



Media Release

FMO led syndicate to provide ECB of USD 100 million to Srei

March 23, 2009, Kolkata: Srei Infrastructure Finance Ltd., India's leading private sector infrastructure financing institution, today signed a Letter of Intent with the Netherlands based FMO, one of world's largest bilateral private sector development banks, to secure External Commercial Borrowing (ECB) of USD 100 million. This loan amount would be used to step up Srei's infrastructure project finance and equipment financing business where Srei is the market leader in India.

The LOI was signed between Mr. Hemant Kanoria, Chairman and Managing Director, Srei Infrastructure Finance Limited and Mr. Nanno Kleiterp, Chief Executive Officer, FMO. This loan would be used for funding infrastructure projects directly and also for funding of infrastructure equipment for on leasing to infrastructure projects.

This development assumes special significance in the backdrop of the global financial crisis and limited channels of credit. While Government of India has announced fiscal and monetary stimuli with a special focus on infrastructure creation to push the country's growth, banks and other financial institutions have limited risk appetite and thus credit is not forthcoming even for viable infrastructure projects. While project developers have been adversely affected, the worst hits are the numerous small and medium size companies who depend on NBFCs like Srei for their funding requirement. Such enterprises form the bulk of Srei's clientele and thus this loan from FMO to some extent will act like a booster dose to ease the credit availability scenario.

FMO started investing in Srei since 1997 and since then has provided different kinds of debt, equity and guarantee structures.

"There are large number of international institutions and banks who have confidence in Srei's infrastructure business and in spite of global financial crisis, are willing to provide long term loans to us," said Mr. Hemant Kanoria, Chairman and Managing Director, Srei Infrastructure Finance Ltd. He further added that the loan from FMO will immensely help Srei to cater to the pent-up demand of the infrastructure sector in India. Asserting that there are quite a few viable infrastructure projects in the pipeline, Mr. Kanoria called upon the industry to truly generate a culture of public-private partnership by playing its part in kick-starting an investment-led demand cycle.

"Despite the global downturn and the onset of recession in many developed nations, India is still registering a near 7% growth which is healthy by all standards. Though the growth rate is expected to come down to 5-6% next year, India still holds a lot of potential because of its huge domestic market. We are constantly monitoring the developments in India and also keeping an eye on the various infrastructure projects that are coming up. We at FMO are definitely bullish on India," said Mr. Nanno Kleiterp, Chief Executive Officer, FMO.



About Srei Infrastructure Finance Ltd.

Srei is a Holistic Infrastructure Institution, constantly and consistently ideating to deliver innovative solutions to its customers, and thus playing a significant role in nation-building over a period of two decades, both in urban and rural India. Srei's businesses include Infrastructure Equipment Leasing & Finance; Project Finance, Advisory & Development; Insurance; Venture Capital; Capital Market; and Sahaj e-Village. Srei has a pan-India presence with a network of 63 offices and has also expanded overseas with 3 offices in Russia and few others in the pipeline in South Asia and West Asia. Srei is the first Indian infrastructure financing institution to get listed on the London Stock Exchange. Srei Equipment Finance Pvt. Ltd. is a joint venture between Srei and BNP Paribas Lease Group, a wholly owned subsidiary of BNP Paribas.

About The Netherlands Development Finance Company (FMO)

The Netherlands Development Finance Company (Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. - FMO), owned by the Government of Netherlands with a 'AAA' rating from Standard & Poors, is one of the world's largest bilateral private sector development banks, providing financial solutions for private companies in over 60 developing countries across Asia, Africa, Latin America and Central and Eastern Europe. They do this by way of loans, participations, guarantees and other investment promotion activities with the goal to contribute to the structural and sustainable economic growth in these countries.

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