

# Investor Presentation

JUNE 2018



# Highlights

Q1 FY19 – As per IND AS

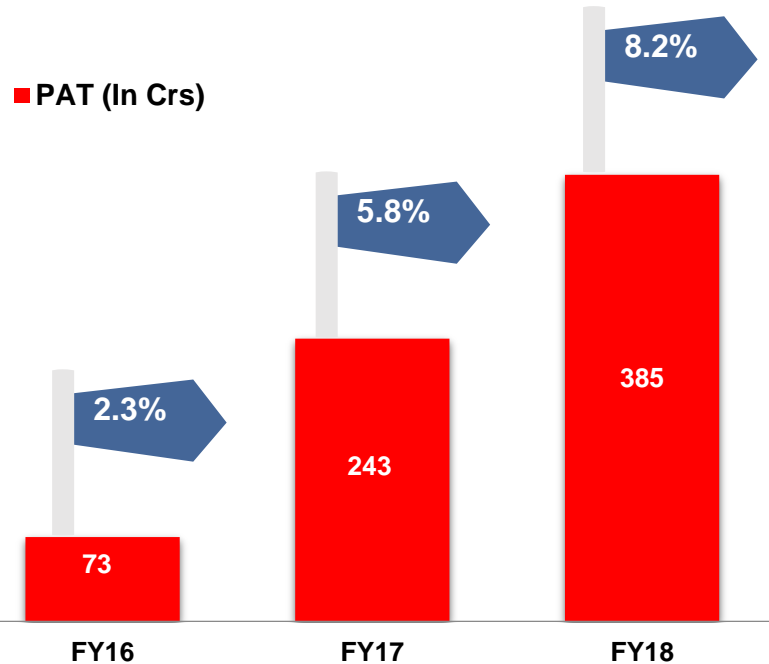
## CONSOLIDATED

<b>Disbursement</b>	<b>35%</b> ▲	YoY
<b>Interest Earning Asset</b>	<b>26%</b> ▲	YoY
<b>Total Income</b>	<b>21%</b> ▲	YoY
<b>PAT</b>	<b>114%</b> ▲	YoY
<b>RoA</b>	<b>1.30%</b> ▲	June 2018
<b>RoE</b>	<b>13.90%</b> ▲	June 2018
<b>NET STAGE 3*</b>	<b>3.26%</b>	June 2018
<b>COVERAGE RATIO</b>	<b>45.07%</b>	June 2018

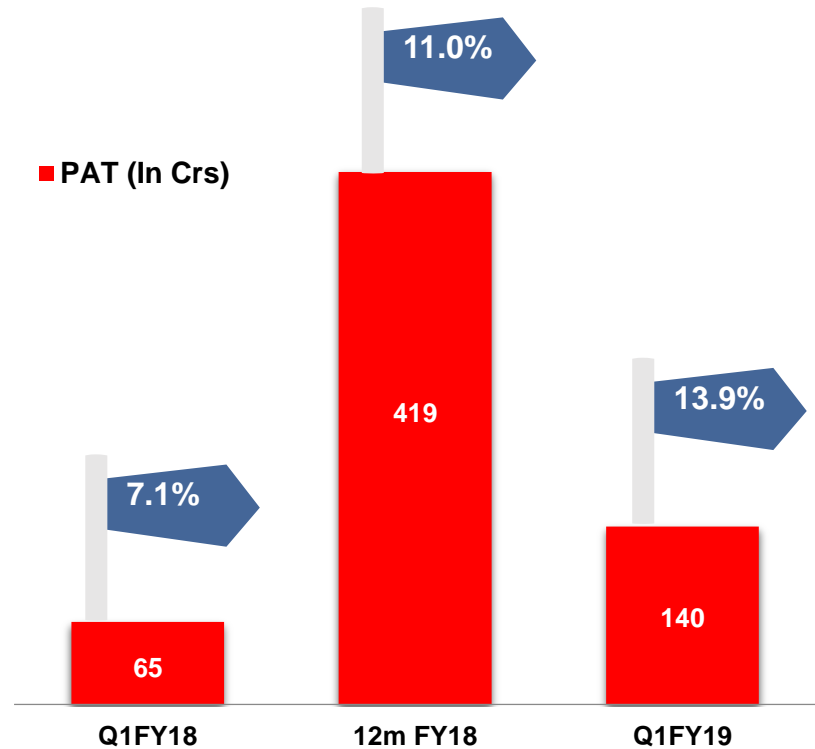
\*Calculated on Gross Total Assets

# PAT & RoE Trajectory

## IGAAP



## IND AS



# IGAAP to Ind AS: Major Impact

Key Changes	IGAAP	Ind AS
Fee Income	Booked Upfront	Amortized over the period of the contract
Fair Value of Investment	Only other than temporary diminution in value is considered	Fair Value is considered either through Profit and Loss or through OCI, even for temporary diminution
Credit Cost / Provisioning	As specified by the Regulator	Expected Credit Loss Model as per IND AS 109
Securitization Contract	Asset on Finance to be derecognized if true sale criteria, as per Regulatory guidelines, are met	Asset on finance are de-recognized when the contractual rights to the cash flows expire or when the transfer of the assets qualifies for de-recognition
Interest Spread on Assignment Transaction	Amortized over the life of the contract	To be booked upfront if the derecognition principles are met
Asset acquired against Debt (AAD)	Considered as part of Loan Assets	<ul style="list-style-type: none"> <li>AAD property is categorized as "Other asset held for sale"</li> <li>AAD shares categorized as "Investments"</li> </ul>

# ECL Methodology

Stage	Description	ECL Calculation	Interest Recognition
<b>Stage 1 (Performing)</b>	Assets with low risk of default 0-60 DPD	$EAD \times 12 \text{ months PD} \times LGD$	Interest Income on Gross Carrying Value
<b>Stage 2 (Underperforming)</b>	Assets with significant increase in Credit Risk since initial recognition. 61-90 DPD	$EAD \times \text{Lifetime PD} \times LGD$	Interest Income on Gross Carrying Value
<b>Stage 3 (Non-performing)</b>	Assets where trigger event has already happened on the reporting date. <ul style="list-style-type: none"> <li>- 90+ DPD</li> <li>- AAD</li> <li>- NCLT</li> <li>- Restructuring S4A, CDR, SDR</li> </ul>	$EAD \times \text{Lifetime PD} \times LGD$ -Industry specific accelerated provision -100% provision for 1095 DPD	Interest Income upto 90 days considered for Stage3

PD: Probability of Default

LGD: Loss Given Default

EAD: Exposure at Default

DPD: Days per Due

# Equity Reconciliation

## SIFL Consolidated

Particulars (Rs Crs)	Amount	Amount
<b>Equity as per Indian IGAAP as on 1<sup>st</sup> April 2017</b>		<b>4,919</b>
Provisioning from Expected Credit Loss	(1,638)	
Impairment of Goodwill	(276)	
Fair Valuation of Financial Assets	77	
Gain from excess Interest Spread on Assignment Transaction	78	
EIR on Financial Assets and Liabilities at Amortized cost	(99)	
Accounting for Derivative	(12)	
Others	6	
Deferred Tax on above	575	
<b>Net Impact</b>		<b>(1,289)</b>
Equity as per IND AS as on 1 <sup>st</sup> April 2017		<b>3,630</b>
Total Comprehensive Income for FY18	410	
Dividend	(30)	
Other Adjustments	(16)	
<b>Equity as per IND AS as on 31<sup>st</sup> March 2018</b>		<b>3,994</b>
Total Comprehensive Income for Q1 FY18	95	
Other Adjustments	3	
<b>Equity as per IND AS as on 30<sup>th</sup> June 2018</b>		<b>4,092</b>

# Equity Reconciliation

## SIFL Standalone

Particulars (Rs Crs)	Amount	Amount
<b>Equity as per Indian IGAAP as on 1<sup>st</sup> April 2017</b>		<b>2,865</b>
Provisioning from Expected Credit Loss	(1,153)	
Fair Valuation of Loans and other Financial Assets	1,548	
EIR on Financial Assets and Liabilities at Amortized cost	(163)	
Accounting for Derivative	(10)	
Deferred Tax on above	111	
<b>Net Impact</b>		<b>333</b>
Equity as per IND AS as on 1 <sup>st</sup> April 2017		<b>3,198</b>
Total Comprehensive Income for FY18	98	
Dividend	(30)	
<b>Equity as per IND AS as on 31<sup>st</sup> March 2018</b>		<b>3,266</b>
Total Comprehensive Income for Q1 FY18	(13)	
<b>Equity as per IND AS as on 30<sup>th</sup> June 2018</b>		<b>3,253</b>

# Provisioning

## SIFL Consolidated

Particulars (Rs Crs)	Q1FY19	Q1FY18	FY18
<b>Gross Stage 1 &amp; 2</b>	<b>29,205</b>	<b>21,349</b>	<b>26,696</b>
ECL Provision- Stage 1 & 2	471	302	438
<b>Gross Stage 3</b>	<b>2,661</b>	<b>3,542</b>	<b>3,366</b>
ECL Provision- Stage 3	1,199	1,552	1,547
Stage 3 Coverage Ratio (%)	45.07%	43.81%	45.96%
Gross Stage 3 (%) ~ GNPA	5.94%	9.81%	7.81%
Net Stage 3 (%) ~ NNPA	3.26%	5.51%	4.22%

## SIFL Standalone

Particulars (Rs Crs)	Q1FY19	Q1FY18	FY18
<b>Gross Stage 1 &amp; 2</b>	<b>10,592</b>	<b>7,869</b>	<b>9,397</b>
ECL Provision- Stage 1 & 2	210	73	189
<b>Gross Stage 3</b>	<b>1,769</b>	<b>2,421</b>	<b>2,510</b>
ECL Provision- Stage 3	838	1,161	1,196
Stage 3 Coverage Ratio (%)	47.33%	47.96%	47.65%
Gross Stage 3 (%) ~ GNPA	8.98%	13.00%	12.77%
Net Stage 3 (%) ~ NNPA	4.73%	6.76%	6.69%

\* GS3, NS3 on gross total assets





# Industry Overview

# Industry Overview – India Opportunity

Proposed Government Expenditure To Boost Growth

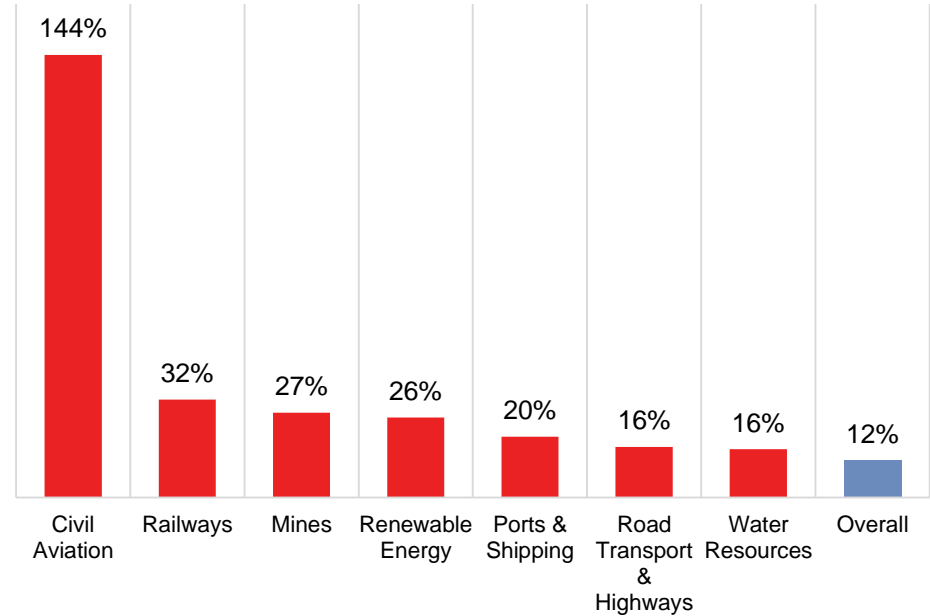
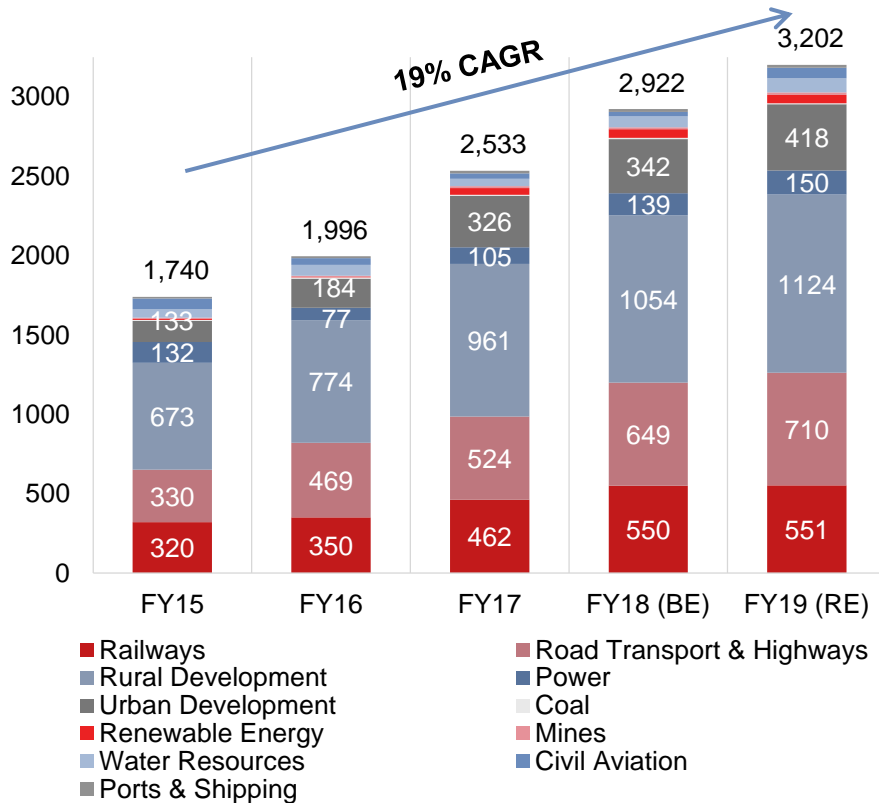
Govt. providing significant push to infra development across segments

19% Growth in Infrastructure Spending

...With the Following Focus for Next Year

INR Billion

FY19 (BE) Infrastructure spending growth over FY18



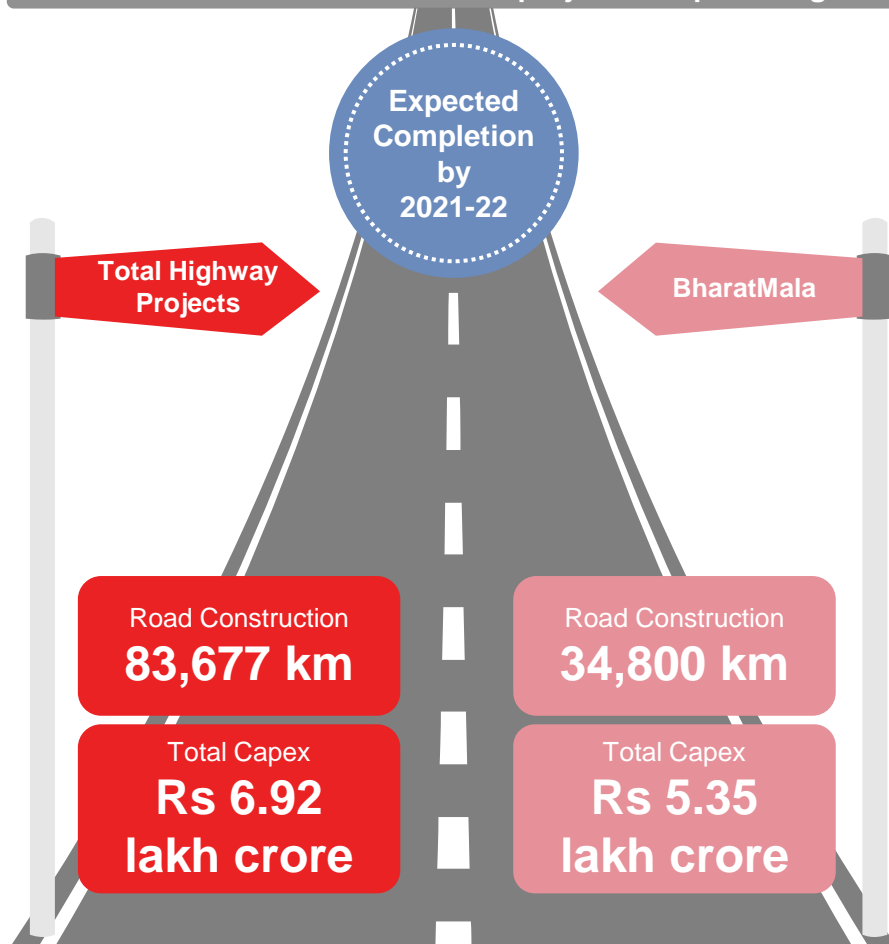
Source: Central Statistics Office/RBI, Annual Budget Document, Govt of India; Feedback Analysis

\* 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

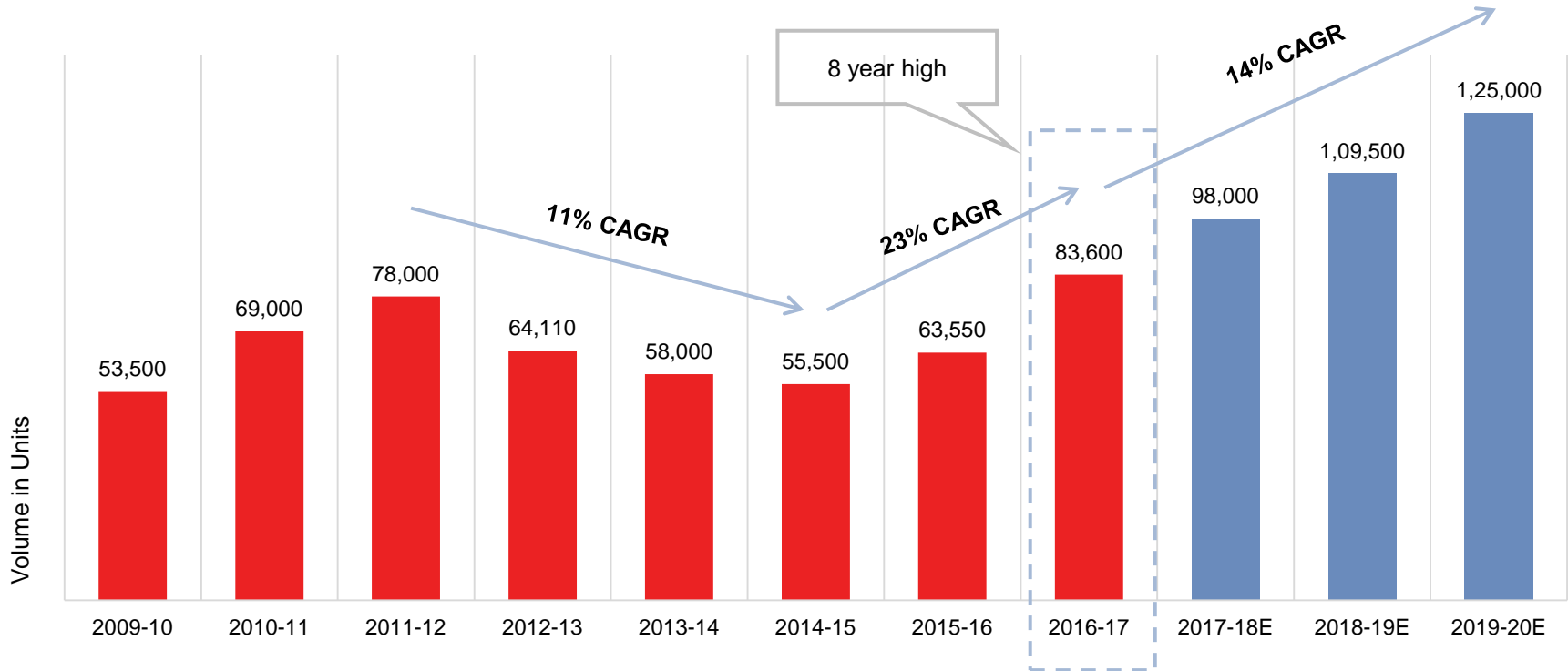
- Spending of Rs. 88,185 crore envisaged under the PMGSY, by central and state government, to construct 1,09,302 km of rural roads over next 3 years.
- In addition, roads worth Rs 11,725 crore for 5,411 km of upgradation and new roads in 44 LWE districts to be completed by 2019-20.

# Industry Overview – India Opportunity

Indian CE Market – Sustained Recovery

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

## CME Sales



# Company Overview



# Company Overview

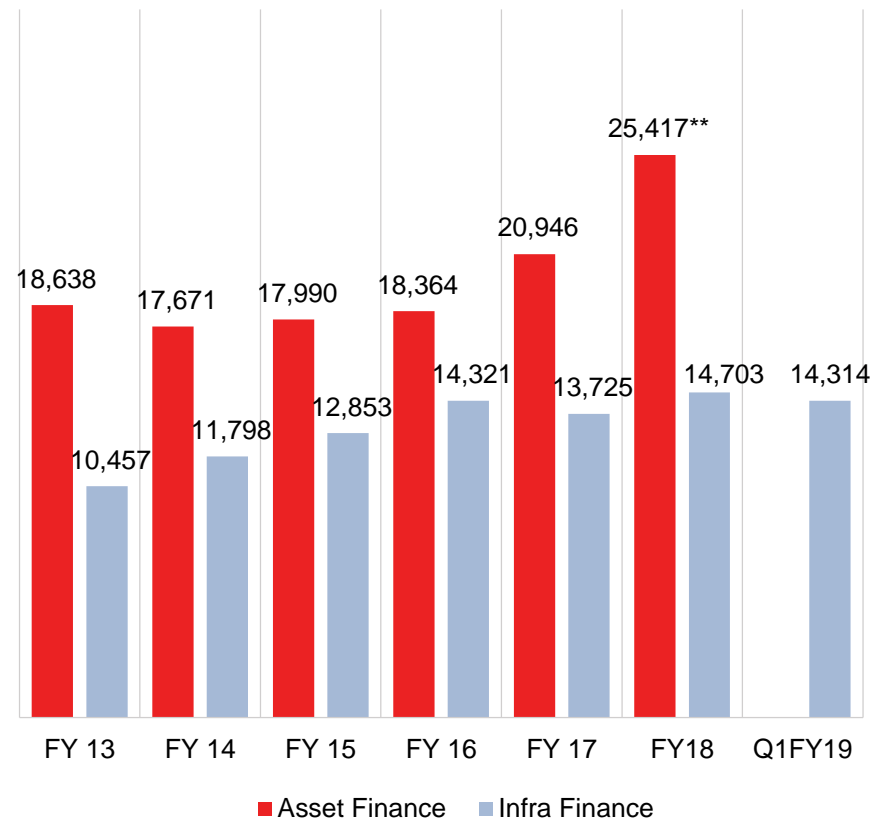
- Srei Infrastructure Finance Ltd, a Kanoria foundation entity, is one of India's largest holistic infrastructure institutions delivering innovative solutions in the Infrastructure space.

- 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 77,000 and over USD 7 bn of consolidated AUM.

\*\* As on H1FY18

## Gross Earning Asset (INR Cr)



# Board of Directors



**Hemant Kanoria - Chairman & Managing Director**  
He has over 36 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 28 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).



**S. Rajagopal**  
He is the former Chairman & Managing Director of Bank of India and Indian Bank and has more than 40 years of experience in the banking industry.



**S. Chatterjee**  
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**  
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**  
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**  
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**  
He has over three decades of experience and was the CFO of ICICI Bank and is currently the 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.

# Asset Finance Business





# Asset Finance Business

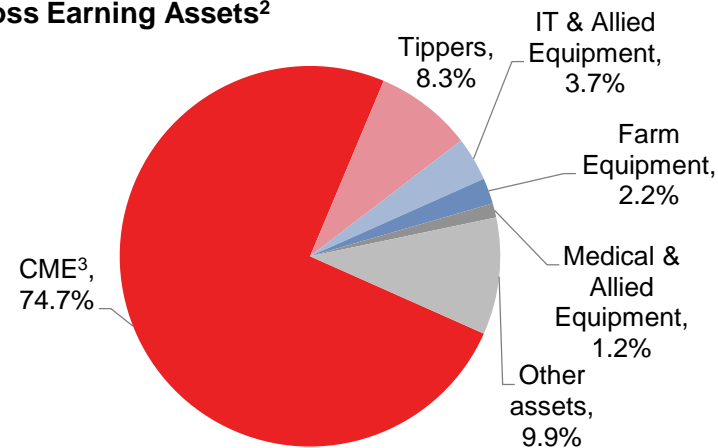
An Established Leader

## Company Profile

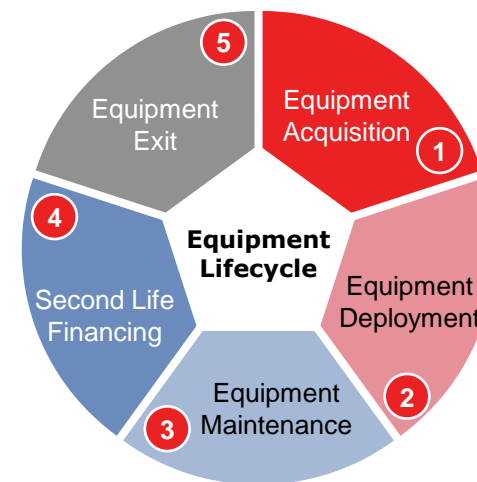
- Leading financier in the Construction, Mining and allied Equipment (“CME”) sector in India offering loans and leases for new as well as used equipment
- Promoted and 100% owned by Srei Infrastructure Finance Limited which has over 27 years experience in CE finance
- Over 32.7% market share<sup>1</sup> and customer base of 64,000+ current customers<sup>2</sup>
- Distribution network of 89 branches across 21 states, 77 additional satellite locations and an employee base of 2,005 employees<sup>2</sup>
- Strategic pan-India penetration through 120 SEPs<sup>2,4</sup> and 191 OEMs partnerships<sup>2</sup>
- Present across Tipper, IT, Farm & Medical Equipment Financing segments
- Gross Earning Assets of INR 254,171 Mn<sup>2</sup> with a 2.5 year CAGR of 15%

## Diversified Product Portfolio

### By Gross Earning Assets<sup>2</sup>



## Presence across Lifecycle of an Equipment



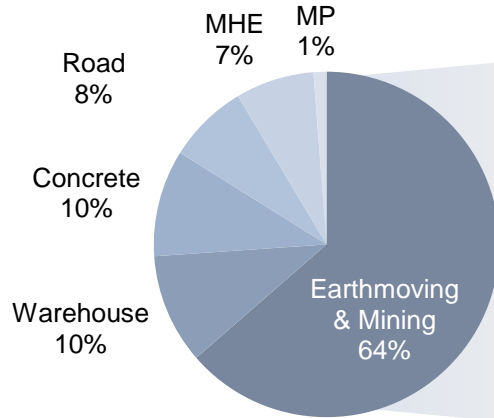
Source: Feedback Analysis; Gross Earning Assets: Aggregate of Earning Assets and assets derecognized by way of securitization and assignment of receivables outstanding  
Disbursements: Aggregate of loans and leases (both operating & finance lease)

1. For FY17; 2. As at Sept 2017; 3. CME includes used equipment; 4. Srei Entrepreneur Partners

# CME | Significant Opportunity Size

## Current Focus

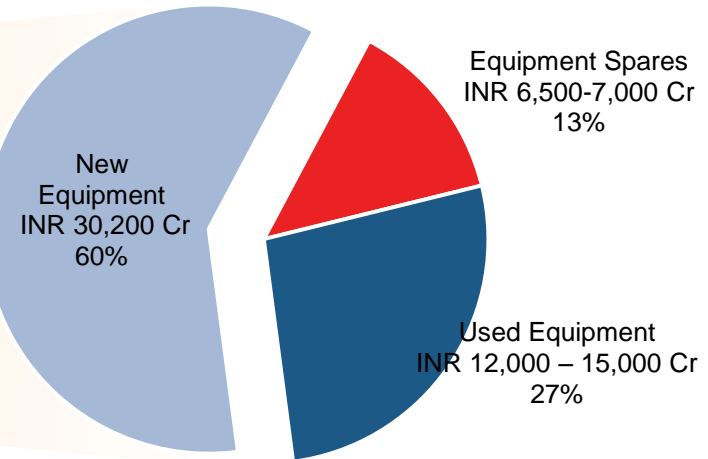
Unit Sales (FY17)



~INR 30,200 Cr

## Potential Market with Additional Focus

Market Size (FY17)



~INR 48,700 – 52,200 Cr

## Equipment Leasing Market

- ✓ Bulk of MSMEs are opting to finance their equipment
- ✓ Still at nascent stage, 6-8% of CME Market (FY17) vs 50-60% globally
- ✓ Associated tax benefit opportunities
- ✓ Reduced 18% GST slab<sup>1</sup> 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**

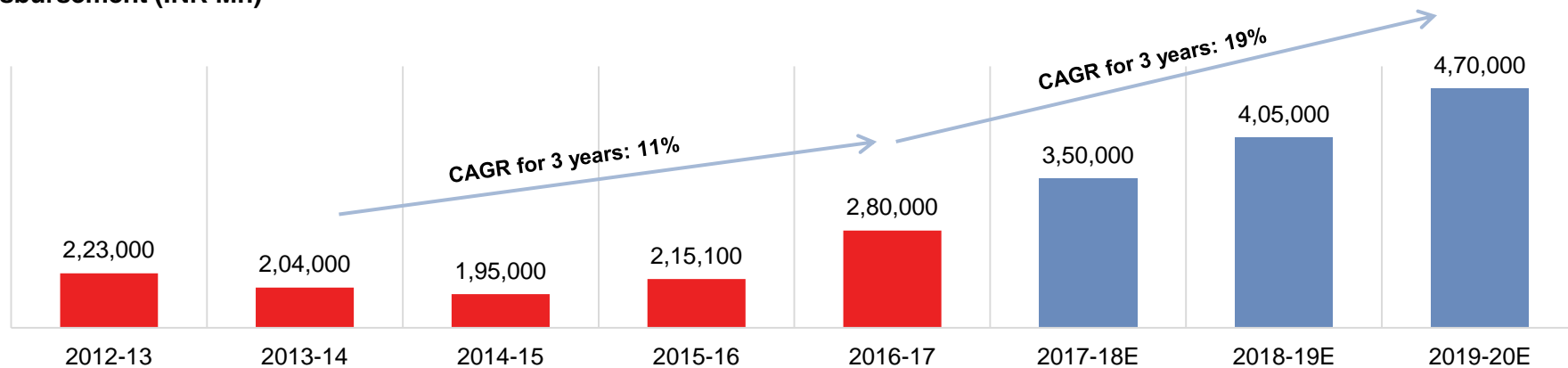
Source : Feedback Analysis; Note: MHE: Material Handling Equipment; MP: Material Processors

1. For most products covered under CME Section

# CME Financing Industry: Poised for Growth

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

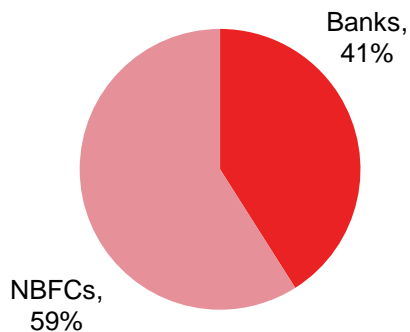
Disbursement (INR Mn)



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

...Dominated by NBFCs...

By Disbursements (FY17)

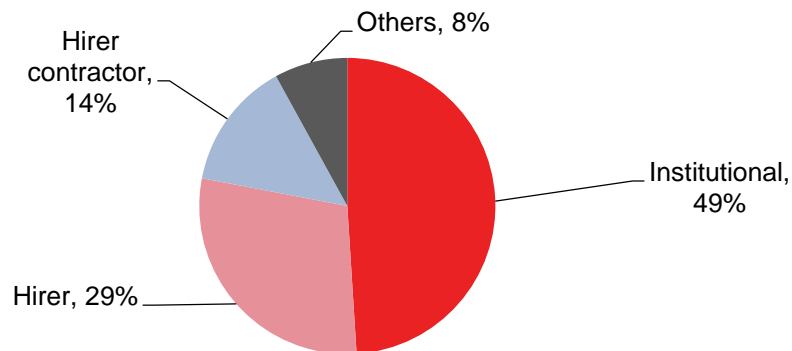


NBFCs Competitive Positioning

- ✓ Better geographic reach
- ✓ Offer faster TAT<sup>1</sup>
- ✓ Tailor made schemes
- ✓ Higher LTV<sup>2</sup> than banks
- ✓ Simple documentation
- ✓ Flexible terms

...With Diverse Customer Profiles...

NBFCs Customer Breakdown by Disbursements (FY17)



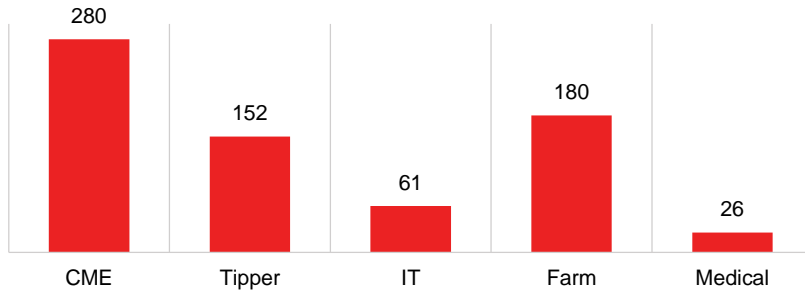
Source: Feedback Analysis

1. Turn Around Time
2. Loan to Value

# Equipment Financing Industry: Poised for Growth

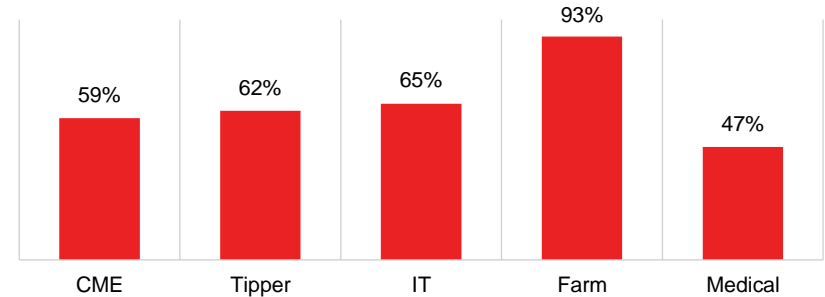
## Current Market Size

FY17 Disbursement (INR Bn)



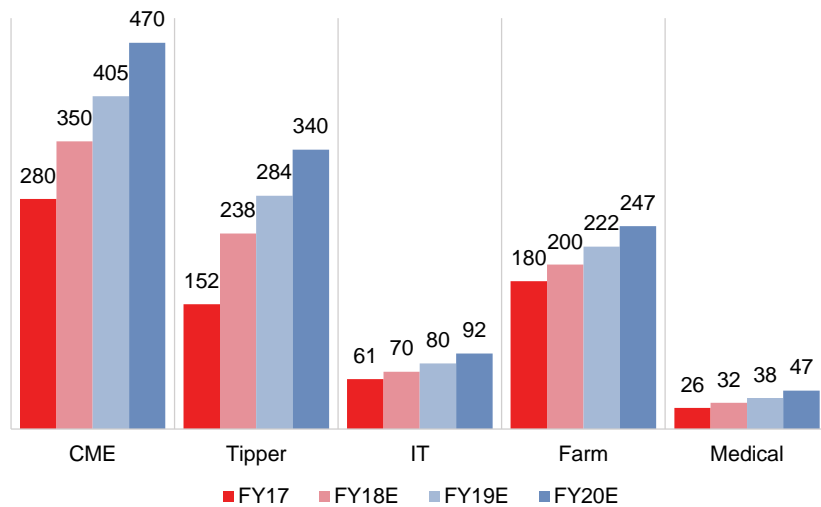
## Dominated by NBFCs

Market Share of NBFCs within each segment (FY17)



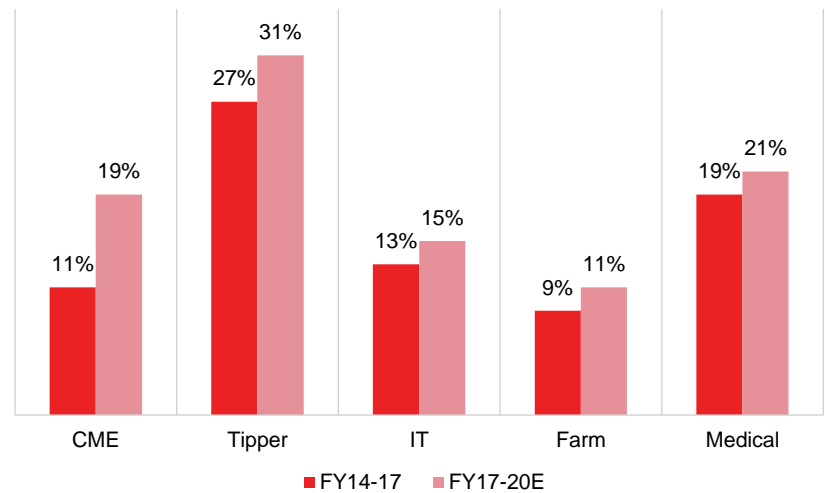
## Estimated Market Size

Disbursement (INR Bn)



## Growth

Disbursements CAGR

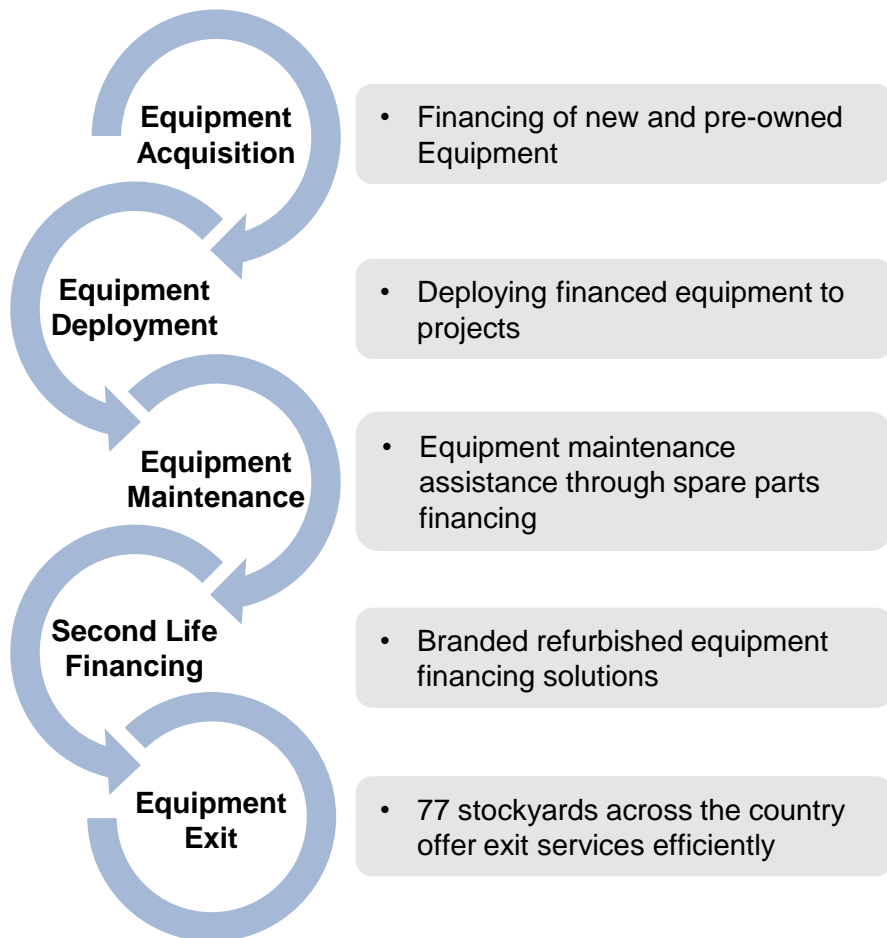




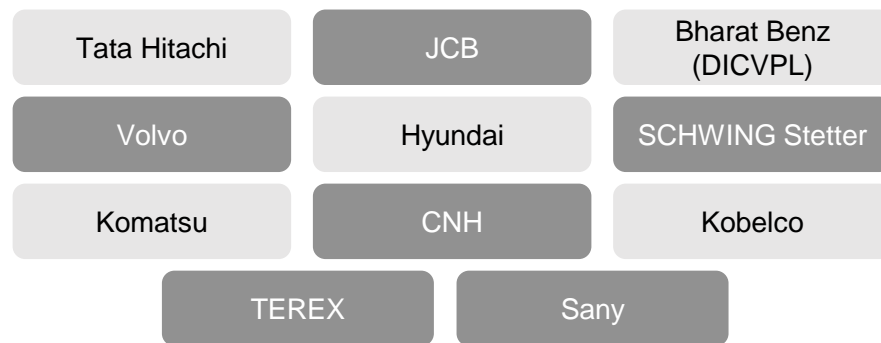
# Key Business and Strategy

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 191 OEMs and 120 SEPs<sup>2</sup>

1. Srei Entrepreneur Partners

# Key Business and Strategy

Wide Distribution Network and Strong Brand Name

## Vintage Reflects our Understanding of Business

Sept-17



## Wide Range of Customers

64,000+  
Current  
Customers²

First Time Users (FTUs)

First Time Buyers (FTBs)

Fleet Owners

Mid-size Contractors

Large Corporations

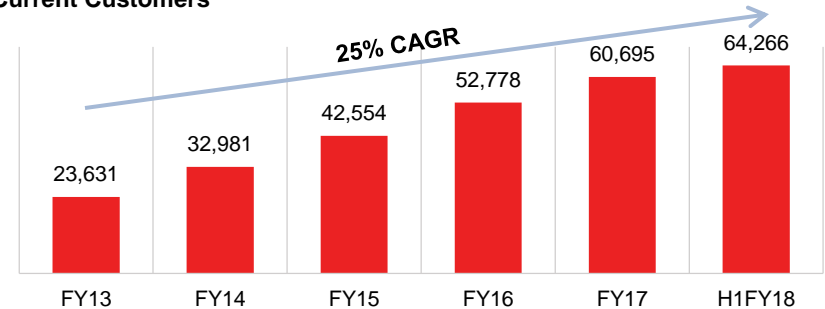
Project Owners

## 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
- ✓ 120 SEPs across the country²

## Customer Focused Approach Leading to Retention

Current Customers



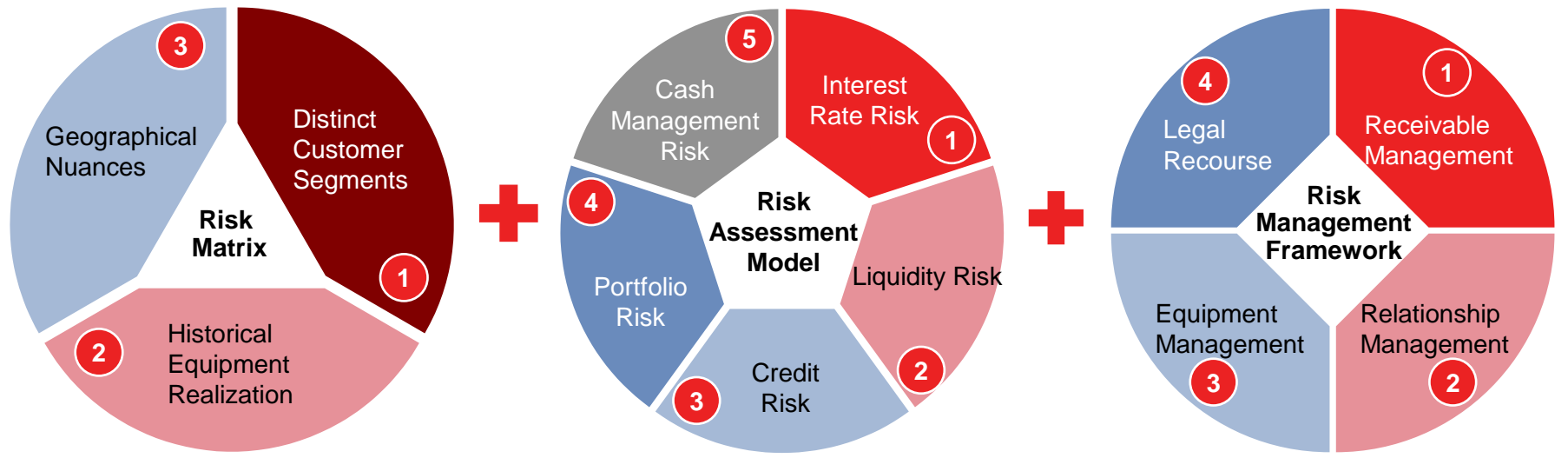
Over 60% of total disbursements were to repeat customers in FY15, FY16 & FY17

1 Srei Entrepreneur Partners

2 As at Sept-17

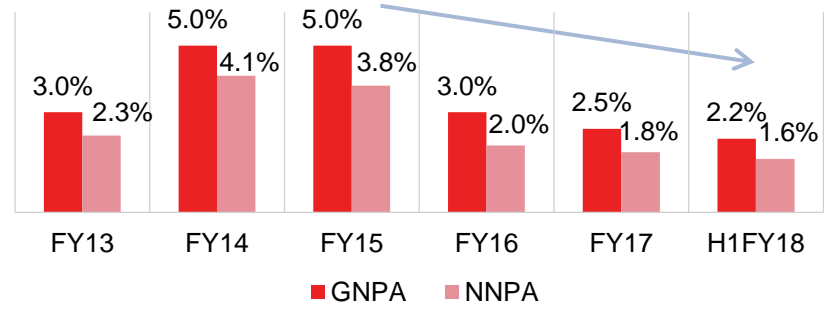
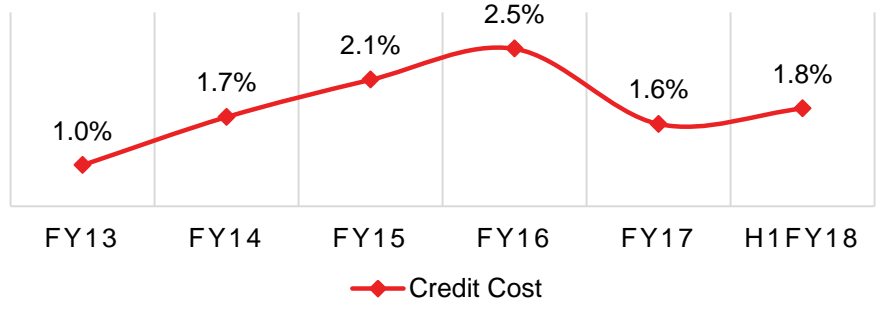
# Key Business and Strategy

## 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



# 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

# Infrastructure Finance Business



# Key Business and Strategy

## Infra Finance Business – Overview



### Established Brand

- Focused Infrastructure Solutions Provider
- More than 29 years of business existence
- 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
- Project advisory solutions



### Business of Strategic Importance

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

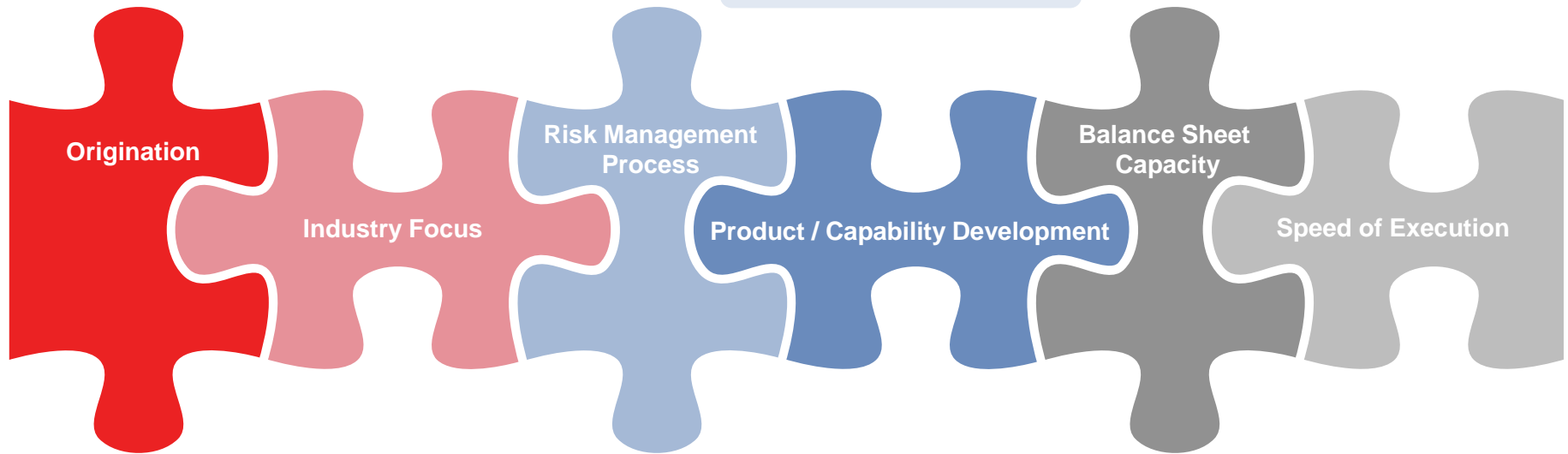
# Key Business and Strategy

Infra Finance Business – Client centric, Sustainable & Profitable enterprise

End to end capability re-tooling will determine our success in repositioning Wholesale Credit business in front of the market ...

Risk Appetite Statement to provide clarity...

- High Yield
- Special Situations  
Structure & Stressed  
Asset structures



- Industry Focus
- Relationship Strength
- Target List Approach

- Risk Appetite Statement
- Early Alert Mechanism
- Analytics

- Recoveries
- Distribution
- Optimization of low return assets
- Fund Raising

... Enablement Tools to provide platform to succeed

# Key Business and Strategy

Infra Finance Business – Key Opportunity Verticals



**Flow**

**Typical Tenor**  
1-5years

**Products**

Term loan capex funding, Bridge financing and receivable structure



**High Yield**

**Typical Tenor**  
2-7 years

**Products**

HoldCo financing, Acquisition financing and growth capital



**Special Situation**

**Typical Tenor**  
2-5 years

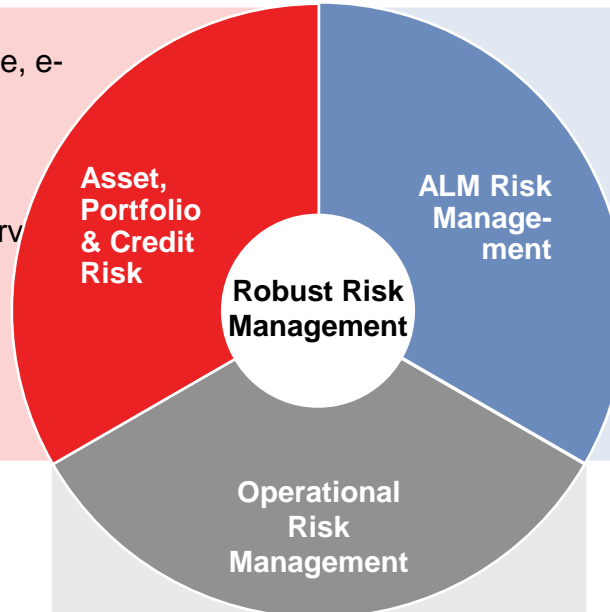
**Products**

Last mile financing, Priority financing, Asset stripping, Turnaround situations , Stressed Asset Funding

# Key Business and 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

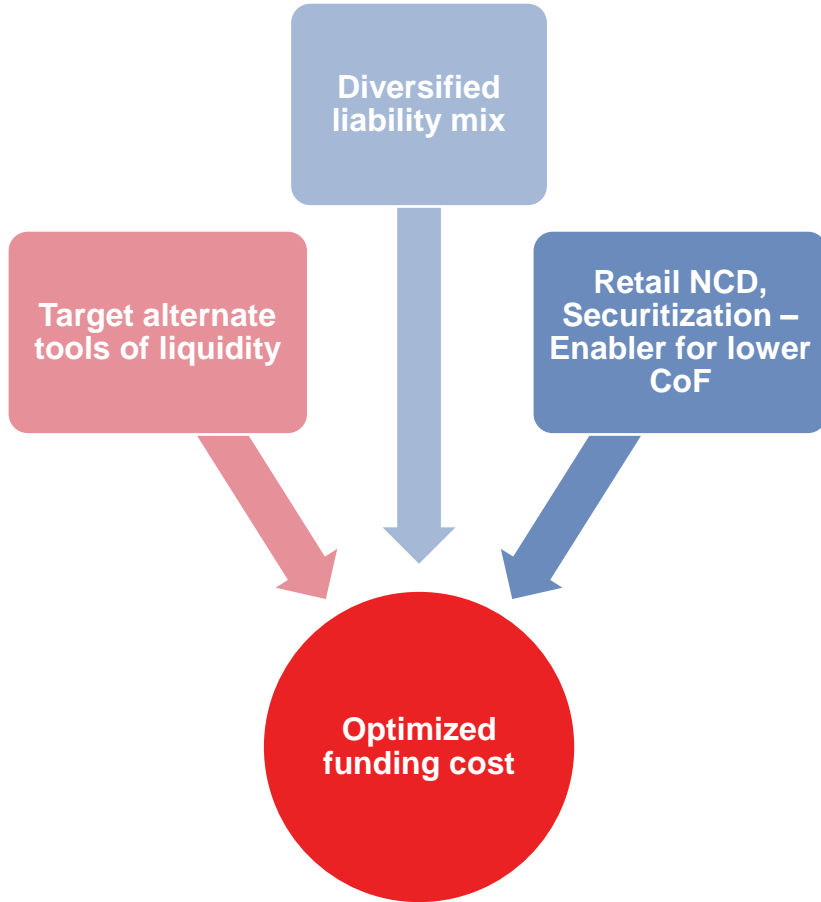
- Digitization for Operational Excellence
- Strong Contract Management
- Trigger based Monitoring

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

# Key Business and Strategy

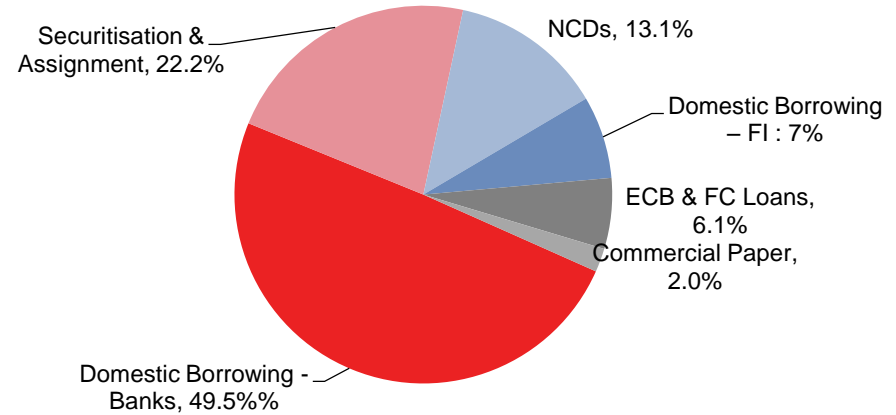
Liability Management and Diversified Funding

## Liability Management

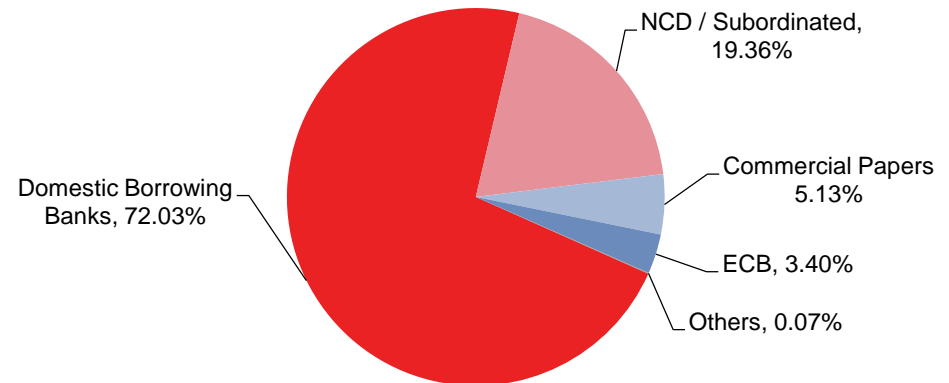


## Funding Sources

### SEFL (SEP 17)



### SIFL (JUNE 18)



Note: Consortium for: Srei Equipment Finance – 30 banks, Srei Infra – 27 banks.

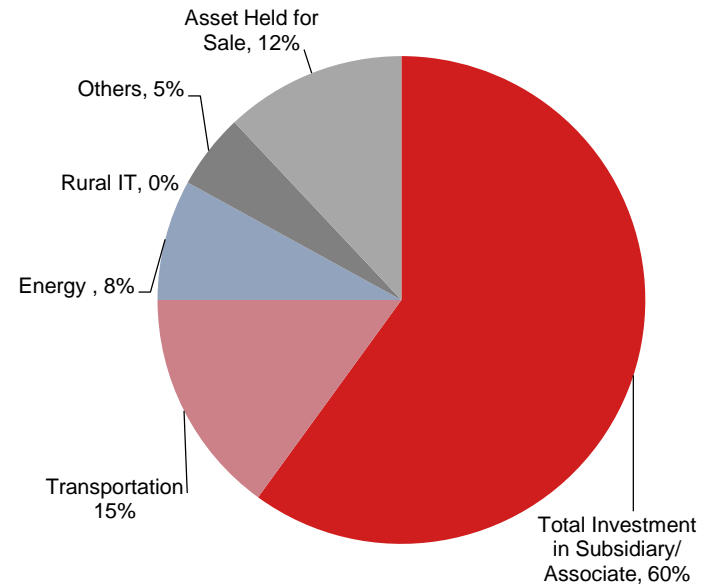
# Equity Portfolio Summary

## Summary of Investments

### Total Investments Summary in Value (Rs Crs)

Particulars	Value (Rs Crs)
<b>TOTAL INVESTMENT IN SUBSIDIARIES / ASSOCIATES</b>	<b>2,268</b>
<b>Strategic Investment*</b>	
Transportation	549
Energy	300
Rural IT	13
Others	188
<b>TOTAL STRATEGIC INVESTMENT</b>	<b>1,050</b>
Equity Investment – Quoted	8
Assets Held for Sale	464
<b>TOTAL INVESTMENTS</b>	<b>3,791</b>

### Total Investments Summary (%)



\* Investments held directly or through funds

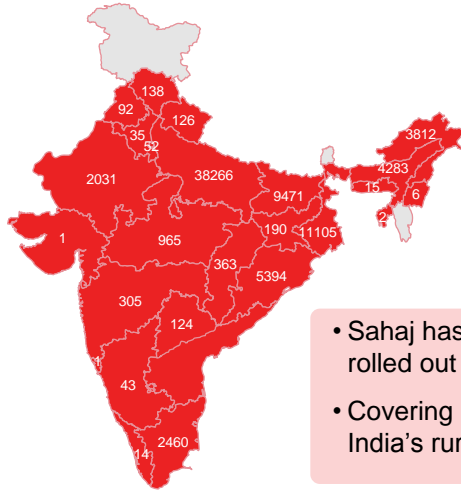


# Sahaj – Largest Retail Chain in the Country



Delivering product and services to Rural & Semi-urban customers

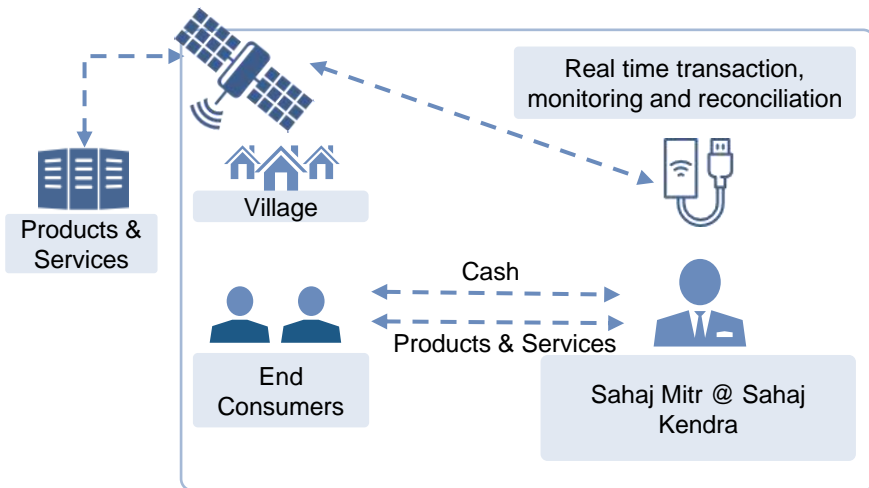
## Extensive Rural Distribution Platform



- Sahaj has ~ 75,487 Sahaj Mitr outlets rolled out across 23 states as on Jun 18
- Covering over 400 mn people (45% of India's rural population)

## Strong & Robust Technology Platform

### Technology



## Unique Service Offerings

### Financial Services

- Life Insurance
- Motor Insurance
- Health Insurance

### Financial Inclusion

- Account Opening
- Cash Deposits & Withdrawals
- Money Remittance
- Aadhaar enabled Payment System

### Consumer Services

- Utilities Bill Collection
- Mobile/DTH Recharge
- E-commerce & Product Distribution

### E-Learning & Skill Development

- Basic Computer courses
- Competitive Exam Preparation
- Skill Development Programs

### G2C & e-Governance

- G2C services – Birth, Death, Caste certificates, Land records etc
- FastTag - Electronic toll collection and RFID tagging & recharges
- PAN cards
- Aadhaar Enrolment

## Strategy Leading To Growth

### Assist Assist

#### a-Sahaj

- Physical Supervision and Capacity building through Company Manpower

### Partially Assist

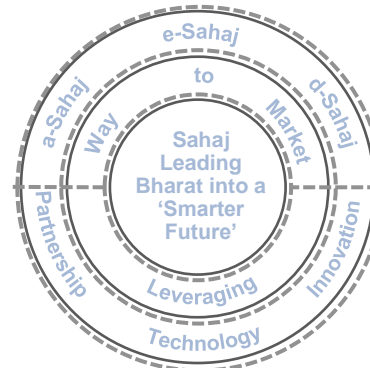
#### e-Sahaj

- Minimal Supervision
- Role of Param Mitr
- Capacity building
- CRM support

### Self

#### d-Sahaj

- Direct to Customer
- Mobile & web
- CRM support
- Outreach



# Key Investment Highlights



- Increased outlay for Infrastructure & affordable housing to boost demand for CME
- CME Finance expected to grow at a CAGR of ~ 19% up to FY20
- 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 29 years
- 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
- Moving towards complete digitized platform to enhance customer experience

**Cost Improvement**

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

**GROWTH DRIVERS**

# Financial Highlights



# Financial Highlights

Balance Sheet – Consolidated – IND AS

Balance Sheet Summary (Rs Crs)	Q1FY19	Q1FY18	FY18
Net Worth	4,077	3,699	3,977
Borrowings	35,929	27,737	33,555
Interest Earning Assets	38,279	30,333	36,665
Investments	1,735	2,192	1,826
Key Ratios	Q1FY19	Q1FY18	FY18
RoE	13.9%	7.1%	11.0%
RoA	1.3%	0.7%	1.1%
Leverage	8.8	7.5	8.4
EPS (Rs) (Annualized)	11.1	5.2	8.3
Book Value (Rs)	81.0	73.5	79.1

# Financial Highlights

Income Statement – Consolidated – IND AS

Income Statement (Rs Crs)	Q1FY19	Q1FY18	FY18
<b>Income from Finance Activities</b>	<b>1,232</b>	<b>1,037</b>	<b>4,841</b>
Income from equip. financing	836	632	2,901
Income from project financing	396	405	1,940
<b>Finance charges</b>	<b>827</b>	<b>717</b>	<b>3,048</b>
<b>NII</b>	<b>405</b>	<b>321</b>	<b>1,793</b>
<b>Non Interest Income</b>			
Income from Fee Based Activities	5	14	21
Income from Equipment Rental	51	46	59
Income from Investments	1	1	12
Others	7	2	11
<b>Net Income</b>	<b>469</b>	<b>384</b>	<b>1,896</b>
Operating Expenditure	175	186	752
Provisions & Write offs	101	98	521
<b>PBT</b>	<b>192</b>	<b>99</b>	<b>623</b>
<b>PAT (after Minority)</b>	<b>140</b>	<b>65</b>	<b>419</b>

# Financial Highlights

## SREI Equipment Finance Limited – Balance Sheet

Particulars (Rs Crs)	As at 31-Mar-2018 Audited	As at 31-Mar-2017 Audited	Particulars (Rs Crs)	As at 31-Mar-2018 Audited	As at 31-Mar-2017 Audited
<b>EQUITY AND LIABILITIES</b>			<b>ASSETS</b>		
<b>Shareholders' funds</b>	<b>2,780</b>	<b>2,520</b>	<b>Non- current assets</b>		
<b>Non-current liabilities</b>			Property Plant and Equipment	4,450	2,337
Long-term borrowings	5,969	4,232	Non current investments	-	0
Deferred tax liabilities (Net)	315	238	Long-term loans and advances	12,039	8,719
Other long term liabilities	479	177	Other Non-current assets	259	76
Long-term provisions	71	48	<b>Total Non-current assets</b>	<b>16,748</b>	<b>11,132</b>
<b>Total Non-current liabilities</b>	<b>6,834</b>	<b>4,695</b>			
<b>Current liabilities</b>			<b>Current Assets</b>		
Short-term borrowings	11,232	7,534	Current investments	-	2
Trade payables	1,716	1,030	Trade receivables	113	55
Other current liabilities	1,904	1,431	Cash and cash equivalents	638	362
Short-term provisions	36	20	Short-term loans and advances	2,701	1,901
			Other current assets	4,302	3,778
<b>Total Current Liabilities</b>	<b>14,888</b>	<b>10,015</b>	<b>Total Current Assets</b>	<b>7,754</b>	<b>6,098</b>
<b>GRAND TOTAL</b>	<b>24,502</b>	<b>17,230</b>	<b>GRAND TOTAL</b>	<b>24,502</b>	<b>17,230</b>

# Financial Highlights

## SREI Equipment Finance Ltd- Income Statement

Income Statement (Rs Crs)	Six months Ended		Year to date Ended	
	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
<b>INCOME</b>				
Revenue from operations	1,813	1,264	3,310	2,493
Other income	7	2	11	2
<b>Total Income</b>	<b>1,820</b>	<b>1,266</b>	<b>3,321</b>	<b>2,495</b>
<b>EXPENDITURE</b>				
Finance costs	866	670	1,595	1,332
Employee benefits & other expense	225	177	410	335
Depreciation, amortization and impairment expenses	323	191	580	359
<b>Total</b>	<b>1,414</b>	<b>1,038</b>	<b>2,585</b>	<b>2,026</b>
<b>PROFIT BEFORE BAD DEBTS WRITTEN OFF, PROVISIONS, CONTINGENCIES AND TAX</b>	<b>406</b>	<b>228</b>	<b>736</b>	<b>469</b>
Bad debts written off, provisions and contingencies	176	108	342	253
<b>PROFIT BEFORE TAX</b>	<b>230</b>	<b>120</b>	<b>394</b>	<b>216</b>
<b>Net Tax Expense</b>	<b>76</b>	<b>40</b>	<b>131</b>	<b>67</b>
<b>PROFIT AFTER TAX</b>	<b>154</b>	<b>80</b>	<b>263</b>	<b>149</b>
<b>Earnings per share (basic and diluted) (Rs.)</b>	<b>25.81*</b>	<b>13.41*</b>	<b>44.17</b>	<b>24.95</b>

[Face Value of Equity Shares of Rs. 10/- each  
(31st March, 2017 : Rs. 10/-each )]

# Financial Highlights

SREI Infrastructure Finance Limited – Balance Sheet – IND AS



Balance Sheet Summary (Rs Crs)	Q1FY19	Q1FY18	FY18
Interest Earning Assets	14,314	13,485	14,005
Net Worth	3,250	3,235	3,259
Borrowings	14,481	13,019	13,932
Investments	3,534	3,961	3,651
Key Ratios	Q1FY19	Q1FY18	FY18
RoE	3.7%	2.6%	3.6%
Leverage	4.5	4.0	4.3



# Financial Highlights

SREI Infrastructure Finance Limited - Income Statement – IND AS



Income Statement (Rs Crs)	Q1FY19	Q1FY18	FY18
Disbursement	1,880	467	5,736
Income from finance activities (Net of Dep.)	405	409	1,803
Finance charges	342	340	1,343
<b>NII</b>	<b>63</b>	<b>68</b>	<b>461</b>
Provision & Write off	(5)	5	183
Fee based income	-	9	35
Income from investment	-	0	1
Other Income	10	5	17
Operating Expenditure	40	48	158
<b>PBT</b>	<b>38</b>	<b>29</b>	<b>173</b>
<b>PAT</b>	<b>30</b>	<b>21</b>	<b>115</b>
Key Ratios	Q1FY19	Q1FY18	FY18
Yield on Avg Funds	10.9%	12.0%	13.0%
Cost of funds	9.6%	10.3%	10.0%
Interest Spreads	1.3%	1.7%	3.0%
Gross Stage 3*	9.0%	13.0%	12.8%
Net Stage 3*	4.7%	6.8%	6.7%

\* On Gross Total Assets

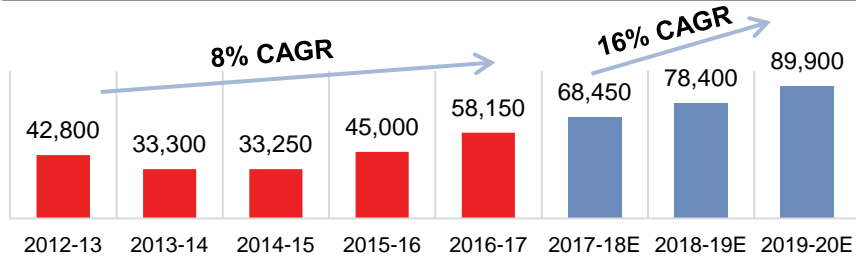
# Annexures



# Industry Overview – India Opportunity

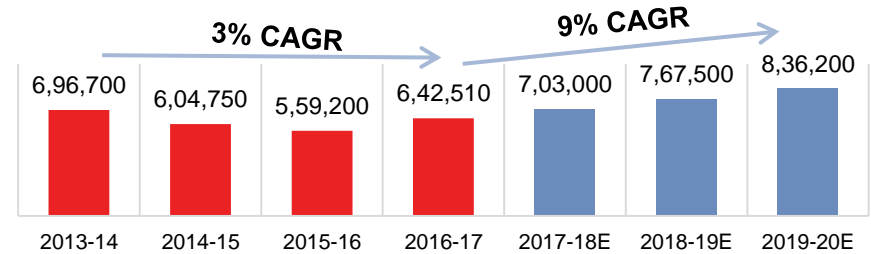
Other Equipments – Sustained Recovery

### Tipplers Sales (Unit Sales)



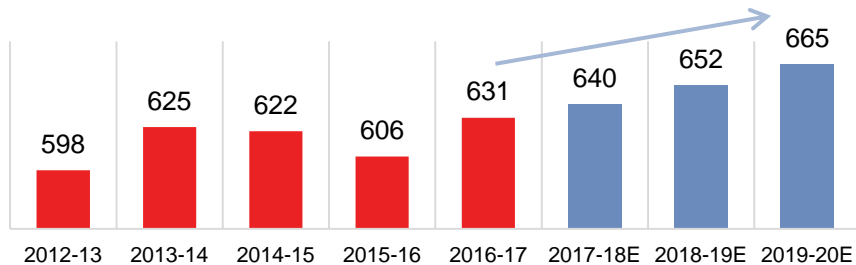
- Used for transporting material (such as sand, gravel or demolition waste) and crushed aggregates for construction and infrastructure projects

### Farm Equipment (Unit Sales)<sup>2</sup>



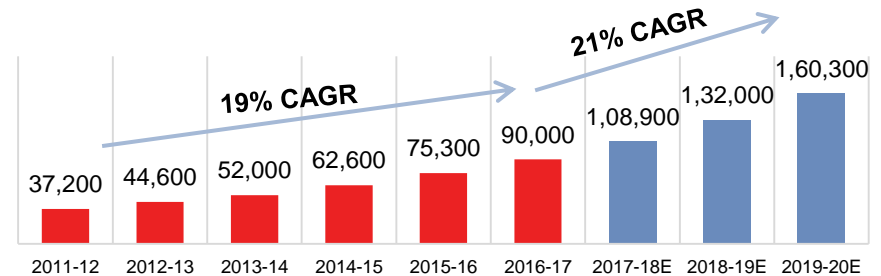
- India has witnessed a significant rise in the use of IT equipment<sup>1</sup>, due to rising disposable incomes and reduced prices due to rapid innovation in technology

### IT Equipment (Revenue, INR Bn)<sup>1</sup>



- 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

### 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

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The background features a complex mechanical theme. In the upper left, there is a pile of silver coins. A thick, vibrant red ribbon curves across the top half of the image. Below the ribbon, several large, detailed metal gears are visible, some partially overlapping. The overall color palette is muted, with greys and metallic tones, punctuated by the bright red of the ribbon.

**Thank You**