

Media Release



Srei Infrastructure Finance Limited

Srei to issue tax-saving long term infrastructure bonds

- *Issue of first tranche of infrastructure bonds (“Bonds”) by the Company under Section 80CCF of the Income Tax Act, 1961*
- *Resident individuals and HUFs eligible for deduction of up to Rs 20,000 in computation of taxable income for the current financial year*
- *“CARE AA” Credit Rating by CARE indicating high degree of safety with regards to timely servicing of financial obligations.*
- *The Bonds Issue opened on December 31, 2011 and closes on January 31, 2012*
- *The Bonds are proposed to be listed on BSE Limited*

MUMBAI January 05, 2012: Srei Infrastructure Finance Limited (SIFL), (“the Company or Issuer”) has announced a Public Issue of “Long Term Infrastructure Bonds” with a face value of Rs 1000 each in the form of Secured Redeemable Non-Convertible Debentures, to be issued in one or more tranches not exceeding Rs 500 crores for the Fiscal 2011-12 (“Shelf Limit”), having benefits under Section 80CCF of the Income Tax Act, 1961 (“Issue”).

Issue Date and Listing: The first tranche of the Bonds (“Tranche 1 Bonds”) issue (“Tranche 1 Issue”) has opened for subscription on December 31, 2011 and closes on January 31, 2012 or earlier, as may be decided by the Board of the Company. The Bonds issued under Prospectus Tranche – I would be for an amount not exceeding Rs. 300 crores and are proposed to be listed on the BSE Limited (“BSE”).

Ratings: The Bonds proposed to be issued have been rated 'CARE AA' by CARE. The rating of the Bonds by CARE indicates high degree of safety with regards to timely servicing of financial obligations.

Issue Structure: The Issue would be in one or more tranches, for an amount not exceeding the Shelf Limit. The amount raised in the subsequent tranches shall not exceed the difference between the Shelf Limit and the aggregate amount raised by issue of Bonds under the previous tranches. The minimum number of bonds per applicant is 1 bond and in multiples of 1 bond thereafter for resident individuals as well as for Hindu Undivided Family (“HUF”). An applicant may choose to apply for the Tranche 1 Bonds across the same series or different series. The mode of allotment for these Tranche 1 Bonds would be in dematerialized form, however the applicant may hold in the Bonds in physical or dematerialized form.

Srei Infrastructure Finance Limited

Registered Office: 'Vishwakarma', 86C Topsia Road (South), Kolkata - 700 046

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These Bonds are being issued in four series with Interest rate of 8.90% per annum for Series 1 and Series 2 and 9.15% per annum for Series 3 and Series 4. Interest under Series 1 and Series 3 will be payable annually and interest under Series 2 and Series 4 will be payable cumulatively (compounded annually). All Series of bonds will have a buy back option at the end of 5 years. The Bonds have a maturity period of 10 years and 15 years and shall have a lock-in period of 5 years and can be traded thereafter on BSE. The Face Value per Bond is `1,000.

80CCF Benefit: The Bonds have been classified as “Long Term Infrastructure Bonds” as per the terms of Section 80CCF of the Income Tax Act. As notified under Section 80CCF, an amount, not exceeding Rs 20,000 per annum, paid or deposited as subscription to Long Term Infrastructure Bonds during the previous year relevant to the assessment year beginning April 01, 2012, shall be deducted in computing the taxable income of a resident individual or HUF. In the event that any applicant applies for Bonds exceeding Rs 20,000 per annum, the aforesaid tax benefit shall be available to such applicant only to the extent of Rs 20,000 per annum.

The funds raised through the issue of the Tranche 1 Bonds will be utilized towards “Infrastructure Lending” as defined by Reserve Bank of India (“the RBI”) in the Regulations issued by it from time to time, after meeting the expenditures of, and related to the Tranche 1 Issue.

The Lead Managers to the Tranche 1 Issue are ICICI Securities Limited, Karvy Investor Services Limited, RR Investors Capital Services Private Limited and Srei Capital Markets Limited (a wholly owned subsidiary of the Company to be engaged only in marketing of the Tranche 1 Issue) The Co-Lead managers to the Issue are SMC Capitals Limited and Bajaj Capital Limited whilst Axis Trustee Services Limited is the Debenture Trustee to the Tranche 1 Issue.

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About Srei Infrastructure Finance Limited:

SIFL, an Infrastructure Finance Company. was originally incorporated on March 29, 1985 SIFL , a Public Financial Institution (PFI), is engaged in Infrastructure Financing business and the Company’s businesses include infrastructure project finance, infrastructure project development, project advisory, infrastructure equipment finance, investment banking, venture capital and insurance broking.

SIFL’s equity shares are listed on National Stock Exchange of India Limited ('NSE'), BSE Limited ('BSE') and Calcutta Stock Exchange Limited ('CSE'). SIFL’s GDRs are listed on the London Stock Exchange ('LSE').

Disclaimer: All investors proposing to participate in the Public Issue of Tranche 1 Bonds by the Company should invest on the basis of information contained in the Shelf Prospectus and the Prospectus – Tranche 1 filed with Registrar of Companies, Kolkata, West Bengal on December 28, 2011. The Shelf Prospectus and the Prospectus Tranche - 1 are available on the websites of the stock exchange at www.bseindia.com, the website of the Company at www.srei.com and the respective websites of the Lead Managers at www.icicisecurities.com, www.karvy.com, www.rrfcl.com, www.srei.com and Co-Lead Managers at www.bajajcapital.com, www.smccapitals.com. Any potential investor should note that investment in bonds involves risks and for details relating to the same, investors should see the Section titled “Risk Factors” on Page 9 of the Shelf Prospectus. Investors should also note that this is not an offer or an invitation to subscribe to any securities of the Company.

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