



INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED

August 6, 2013

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

Central Bank of India
Central Bank MMO Bldg, 4th Floor
MG Road
Fort
Mumbai 400 023

Re : Asset Coverage Ratio Certificate – June 30, 2013

Dear Sir :

Enclosing the Asset Coverage Ratio Certificate for the quarter ended June 30, 2013 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

V Srinivas Rao
Manager (Corporate Secretarial)

Encl : a/a



Deloitte Haskins & Sells

Chartered Accountants
Tower 3, 27th - 32nd Floor
Indiabulls Finance Centre
Elphinstone Mill Compound
Senapati Bapat Marg
Elphinstone (W), Mumbai - 400 013
India

Tel: +91 (22) 6185 4000
Fax: +91 (22) 6185 4501/4601

REF: KJM/2013-2014/3378

AUDITORS' CERTIFICATE

Introduction

We have verified the attached "Statement of Computation of Asset Coverage as at June 30, 2013" (the "Statement") derived from the unaudited financial information and other records of **Infrastructure Leasing & Financial Services Limited (the "Company")** for the quarter ended June 30, 2013.

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.

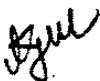
Auditors' Responsibility

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, reviewing 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 Twenty- First Contributory Legal Mortgage ("the Agreement") dated February 22, 2013 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



Deloitte Haskins & Sells

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 information and other related records of the Company for the quarter ended June 30, 2013.

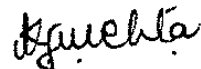
Conclusion

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 June 30, 2013, in accordance with Criteria mentioned above, as determined in the attached Statement, read together with and subject to the notes thereon, is 1.68 times the total outstanding Secured Loans of the Company.

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
(ICAI Reg. No. 117366W)**

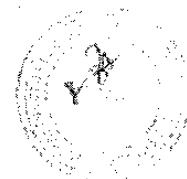


**Kalpesh J. Mehta
Partner
(Membership No. 48791)**

**MUMBAI, July 31, 2013
KJM/NDU**

Statement of Computation of Asset Cover as at June 30, 2013

		(₹ mn)
<u>ASSETS AVAILABLE FOR ASSET COVER</u>	Amount	Amount
Fixed Assets - WDV of Owned Residential Properties		2.13
Investments (Current and Non-Current)		57,966.58
Loans & Advances (Current and Non-Current)		
Advance towards Investments (pending allotment)	6,217.58	
Loans & Advances	21,783.64	28,001.22
Current and Non-Current Assets		10,025.63
		95,995.56
<u>SECURED BORROWING TAKEN /ISSUED BY THE COMPANY</u>		
Loans from Banks / Financial Institutions / Multilateral Institutions		
Jammu & Kashmir Bank Ltd	3,000.00	
State Bank of Travancore	2,000.00	
Asian Development Bank	1,849.39	
Bank of Maharashtra	1,000.00	
United States Agency for International Development	630.00	
IBRD Loan (Canara Bank)	245.19	
IBRD Loan	66.33	8,790.91
Cash Credit		156.37
Secured Debentures		46,024.49
Interest Accrued but not due on Secured Borrowings		2,198.58
		57,170.35
Asset Coverage Ratio		1.68

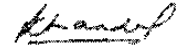


Notes:

- 1 Provision for General Contingency amounting ₹ 4,600 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
- 2 The Company has created Contingent Provision against standard assets aggregating ₹ 65.12 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
- 3 Investments includes current maturity of long term investments
- 4 "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 Twenty First Contributory Legal Mortgage ("the Agreement") dated February 22, 2013. 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 Rent Expense



For Infrastructure Leasing & Financial Services Ltd



Authorised Signatory

Date : July 31, 2013

Place : Mumbai

