



Media Release

Promoter stake in SREI to go up from 20.10 % to 35.01%

September 19, 2007, Kolkata: The board of directors of SREI Infrastructure Finance Limited (SIFL) has proposed a preferential issue of up to 250,00,000 warrants to the Promoter Group, which on conversion, will increase their holding to over 35 per cent from the existing level of 20 per cent.

The board, which met on Wednesday to deliberate on the issue, has convened an extraordinary general meeting of the company's shareholders on October 15, 2007 to seek their approval.

The warrants, convertible into equity shares in one or more tranches, over a period of eighteen months, are proposed to be issued to the Promoter Group at a price of Rs 100 per share. This is higher than the price calculated in accordance with the Sebi guidelines for preferential issues at Rs. 97.10 per share.

Shortly after the board meeting, Mr Hemant Kanoria, Vice Chairman and Managing Director of the company said, "This will help augment promoter's holding that had got diluted due to the GDR issue in April 2005." The Promoter Group is investing in the convertible warrants at the market-related prices, which endorses its commitment to grow the company aggressively, Mr. Kanoria said.

Steadfastly focused on infrastructure sector of the country, the enhancement in the capital of SREI, will also help the company to grow its businesses substantially.

Mr. Kanoria said that the infrastructure financing sector in India is poised for an exponential growth in the next five years. In keeping with the growing opportunities, it was imperative for the company to strengthen its financial position as well as increase its net worth, he said.

SREI has in the recent times exhibited its strong commitment to the infrastructure sector. One of the biggest players in the infrastructure equipment financing space, the company has notched up an asset size of more than Rs 6,000 crore already. To increase its market presence and also expand its service base, the company has entered into a 50:50 joint venture with BNP Paribas Lease Group, a wholly-owned subsidiary of the globally reputed BNP Paribas.

About SREI Infrastructure Finance Ltd.

SREI, the country's leading private sector infrastructure equipment, infrastructure project and renewable energy financing company commenced its operations in the year 1989. SREI is operating across the country with a network of 52 offices and has also expanded its operations overseas. SREI is the first Indian Infrastructure Financing Company to be listed on the London Stock Exchange (LSE). International Finance Corporation (IFC) Washington (World Bank Group), KfW Germany & DEG Germany (Financial Institutions owned by the Government of Germany), FMO the Netherlands (Financial Institution owned by the Government of Netherlands), BIO Belgium (Financial Institutions owned by the Government of Belgium) and FINFUND Finland (Financial Institution owned by the Government of Finland) are among the large stakeholders in the Company. The Company has recently entered into a strategic alliance with BNP Paribas Lease Group, a subsidiary of BNP Paribas of France for equipment financing business, besides expanding to new areas such as agriculture equipment, medical equipment, information technology and other equipment classes.

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