

# Investor Presentation

JANUARY 2018



# Highlights

Q3 FY18



## CONSOLIDATED

<b>Disbursement</b>	5% ▼	Trailing Quarter	19% ▲	QoQ
<b>Interest Earning Asset</b>	6% ▲	Trailing Quarter	19% ▲	QoQ
<b>Net worth</b>	3% ▲	Trailing Quarter	7% ▲	QoQ
<b>PAT</b>	22% ▲	Trailing Quarter	56% ▲	QoQ
<b>ROA</b>	0.97% ▲	December 2017	0.78% ▲	December 2016
<b>ROE*</b>	12.54% ▲	December 2017	8.78%	December 2016

## INFRASTRUCTURE FINANCE

<b>BUSINESS PORTFOLIO</b>	0.51% ▼	Trailing Quarter	0.15% ▼	YoY
<b>PAT</b>	12% ▲	Trailing Quarter	24% ▲	YoY
<b>NET NPA</b>	2.1%	December 2017	2.1%	December 2016

\* Calculated on Standalone Net Worth



# Industry Overview

# Industry Overview – India Opportunity

Proposed Government Expenditure To Boost Growth

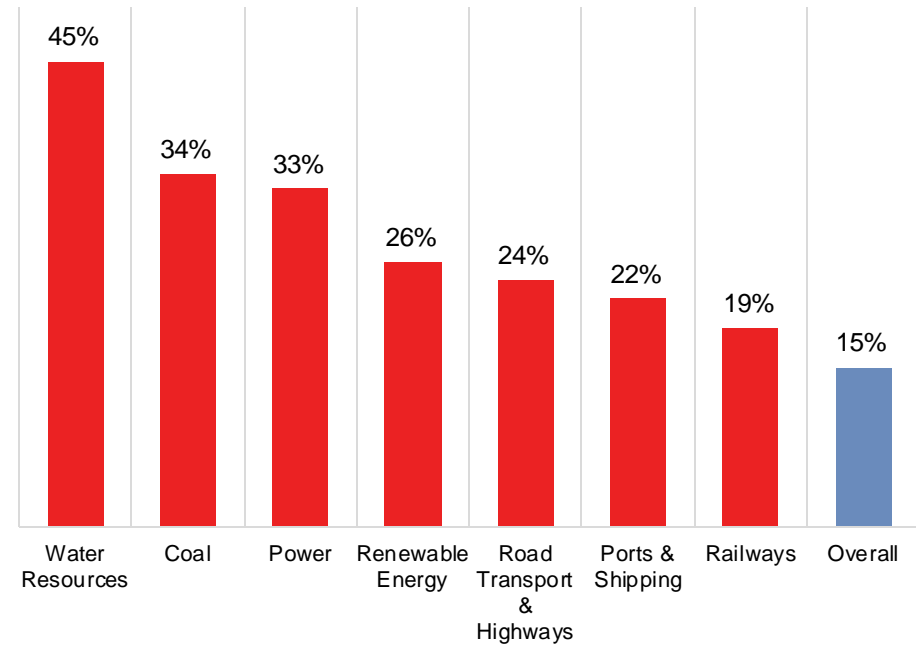
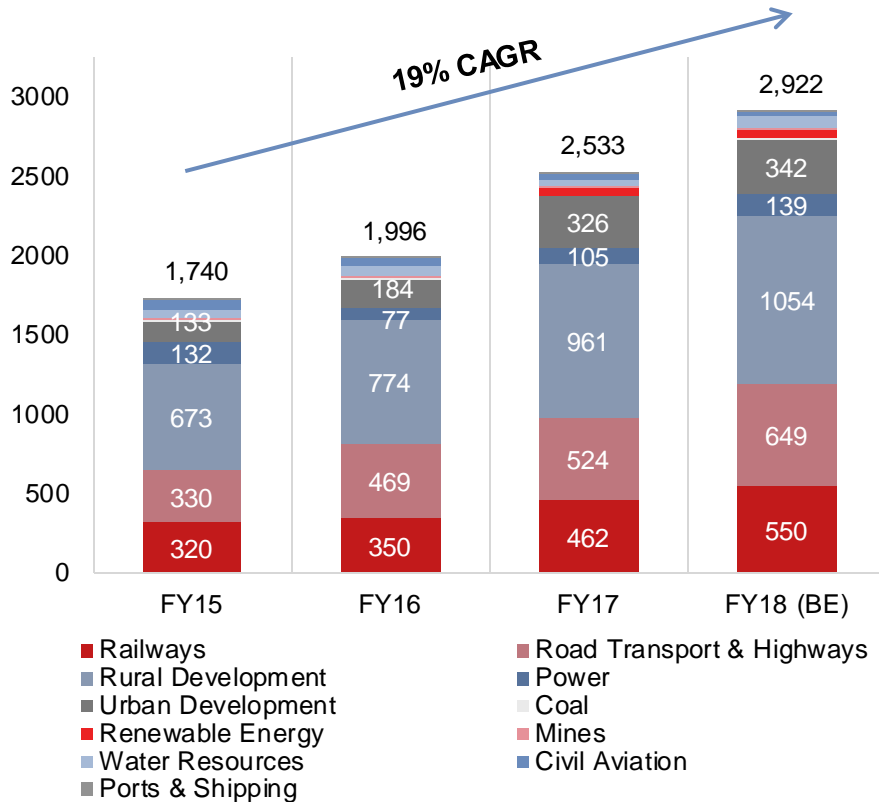
Govt. providing significant push to infra development across segments

19% Growth in Infrastructure Spending

...With the Following Focus for Next Year

INR Billion

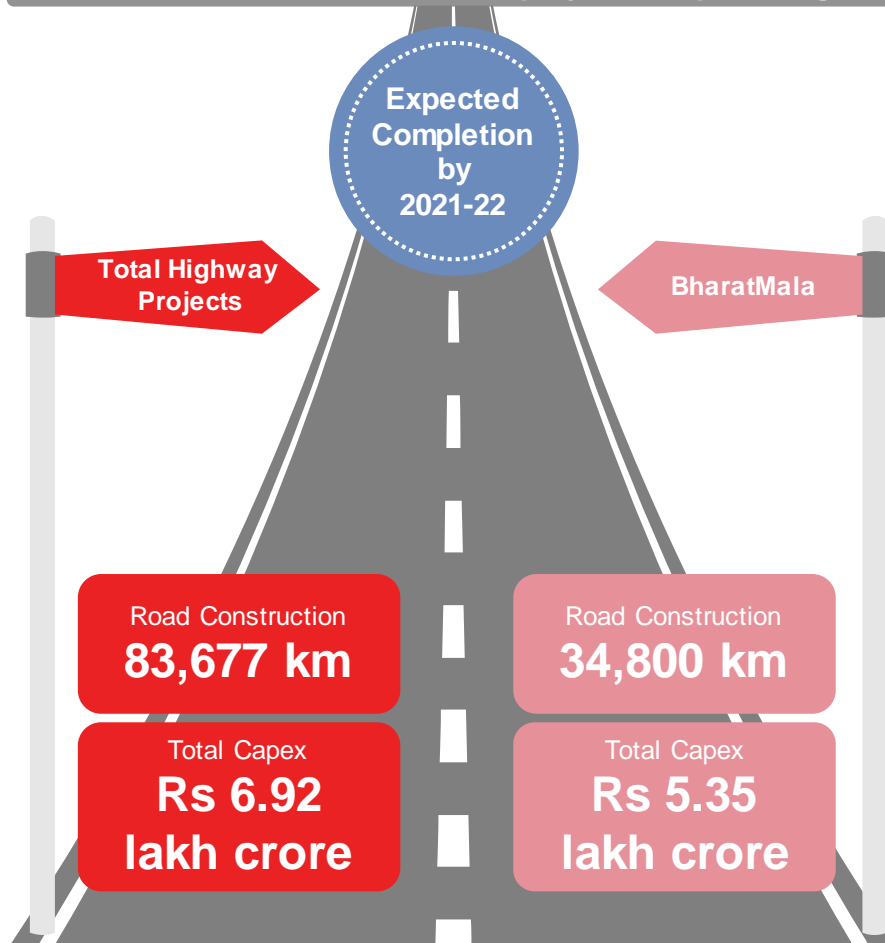
FY18 (BE) Infrastructure spending growth over FY17



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

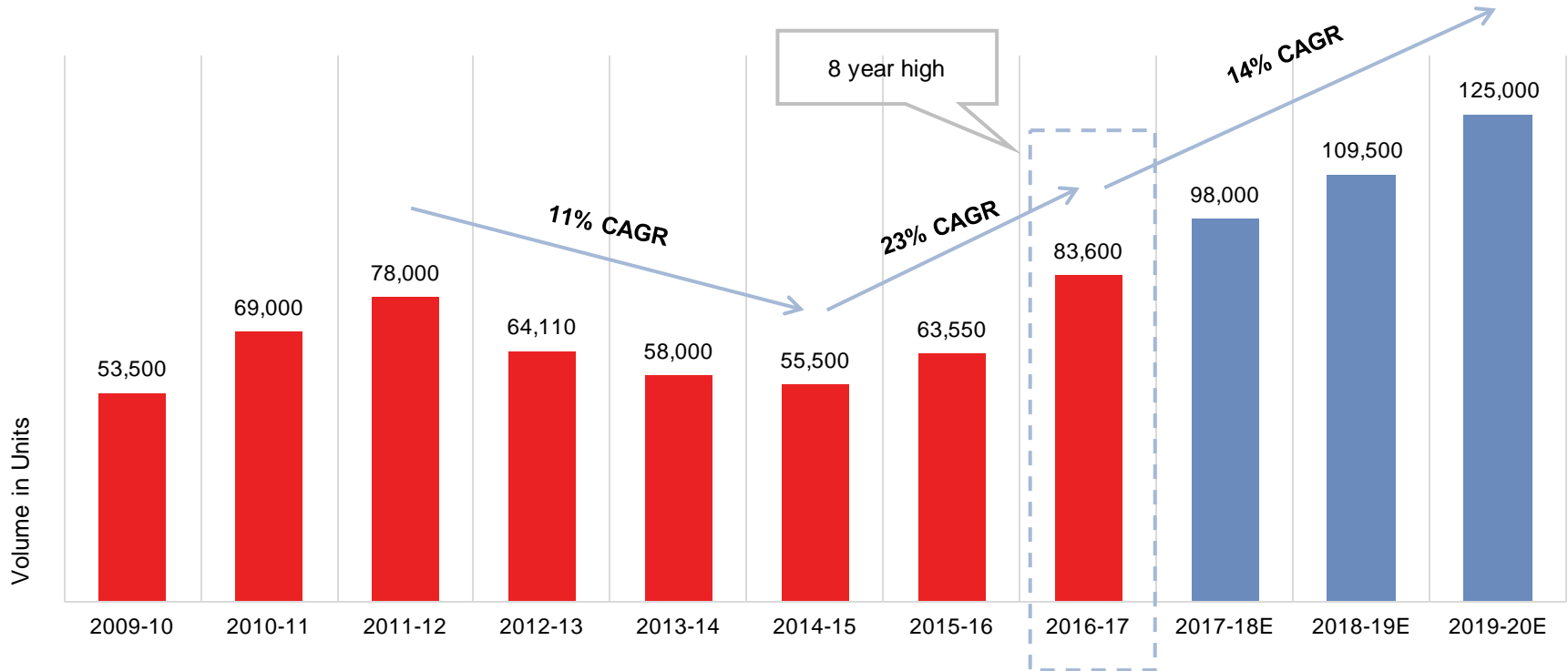
- Spending of Rs. 88,185 crore envisaged under the PMGSY, by central and state government, to construct 1,09,302 km of rural roads over next 3 years.
- In addition, roads worth Rs 11,725 crore for 5,411 km of upgradation and new roads in 44 LWE districts to be completed by 2019-20.

# 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



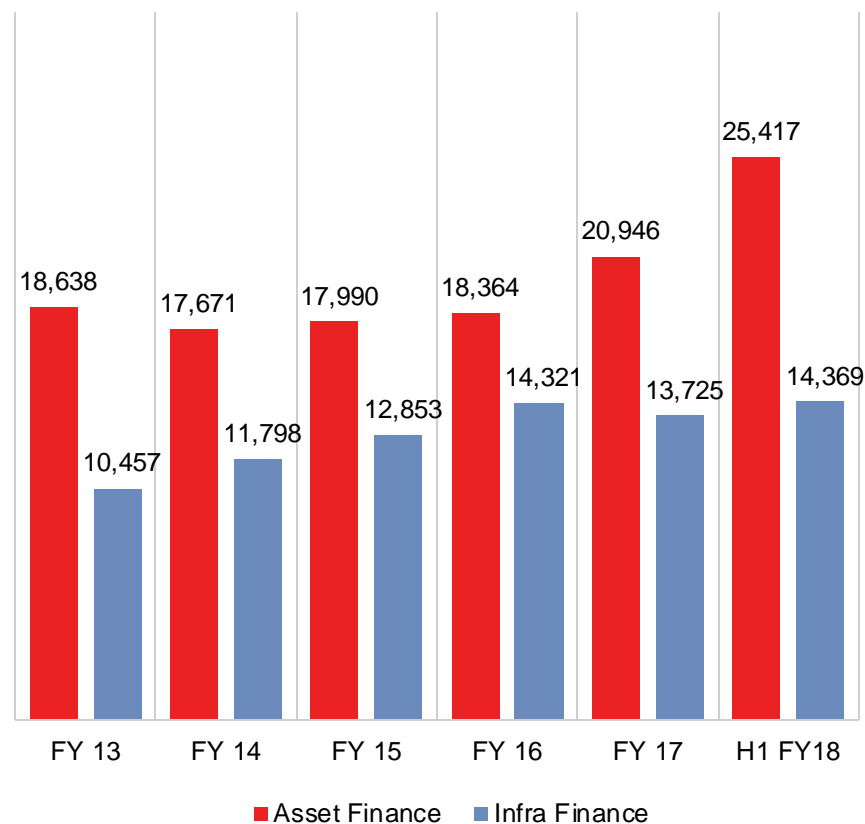
# Company Overview



# 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 77,000 and over USD 7 bn of consolidated AUM. It is one of the largest player in the infrastructure segment.

## 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**

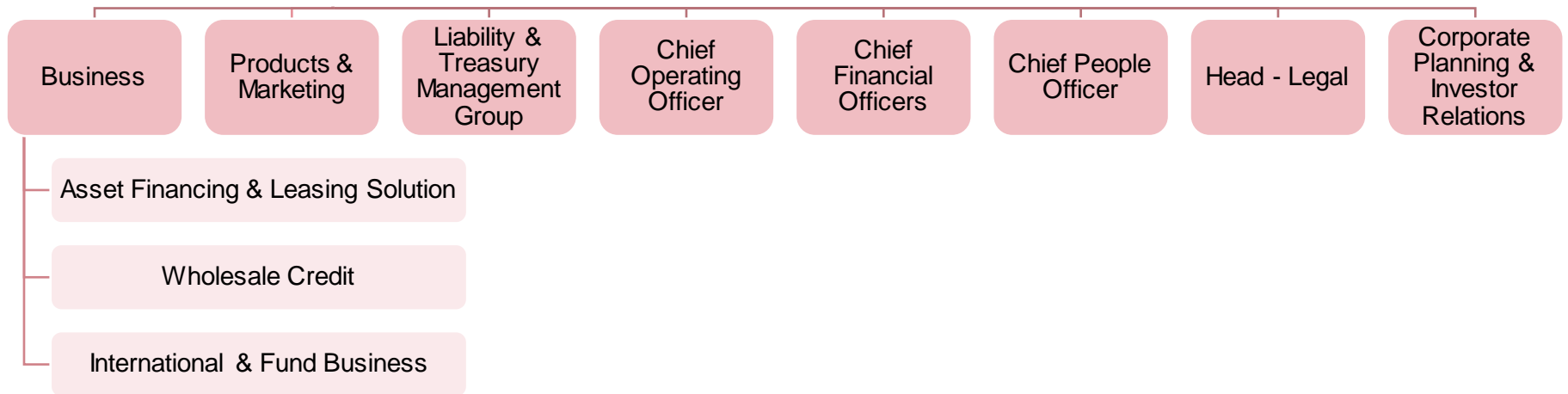
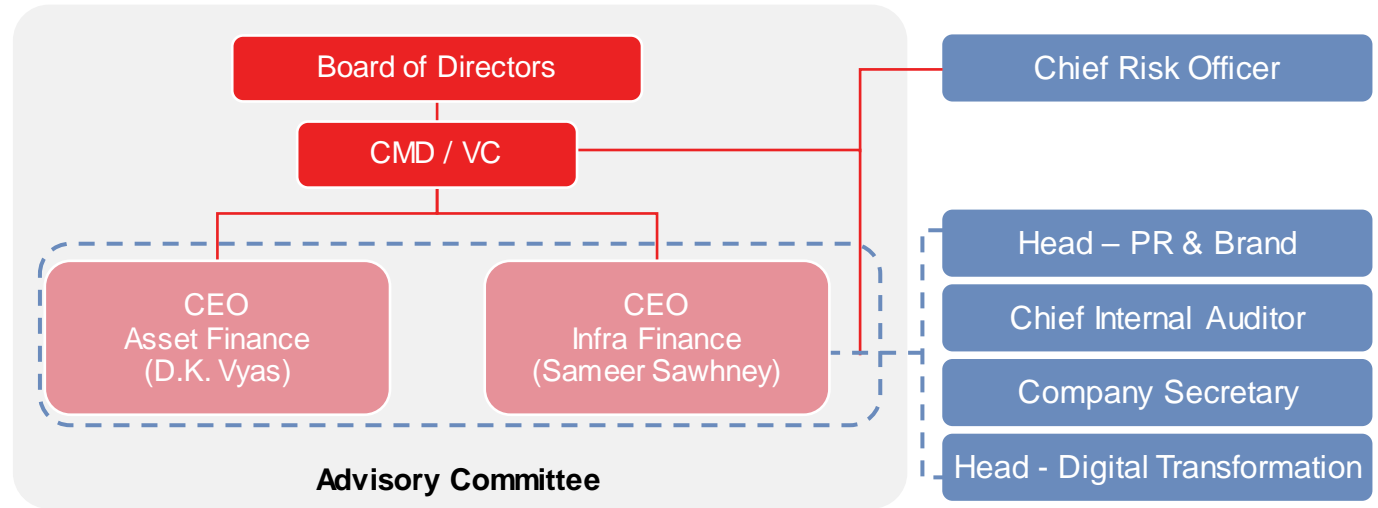
He has over 40 years' of experience in the field of Banking and NBFC including Venture Funding, Factoring and Broking. He is the former Chief Executive Officer (CEO) and Managing Director of IFCI Limited and also the former Executive Director of Central Bank of India.



## **R. K. Agarwal**

Mr. Ram Krishna Agarwal 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.

# Organization Structure



# Key Businesses And Strategy

Recap

FY13 to FY16

Economic Slowdown

Weak Business Sentiment

High Volatility

**Business Environment**

NOW

Improvement in economic activity

Investment cycle started with road sector

Construction Equipment Finance Industry to grow with CAGR @ 19%

Balance Sheet Growth

Investment Book

**Operating Philosophy**

Strengthen Core Business

- Asset Finance
- Wholesale Credit

Strong risk management, Focus on asset quality

Leverage Digitization for Customer Experience & Operational Efficiency

RoE down from 10.03% to 2.7%

GNPA peaked to high at 4.83%

Muted Portfolio Growth

**Business Impact**

Sustainable Portfolio Growth 19% in 9MFY18 over FY17

Better Asset Quality GNPA at 2.5%

Improved Profitability ROE\* at 12.5%

# Asset Finance Business



# Asset Finance Business

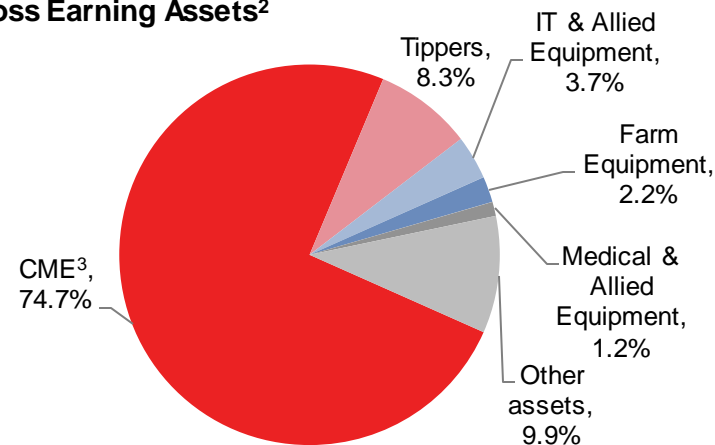
An Established Leader

## Company Profile

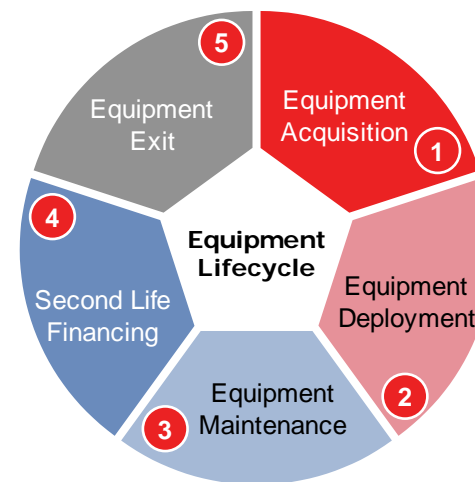
- Leading financier in the Construction, Mining and allied Equipment (“CME”) sector in India offering loans and leases for new as well as used equipment
- Promoted and 100% owned by Srei Infrastructure Finance Limited which has over 27 years experience in CE finance
- Over 32.7% market share<sup>1</sup> 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



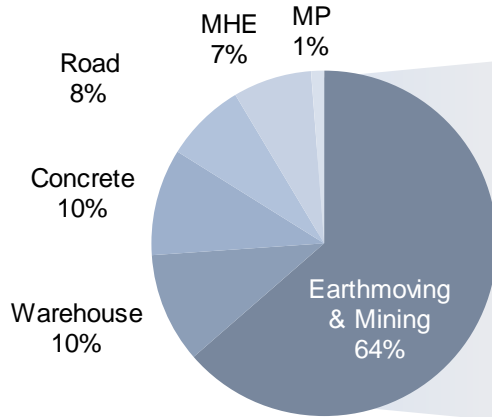
Source: Feedback Analysis; Gross Earning Assets: Aggregate of Earning Assets and assets derecognized by way of securitization and assignment of receivables outstanding  
Disbursements: Aggregate of loans and leases (both operating & finance lease)

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

# CME | Significant Opportunity Size

## Current Focus

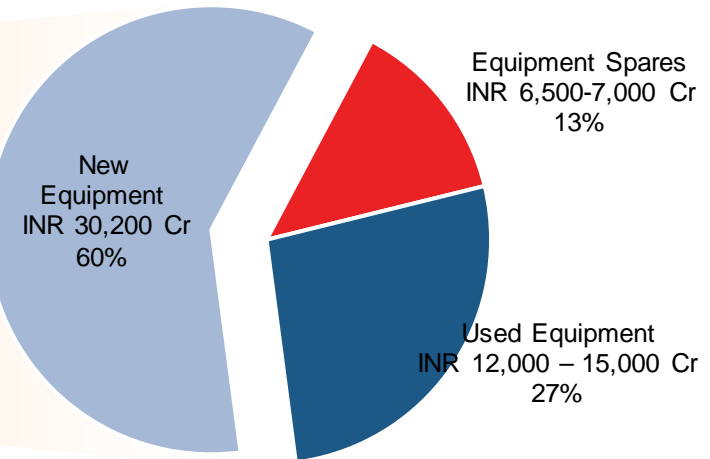
Unit Sales (FY17)



~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**

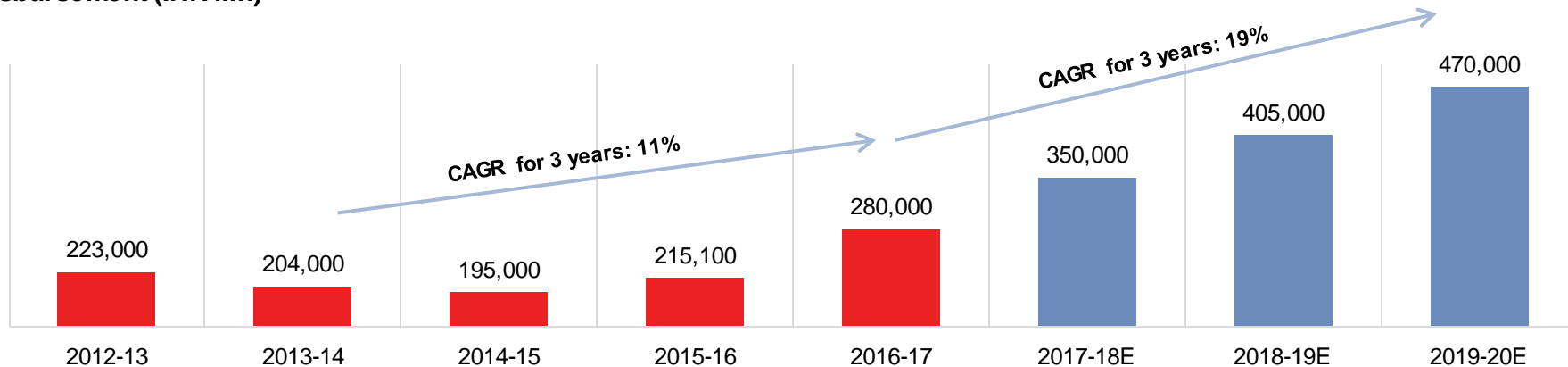
Source : Feedback Analysis; Note: MHE: Material Handling Equipment; MP: Material Processors

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...

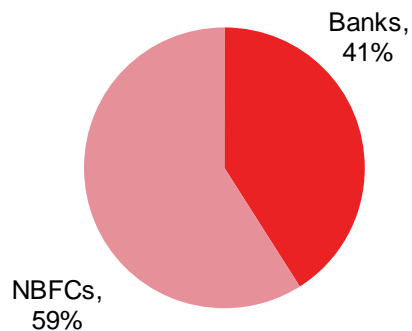
Disbursement (INR Mn)



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

...Dominated by NBFCs...

By Disbursements (FY17)



NBFCs Competitive Positioning

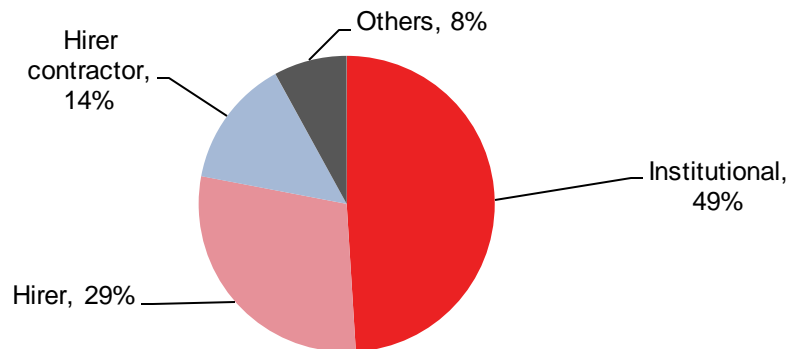
- ✓ Better geographic reach
- ✓ Offer faster TAT<sup>1</sup>
- ✓ Tailor made schemes
- ✓ Higher LTV<sup>2</sup> than banks
- ✓ Simple documentation
- ✓ Flexible terms

Source: Feedback Analysis

1. Turn Around Time
2. Loan to Value

...With Diverse Customer Profiles...

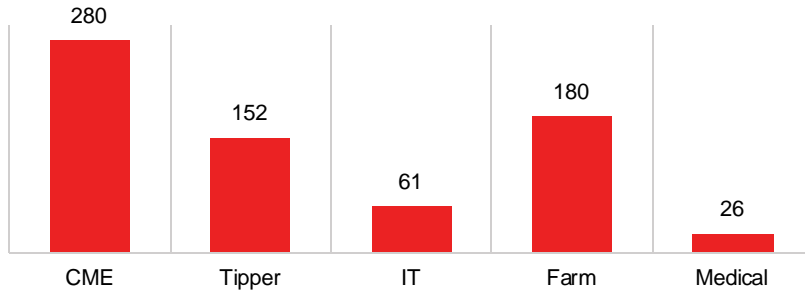
NBFCs Customer Breakdown by Disbursements (FY17)



# Equipment Financing Industry: Poised for Growth

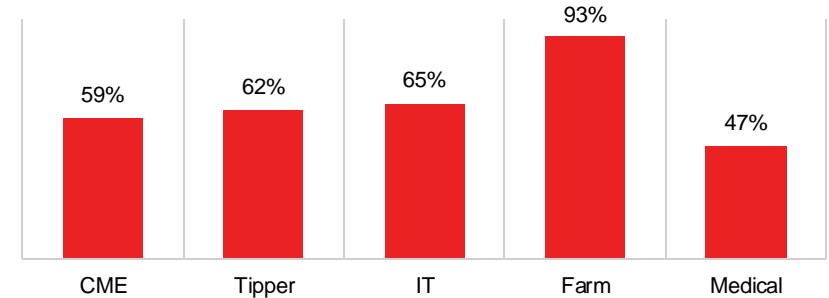
## Current Market Size

FY17 Disbursement (INR Bn)



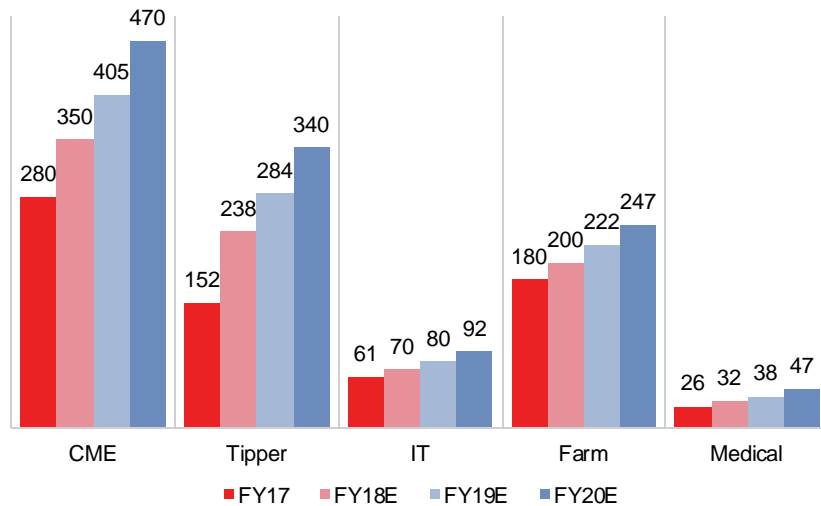
## Dominated by NBFCs

Market Share of NBFCs within each segment (FY17)



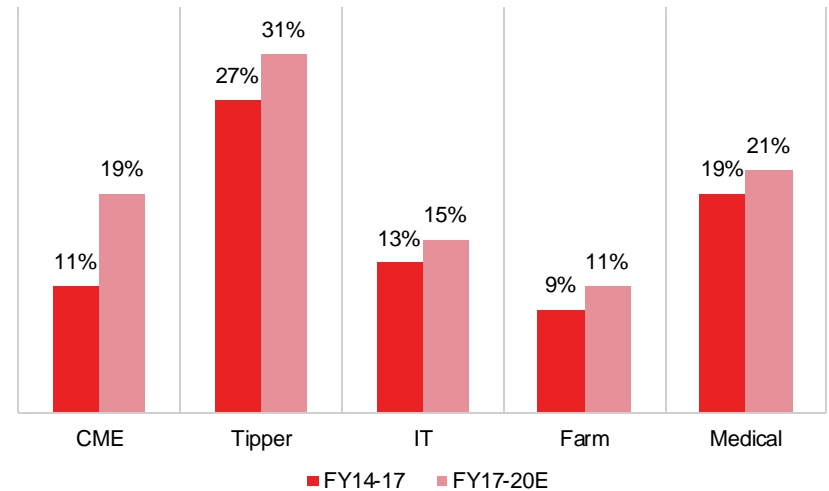
## Estimated Market Size

Disbursement (INR Bn)



## Growth

Disbursements CAGR



Source: Feedback Analysis 1. Historical CAGR for Farm and Medical disbursements is of FY15-17 (2 yr CAGR)

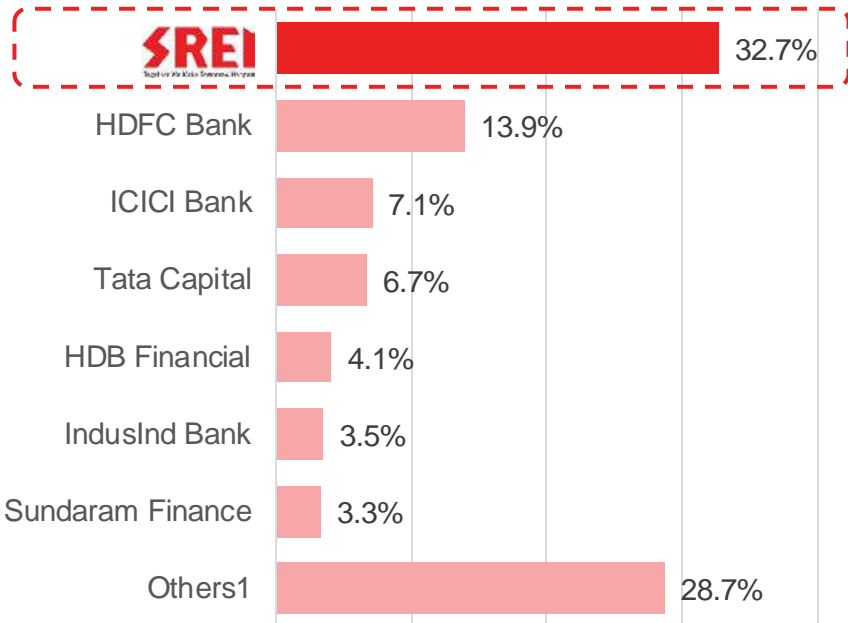


# Key Business and Strategy

## Market Leadership Position

### SEFL Has Leading Market Share

**By CME Equipment Finance Disbursements (FY17):**  
**INR 280,000 Mn**



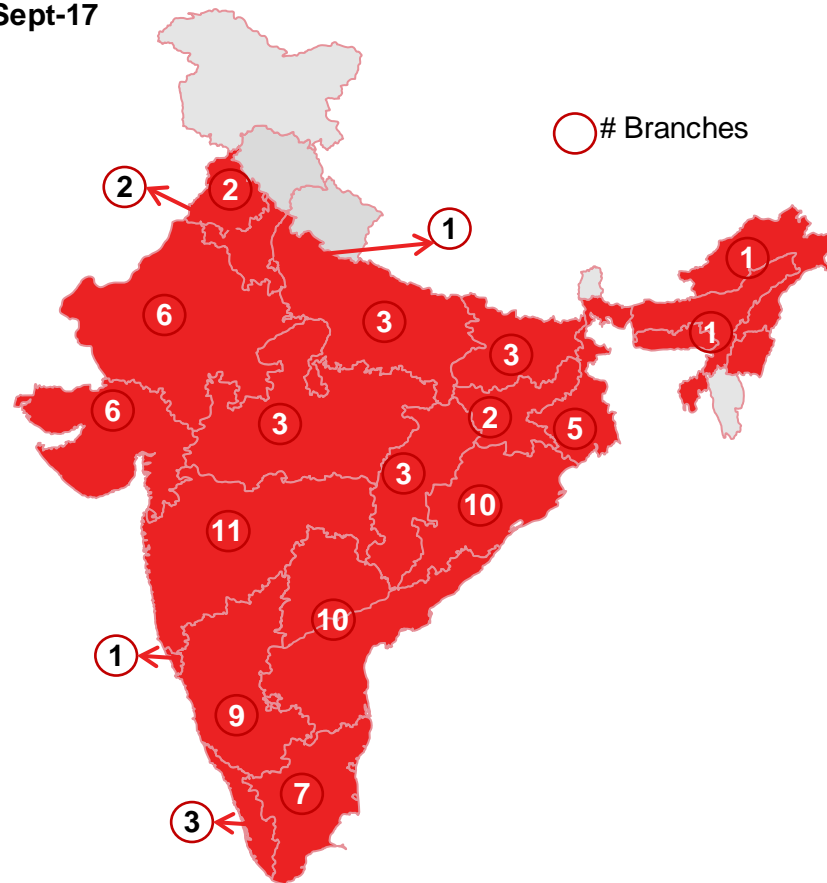
- ✓ Since FY11, CME financing industry was dominated by NBFCs and select Banks
- ✓ Currently, SEFL is the only end to end solution provider across the entire CME value chain
- ✓ Disbursements of SEFL are the highest among the top five CME finance companies

Source: Feedback Analysis

<sup>1</sup>Others include: Kotak, Magma, Cholamandalam, Reliance, Axis, CITI, Yes Bank, SBI, Shriram, L&T, Hinduja, IIFL, PSUs etc.

### ...With an Expansive Branch Network...

Sept-17

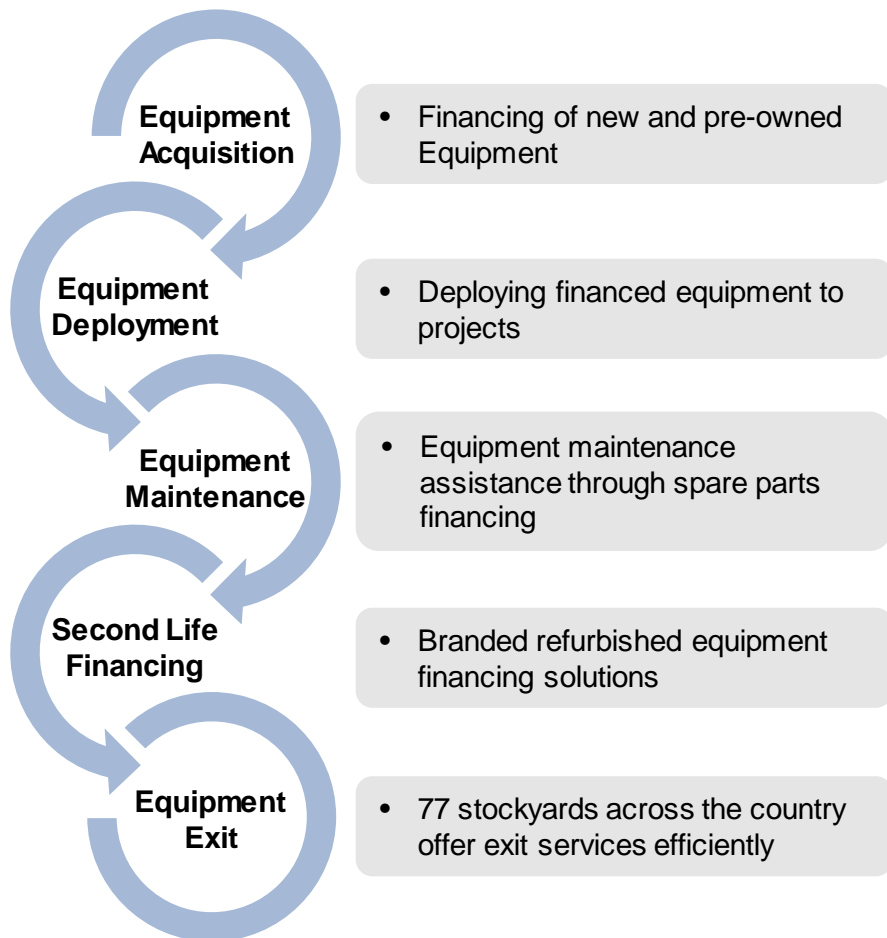


**Well positioned to access customers in the growing Indian infrastructure financing sector**

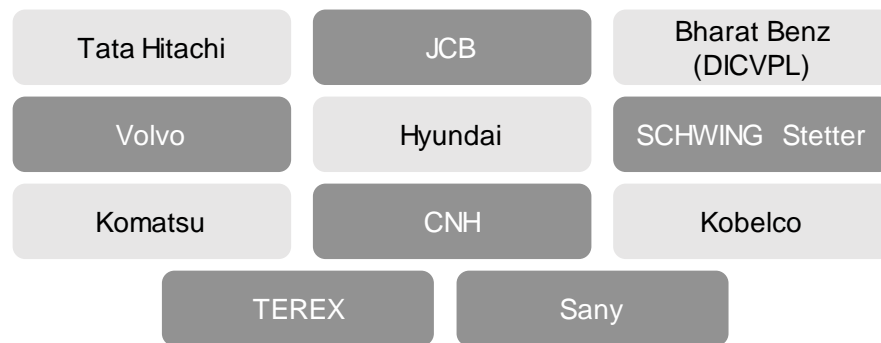
# Key Business and Strategy

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

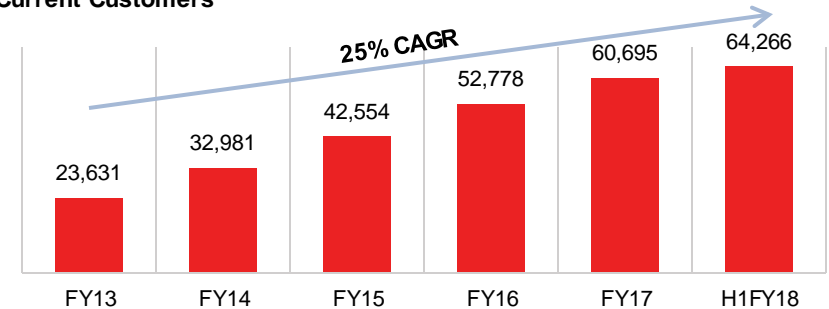
Project Owners

## 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



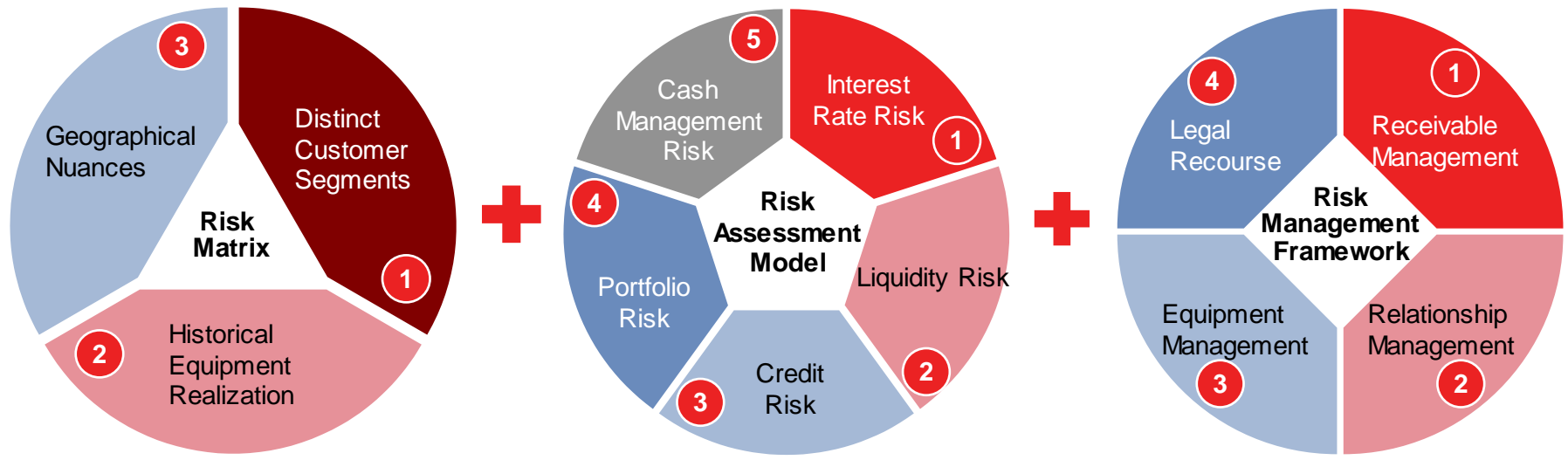
Over 60% of total disbursements were to repeat customers in FY15, FY16 & FY17

1 Srei Entrepreneur Partners

2 As at Sept-17

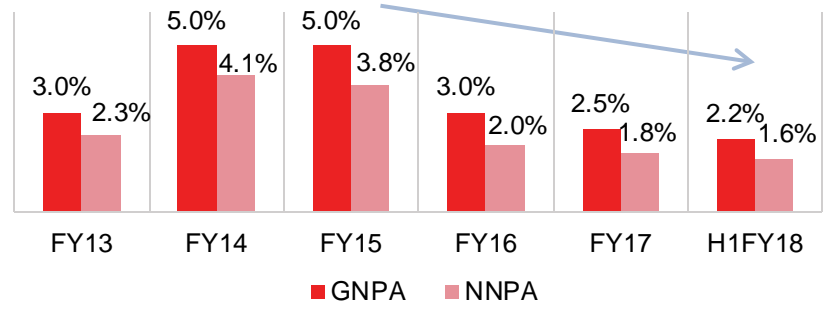
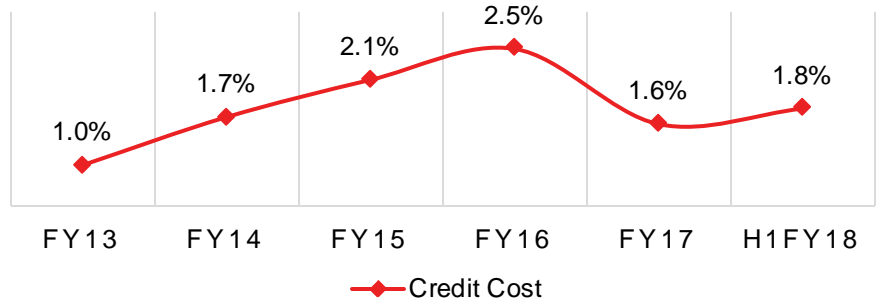
# Key Business and Strategy

## 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 25 years of business existence
- Longstanding relationship with players across the infrastructure value chain



### 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 – Grow Revenue & Improve Yield

Strategy aimed at delivering sustainable growth aligned with market opportunity, playing to our strength & delivering some diversification with low / modest balance-sheet growth

**Strengthen the Core  
through  
“Restacking”**

- Grow Flow Biz

- Further strengthen capability
  - High Yield
  - Special Situation

**X-Sell**

- Financing options for mid sized SREI customers to improve wallet share

**Create Capacity for Growth**

- Financing options for mid sized SREI customers to improve wallet share

- Optimization of Low Yield Book
- Create a strong Distribution capability



# 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

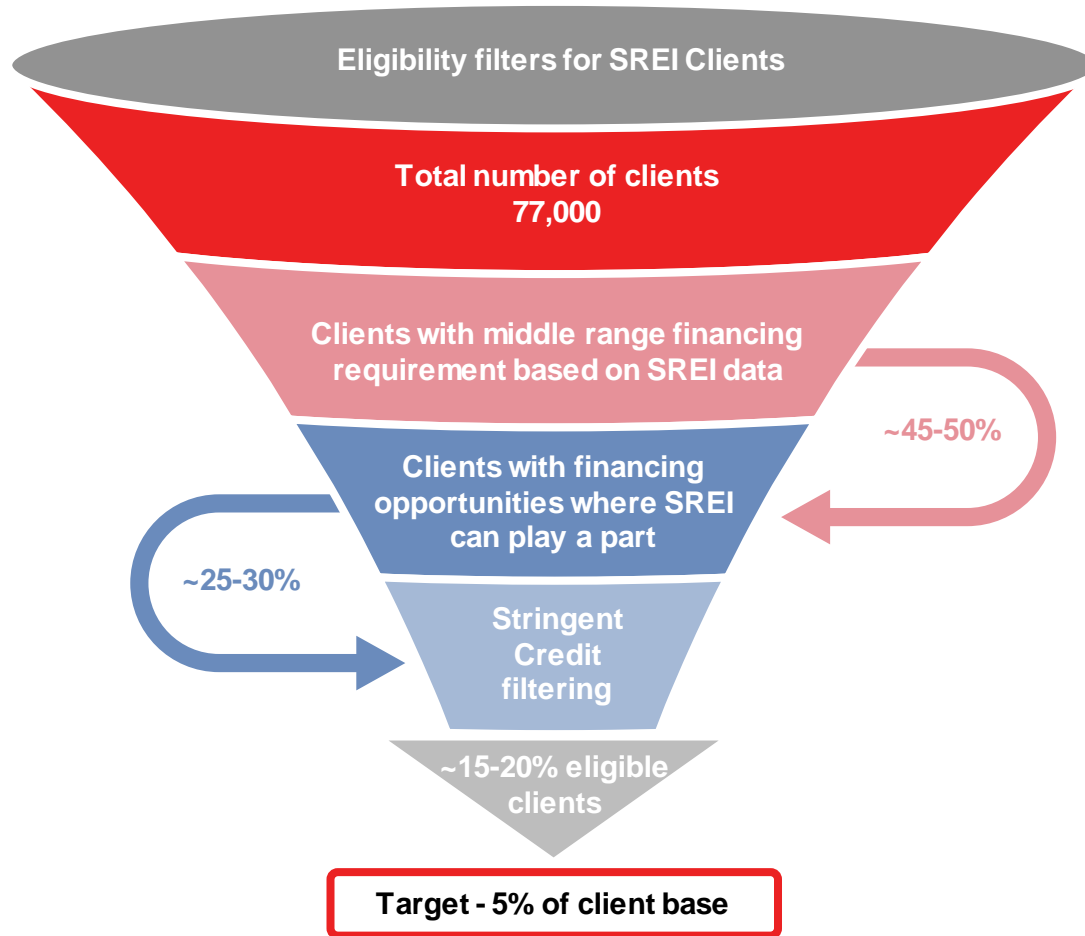
## **Products**

Last mile financing, Priority Financing, Asset stripping, Turnaround situations

# Key Business and Strategy

Infra Finance Business – X-Sell Opportunity

The Group is well placed to monetize relationship with the mid-sized Asset Finance customers leveraging on the enablers already in place and some investment.



## Marginal Cost Advantage over other newcomers

Clients	✓
Brand	✓
Footprint	✓
Operational Capability	✓
Infrastructure	✓

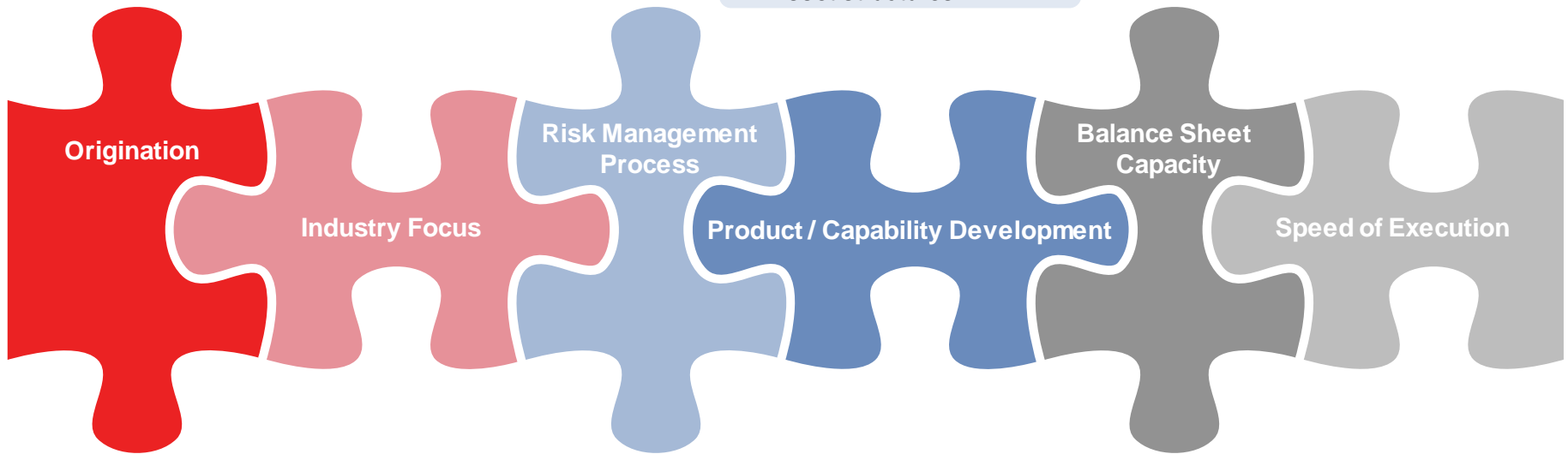
# Key Business and Strategy

Infra Finance Business - Strengthening end to end Capability

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

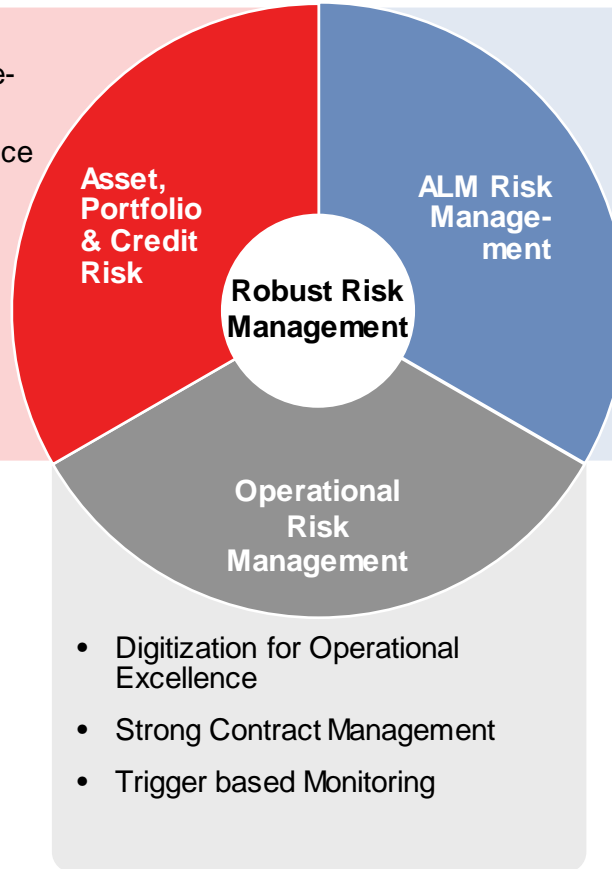
- Recoveries
- Distribution
- Optimization of low return assets
- Fund Raising

... Enablement Tools to provide platform to succeed

# Key Business and Strategy

## 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

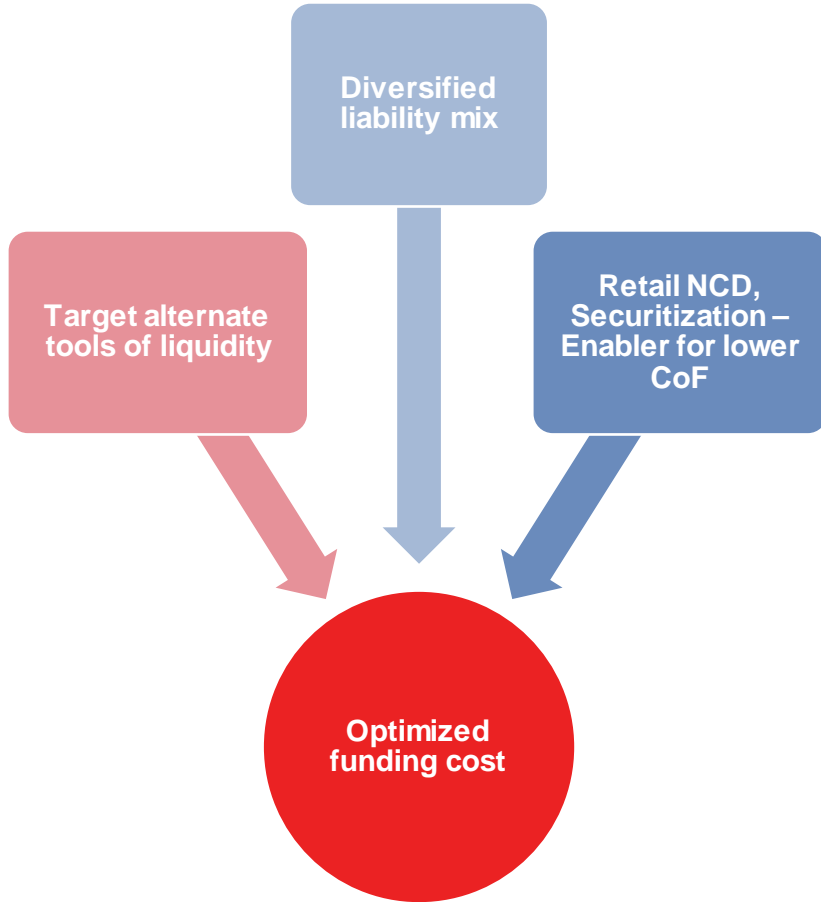
- Digitization for Operational Excellence
- Strong Contract Management
- Trigger based Monitoring

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

# Key Business and Strategy

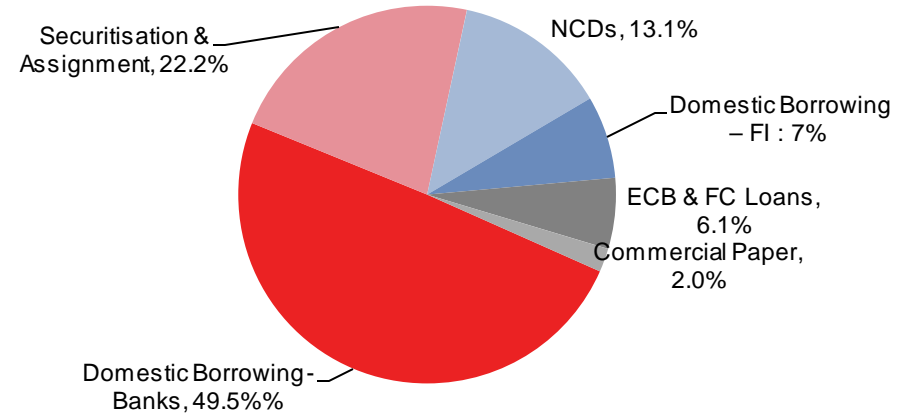
Liability Management and Diversified Funding

## Liability Management

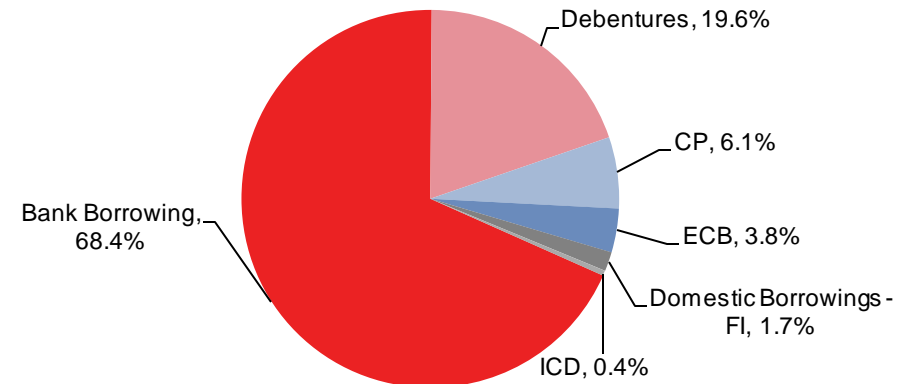


## Funding Sources

### SEFL (SEP 17)



### SIFL (DEC 17)



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

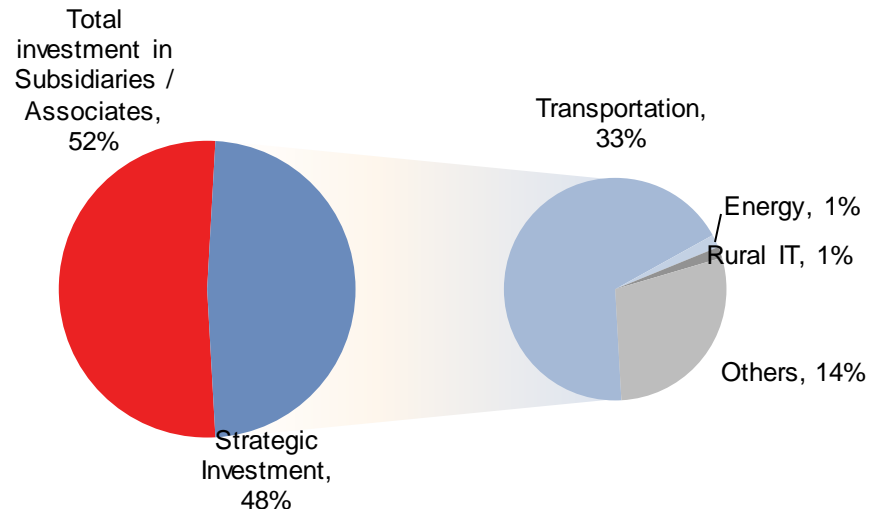
# Equity Portfolio Summary

## Summary of Investments

### Non-current Investment Summary in Value (Rs Crs)

Particulars	Value (Rs Crs)
<b>TOTAL INVESTMENT IN SUBSIDIARIES / ASSOCIATES</b>	<b>858</b>
<b>Strategic Investment*</b>	
Transportation	542
Energy	15
Rural IT	13
Others	229
<b>TOTAL STRATEGIC INVESTMENT</b>	<b>799</b>
Equity Investment - Quoted	0.3
<b>TOTAL NON-CURRENT INVESTMENT</b>	<b>1,658</b>

### Non-current Investment Summary (%)



\* Investments held directly or through funds  
@ As on 30st Sep,2017

# BOT Road Asset Portfolio Summary



Bharat Road Network Ltd., a Srei Initiative, is a road BOT company in India, focused on development, implementation, operation and maintenance of roads/highways projects

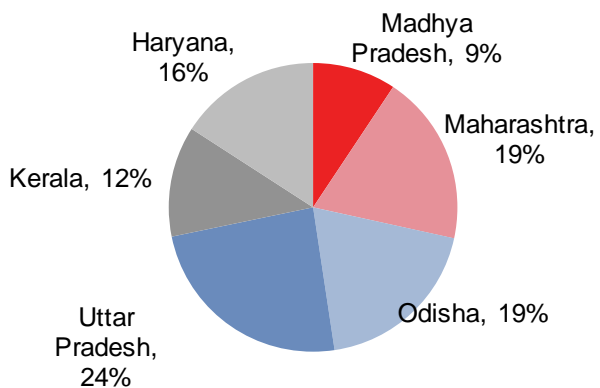
## Well Diversified Portfolio

- BRNL has a well diversified BOT Asset Portfolio spread across 6 states such as Madhya Pradesh, Maharashtra, Uttar Pradesh, Kerala, Odisha & Haryana
- Current portfolio consisting of six (6) BOT Projects, of which two (2) Projects are operational under Final COD, three (3) Projects are operational under Provisional COD and one (1) Project is under Construction

## Strong Cash Flows

- Out of 6 projects in portfolio, 5 projects are revenue generating assets
- Young assets portfolio with average residual life of 18 years and 6 months in comparison with average debt maturity profile of approximately ten (10) years \*

### % State Wise BOT Portfolio (Lane Km)



### Road BOT Asset Portfolio

Operational	5
Under Construction	1
Total Lane Kms	2095
Lane Km – Operational	1,622
Lane Km – Under Construction	473 <sup>^</sup>
Annualized Toll Revenue (INR Bn)	5.4 <sup>**</sup>

\* As on 31st March 2017.

<sup>^</sup> includes under construction stretches of approx 12 lane kms of GAEPL and 60.72 lane kms at SJEPL Project for which we are awaiting final COD.

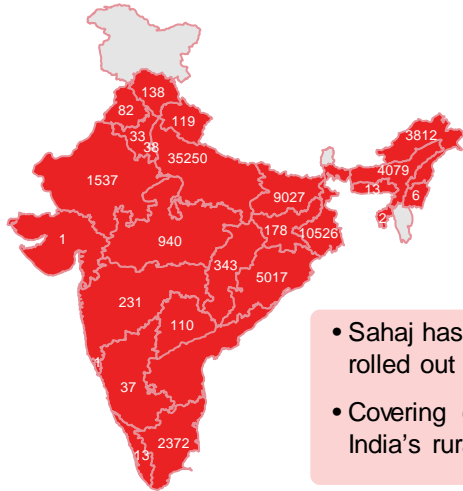
<sup>\*\*</sup>Toll Revenue considering annualized toll revenue of SJEPL and GAEPL in FY17 \* As of March 31, 2017

# Sahaj – Largest Retail Chain in the Country

Focusing on Delivering Products & Services to Rural Customers



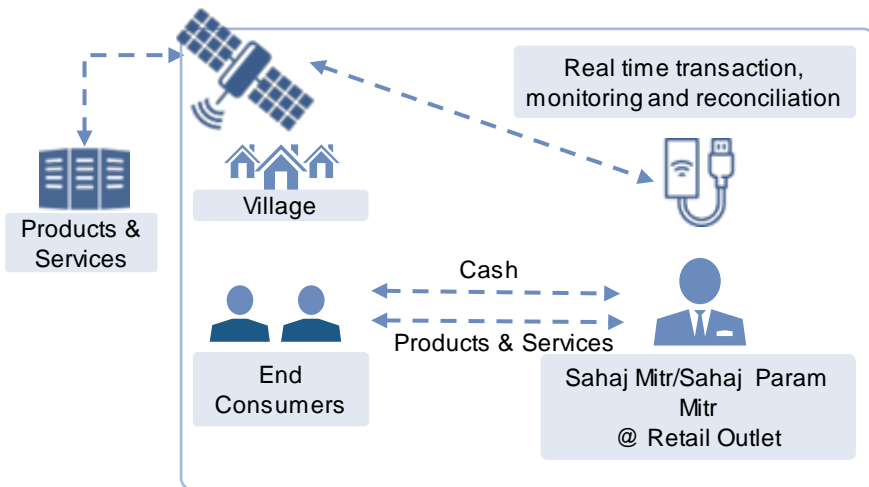
## Extensive Rural Distribution Platform



- Sahaj has ~ 72,113 Sahaj Mitr outlets rolled out across 23 states as on Dec 17
- Covering over 400 mn people (45% of India's rural population)

## Strong & Robust Technology Platform

### Technology



## Unique Service Offerings

### Financial Services

- Life Insurance
- Non-Life Insurance
- Mutual Funds

### Financial Inclusion

- Account Opening
- Cash Deposits & Withdrawals
- Money Remittance

### Consumer Services

- Electricity Bills
- Mobile/DTH Recharge
- Product Distribution

### E-Learning & Skill Development

- K-12 Supplementary
- Competitive Exam Preparation
- Skill Development Programmes

### G2C & e-Governance

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

## Strategy Leading To Growth

### Assist Assist

#### a-Sahaj

- Physical Supervision and Capacity building through Company Manpower

### Partially Assist

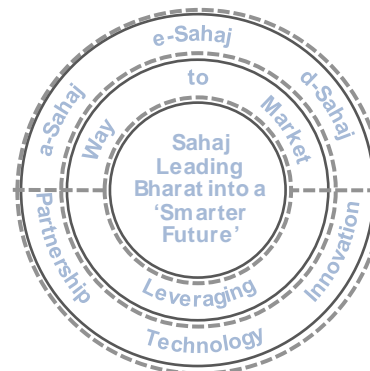
#### e-Sahaj

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

### Self

#### d-Sahaj

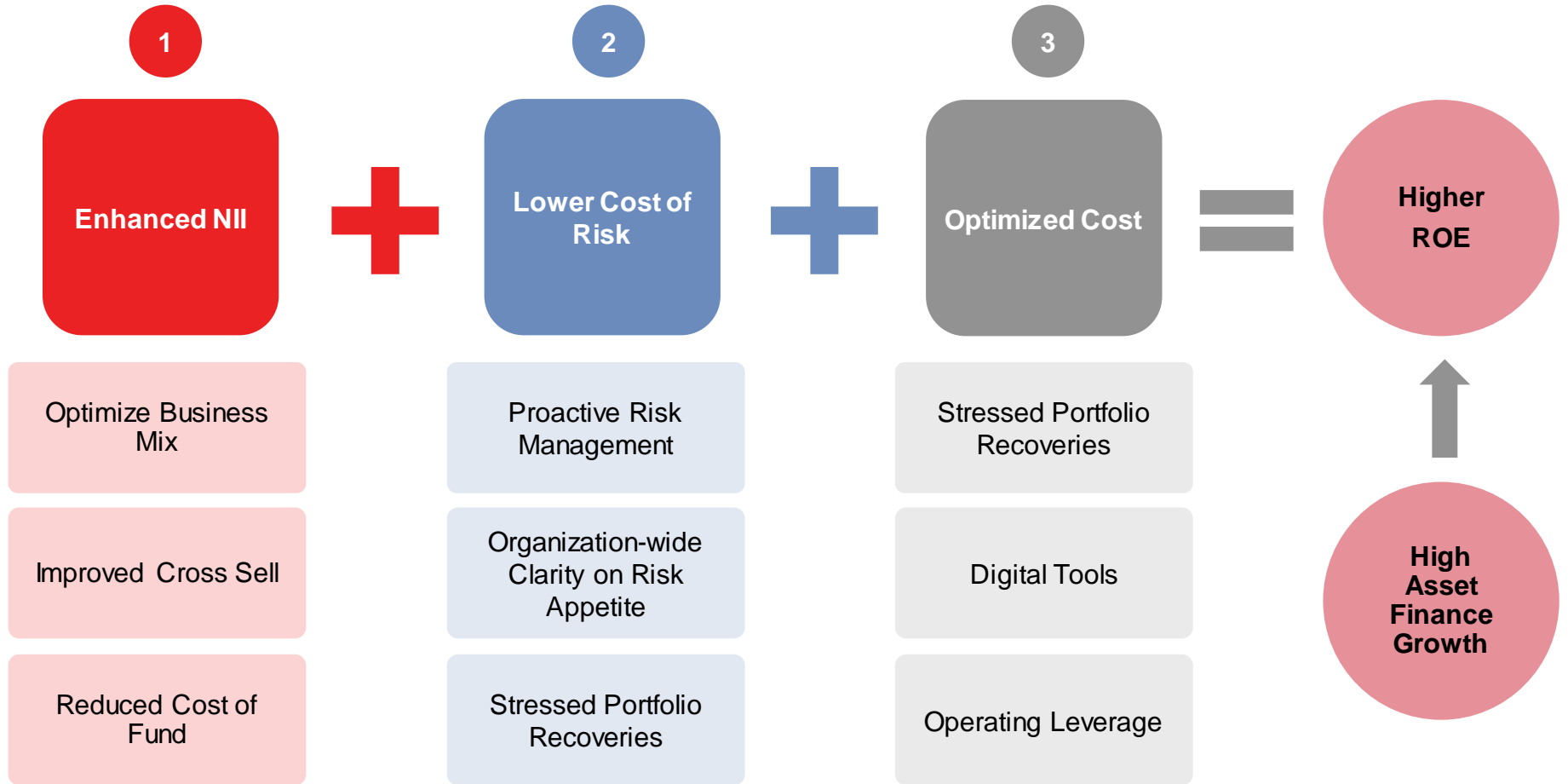
- Direct to Customer
- Mobile & web
- CRM support
- Outreach





# Strategy Driver

Plan to Deliver Higher ROE



# Key Investment Highlights

Maximize  
return to  
Shareholders

- 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

- Expanding Segment CME - 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

Diversifying  
within Core  
Business

- Leverage experience of being into infra sector for the last 28 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

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

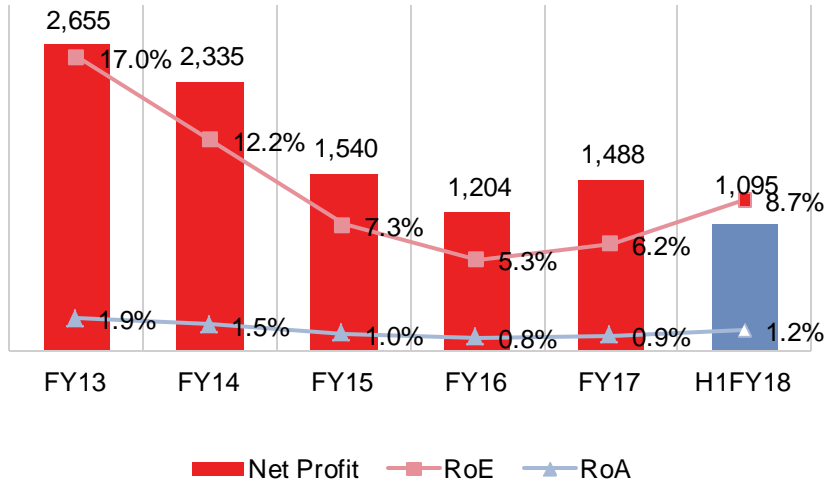
# Financial Highlights



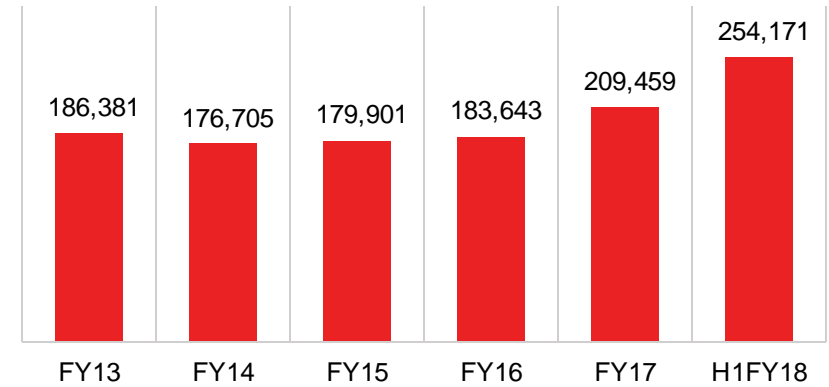
# Financial Highlights

SREI Equipment Finance Ltd – Growth Indicators

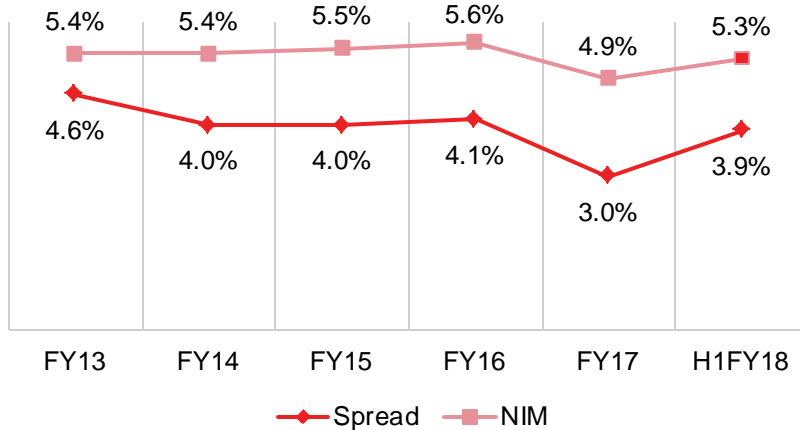
Net Profit (INR Mn), RoE<sup>1</sup> (%) and RoA<sup>1</sup> (%)



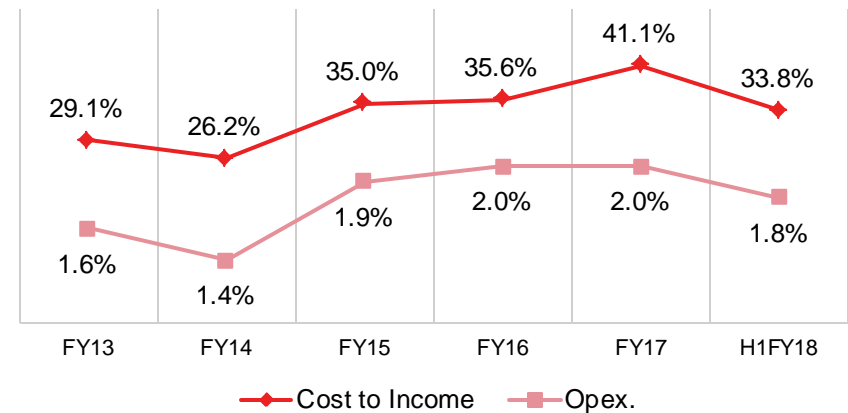
Gross Earning Assets (INR Mn)



Margin Analysis<sup>2</sup> (%)



Expense Ratios (%)



<sup>1</sup> Annualized for 9MFY18

# Financial Highlights

Balance Sheet - Consolidated

Balance Sheet Summary (Rs Crs)	9M FY18	9M FY17	H1 FY18	FY 17
Net Worth	<b>4,775</b>	4,473	4,659	4,531
Borrowings	<b>31,632</b>	26,359	30,169	26,204
Interest Earning Assets	<b>35,260</b>	29,715	33,218	29,634
Investments	<b>894</b>	1,288	1,185	1,282
Key Ratios	Dec-17	Dec-16	Sep-17	Mar-17
Return on Equity*	<b>12.5%</b>	8.8%	11.5%	8.8%
Return on Asset	<b>1.0%</b>	0.8%	0.9%	0.8%
Leverage	<b>6.6</b>	5.9	6.5	5.8
EPS (Rs) (Annualized)	<b>7.1</b>	4.8	6.5	4.8
Book Value (Rs)	<b>94.9</b>	88.9	92.6	90.1

\* On Standalone Net worth

# Financial Highlights

Income Statement - Consolidated

Income Statement (Rs Crs)	9M FY18	9M FY17	Q3 FY18	Q3 FY17	Q2 FY18	FY17
<b>Income from Finance Activities</b>	<b>3,208</b>	<b>2,606</b>	<b>1,151</b>	<b>962</b>	<b>1,053</b>	<b>3,528</b>
Income from equip. financing	1,981	1,368	727	540	649	1,909
Income from project financing	1,227	1,238	424	422	404	1,620
<b>Finance charges</b>	<b>2,163</b>	<b>1,925</b>	<b>761</b>	<b>710</b>	<b>715</b>	<b>2,628</b>
<b>NII</b>	<b>1,042</b>	<b>681</b>	<b>393</b>	<b>253</b>	<b>336</b>	<b>896</b>
<b>Non Interest Income</b>						
Income from Fee Based Activities	37	20	13	7	10	33
Income from Equipment Rental	163	125	69	55	48	165
Income from Investments	15	339	11	6	3	529
Others	13	42	4	10	5	50
<b>Net Income</b>	<b>1,270</b>	<b>1,206</b>	<b>489</b>	<b>331</b>	<b>402</b>	<b>1,673</b>
Operating Expenditure	525	423	195	167	166	546
Provisions & Write offs	332	522	130	65	101	772
<b>PBT</b>	<b>416</b>	<b>261</b>	<b>162</b>	<b>99</b>	<b>137</b>	<b>360</b>
<b>PAT (after Minority)</b>	<b>268</b>	<b>181</b>	<b>105</b>	<b>67</b>	<b>86</b>	<b>243</b>

# Financial Highlights

SREI Equipment Finance Limited -

Income Statement (Rs Crs)	2013	2014	2015	2016	2017	H1FY18
Disbursement	10,810	7,729	7,720	9,159	11,715	8,309
Total Securitization and assignment of receivables o/s	2,828	2,039	2,053	2,936	4,002	4,665
Gross Earning Asset <sup>(1)</sup>	18,638	17,671	17,990	18,364	20,946	25,417
Earning Asset <sup>(2)</sup>	15,810	15,631	15,937	15,429	16,944	20,752
Net Worth <sup>(3)</sup>	1,789	2,030	2,200	2,319	2,462	2,568
Total Borrowing <sup>(4)</sup>	13,546	13,096	13,065	11,854	12,932	16,484
Net Interest Income <sup>(5)</sup>	764	851	861	875	796	495
Operating Expenditure <sup>(6)</sup>	223	224	304	312	328	169
Bad Debt written off, Provision & Contingencies <sup>(7)</sup>	145	259	337	396	253	166
PAT <sup>(8)</sup>	266	234	154	120	149	110

(1) Gross Earning Assets as of the last day of the relevant year/period represents aggregate of Earning Assets and assets derecognised by way of securitisation and assignment of receivables outstanding as of the last day of the relevant year/period as per the Restated Financial Information.

(2) Earning Assets as of the last day of the relevant year/period represents Long-term Financial Assets, Current maturities of Long-term Financial Assets, Short-term Financial Assets, Trade Receivables, Net Block of Assets given on Operating Lease, Net block of Assets for Own Use (Plant and Machinery) and Balances in Deposits Accounts as per Restated Financial Information. Assets for Own Use (Plant and Machinery) represent assets for use under Joint Controlled Operations

(3) Net Worth as of the last day of the relevant year/period represents aggregate of the paid-up share capital, share premium account and reserves and surplus (excluding revaluation reserve and cash flow hedge reserve) reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and accumulated loss (if any) as per the Restated Financial Information..

(4) Total Borrowings as of the last day of the relevant year/period represents aggregate of Long-Term Borrowings (including Current Maturities of Long-Term Borrowings) and Short-Term Borrowings as per Restated Financial Information

(5) Net Interest Income represents Revenue from Operations in the relevant year/period as reduced by Finance costs, Depreciation, amortisation and impairment expenses on Assets given on Operating Lease and Assets for Own Use (Plant and Machinery), Brokerage and service charges and (Profit)/loss on sale of fixed assets (net) in such year/period as per the Restated Financial Information..

(6) Operating expenses represent Total expenses as reduced by Finance cost, Depreciation, amortisation and impairment expenses on Assets given on Operating Lease and Assets for Own Use (Plant and Machinery), Loss on sale of fixed asset (net) and Brokerage and Service charges for the relevant year/period as per the Restated Financial Information.

(7) Bad debts written off, provisions and contingencies for the relevant year/period represent such expenses as per Restated Financial Information

(8) PAT represents PAT for the relevant year/period as per the Restated Financial Information..

# Financial Highlights

SREI Equipment Finance Limited – Key Ratios

Key Ratios	2013	2014	2015	2016	2017	H1FY18
Yield on Average Earning Asset (1)	15.23%	15.09%	14.58%	14.57%	13.15%	13.33%*
Cost of Borrowing (2)	10.62%	11.05%	10.63%	10.45%	10.17%	9.48%
NIM % (3)	5.44%	5.42%	5.46%	5.58%	4.92%	5.26%
Cost to income Ratio (4)	29.10%	26.21%	34.98%	35.58%	41.14%	33.81%
Gross NPA / Earning Assets (5)	2.96%	4.97%	4.98%	2.95%	2.48%	2.21%
Net NPA / Earning Assets (6)	2.25%	4.07%	3.83%	1.99%	1.76%	1.56%
Return on Average Earning Assets (7)	1.89%	1.49%	0.98%	0.77%	0.92%	1.16%
Return on Average Net Worth (8)	17.03%	12.23%	7.28%	5.33%	6.23%	8.71%
Capital to Risk Asset Ratio (9)	16.08%	17.07%	16.99%	19.60%	18.59%	16.8%

(1) Yield on Average Earning Assets (%) has been calculated as Yield for the relevant year/period as a percentage of Average of Earning Assets for such year/period. Yield represents Revenue from Operations for the relevant period as reduced by Depreciation, amortization and impairment on Assets given on Operating Lease and Assets for Own Use (Plant and Machinery) Brokerage and service charges and (Profit)/Loss on sale of fixed assets (net).

(2) Cost of Borrowings (%) represents Interest cost and other related costs on borrowings for the relevant year/period as a percentage of daily average outstanding of borrowings for such year/period.

(3) Net Interest Margin (%) represents Net Interest Income for the relevant year/period as a percentage of Average Earning Assets for such year/period.

(4) Cost to Income Ratio (%) represents Operating expenses as a percentage of aggregate of Net Interest Income and Other income. Other income here excludes Profit on sale of fixed assets (net).

(5) Gross NPAs/Earning Assets (%) represent Gross NPAs as of the last day of the relevant year/period as a percentage of Earning Assets as of the last day of the relevant year/period.

(6) Net NPAs/Earning Assets (%) represents Net NPAs as of the last day of the relevant year/period as a percentage of Earning Assets as of the last day of the relevant year/period.

(7) Return on Average Earning Assets (%) is calculated as PAT for the relevant year/period as a percentage of Average Earning Assets for such year/period.

(8) Return on Average Net Worth (%) is calculated as PAT for the relevant year/period as a percentage of Average Net Worth for such year/period.



# Financial Highlights

SREI Infrastructure Finance Limited – Balance Sheet

Balance Sheet Summary (Rs Crs)	9M FY18	9M FY17	H1 FY18	FY17
Interest Earning Assets	<b>14,296</b>	14,317	14,369	13,725
Net Worth	<b>2,884</b>	2,789	2,844	2,811
Borrowings	<b>13,381</b>	13,779	13,611	13,184
Investments	<b>1,667</b>	2,039	1,667	2,037
Balance Sheet Summary (Rs Crs)	Dec-17	Dec-16	Sep-17	Mar-17
Return on Equity	<b>4.4%</b>	3.7%	4.2%	3.5%
Leverage	<b>4.6</b>	4.9	4.8	4.7
CRAR	<b>18.1%</b>	18.6%	18.1%	18.9%

# Financial Highlights

SREI Infrastructure Finance Limited - Income Statement

Income Statement (Rs Crs)	9M FY18	9M FY17	Q3 FY18	Q3 FY17	Q2 FY18	FY 17
Disbursement	3,534	3,925	1,427	1,990	1,640	5,889
Income from finance activities (Net of Dep.)	1,269	1,254	443	431	417	1,685
Finance charges	996	1,067	329	370	333	1,437
<b>NII</b>	<b>273</b>	<b>187</b>	<b>115</b>	<b>61</b>	<b>84</b>	<b>248</b>
Provision & Write off	76	347	45	5	17	547
Fee based income	19	7	5	2	5	14
Income from investment	6	334	6	1	0	524
Other Income	13	34	4	14	4	43
Operating Expenditure	101	99	36	33	33	134
<b>PBT</b>	<b>133</b>	<b>115</b>	<b>49</b>	<b>40</b>	<b>44</b>	<b>148</b>
<b>PAT</b>	<b>93</b>	<b>75</b>	<b>34</b>	<b>26</b>	<b>30</b>	<b>96</b>
Key Ratios	Dec-17	Dec-16	Sep-17	Mar-17		
Yield on Avg Funds	12.2%	12.1%	11.9%	12.2%		
Cost of funds	10.0%	10.4%	10.1%	10.6%		
Interest Spreads	2.2%	1.7%	1.9%	1.6%		
Gross NPA *	3.1%	3.1%	2.2%	3.2%		
Net NPA*	2.1%	2.1%	1.4%	2.0%		

\* On Total Assets

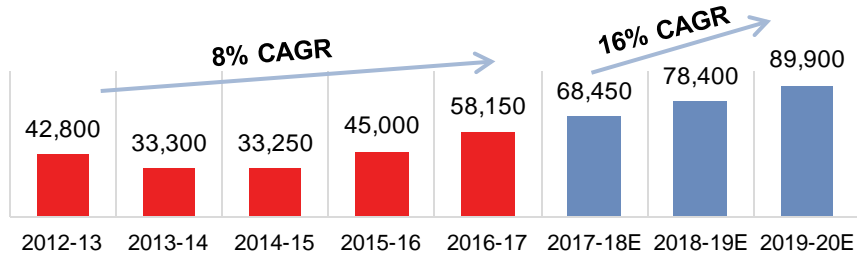
# Annexures



# Industry Overview – India Opportunity

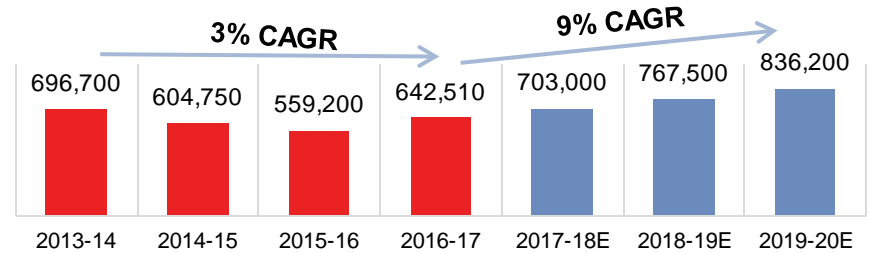
Other Equipments – Sustained Recovery

## Tipplers Sales (Unit Sales)



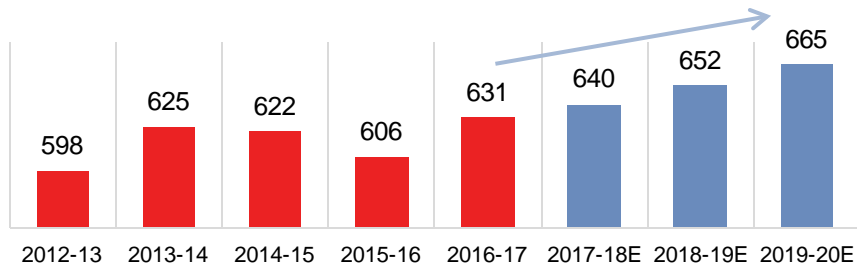
- Used for transporting material (such as sand, gravel or demolition waste) and crushed aggregates for construction and infrastructure projects

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



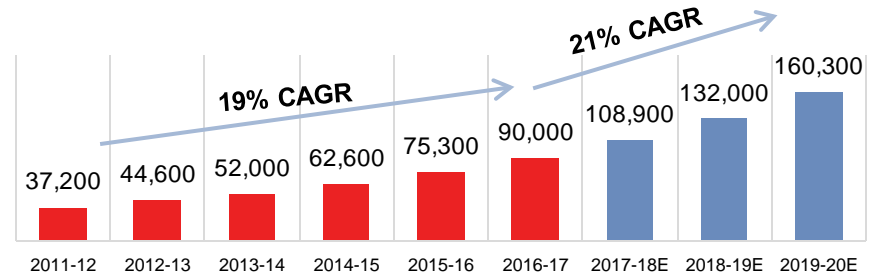
- India has witnessed a significant rise in the use of IT equipment<sup>1</sup>, due to rising disposable incomes and reduced prices due to rapid innovation in technology

## 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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**Thank You**