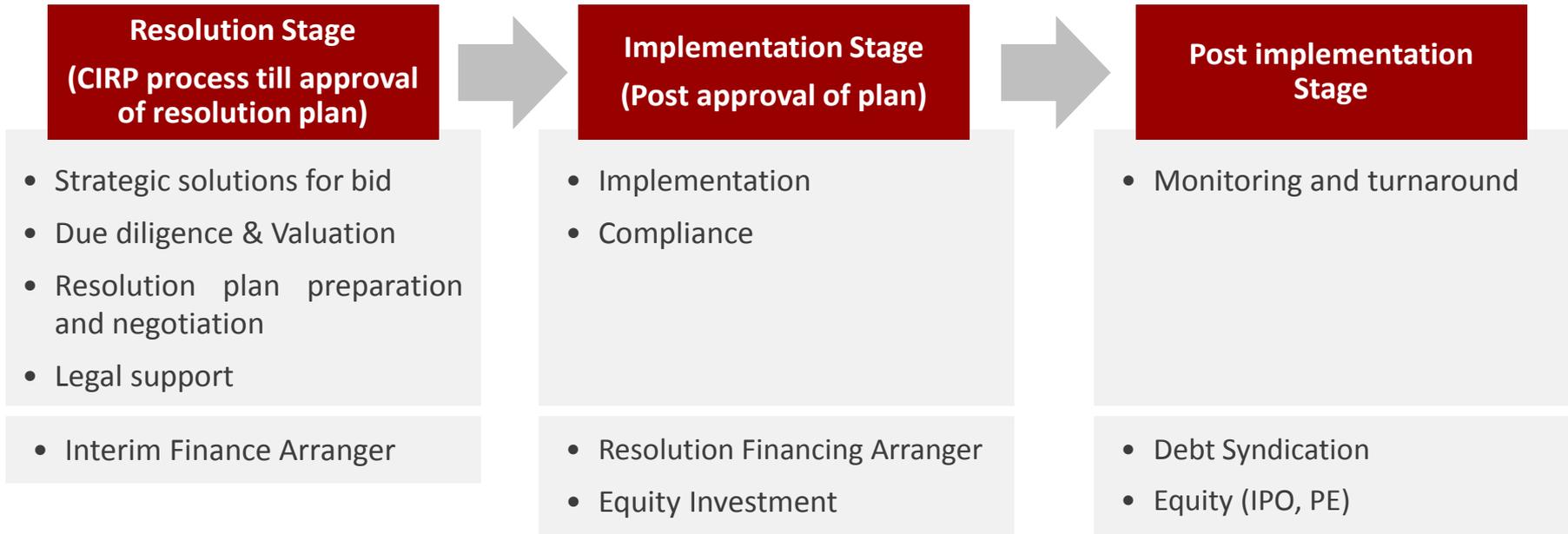


Food Processing, Warehouses & Logistics



Social and Integrated Urban Infrastructure

# Financial Solutions Group: Structured Finance



## DEAL SOURCING

- RPs, Lenders
- Corporate clients

## SERVICES

- Transaction / Process Advisor
- Deal structuring
- Fund raise

## REVENUE MODEL

- Upfront/Recurring fee income (3-4 years)
- Sweat Equity participation

## SREI CAPITAL MARKETS

- SEBI (Securities Exchange Board of India) Registered Merchant Banker
- Specialized knowledge and experience in merchant banking related activities/transaction advisory (M&A)/stressed asset resolution through the IBC Code and other modes
- Headquartered in Kolkata with regional offices in Mumbai, New Delhi and Hyderabad
- Strong Relationship and Networking with Financial Institutions and other industry counterparts

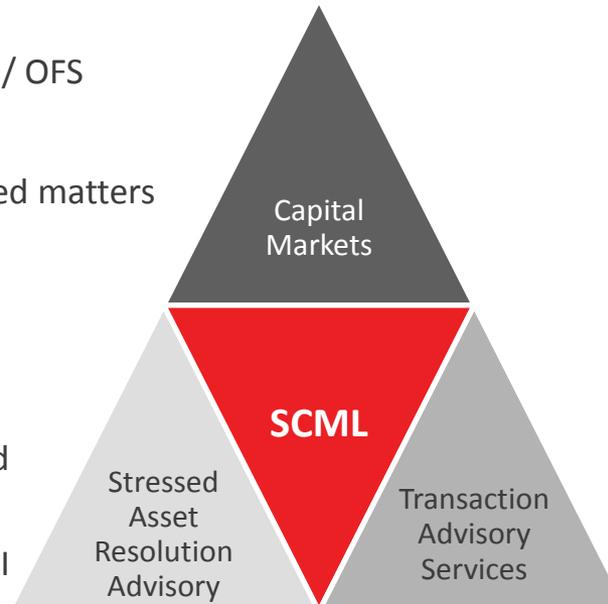
## SERVICES SUITE

### EQUITY CAPITAL MARKETS (ECM)

- Managing IPO / FPO / Rights Issue / OFS
- Open Offers, Buy back & Delisting
- Advisory / Consulting in SEBI related matters

### STRESSED ASSET RESOLUTION

- Resolution under Insolvency and Bankruptcy Code, 2016
- Resolution under various RBI Guidelines



### DEBT CAPITAL MARKETS (DCM)

- Managing, IPO and Private Placement of Debt Issues
- Structure debt to corporate clients
- ECBs/Masala Bonds
- Loan syndication

### TRANSACTION ADVISORY

- Mergers & Acquisitions
- Business & Financial Restructuring
- Advisory for Schemes of Arrangement
- Enterprise/Equity Valuation

## SREI ALTERNATIVE INVESTMENT MANAGERS LIMITED (“SAIML”)

- Srei Alternative Investment Managers Limited (“SAIML”) is managing multiple **Alternate Investment Fund (AIF)** registered under different AIF categories of I & II
- **Managing infrastructure funds since 2003, consistently for 16 years**
- **Investors include top Banks, FIs and Insurance Companies of India**
- **Funds Invests into infrastructure assets** (including strategic & stressed opportunities / greenfield & brownfield)
- SAIML has the track record of managing **9 equity, 2 debt funds and 2 mezzanine funds to date**
- Cumulative funds raised since inception of ~ **US\$ 1 billion** with current AUM of ~ **US\$ 100 million**

## OVERVIEW

### COMPOSITE INSURANCE BROKING

Direct Broking

Re-Insurance Broking

### STRUCTURED SOLUTION & PRICING

Risk Assessment

Customized Coverage

Optimum Premium

Claim Assistance

## LINE OF BUSINESSES

### RETAIL

Alliances & Partnerships with retail distribution setups  
With focus on rural distribution

### REINSURANCE

Placement of Reinsurance  
Inward and Facultative

### CORPORATE

Servicing, Advisory & Claims Management for Small, Medium and Large Companies

## TOP CLIENTS





## FINANCIAL HIGHLIGHTS

# Balance Sheet

Srei Infrastructure Finance Limited – Consolidated



Balance Sheet Summary (Rs Crs)	H1FY20	H1FY19	Q1FY20	FY19
Net Worth	4,130	3,880	4,111	4,097
Borrowings	33,108	36,316	34,424	33,224
Interest Earning Assets	35,905	37,557	37,582	36,749
Investments	2,094	1,613	2,136	2,137
Key Ratios	Sep-19	Sep-18	Jun-19	Mar-19
RoE	4.8%	12.8%	4.2%	12.2%
RoA	0.5%	1.1%	0.4%	1.1%
EPS (Rs) (Annualized)	3.9	10.0	3.4	9.7
Book Value (Rs)	82.1	77.1	81.7	81.4

# Income Statement

Srei Infrastructure Finance Limited – Consolidated

Income Statement (Rs Crs)	H1FY20	H1FY19	Q2FY20	Q2FY19	Q1FY20	FY19
<b>Income from Finance Activities</b>	<b>2,494</b>	<b>2,515</b>	<b>1,182</b>	<b>1,197</b>	<b>1,311</b>	<b>5,330</b>
Income from equip. financing	1,669	1,920	842	1,086	827	3,586
Income from project financing	824	595	340	111	485	1,744
Finance charges	1,826	1,542	906	652	920	3,560
<b>NII</b>	<b>667</b>	<b>973</b>	<b>276</b>	<b>545</b>	<b>392</b>	<b>1,770</b>
<b>Non Interest Income</b>						
Income from Fee Based Activities	58	37	33	-6	25	116
Income from Equipment Rental	0	110	0	110	0	296
Others	-16	-169	-16	-173	1	-13
<b>Net Income</b>	<b>710</b>	<b>951</b>	<b>293</b>	<b>475</b>	<b>417</b>	<b>2,169</b>
Operating Expenditure	253	406	128	187	125	887
Provisions & Write offs	299	173	78	109	221	695
<b>Profit Before Tax</b>	<b>157</b>	<b>372</b>	<b>86</b>	<b>179</b>	<b>71</b>	<b>668</b>
<b>PAT (after Minority)</b>	<b>98</b>	<b>251</b>	<b>55</b>	<b>111</b>	<b>43</b>	<b>487</b>

# Balance Sheet

Srei Infrastructure Finance Limited - Standalone



Balance Sheet Summary (Rs Crs)	H1FY20	H1FY19	Q1FY20	FY19
Interest Earning Assets	12,562	13,465	13,059	11,786
Net Worth	2,944	3,102	2,969	2,983
Borrowings	12,951	13,985	13,234	12,276
Investments	4,129	3,758	4,177	4,182

# Income Statement

Srei Infrastructure Finance Limited - Standalone



Income Statement (Rs Crs)	H1FY20	H1FY19	Q2FY20	Q2FY19	Q1FY20	FY19
<b>Disbursement</b>	<b>2,126</b>	<b>3,191</b>	<b>716</b>	<b>1,311</b>	<b>1,410</b>	<b>7,257</b>
Income from finance activities (Net of OL Dep)	842	803	348	424	494	1,788
Finance charges	736	694	370	355	367	1,430
<b>NII</b>	<b>106</b>	<b>110</b>	<b>-21</b>	<b>69</b>	<b>127</b>	<b>357</b>
Provision & Write off	94	2	-19	7	114	168
Fee based income	37	29	23	6	14	48
Income from investment	0	0	0	0	0	0
Other Income	17	17	13	11	4	28
Operating Expenditure	53	73	27	37	26	143
<b>PBT</b>	<b>13</b>	<b>80</b>	<b>7</b>	<b>42</b>	<b>6</b>	<b>123</b>
<b>PAT</b>	<b>7</b>	<b>59</b>	<b>4</b>	<b>29</b>	<b>3</b>	<b>95</b>
Key Ratios	Sep-19	Sep-18	Jun-19	Mar-19		
Yield on Avg Funds	14.0%	12.2%	15.9%	13.6%		
Cost of funds	11.5%	9.8%	11.5%	10.5%		
Interest Spreads	2.5%	2.5%	4.4%	3.1%		

# Balance Sheet

SREI Equipment Finance Limited



Balance Sheet Summary (Rs crs)	H1FY20	H1FY19	Q1FY20	FY19
Gross Earning Assets	31,692	33,550	31,913	32,545
Securitized Assets	5,719	5,423	5,005	5,621
Net Worth	2,946	2,750	2,888	2,849
Borrowings	20,398	22,263	21,204	20,967
Key Ratios	Sep-19	Sep-18	Jun-19	Mar-19
Return on Avg. Net Worth	5.8%	15.0%	5.6%	11.3%
Return on Avg. Assets on Books	0.7%	1.5%	0.6%	1.2%
Leverage	6.9	8.1	7.3	7.4

# Income Statement

SREI Equipment Finance Limited



Income Statement (Rs crs)	H1FY20	H1FY19	Q2FY20	Q2FY19	Q1FY20	FY19
Disbursement	<b>6,767</b>	<b>8,572</b>	<b>4,289</b>	<b>4,511</b>	<b>2,478</b>	<b>13,681</b>
Net Revenue from Operations	1,669	1,728	842	894	827	3,586
Finance charges	1,128	1,030	572	550	556	2,151
NII	<b>541</b>	<b>698</b>	<b>271</b>	<b>344</b>	<b>270</b>	<b>1,435</b>
Operating Expenditure	193	208	97	117	95	415
Cost of Risk	210	189	101	76	109	563
PBT	138	301	72	151	66	457
PAT	<b>84</b>	<b>199</b>	<b>44</b>	<b>96</b>	<b>40</b>	<b>306</b>

Key Ratios (%)	Sep-19	Sep-18	Jun-19	Mar-19
Yield on Avg. Funds	12.9%	13.3%	12.3%	13.8%
Cost of Funds	10.1%	9.3%	10.2%	9.5%
Interest Spreads	2.8%	4.0%	2.1%	4.3%
NIM	4.2%	5.4%	4.0%	5.5%
Credit Cost	1.6%	1.4%	1.6%	2.2%
Opex	1.5%	1.6%	1.4%	1.6%
Gross NPA	4.6%	3.3%	5.7%	6.3%
Net NPA	3.1%	1.9%	4.3%	5.0%

## *Srei Infrastructure Finance Limited Disclaimer:*

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THANK  
YOU

