



INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED

January 30, 2012

✓ Centbank Financial Services Limited
Bajaj Bhavan 1st Floor
Opp Inox Multiplex,
Nariman Point
Mumbai 400 021

~~Central Bank of India
Bajaj Bhavan 1st Floor
Opp Inox Multiplex
Nariman Point
Mumbai 400 021~~

Re : Asset Coverage Ratio Certificate – December 31, 2011

Dear Sir :

Enclosing the Asset Coverage Ratio Certificate for the quarter ended December 31, 2011 issued by Deloitte Haskins & Sells, Mumbai

You are requested to acknowledge the same

Sincerely

V Srinivas Rao
Manager (Corporate Secretarial)

Encl : a/a

Deloitte Haskins & Sells

Chartered Accountants
12, Dr. Annie Besant Road
Opp. Shiv Sagar Estate
Worli, Mumbai - 400 018
India

Tel: +91 (022) 6667 9000
Fax: +91 (022) 6667 9100

REF: KJM/ 2011-12/ 9632

AUDITORS' CERTIFICATE

1. We have verified the attached "Statement of Computation of Asset Coverage as at December 31, 2011" (the "Statement") derived from the unaudited financial information and other records of **Infrastructure Leasing & Financial Services Limited (the "Company")** for the period April 1, 2011 to December 31, 2011. Preparation of the Statement, which has been initiated by us for identification purposes only, is the responsibility of the Company's Management.
2. We refer to the Amendatory Master Loan Agreement dated November 30, 1993 entered into between the Company and the Senior Lenders, the Debenture Trust Deed dated October 31, 2011 entered into between the Company and Centbank Financial Services Limited (acting as trustee of debenture holders) and the Twentieth Contributory Legal Mortgage ("the Agreement") dated November 17, 2011 entered into between the Company and Central Bank of India (acting as trustee) wherein it was agreed that the Company shall maintain at all times and from time to time an asset coverage as defined in the aforesaid Agreement of at least 1.33 times the total outstanding Secured Loans of the Company, excluding the "excluded assets" referred to in the aforesaid Agreement.
3. The asset coverage ratio as at December 31, 2011, in accordance with paragraph 2 above, as determined in the attached Statement, read together with and subject to the Notes thereon, is 1.86 times.
4. The above certificate is issued at the request of the Company for submission to the Senior Lenders and the Debenture Trustee and should not be used for any other purpose without our prior written consent.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117366W)

Kalpesh J. Mehta

Kalpesh J. Mehta
Partner
(Membership No. 48791)

MUMBAI, January 27, 2012
KJM/NDU

Statement of Computation of Asset Cover as at December 31, 2011

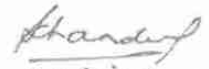
		(₹ mn)
<u>ASSETS AVAILABLE FOR ASSET COVER</u>	Amount	Amount
Fixed Assets - WDV of Owned Residential Properties		2.17
Investments		48,680.02
Loans & Advances		
Advance towards Investments (pending allotment)	6,462.82	
Loans & Advances	19,679.52	26,142.34
Current Assets		6,760.52
		81,585.05
 <u>SECURED BORROWING TAKEN /ISSUED BY THE COMPANY</u>		
Loans from Banks / Financial Institutions/ Multilateral Institutions		
Asian Development Bank	1,952.36	
United States Agency for International Development (BOI)	697.50	
IBRD Loan (Canara Bank)	352.75	
IBRD Loan	95.40	
Indian Overseas Bank - Term Loan	1,500.00	4,598.01
Cash Credit		0.62
Secured Debentures		37,651.02
Interest Accrued on Secured Borrowing		1,705.49
		43,955.14
Asset Coverage Ratio		1.86



Notes:

- 1 Secured Debentures issued include Debentures for which security creation process is underway
- 2 Provision for General Contingency amounting to Rs 3,500 mn has been created with the objective to cover adverse events that may affect the quality of the Company's Assets and has therefore not been deducted from the value of the assets
- 3 Company has created contingent provision against standard assets aggregating Rs 53.37 mn as per Reserve Bank of India Circular DNBS.PD.CC.No 207/03.02.002/2010-11 issued on January 17, 2011. Since it is a contingent provision, it has not been deducted from the value of the assets
- 4 Long Term / Strategic Investments also include current maturity of long term investments
- 5 "Excluded Assets", that are not considered for the purpose of calculating the asset cover ratio, includes residential and commercial immovable property owned/tenanted by the Company, including the moveable assets within the property, trading stocks, gilt securities if any and specific equity investments in affiliates / subsidiaries as listed in Twentieth Contributory Legal Mortgage ("the Agreement") dated November 17, 2011. Additionally, the Company has excluded the following assets since charge on these assets cannot be created:
 - a) Capital Work in Progress
 - b) Deferred Expenses
 - c) Unamortised Discounting charges on issue of Commercial Papers
 - d) Advance Tax (net) including Tax Deducted at Source
 - e) Mat Credit Entitlement
 - f) Prepaid Expenses

For Infrastructure Leasing & Financial Services Ltd



Authorised Signatory

Date : January 27, 2012

Place: Mumbai

