

July 31, 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 – June 30, 2012

Dear Sir :

Enclosing the Asset Coverage Ratio Certificate for the quarter ended June 30, 2012 issued by Deloitte Haskins & Sells, Chartered Accountants, Mumbai and Statutory Auditors of the Company

You are requested to acknowledge the same

Sincerely



V Srinivas Rao
Manager (Corporate Secretarial)

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 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 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

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) |
|--|---------------|------------------|
| <u>ASSETS AVAILABLE FOR ASSET COVER</u> | Amount | Amount |
| 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 |
| Current and Non-Current Assets | | 4,557.64 |
| | | 92,437.91 |
| <u>SECURED BORROWING TAKEN /ISSUED BY THE COMPANY</u> | | |
| Loans from Banks / Financial Institutions / Multilateral Institutions | | |
| 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 |
| Cash Credit | | 299.39 |
| Secured Debentures | | 45,810.23 |
| Interest Accrued on Secured Borrowing | | 2,233.45 |
| | | 52,878.83 |
| Asset Coverage Ratio | | 1.75 |



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