

Investor Presentation

March 2019



Highlights

9M FY19 – As per IND AS

| CONSOLIDATED | 9MFY19 | 9MFY18 |
|-------------------------------|---------------|---------------|
| Disbursement | 15,563 | 16,147 |
| Interest Earning Asset | ▲ 38,661 | 35,137 |
| Total Income | ▲ 4,807 | 4,035 |
| PAT | ▲ 342 | 270 |
| RoA | 1.0% | 1.0% |
| RoE | ▲ 11.4% | 9.7% |
| NET NPA* | 4.0% | 5.6% |
| COVERAGE RATIO | 40.5% | 40.4% |

*Calculated on Gross Total Assets



Industry Overview

Industry Overview – India Opportunity

Proposed Government Expenditure To Boost Growth

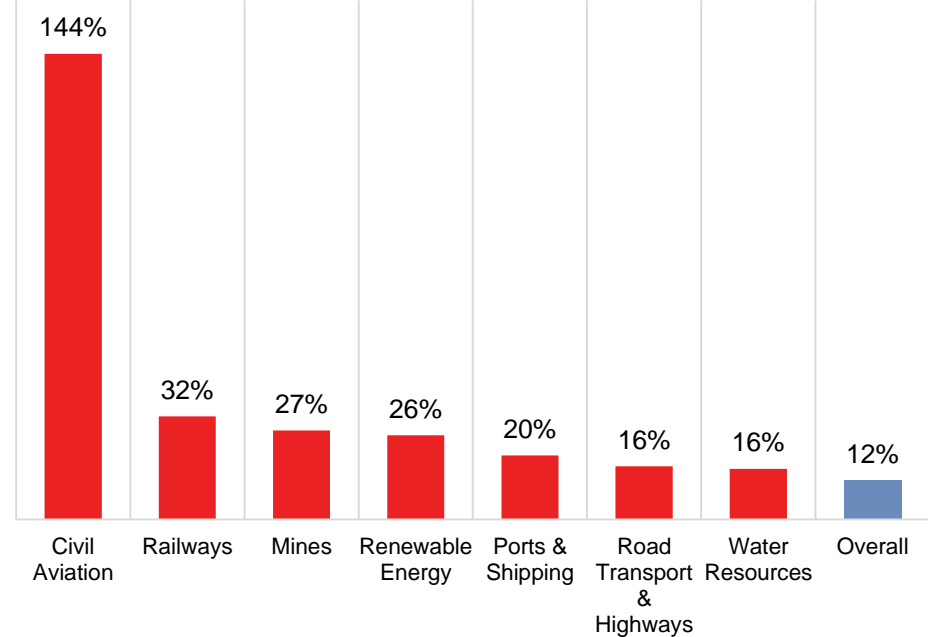
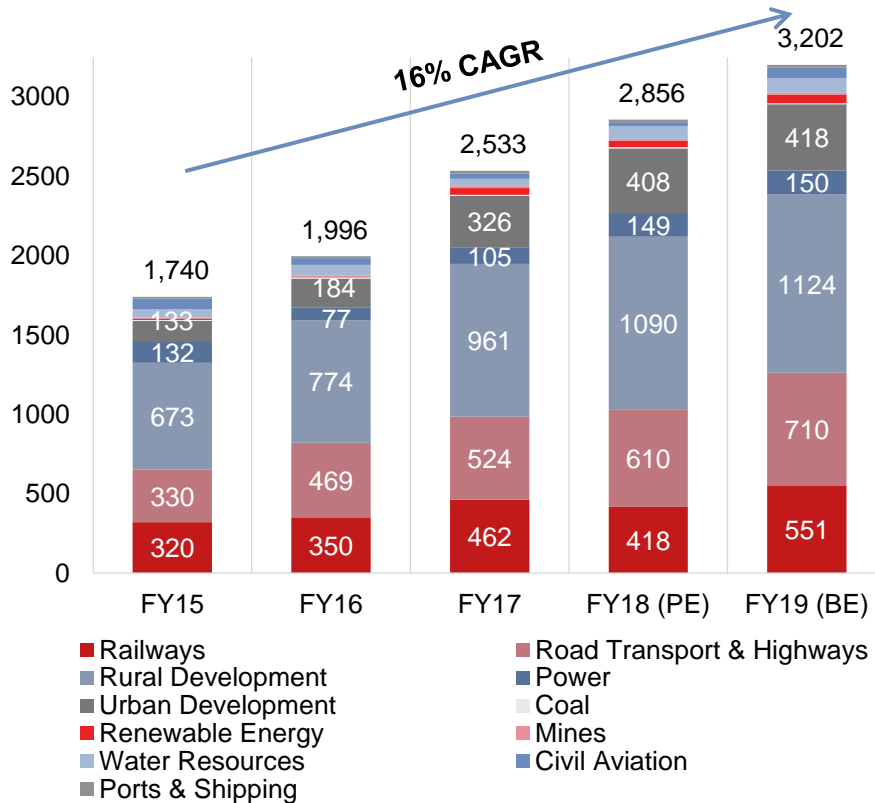
Govt. providing significant push to infra development across segments

16% Growth in Infrastructure Spending

...With the Following Focus for Next Year

INR Billion

FY19 (BE) Infrastructure spending growth over FY18



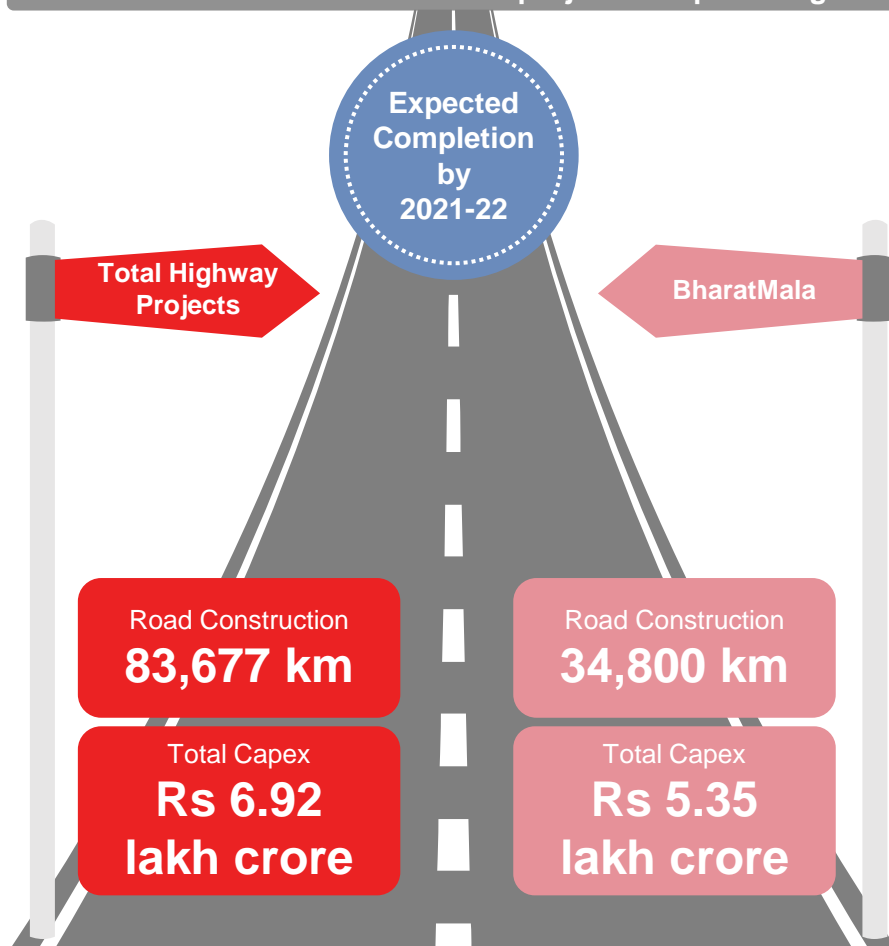
Source: Central Statistics Office/RBI, Annual Budget Document, Govt of India; Feedback Analysis

* Source: RBI ** Source: World Bank. Absolute numbers are calculated based on growth rates provided

PE – Provisional Estimates; BE indicates Budgeted Estimates

... With Significant Focus On Roads

The Union Cabinet recently cleared Rs 6.92 lakh crore project to develop 83,677 km highways in 5 years which includes the Bharatmala project thus providing much needed booster dose to the Road Industry.



BharatMala Pariyojana

- **Funding:** Rs 2.09 lakh crore from Market, Rs 1.06 lakh crore from Private Investments and Rs 2.19 lakh crore from CRF/ToT/Toll.
- **Asset Monetization:** Government plans to raise Rs 34,000 crore through monetization of 82 operating highways under ToT & Rs 46,048 Crore from toll collections of NHAI. NHAI has tendered out 9 NH stretches of 680.64 km with potential monetization of Rs 6,258 crore.

Rural roads-PMGSY

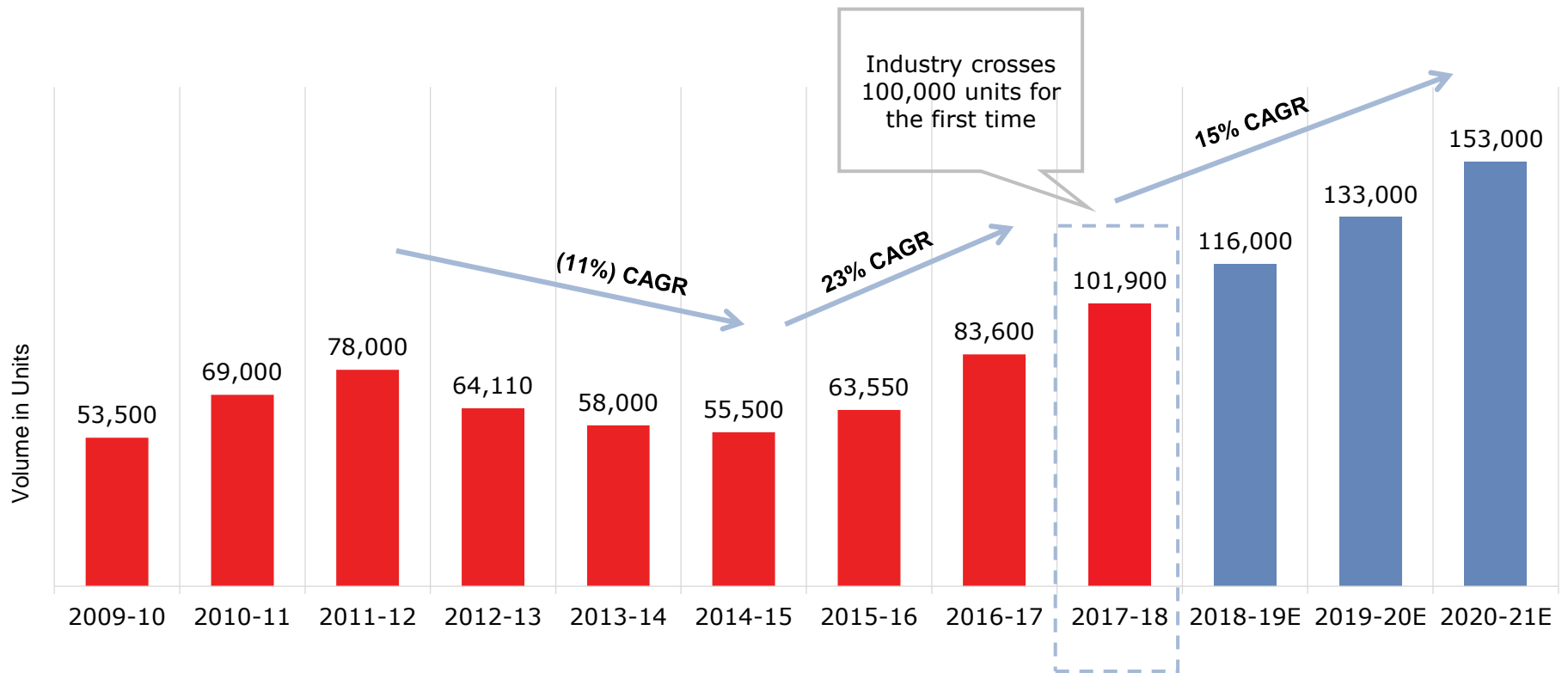
- Spending of Rs. 88,185 crore envisaged under the PMGSY, by central and state government, to construct 1,09,302 km of rural roads over next 3 years.
- In addition, roads worth Rs 11,725 crore for 5,411 km of upgradation and new roads in 44 LWE districts to be completed by 2019-20.

Industry Overview – India Opportunity

Indian CE Market – Sustained Recovery

Good Revival in the last three Financial Years following a three Year Decline | Strong Growth Outlook due to rise in government infra spending

CME Sales



Company Overview



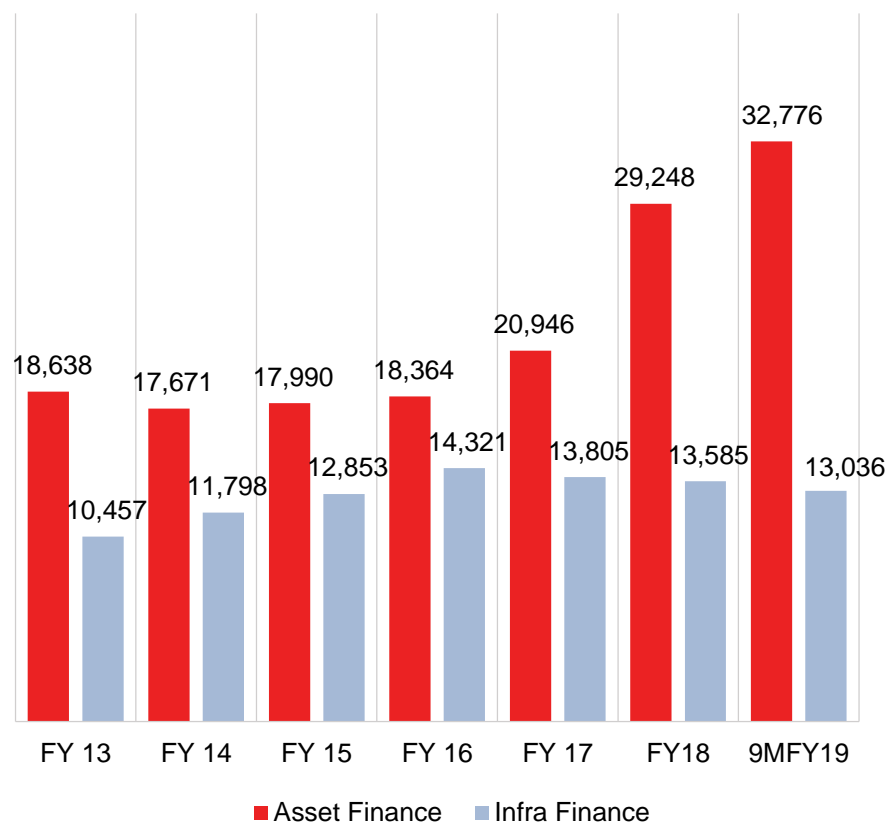
Company Overview

- Srei Infrastructure Finance Ltd, a Kanoria foundation entity, is one of India's largest holistic infrastructure institutions delivering innovative solutions in the Infrastructure space.

- It has been engaged in leasing and hire purchase / hypothecation financing of construction equipment and financing of infrastructure related projects.

- The company has been in this business for nearly three decades, and with a customer base of over ~67,000* and around USD 7 bn of consolidated AUM.

Gross Earning Asset (INR Cr)



Board of Directors



Hemant Kanoria - Chairman & Managing Director

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



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.



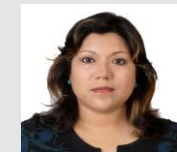
R. K. Agarwal - Independent Director

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 – Additional 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 - Additional 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.

Asset Finance Business



Asset Finance Business

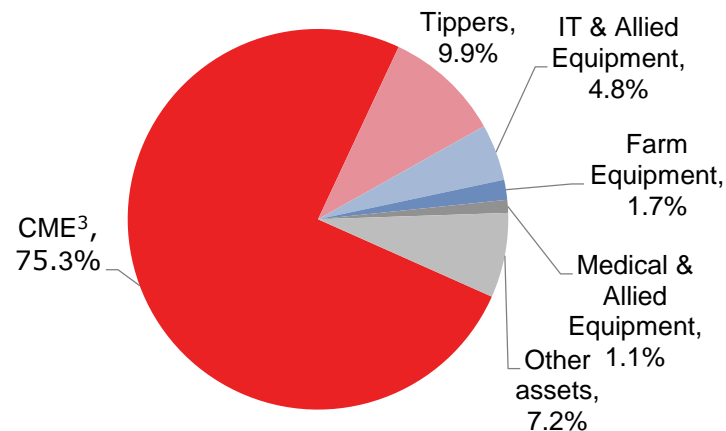
An Established Leader

Company Profile

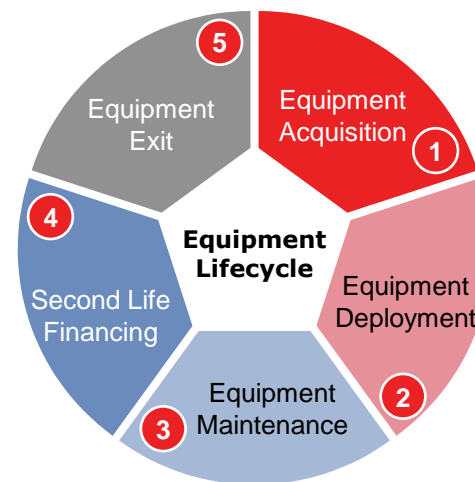
- Leading financier in the Construction, Mining and allied Equipment (“CME”) sector in India offering loans and leases for new as well as used equipment
- Promoted and 100% owned by Srei Infrastructure Finance Limited which has over 29 years experience in CE finance
- Around 33.0% market share¹ and customer base of ~67,000 current customers²
- Distribution network of 90 branches across 21 states, 77 additional satellite locations and an employee base of 1,960 employees²
- Strategic pan-India penetration through 121 SEPs^{2,4} and 271 OEMs partnerships²
- Present across Tipper, IT, Farm & Medical Equipment Financing segments
- Gross Earning Assets of INR 327,762 Mn² with a 2.75 year CAGR of 23%

Diversified Product Portfolio

By Gross Earning Assets (Sep 18)



Presence across Lifecycle of an Equipment



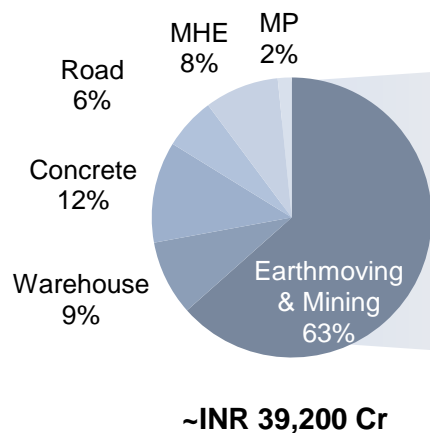
Source: Feedback Analysis; Gross Earning Assets: Aggregate of Earning Assets and assets derecognized by way of securitization and assignment of receivables outstanding
Disbursements: Aggregate of loans and leases (both operating & finance lease)

1. For FY18; 2. As at Dec 2018; 3. CME includes used equipment; 4. Srei Entrepreneur Partners

CME | Significant Opportunity Size

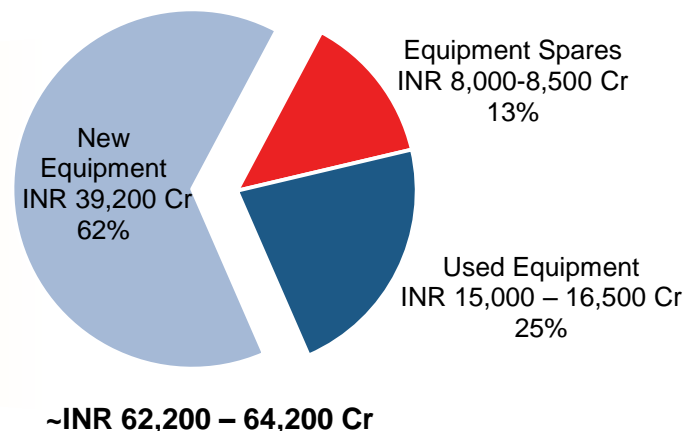
Current Focus

Unit Sales (FY18)



Potential Market with Additional Focus

Market Size (FY18)



Equipment Leasing Market

- ✓ Bulk of MSMEs are opting to finance their equipment
- ✓ Still at nascent stage, 6-8% of CME Market (FY18) vs 50-60% globally
- ✓ Associated tax benefit opportunities
- ✓ Reduced 18% GST slab¹ makes equipment Leasing attractive

GST will Enable to be a Key Differentiator in the Equipment Leasing Market which will Further Drive Growth in the Industry

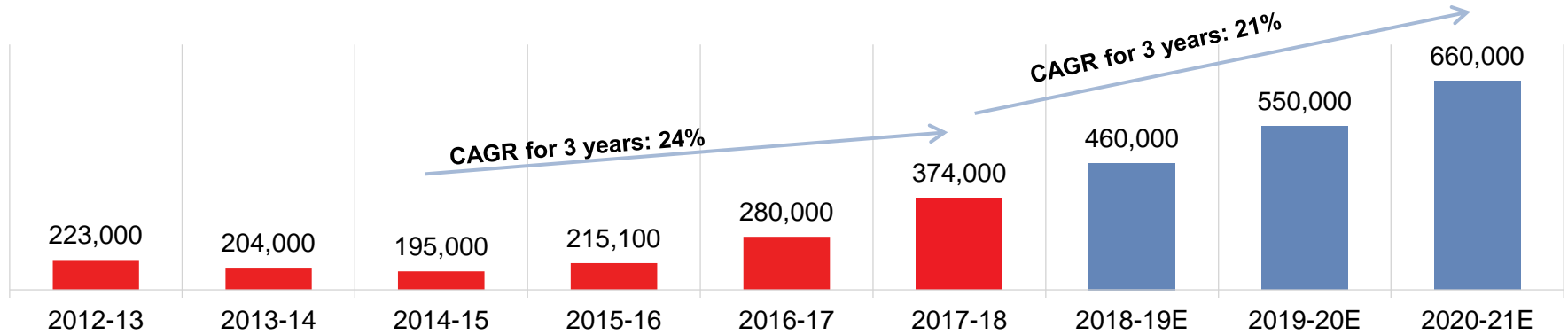
Source : Feedback Analysis; Note: MHE: Material Handling Equipment; MP: Material Processors

1. For most products covered under CME Section

CME Financing Industry: Poised for Growth

Disbursements are at a 5 year high | Significant Growth Likely to be Witnessed...

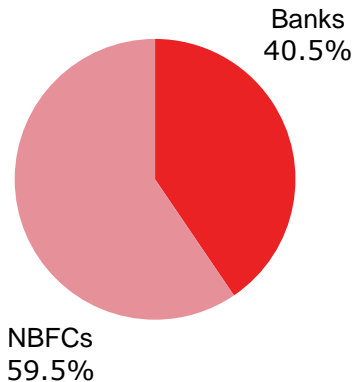
Disbursement (INR Mn)



Source : Feedback Analysis; 1. For most products covered under CME Section

...Dominated by NBFCs...

By Disbursements (FY18)

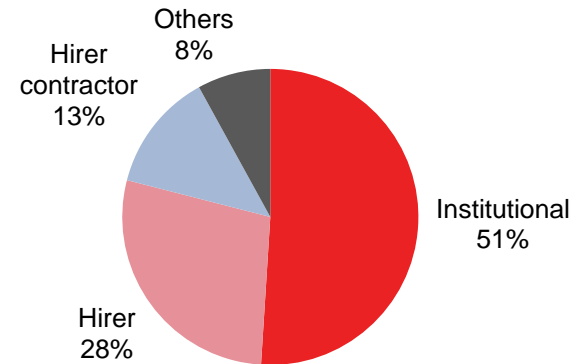


NBFCs Competitive Positioning

- ✓ Better geographic reach
- ✓ Offer faster TAT¹
- ✓ Tailor made schemes
- ✓ Higher LTV² than banks
- ✓ Simple documentation
- ✓ Flexible terms

...With Diverse Customer Profiles...

NBFCs Customer Breakdown by Disbursements (FY18)



Source: Feedback Analysis

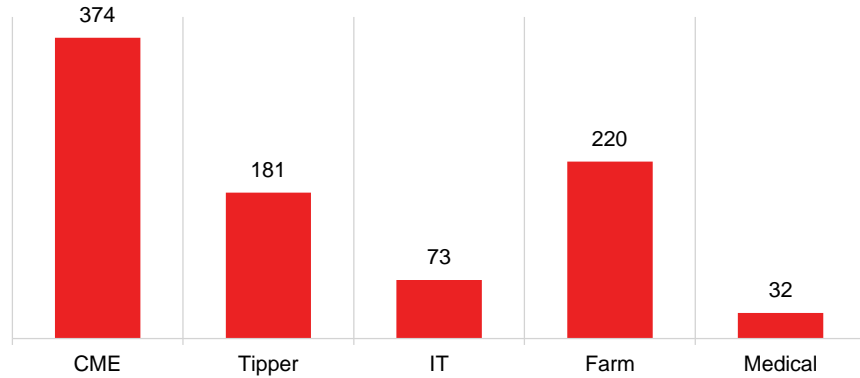
1. Turn Around Time

2. Loan to Value

Equipment Financing Industry: Poised for Growth

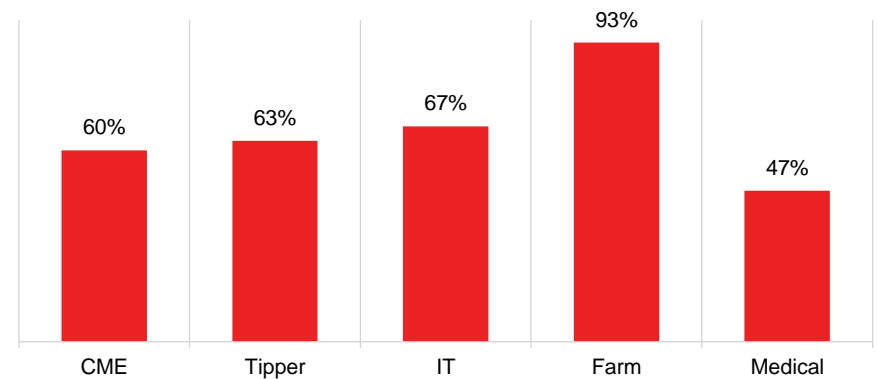
Current Market Size

FY18 Disbursement (INR Bn)



Dominated by NBFCs

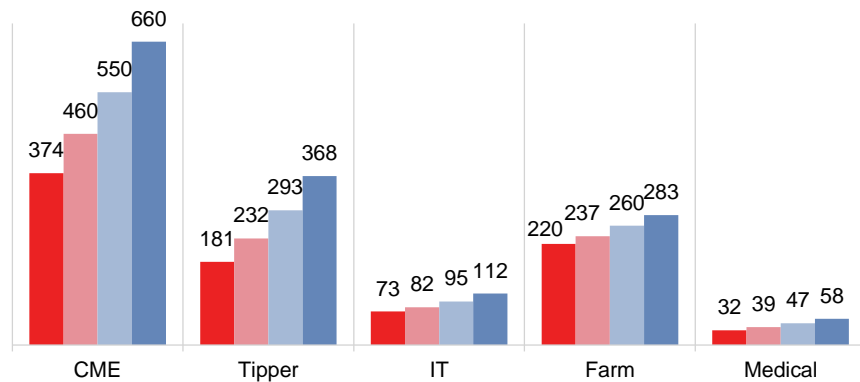
Market Share of NBFCs within each segment (FY18)



Estimated Market Size

Disbursement (INR Bn)

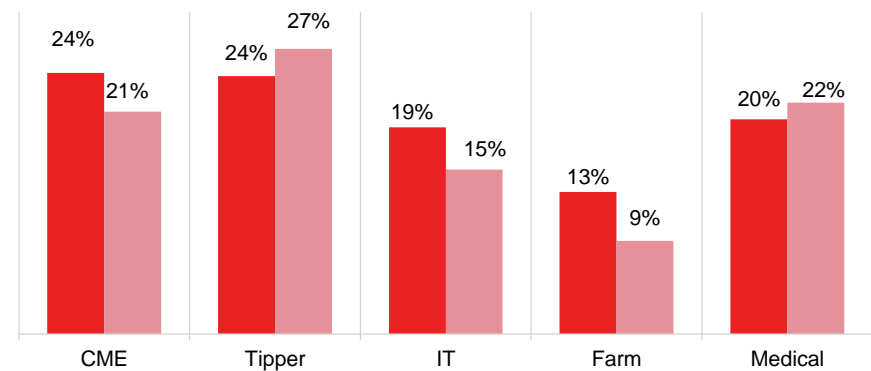
FY18 FY19E FY20E FY21E



Growth

Disbursements CAGR

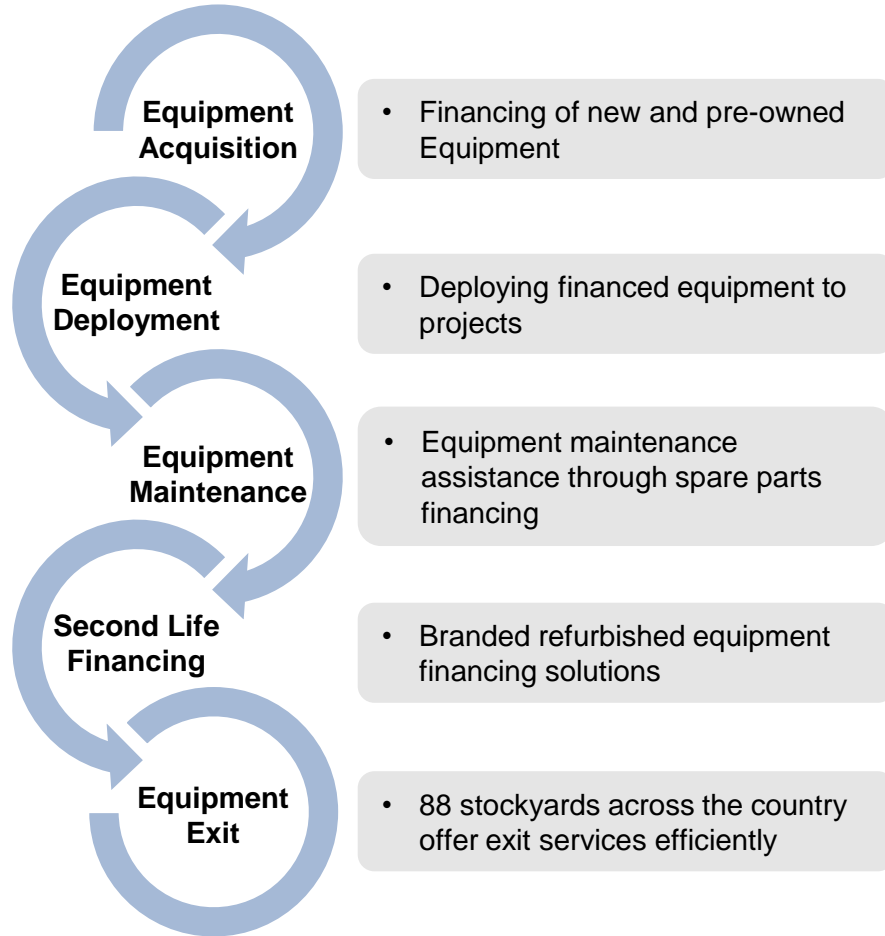
FY14-18 FY18-21E



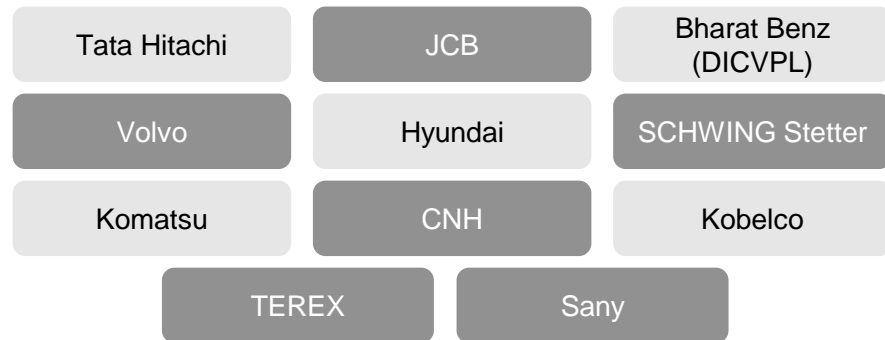
Key Business Strategy

Equipment Centric Model Pushed by Long Standing OEM Tie-ups

Holistic Business Model Providing End-to-End Solutions across Equipment Lifecycle



OEMs are Key to Equipment-Centric Business Model



Long-standing partnerships with leading OEMs

Strategic Expansion of Network



- ✓ Deep knowledge on diverse range of equipment
- ✓ Offer innovative financing solutions to customers, also meet future project requirements
- ✓ Strategic expansion through SEPs
- ✓ Partnered with 271 OEMs and 121 SEPs²

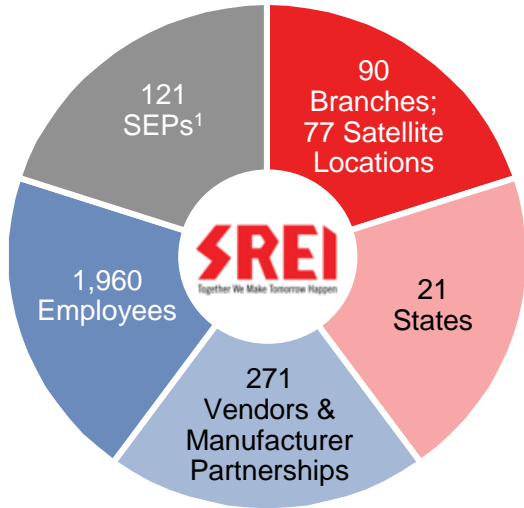
1. Srei Entrepreneur Partners
2. As on Dec 18

Key Business Strategy

Wide Distribution Network and Strong Brand Name

Vintage Reflects our Understanding of Business

Dec-18



Wide Range of Customers

~67,000
Current
Customers²

First Time Users (FTUs)

First Time Buyers (FTBs)

Fleet Owners

Mid-size Contractors

Large Corporations

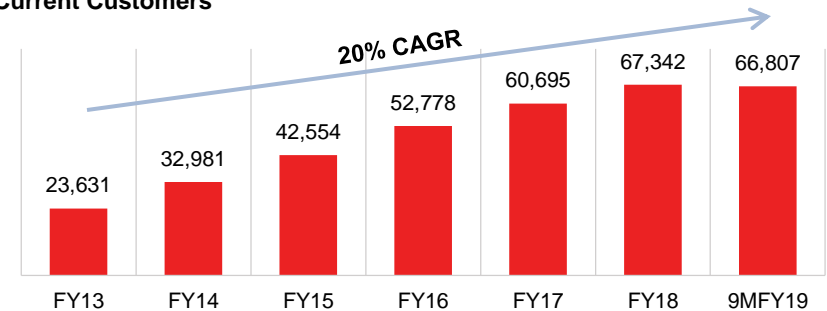
Project Owners

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
- ✓ 121 SEPs across the country²

Customer Focused Approach Leading to Retention

Current Customers



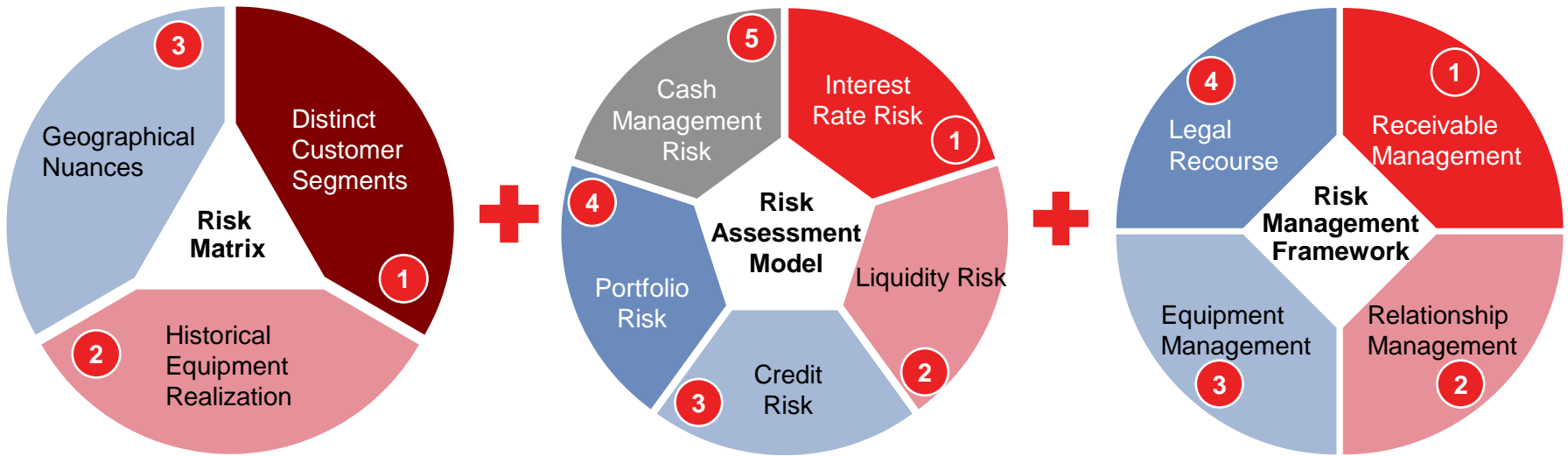
Over 60% of total disbursements were to repeat customers in FY16, FY17, FY18 & 9MFY19

¹ Srei Entrepreneur Partners

² As at Dec-18

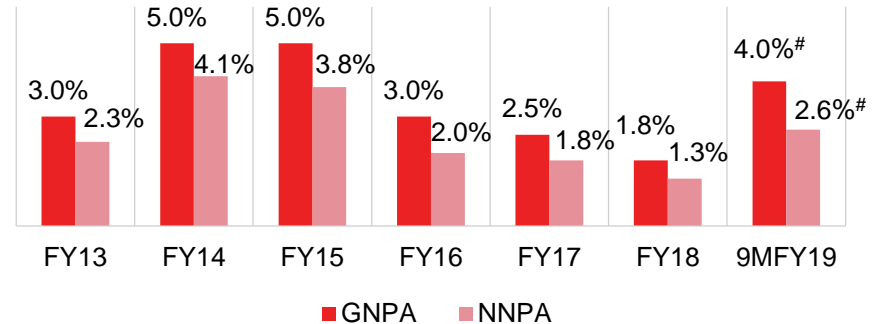
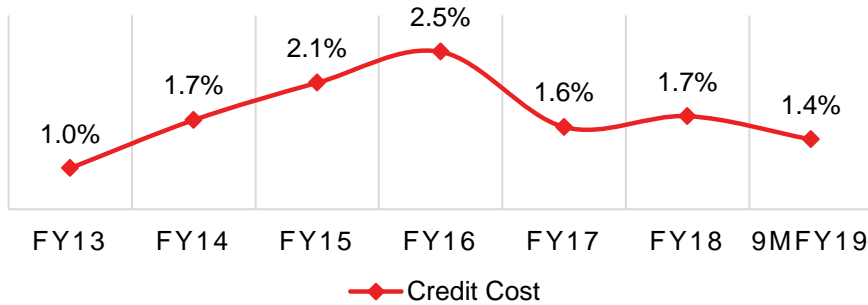
Key Business Strategy

Effective Equipment Risk Management Framework



Enabling Improved Asset Quality

Bad debts written off, provisions and contingencies/Average Earning Assets (Annualized)



A Robust Systemic Framework Evaluating Future Cash Flows, Quantitative and Qualitative Parameters

Note: GNPA: Gross NPAs/Earning Assets ; NNPA: Net NPAs/Earning Assets
 # 9MFY19 numbers as per Ind AS

Digital Transformation Facilitating Process

Efficiency Drive

Comprehensive Technology Landscape



Risk Management

- Real time equipment location identification through GPS/ GPRS devices
- Business Intelligence tool to manage portfolio risk by automating:
 - Data Analytics
 - Risk Prognosis using Algorithms



Customer Initiatives

- Customer Service App
- Online customer queries and services requests
- CRM being developed to:
 - Manage relationships
 - Provide insights for customer strategy
 - Analyse customer behaviour data
 - Implement customer-centric business processes



System & Process Enablers

- Automated credit appraisal and delivery process
- Customer service through:
 - Online portals
 - Mobile applications
 - Customised risk prognosis tools
- Use of handheld devices for efficient collection



Vendor & Channel Initiatives

- Develop a vendor portal to connect all other stake holders to the vendors

Key Business Strategy

Co-Lending Balance Sheet Light Model

Co Lending

Leverage our
risk
understanding

Retain OEM &
Customer
interface and
intimacy

Increase
Profitability &
ROE without
leveraging

Capital and Debt Light Model

- Srei Equipment will be sole origination partner for the arrangement
 - Retain OEM, customer interface & intimacy
 - Leverage our risk understanding
 - Increase market share and strengthen leadership
- Srei Equipment will be responsible for :
 - Sourcing
 - Disbursement
 - Collection
 - Equipment Management Services

Key Business Strategy

Co Lending — Leveraging Client & OEM Relationships

Fee Opportunity

- Sourcing Fees - On total sourcing as per joint lending share
- Collection Fees – On total collection as per joint lending share
- Other Fees - On total collection towards penalty and other charges

Initial Tie-ups

United Bank of India, ICICI Bank and Syndicate Bank

Key Business Strategy

Co Lending — Sustainable ROE

Asset Light growth model

Higher market share through co-lending tie-ups with banks

Highly Scalable : Dependence on Balance sheet funding minimum

Volume Ramp-up: Significant operating leverage can be achieved

Fee Income growth : (1) Sourcing & Appraisal (2) Disbursement & Customer Service (3) Collection, Recovery & Legal

Leverage Existing Strength : (1) Understanding of the asset lifecycle (2) Existing client and OEM relationship (3) Risk understanding

**Infrastructure
Finance
Business**



Key Business Strategy

Infra Finance Business – Overview

Established Brand

- Focused Infrastructure Financier & Solutions Provider
- 3 decades of business experience
- Longstanding relationship with players across the infrastructure value chain
- Industry Specialization



Wide Spectrum of Product Offerings

- Customized debt financing solutions and structured finance solutions
- Strategic mezzanine solutions for key infrastructure projects
- Fee Based Services



Business of Strategic Importance

- Classified as “Infrastructure Finance Company” (IFC)
- Notified as “Public Financial Institution” (PFI) by the Ministry of Corporate Affairs”

Key Business Strategy

Risk Management Framework

- Digital On Boarding Solution – Dedupe, e-KYC and Fraud verification
- Machine Learning (ML)/Artificial Intelligence (AI)
- Asset FMV model & Asset Liability curve for timely decision
- Grid policy
- Exit Routes & Ring Fencing.
- Risk Sharing with OEM's / Vendors



- Balanced mix of floating and fixed rate loans
- Close Monitoring of Liquidity Tolerance Level

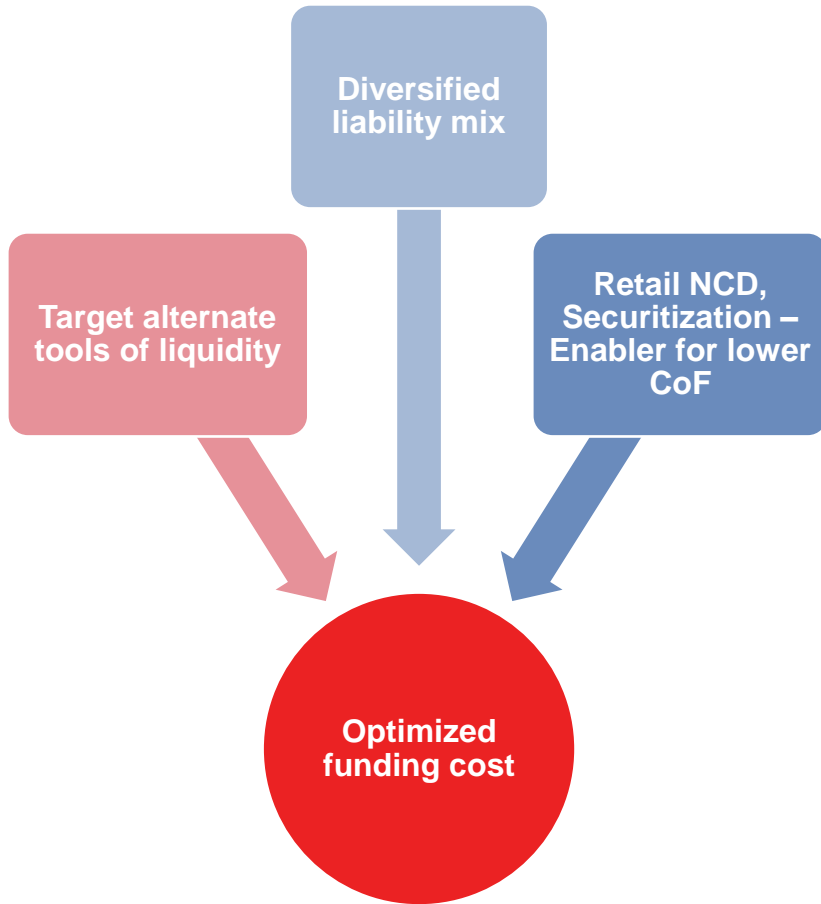
- Digitization for Operational Excellence
- Strong Contract Management
- Trigger based Monitoring

... Developing underwriting principles, improvements in the credit process and enhancing Risk MIS are immediate priorities

Key Business Strategy

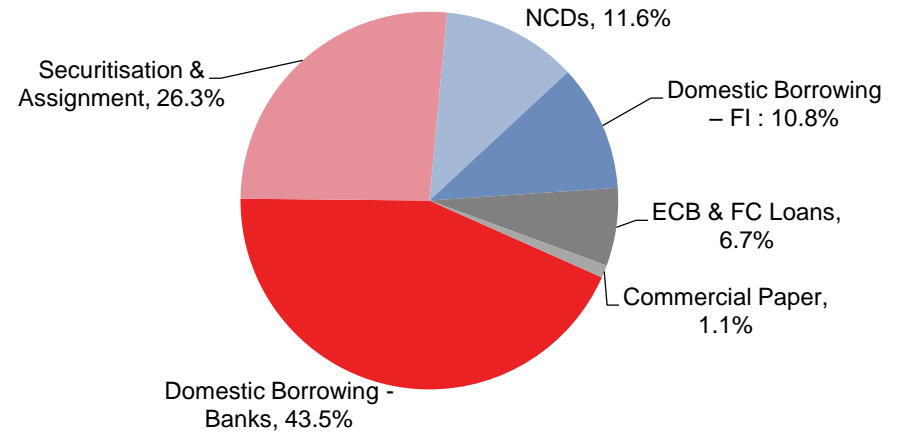
Liability Management and Diversified Funding

Liability Management

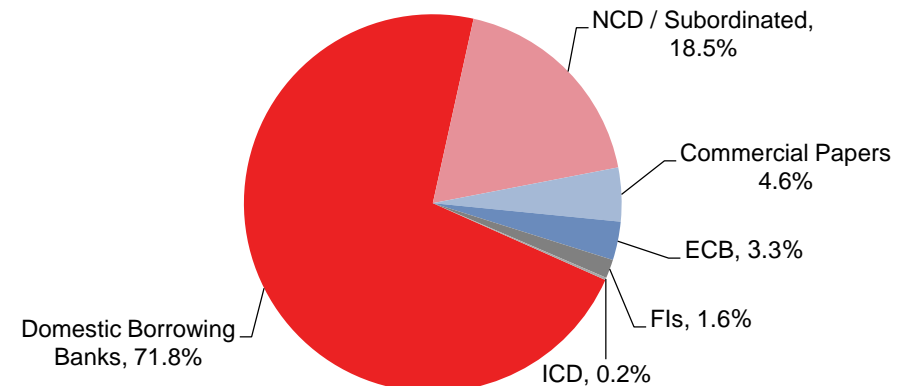


Funding Sources

SEFL (DEC 18)



SIFL (DEC 18)



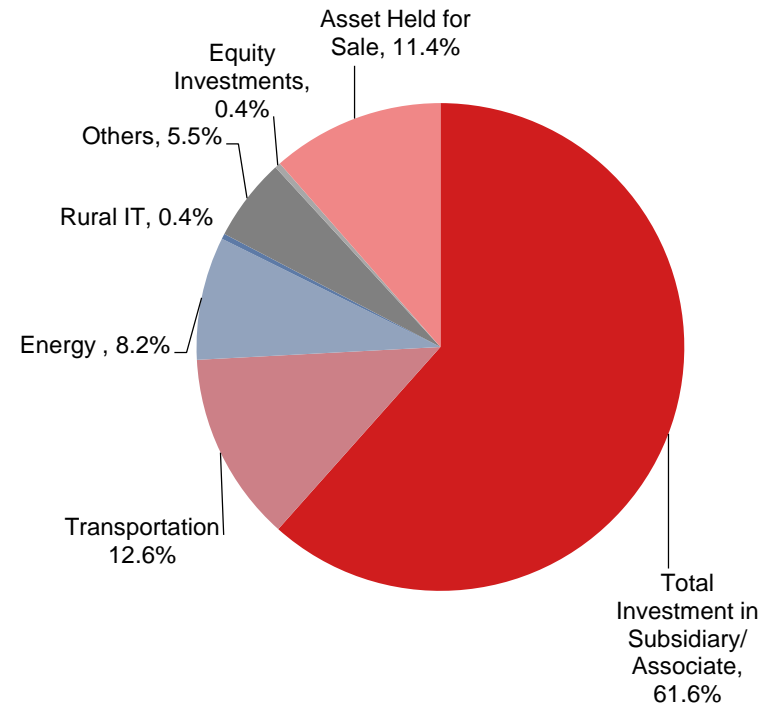
Equity Portfolio Summary

Summary of Investments

Total Investments Summary in Value (Rs Crs)

| Particulars | Value (Rs Crs) |
|--|----------------|
| TOTAL INVESTMENT IN SUBSIDIARIES / ASSOCIATES | 2,271 |
| Strategic Investment* | |
| Transportation | 464 |
| Energy | 301 |
| Rural IT | 13 |
| Others | 203 |
| TOTAL STRATEGIC INVESTMENT | 981 |
| Equity Investment – Quoted & Unquoted | 14 |
| Assets Held for Sale | 422 |
| \$TOTAL INVESTMENTS | 3,688 |

Total Investments Summary (%)



* Investments held directly or through funds
 \$ Excluding NCDS

Key Investment Highlights



- Increased outlay for Infrastructure & affordable housing to boost demand for CME
- CME Finance expected to grow at a CAGR of ~ 21% up to FY21
- Srei being the market leader is best positioned to ride this growth

Strong Growth Outlook

- Leverage experience of being in the infra sector for the last 3 decades
- Improved credit underwriting through better insight & data analytics through digitization
- Strategy beyond Asset writing - Down selling of portfolio to increase income through velocity

Improving Underwriting

Diversifying within Core Business

- Expanding CME Segment - Material Handling Equipment, Tipper, Used Equipment and Spare Parts
- Expanding the Asset finance portfolio beyond the traditional CME segment i.e, Healthcare, IT, Rural
- Provide Asset life cycle solution
- Initiated Co Lending business model
- Moving towards complete digitized platform to enhance customer experience

Maximize return through

- Focus on PSL portfolio – Increase Securitization
- Optimise borrowings and explore alternate avenues of funding to reduce cost.
- Operating Leverage – Larger scale will optimize cost

Cost Improvement

GROWTH DRIVERS

Financial Highlights



Financial Highlights

Balance Sheet – Consolidated – IND AS

| Balance Sheet Summary (Rs Crs) | 9MFY19 | 9MFY18 | H1FY19 | FY18 |
|--------------------------------|--------|--------|--------|--------|
| Net Worth | 4,077 | 4,008 | 3,880 | 3,977 |
| Borrowings | 34,920 | 32,219 | 36,316 | 33,555 |
| Interest Earning Assets | 38,661 | 35,137 | 37,557 | 36,480 |
| Investments | 1,785 | 1,874 | 1,613 | 1,826 |
| Key Ratios | 9MFY19 | 9MFY18 | H1FY19 | FY18 |
| RoE | 11.4% | 9.7% | 12.8% | 11.4% |
| RoA | 1.0% | 1.0% | 1.1% | 1.1% |
| EPS (Rs) (Annualized) | 9.1 | 6.2 | 10 | 8.6 |
| Book Value (Rs) | 81.0 | 79.7 | 77.1 | 79.1 |

Financial Highlights

Income Statement – Consolidated – IND AS

| Income Statement (Rs Crs) | 9MFY19 | 9MFY18 | Q3FY19 | Q3FY18 | Q2FY19 | FY18 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Income from Finance Activities | 3,870 | 3,388 | 1,355 | 1,240 | 1,368 | 4,841 |
| Income from equip. financing | 2,559 | 2,060 | 639 | 714 | 1,152 | 2,901 |
| Income from project financing | 1,311 | 1,328 | 716 | 526 | 216 | 1,940 |
| Finance charges | 2,638 | 2,208 | 911 | 744 | 963 | 3,048 |
| NII | 1,232 | 1,180 | 444 | 496 | 406 | 1,792 |
| Non Interest Income | | | | | | |
| Income from Fee Based Activities | 76 | 78 | 39 | 41 | 12 | 21 |
| Income from Equipment Rental | 201 | 140 | 91 | 46 | 59 | 59 |
| Income from Investments | 0 | 0 | 0 | 0 | (1) | 12 |
| Others | 9 | 10 | (7) | 4 | 6 | 25 |
| Net Income | 1,518 | 1,408 | 567 | 587 | 482 | 1,909 |
| Operating Expenditure | 618 | 568 | 212 | 208 | 225 | 752 |
| Provisions & Write offs | 378 | 432 | 205 | 201 | 77 | 521 |
| PBT | 522 | 407 | 150 | 178 | 179 | 636 |
| PAT (after Minority) | 342 | 270 | 91 | 119 | 111 | 432 |

Financial Highlights

SREI Equipment Finance Limited – Balance Sheet

| Balance Sheet Summary (Rs crs) | 9MFY19 | 9MFY18 | H1FY19 | FY18 |
|---------------------------------------|---------------|---------------|---------------|-------------|
| Gross Earning Assets | 32,776 | 27,893 | 32,965 | 29,248 |
| Securitized Assets | 5,858 | 4,664 | 5,423 | 4,780 |
| Net Worth | 2,817 | 2,455 | 2,750 | 2,552 |
| Borrowings | 21,217 | 18,828 | 22,263 | 19,547 |
| Key Ratios | 9MFY19 | 9MFY18 | H1FY19 | FY18 |
| Return on Avg. Net Worth | 13.32% | 10.89% | 15.00% | 12.30% |
| Return on Avg. Assets on Books | 1.39% | 1.29% | 1.50% | 1.40% |
| Leverage | 7.5 | 7.7 | 8.1 | 7.6 |

Financial Highlights

SREI Equipment Finance Ltd- Income Statement

| Income Statement (Rs crs) | 9MFY19 | 9MFY18 | Q3FY19 | Q3FY18 | Q2FY19 | FY18 |
|-----------------------------|---------------|---------------|--------------|--------------|--------------|---------------|
| Disbursement | 10,934 | 12,613 | 2,362 | 4,303 | 4,511 | 16,990 |
| Net Revenue from Operations | 2,559 | 2,060 | 847 | 751 | 887 | 2,855 |
| Finance charges | 1,573 | 1,199 | 544 | 429 | 550 | 1,701 |
| NII | 985 | 861 | 304 | 323 | 337 | 1,154 |
| Operating Expenditure | 313 | 283 | 105 | 103 | 117 | 388 |
| Cost of Risk | 267 | 290 | 95 | 92 | 69 | 324 |
| PBT | 405 | 288 | 104 | 128 | 151 | 442 |
| PAT | 268 | 192 | 69 | 85 | 96 | 296 |
| Key Ratios | 9MFY19 | 9MFY18 | H1FY19 | FY18 | | |
| Yield on Avg. Funds | 13.2% | 13.8% | 13.1% | 13.9% | | |
| Cost of Funds | 9.4% | 9.3% | 9.3% | 9.3% | | |
| Interest Spreads | 3.8% | 4.5% | 3.8% | 4.6% | | |
| NIM | 5.1% | 5.8% | 5.2% | 5.6% | | |
| Gross NPA (%)* | 4.0% | 4.2% | 3.2% | 3.4% | | |
| Net NPA (%)* | 2.6% | 2.6% | 1.9% | 2.0% | | |

*On book Gross Total Assets

Financial Highlights

SREI Infrastructure Finance Limited – Balance Sheet – IND AS

| Balance Sheet Summary (Rs Crs) | 9MFY19 | 9MFY18 | H1FY19 | FY18 |
|--------------------------------|--------|--------|--------|--------|
| Interest Earning Assets | 13,036 | 13,364 | 13,465 | 13,585 |
| Net Worth | 3,098 | 3,386 | 3,102 | 3,259 |
| Borrowings | 13,640 | 13,338 | 13,985 | 13,932 |
| Investments | 3,932 | 3,993 | 3,758 | 3,886 |
| Key Ratios | 9MFY19 | 9MFY18 | H1FY19 | FY18 |
| RoE | 3.44% | 3.27% | 3.70% | 3.60% |
| Leverage | 4.5 | 4.0 | 4.5 | 4.3 |

Financial Highlights

SREI Infrastructure Finance Limited - Income Statement – IND AS

| Income Statement (Rs Crs) | 9MFY19 | 9MFY18 | Q3FY19 | Q3FY18 | Q2FY19 | FY18 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Disbursement | 4,630 | 3,534 | 1,438 | 1,427 | 1,311 | 5,736 |
| Income from finance activities (Net of OL Dep.) | 1,349 | 1,342 | 546 | 494 | 420 | 1,803 |
| Finance charges | 1,055 | 1,001 | 362 | 313 | 351 | 1,343 |
| NII | 294 | 341 | 185 | 181 | 69 | 461 |
| Provision & Write off | 115 | 139 | 113 | 107 | 7 | 183 |
| Fee based income | 32 | 19 | 3 | 5 | 10 | 35 |
| Income from investment | - | - | - | - | - | 1 |
| Other Income | 22 | 13 | 5 | 4 | 3 | 17 |
| Operating Expenditure | 113 | 120 | 40 | 37 | 33 | 158 |
| PBT | 120 | 114 | 40 | 46 | 42 | 173 |
| PAT | 82 | 79 | 23 | 31 | 29 | 115 |
| Key Ratios | 9MFY19 | 9MFY18 | H1FY19 | FY18 | | |
| Yield on Avg Funds | 13.3% | 13.1% | 12.2% | 13.8% | | |
| Cost of funds | 10.0% | 10.1% | 9.8% | 10.0% | | |
| Interest Spreads | 3.3% | 3.1% | 2.4% | 3.8% | | |
| Gross NPA (%)* | 10.3% | 15.2% | 9.7% | 12.8% | | |
| Net NPA (%)* | 5.7% | 8.9% | 5.1% | 6.7% | | |

* On-book Gross Total Assets

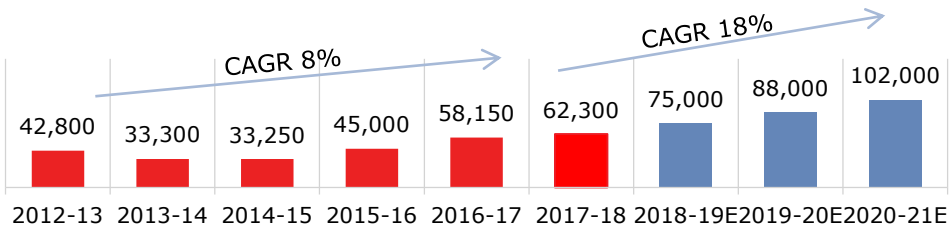
Annexures



Industry Overview – India Opportunity

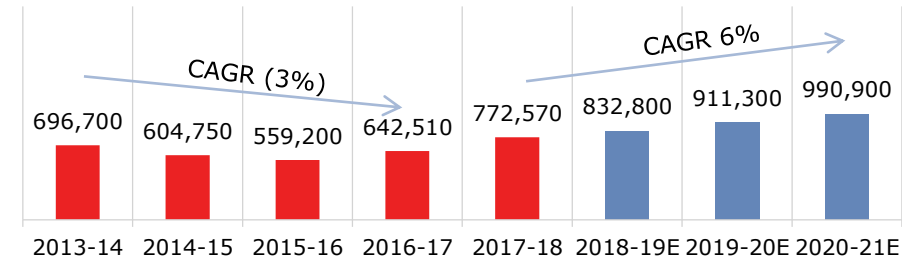
Other Equipments – Sustained Recovery

Tipplers Sales (Unit Sales)



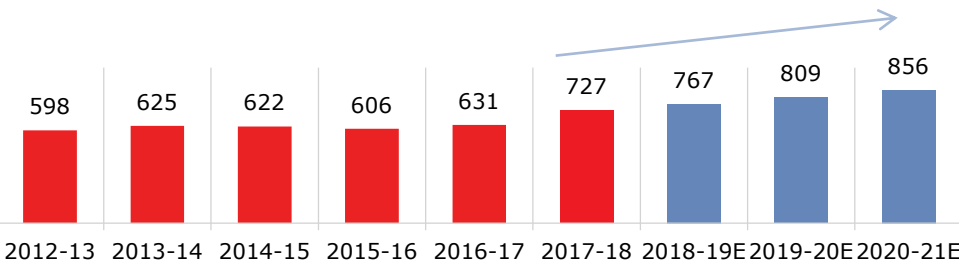
- Used for transporting material (such as sand, gravel or demolition waste) and crushed aggregates for construction and infrastructure projects

Farm Equipment (Unit Sales)²



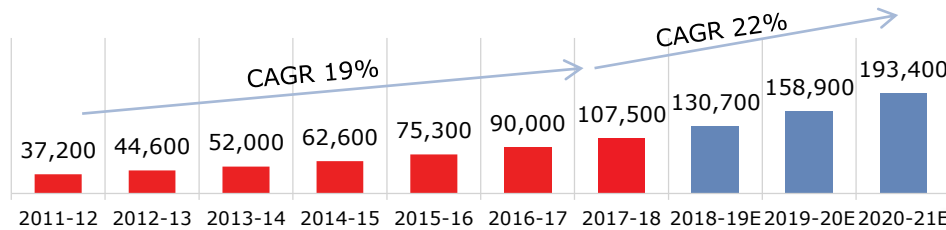
- Tractors have the major share of the farm mechanisation market in India
- There is room for sufficient growth in this segment with India being an agriculture-based economy

IT Equipment (Revenue, INR Bn)¹



- India has witnessed a significant rise in the use of IT equipment¹, due to rising disposable incomes and reduced prices due to rapid innovation in technology

Medical Equipment (Sales, INR Mn)



- India is among the top 20 markets for medical devices
- Government commits to increase public health expenditure to 2.5% of the GDP, which is expected to provide a boost to the healthcare sector

Source: Feedback Analysis

Note: Market Size is by Value of CME equipment sales

Includes PC Segment, Printers, Enterprise networking, Servers, Storage

Includes total sales of Tractor, Power Tillers and Combine Harvestors

Shareholders Value Unlocking Plan

Overview

The Board of Directors of Srei Infrastructure Finance Limited (Srei Infra), Srei Equipment Finance Limited (Srei Equipment) & Srei Asset Reconstruction Private Limited (Srei Asset) have approved the scheme for listing of the Equipment Finance Business (Srei Asset) and Capital Augmentation in their respective meetings held on 21st January 2019

Primary Objective

- Enrich shareholders with the shares of the Equipment Finance Business (Srei Asset)
- Listing of Equipment Finance Business (Srei Asset) through a composite scheme of arrangement and amalgamation
- Unlocking Shareholders' value
- Targeted Capital Infusion of about Rs. 500 cr in high growth Equipment Finance Business (Srei Asset)
- Direct access to public markets for the high growth Equipment Finance Business (Srei Asset)

The proposal is subject to customary statutory and regulatory approvals

Key Benefits

Benefits to Srei Infra and its Shareholders

- ✓ Shareholders to directly hold shares of both Srei Infra and the Equipment Finance Business (Srei Asset)
- ✓ Continue to have direct participation in the high growth Equipment Finance Business (Srei Asset)
- ✓ Monetizable asset in form of listed shares of the Equipment Finance Business (Srei Asset)
- ✓ Value unlocking for Srei Infra shareholders
- ✓ Attract global & domestic investors focused to invest only in Infrastructure Finance Business

Benefits to Equipment Finance Business

- ✓ Unlocking the value of the Equipment Finance Business (Srei Asset)
- ✓ Listing of the Equipment Finance Business (Srei Asset) to enable direct access to public markets
- ✓ Enhanced ability to tap growth capital efficiently
- ✓ Targeted Infusion of about Rs.500crs in high growth in the Equipment Finance Business (Srei Asset)
- ✓ Attract global & domestic investors focused to invest in the Equipment Finance Business (Srei Asset)

| Key Approvals | Indicative Timeline* |
|---|----------------------|
| Approval of the scheme by RBI/ Stock Exchange | 120 days |
| Approval of the scheme by the shareholders and creditors of Srei Infra & demerged company | 190 days |
| Sanction of scheme by NCLT | 280 days |
| Receipt of listing/trading approval in respect of shares to be issued by demerged company to the shareholders of Srei Infra | 365 days |

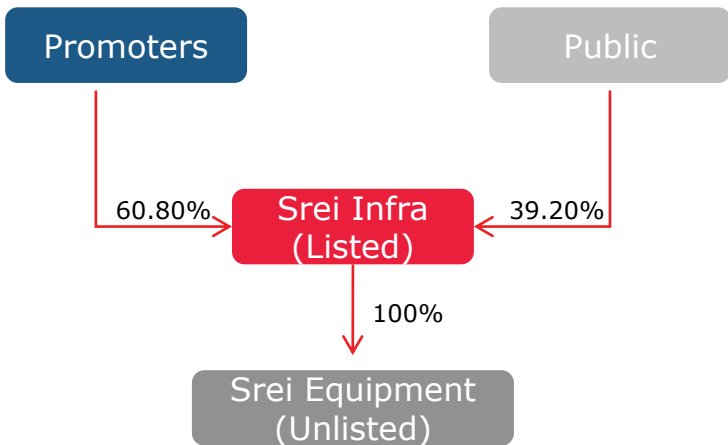
| Key Advisors | | | |
|---------------------|--|---------------------|------------------|
| Transaction Advisor | Baker Tilly DHC | Independent Valuers | Sharp & Tannan |
| Legal Counsel | Shardul Amarchand Mangaldas & Khaitan & Co., Kolkata | Fairness Opinion | ICICI Securities |

* From the date of Board Approval

Post scheme structure

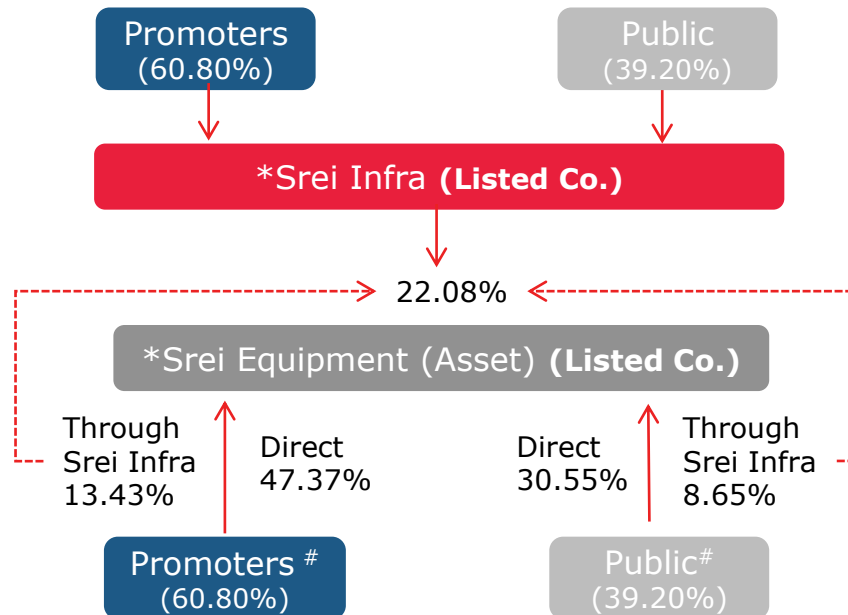
Present Structure

as on 30th Sept, 2018



| Shareholding Pattern | Srei Infra | Srei Equipment |
|---------------------------------|------------|----------------|
| Promoters | 60.80% | - |
| Srei Infra | - | 100.00% |
| Public | 39.20% | - |
| Outstanding Shares (Nos. in Cr) | 50.3 | 6.0 |

Proposed Structure



| Shareholding Pattern | Srei Infra | Srei Equipment |
|---------------------------------|------------|----------------|
| Promoters | 60.80% | 47.37% |
| Srei Infra | - | 22.08% |
| Public | 39.20% | 30.55% |
| Outstanding Shares (Nos. in Cr) | 50.3 | 12.9 |

* Listing in NSE and BSE

Economic Interest

Demerger Scheme – Share Entitlement

1 equity share of Srei Equipment for every 5 shares in Srei Infra

Illustration

A shareholder holding 1,000 shares in Srei Infra will get 200 shares of Srei Equipment

If a person has 1000 shares of Srei Infra

| | Srei Equipment | Srei Infra |
|------------------------------|----------------|------------|
| No of shares before demerger | NIL | 1,000 |

Share entitlement ratio of 1:5

After the demerger of Srei Equipment from Srei Infra

| | Srei Equipment | Srei Infra |
|-----------------------------|----------------|------------|
| No of shares after demerger | 200 | 1,000 |

Srei Infrastructure Finance Limited Disclaimer:

In this communication we have disclosed certain forward-looking information to enable investors to comprehend our future prospects and take informed investment decisions. This report and other statements – written and/or verbal - that we periodically make/publish contain forward-looking statements that set out anticipated results based on the management's plans and assumptions for future growth and development of the organizations. We have tried wherever possible to identify such statements by using words such as anticipate, estimate, expects, projects, intends, plans, believe, and words of similar substance in connection with any discussion of future performance.

We do not guarantee, warrant and/or recommend, express or implied, as to the accuracy or completeness of such assumptions and that these forward-looking statements will be realized, although we believe we have been prudent in assumptions which are subject to dynamic changes. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Prospective investors are recommended to take their decisions based on interpretations and assumption of such published forward looking statements. . We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Moreover, neither we or any other company or subsidiary of the Srei Group, nor any of its officers, directors or employees accept any liability or responsibility in respect to the information or any assumptions expressed herein.

The information contained herein has been prepared exclusively for informational purposes and is not an offer or solicitation of an offer to buy/sell the securities/instruments mentioned or to participate in any trading strategy or an official confirmation. This is not a research but it may refer to a research analyst/research report.. Information is subject to change without notice and we may not update this. Past performance is not indicative of future returns. This price information (if any) is provided solely for informational purposes and may differ substantially from price information available from other sources or an actionable price.

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Thank You

Financial Highlights

Balance Sheet – Consolidated

| Balance Sheet Summary (Rs Crs) | FY14 | FY15 | FY16 | FY17 | FY18 | 9MFY19 |
|--------------------------------|--------|--------|--------|--------|--------|--------|
| Net Worth | 2,984 | 3,174 | 3,231 | 4,531 | 3,977 | 4,077 |
| Borrowings | 19,767 | 20,326 | 20,673 | 26,204 | 33,555 | 34,920 |
| Interest Earning Assets | 19,280 | 20,742 | 22,075 | 30,305 | 36,480 | 38,661 |
| Investments | 2,420 | 2,250 | 2,170 | 1,282 | 1,826 | 1,785 |
| Key Ratios | FY14 | FY15 | FY16 | FY17 | FY18 | 9MFY19 |
| RoE | 4.6% | 4.2% | 2.3% | 6.3% | 11.4% | 11.4% |
| RoA | 0.6% | 0.5% | 0.3% | 0.8% | 1.1% | 1.0% |
| EPS (Rs) (Annualized) | 2.8 | 2.5 | 1.4 | 4.8 | 8.6 | 9.1 |
| Book Value (Rs) | 59.3 | 63.1 | 64.2 | 90.1 | 79.1 | 81.0 |

FY18 & 9MFY19 as per Ind AS

Financial Highlights

Income Statement – Consolidated

| Income Statement (Rs Crs) | FY14 | FY15 | FY16 | FY17 | FY18 | 9MFY19 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Income from Finance Activities | 2,793 | 2,960 | 2,934 | 3,528 | 4,841 | 3,870 |
| Income from equip. financing | 1190 | 1160 | 1153 | 1,909 | 2,901 | 2,559 |
| Income from project financing | 1603 | 1799 | 1781 | 1,620 | 1,940 | 1,311 |
| Finance charges | 2350 | 2274 | 2311 | 2,628 | 3,048 | 2,638 |
| NII | 443 | 685 | 623 | 896 | 1,792 | 1,232 |
| Non Interest Income | | | | | | |
| Income from Fee Based Activities | 143 | 161 | 50 | 33 | 21 | 76 |
| Income from Equipment Rental | 131 | 152 | 34 | 165 | 59 | 201 |
| Income from Investments | 12 | 57 | 2 | 529 | 12 | 0 |
| Others | 46 | 45 | 53 | 50 | 25 | 9 |
| Net Income | 774 | 1,100 | 763 | 1,673 | 1,909 | 1,518 |
| Operating Expenditure | 381 | 425 | 384 | 546 | 752 | 618 |
| Provisions & Write offs | 168 | 487 | 272 | 772 | 521 | 378 |
| PBT | 226 | 188 | 106 | 360 | 636 | 522 |
| PAT (after Minority) | 139 | 129 | 73 | 243 | 432 | 342 |

FY18 & 9MFY19 as per Ind AS

Financial Highlights

SREI Equipment Finance Limited – Balance Sheet

| Balance Sheet Summary (Rs crs) | FY14 | FY15 | FY16 | FY17 | FY18 | 9MFY19 |
|--------------------------------|--------|--------|--------|--------|--------|--------|
| Gross Earning Assets | 17,671 | 17,990 | 18,364 | 20,946 | 29,248 | 32,776 |
| Securitized Assets | 2,039 | 2,053 | 2,936 | 4,002 | 4,780 | 5,858 |
| Net Worth | 2,039 | 2,209 | 2,322 | 2,462 | 2,552 | 2,817 |
| Borrowings | 13,096 | 13,065 | 11,854 | 12,932 | 19,547 | 21,217 |
| Key Ratios | FY14 | FY15 | FY16 | FY17 | FY18 | 9MFY19 |
| Return on Avg. Net Worth | 11.7% | 7.2% | 5.1% | 6.2% | 12.3% | 13.3% |
| Return on Avg. Assets on Books | 1.4% | 1.0% | 0.7% | 0.9% | 1.4% | 1.4% |
| Leverage | 6.4 | 5.9 | 5.1 | 5.3 | 7.6 | 7.5 |

FY18 & 9MFY19 as per Ind AS

Financial Highlights

SREI Equipment Finance Ltd- Income Statement

| Income Statement (Rs crs) | FY14 | FY15 | FY16 | FY17 | FY18 | 9MFY19 |
|-----------------------------|--------------|--------------|--------------|---------------|---------------|---------------|
| Disbursement | 7,729 | 7,720 | 9,159 | 11,715 | 16,990 | 10,934 |
| Net Revenue from Operations | 2,374 | 2,310 | 2,286 | 2,130 | 2,855 | 2,559 |
| Finance charges | 1,534 | 1,442 | 1,418 | 1,332 | 1,701 | 1,573 |
| NII | 841 | 868 | 868 | 797 | 1,154 | 985 |
| Operating Expenditure | 224 | 304 | 312 | 328 | 388 | 313 |
| Cost of Risk | 259 | 337 | 396 | 253 | 324 | 267 |
| PBT | 358 | 227 | 160 | 217 | 442 | 405 |
| PAT | 225 | 153 | 115 | 149 | 296 | 268 |
| Key Ratios | FY14 | FY15 | FY16 | FY17 | FY18 | 9MFY19 |
| Yield on Avg. Funds | 15.1% | 14.6% | 14.6% | 13.2% | 13.9% | 13.2% |
| Cost of Funds | 11.1% | 10.6% | 10.5% | 10.2% | 9.3% | 9.4% |
| Interest Spreads | 4.0% | 4.0% | 4.1% | 3.0% | 4.6% | 3.8% |
| NIM | 5.3% | 5.5% | 5.5% | 4.9% | 5.6% | 5.1% |
| Gross NPA (%) | 5.0% | 5.0% | 2.9% | 2.5% | 3.4% | 4.0% |
| Net NPA (%) | 4.1% | 3.8% | 2.0% | 1.8% | 2.0% | 2.6% |

FY18 & 9MFY19 as per Ind AS

Financial Highlights

SREI Infrastructure Finance Limited – Balance Sheet

| Balance Sheet Summary (Rs Crs) | FY14 | FY15 | FY16 | FY17 | FY18 | 9MFY19 |
|--------------------------------|--------|--------|--------|--------|--------|--------|
| Interest Earning Assets | 11,798 | 12,822 | 14,321 | 13,725 | 13,585 | 13,036 |
| Net Worth | 2,584 | 2,657 | 2,701 | 2,811 | 3,259 | 3,098 |
| Borrowings | 12,960 | 13,696 | 14,599 | 13,184 | 13,932 | 13,640 |
| Investments | 3,026 | 2,839 | 2,769 | 2,037 | 3,886 | 3,932 |
| Key Ratios | FY14 | FY15 | FY16 | FY17 | FY18 | 9MFY19 |
| RoE | 2.2% | 3.4% | 2.1% | 3.5% | 3.6% | 3.4% |
| Leverage | 4.8 | 5.2 | 5.4 | 4.7 | 4.3 | 4.5 |

FY18 & 9MFY19 as per Ind AS

Financial Highlights

SREI Infrastructure Finance Limited - Income Statement

| Income Statement (Rs Crs) | FY14 | FY15 | FY16 | FY17 | FY18 | 9MFY19 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Disbursement | 4,706 | 4,827 | 5,374 | 5,889 | 5,736 | 4,630 |
| Income from finance activities(Net of OL Dep.) | 1,615 | 1,835 | 1,788 | 1,891 | 1,803 | 1,349 |
| Finance charges | 1,536 | 1,521 | 1,586 | 1,437 | 1,343 | 1,055 |
| NII | 79 | 314 | 202 | 454 | 461 | 294 |
| Provision & Write off | 28 | 271 | 57 | 547 | 183 | 115 |
| Fee based income | 129 | 131 | 34 | 14 | 35 | 32 |
| Income from investment | 11 | 52 | 1 | 318 | 1 | - |
| Other Income | 35 | 36 | 39 | 43 | 17 | 22 |
| Operating Expenditure | 137 | 143 | 138 | 134 | 158 | 113 |
| PBT | 88 | 119 | 81 | 148 | 173 | 120 |
| PAT | 59 | 91 | 57 | 96 | 115 | 82 |
| Key Ratios | FY14 | FY15 | FY16 | FY17 | FY18 | 9MFY19 |
| Yield on Avg Funds | 14.6% | 14.9% | 13.4% | 12.2% | 13.8% | 13.3% |
| Cost of funds | 12.3% | 11.4% | 11.3% | 10.6% | 10.0% | 10.0% |
| Interest Spreads | 2.0% | 3.5% | 2.0% | 1.6% | 3.8% | 3.3% |
| Gross NPA (%) | 2.4% | 4.6% | 4.5% | 3.2% | 12.8% | 10.3% |
| Net NPA (%) | 2.1% | 3.7% | 3.4% | 2.0% | 6.7% | 5.7% |

FY18 & 9MFY19 as per Ind AS