



PRESS RELEASE

SREI Raises Benchmark Rate by 150 Basis Points.

Kolkata, June 24, 2008: SREI Infrastructure Finance Limited has announced a hike in its benchmark rate (SBR) by 150 basis points to 14.5 per cent to come into effect from July 1, 2008.

The company's Asset Liability Management Committee met on June 24, 2008 and after reviewing the likely increase in the borrowing costs, decided to increase its own benchmark rate in line with the latest trend of upward moving interest rates in the financial market.

Mr. Hemant Kanoria, Chairman and Managing Director of SREI said, "This is in keeping with the current interest scenario." He, however, asserted that the enhancement in the benchmark rate of the company is unlikely to affect the momentum of growth clearly visible from the current disbursement volumes.

The company already has an AUM of over Rs 8,000 crore. Besides, its traditional areas of business such as infrastructure equipment and project financing in the areas of road, power, ports, aviation and urban infrastructure sectors, the company has also made rapid forays in the railway and mining sectors. The company's overseas venture in Russia is also showing a healthy growth trend and is expected to clock business worth in excess of \$ 120 million by the end of the current financial year.

This fiscal is also extremely significant from the point of view of SREI's overall business strategy having successfully forged an alliance with BNP Paribas of France, the 1600 billion EURO global bank. Incidentally, the same benchmark rate will be applicable to the joint venture also. The joint venture is already up and running and expected to contribute to SREI's fortunes substantially in the coming years.

The company's traditional business of equipment financing having shifted to the joint venture, the parent company is now fully focused on project development, project finance, project advisory and investment banking. This is in line with the company's initiative to concentrate strongly on the burgeoning infrastructure sector in the country expected to attract as much as \$ 600 billion in the next five year period.

About SREI Infrastructure Finance Limited

SREI is an Integrated Infrastructure Institution, constantly and consistently ideating to deliver innovative Infrastructure solutions to the nation for over two decades, both in urban and rural India. One of the largest private sector infrastructure organizations, SREI's business ranges from Infrastructure Equipment Finance, Project Finance, Project Advisory and Project Development to E-governance, Investment Banking, Venture Funds, Insurance Broking and Equipment Rental through QUIPPO. SREI operates across the country with a network of 51 offices and also has its operations in Russia with 3 offices. SREI is the first Indian Infrastructure Financing institutions 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. BNP Paribas Lease Group, a subsidiary of BNP Paribas Bank with an asset base of EURO 1, 694 Billion has a partnership with SREI.

For further information, please contact:

Subhash Mohanti

Phone: 91 33 3987 3818

Mobile: 91 93309 02070

E-mail: subhash.mohanti@srei.com