

October 25, 2012

Mr HV Kamdar  
Company Secretary  
Centbank Financial Services Limited  
Bajaj Bhavan, 1st Floor, Opp Inox Multiplex  
Nariman Point, Mumbai 400 021

Dear Sir :

With regard to Non-Convertible Debentures (NCDs) issued by the Company under various Series, we confirm that:

- (a) the Debenture amounts have been raised to augment the long term resource requirements of the Company for the business activities including refinancing the existing debt, and the funds are utilized accordingly
- (b) the Company regularly pays interest to all the existing debenture holders and there has been no default committed or complaint received from any debenture holder till date;
- (c) the Asset Coverage Ratio duly audited by the Statutory Auditors of the Company (M/s Deloitte Haskins & Sells (DHS), Chartered Accountants) is sent to the Trustees on quarterly basis. The Asset Cover Certificate issued by DHS for the quarter ended June 30, 2012 is enclosed for your ready reference;
- (d) the Company has not committed any default in the performance and observation of any of the terms, covenants and conditions of the Debenture Trust Deed (DTD); and
- (e) the Company creates security by execution of DTD in respect of various NCDs issued and charge is created in favour of Centbank Financial Services Limited, being the Debenture Trustees to protect the interest of the debenture holders

Sincerely



 Avinash Bagul  
Chief Operating Officer &  
Company Secretary

Encl : a/a



REF: KJM/2012-13/ 914

AUDITORS' CERTIFICATE

1. We have verified the attached "Statement of Computation of Asset Coverage as at June 30, 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 June 30, 2012. Preparation of the Statement, which has been initialed 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 June 30, 2012, in accordance with paragraph 2 above, as determined in the attached Statement, read together with and subject to the Notes thereon, is 1.75 times.
4. 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, July 27, 2012  
KJM/NDU

Statement of Computation of Asset Coverage as at June 30, 2012

|  |           | (₹ mn)           |
|--|-----------|------------------|
|  | Amount    | Amount           |
| <b>ASSETS AVAILABLE FOR ASSET COVER</b>                                      |           |                  |
| Fixed Assets - WDV of Owned Residential Properties                           |           | 2.17             |
| Investments (Current and Non-Current)  |           | 57,613.66        |
| Loans & Advances (Current and Non-Current)                                   |           |                  |
| Advance towards Investments (pending allotment)                              | 5,514.07  |                  |
| Loans & Advances   | 24,750.37 | 30,264.44        |
| <b>Current and Non-Current Assets</b>  |           | <b>4,557.64</b>  |
|  |           | <b>92,437.91</b> |
| <b>SECURED BORROWING TAKEN /ISSUED BY THE COMPANY</b>                        |           |                  |
| <b>Loans from Banks / Financial Institutions / Multilateral Institutions</b> |           |                  |
| Asian Development Bank   | 1,956.84  |                  |
| Bank of India (USAID Loan)   | 675.00    |                  |
| IBRD Loan (Canara Bank)  | 317.93    |                  |
| IBRD Loan  | 85.99     |                  |
| Indian Overseas Bank - Term Loan   | 1,500.00  | 4,535.76         |
| <b>Cash Credit</b>   |           | <b>299.39</b>    |
| <b>Secured Debentures</b>  |           | <b>45,810.23</b> |
| <b>Interest Accrued on Secured Borrowing</b>                                 |           | <b>2,233.45</b>  |
|  |           | <b>52,878.83</b> |
| <b>Asset Coverage Ratio</b>  |           | <b>1.75</b>      |



**Notes:**

- 1 Secured Debentures issued includes ₹ 3,900 mn Debentures for which security creation process is underway
- 2 Provision for General Contingency amounting ₹ 3,970.50 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 ₹ 74.52 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
  - b) Advance Tax (net) including Tax Deducted at Source
  - c) Mat Credit Entitlement
  - d) Prepaid Expenses
  - e) Unamortised Business Center Expense

Date : July 27, 2012

Place : Mumbai



For Infrastructure Leasing & Financial Services Ltd



Authorised Signatory