



Media Release

SREI INTRODUCES FIRST SHARIAT COMPLIANT FINANCIAL INSTRUMENT IN THE INDIAN MARKET

January 8, 2008

SREI has introduced yet another innovative financial instrument in the Indian market.

The Company's ever growing appetite to always come out with new structures and instruments recently took it to the Gulf which culminated in the launch of the first Shariat compliant instrument, a USD 50 million facility arranged and book run by HSBC.

Although the facility is complex and involves extensive structuring, the syndication has received overwhelming response from investors in Asia and Middle East enabling SREI Infrastructure Finance Limited to expand its investor base. A landmark transaction, this provides a good opportunity for these investors to book exposure in the booming infrastructure sector in India which needs investments of over USD 592 billion over the next 5 years.

"This is the first time that any non-banking financial company in India has tapped the Islamic funding market," Hemant Kanoria, vice chairman and managing director of the company said. "This has certainly broadened the scope to access larger doses of international funding for our manifold foray into international infrastructure development markets," he added.

SREI, one of the largest infrastructure equipment finance and infrastructure project finance company in the country, has over the years been credited with introducing new concepts in mobilization of funds as well as structuring them innovatively to suit customer needs in the infrastructure sector.

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Years ago, the company brought in the concept of mezzanine capital in the NBFC sector, a hybrid financial instrument which sensationalized the financial markets in the late nineties.

Thereafter, the company was the first to mobilize syndicated loans in the NBFC sector in the country. It was also the first NBFC to hit the global financial markets with a GDR issue and secure a listing on the London Stock Exchange (LSE).

The Shariat compliant fund is a financial vehicle that is a departure from the conventional model of borrowing and lending in the investment banking community. Though, the fund size is USD 50 million, it is eminently scalable based on its performance.

The model holds immense potential to tap vast reservoirs of funds of non-conventional funding available in the different markets of Asia and the Gulf countries and could clearly play a significant role in affording a quantum jump in SREIs asset base in the near future, Mr Kanoria concluded.

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