

February 1, 2013

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

Re : Asset Coverage Ratio Certificate – December 31, 2012

Dear Sir :

Enclosing the Asset Coverage Ratio Certificate for the quarter ended December 31, 2012 issued by Deloitte Haskins & Sells, Chartered Accountants, Mumbai and Statutory Auditors of the Company for your information and records

You are requested to acknowledge the same

Sincerely

A handwritten signature in blue ink, appearing to read 'V. Srinivas Rao'.

V Srinivas Rao  
Manager (Corporate Secretarial)

Encl : a/a

# Deloitte Haskins & Sells

REF: KJM/2012-2013/1955

## AUDITORS' CERTIFICATE

### **Introduction**

We have verified the attached "Statement of Computation of Asset Coverage as at December 31, 2012" (the "Statement") derived from the unaudited financial information and other records of **Infrastructure Leasing & Financial Services Limited (the "Company")** for the period from April 1, 2012 to December 31, 2012.

### **Management's Responsibility for the Statement**

The Company's Management is responsible for preparation of the Statement. This includes collecting, collating and validating data and designing, implementing and maintaining of internal controls relevant to the preparation of the Statement that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express our conclusion on the information contained in the Statement based on our limited assurance procedures. Our procedures have been planned to obtain all information and explanations that we considered necessary to support our conclusion. Our work was planned to mirror the Company's own compilation process, verifying how the items in the Statement within our assurance scope were collected, collated and validated by the Company for inclusion in the Statement based on the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI").

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Criteria**

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

*[Handwritten signature]*

# Deloitte Haskins & Sells

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.

The criteria, against which the information contained in the Statement is evaluated, are the unaudited financial statements of the Company for the nine months ended December 31, 2012.

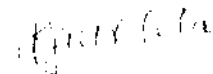
## Conclusion

Based on the limited assurance work that we performed as aforesaid, nothing has come to our attention which causes us to believe that the information presented in the Statement contains any material misstatement. The asset coverage ratio as at December 31, 2012, in accordance with Criteria mentioned above, as determined in the attached Statement, read together with and subject to the notes thereon, is 1.82 times.

## Restriction on Distribution

The above certificate is issued at the request of the Company for submission to the Senior Lenders and the Debenture Trustee and shall not be used for any other purpose without our prior written consent.

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

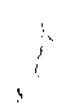


Kalpesh J. Mehta  
Partner  
(Membership No. 48791)

MUMBAI, January 22, 2013  
KJM/NDU

**Statement of Computation of Asset Cover as at December 31, 2012**

	Amount	(₹ mn)
<b><u>ASSETS AVAILABLE FOR ASSET COVER</u></b>		
Fixed Assets - WDV of Owned Residential Properties		2.15
Investments (Current and Non-Current)		55,216.75
Loans & Advances (Current and Non-Current)		
Advance towards Investments (pending allotment)	4,750.00	
Loans & Advances	30,798.67	
		35,548.67
<b>Current and Non-Current Assets</b>		<b>5,143.75</b>
		<b>95,911.32</b>
<b><u>SECURED BORROWING TAKEN /ISSUED BY THE COMPANY</u></b>		
<b>Loans from Banks / Financial Institutions / Multilateral Institutions</b>		
Asian Development Bank	1,922.75	
Bank of India (USAID Loan)	652.50	
IBRD Loan (Canara Bank)	282.08	
IBRD Loan	76.30	
Term Loan	2,000.00	
		4,933.63
<b>Cash Credit</b>		<b>249.27</b>
<b>Secured Debentures</b>		<b>45,157.69</b>
<b>Interest Accrued on Secured Borrowing</b>		<b>2,269.43</b>
		<b>52,610.02</b>
<b>Asset Coverage Ratio</b>		<b>1.82</b>

**Notes:**

- 1 Secured Debentures issued includes ₹ 4,900 mn Debentures for which security creation process is underway
- 2 Provision for General Contingency amounting ₹ 4,320.50 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 ₹ 90.17 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 Investments includes 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 including Capital Advances
  - b) Advance Tax (net) including Tax Deducted at Source
  - c) Mat Credit Entitlement
  - d) Prepaid Expenses
  - e) Deferred Expenditure - Stamps & Registration Charges
  - f) Unamortised Business Centre Expense

For Infrastructure Leasing & Financial Services Ltd

Authorised Signatory

Date : January 17, 2013

Place : Mumbai

