

Media release

## **IL&FS group receives ECB facility of USD 80 mn from ICBC**

**IL&FS Financial Services Limited (IFIN) was the advisor**

**Mumbai, September 13, 2016:**

The IL&FS Group has raised an External Commercial Borrowing (ECB) aggregating to USD 80 million from Industrial and Commercial Bank of China (ICBC) for its flagship company in the surface transportation sector, IL&FS Transportation Networks Limited (ITNL). The ECB facility that has been raised for a tenor of six years, will be utilised for funding of infrastructure projects. IL&FS Financial Services Ltd. (IFIN) was the advisor on the transaction and the same was managed through its Hong Kong office

This transaction marks the first ECB availed by the IL&FS Group at an Infrastructure Holding company level and follows the revision in RBI's ECB regulations where companies in the infrastructure sector are now allowed to raise ECBs with a minimum average maturity of 5 years, as against the previous 10 year requirement

Last year, in 2015, IL&FS had entered into a Memorandum of Understanding with ICBC to facilitate co-operation in the area of infrastructure financing in India. The objective of the MOU was to build an alliance between the two Institutions and to collaborate in the areas of lending for infrastructure facilities and projects

This ECB marks the first landmark deal between the two Institutions. IL&FS and ICBC continue to be engaged on opportunities which will enhance the Indo-China business traction in various areas of infrastructure development in the country

Mr Ramesh C Bawa, Managing Director & CEO of IL&FS Financial Services said, "This ECB funding is a landmark transaction and IL&FS is pleased to have partnered with ICBC for funding the Group's infrastructure project requirement. IL&FS looks forward to build this relationship with ICBC, through more such initiatives in the future"

'One of the focus areas for ICBC group has been the infrastructure space & IL&FS is a pioneer in infrastructure development. ICBC's branch presence in India since 2011 has enabled value addition in the domestic market to both Indian and Chinese corporates. ICBC is among the biggest banks globally, and its capabilities enable corporates achieve their growth plans' said Mr. S R Venkatesh, Managing Director & Head of Corporate Banking, ICBC India

ITNL is the largest private sector BOT road operator in India, with a portfolio of 14,680 lane kilometres and 31 road projects spread across India. Incidentally, ITNL is also the first Indian corporate to issue Dimsum (CNH) bonds and has raised an aggregate of USD 300 mn, through multiple issuances till date

ICBC is globally the biggest bank by Assets and Profits, and has been working closely with Indian Institutions for the last few years, after establishing its Mumbai Branch in September 2011

Foreign borrowings complement domestic bank efforts to fund infrastructure projects in India and help in diversification of borrowings

Favourable global liquidity conditions coupled with a strong demand for Indian credit is encouraging companies to raise capital from overseas markets for the infrastructure sector

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### **About Infrastructure Leasing & Financial Services Limited**

Infrastructure Leasing & Financial Services Limited (IL&FS) is one of India's leading infrastructure development and finance conglomerates. IL&FS was established in 1988 by Banks and Financial Institutions with a distinct mandate - catalyzing the development of infrastructure in the country. Over the last 25 years, IL&FS has successfully built on this mandate by focusing on the commercialization and development of infrastructure projects and creation of value-added financial services. The Group has pioneered the concept of private participation in infrastructure development across various sub-sectors and has thus evolved into a dominant, integrated developer and owner of infrastructure assets. IL&FS's primary strength is towards developing and executing projects in the areas of project development, project monitoring, construction and operations. From concept to execution, IL&FS houses the expertise to provide a complete array of services. IL&FS presently has a pipeline of mature and development assets.

IL&FS Financial Services Limited (IFIN), a wholly owned subsidiary of IL&FS, is the investment-banking arm of the IL&FS Group with a strong client base and provides end-to-end financial solutions including project finance advisory & syndication, financial structuring and equity placements. IFIN is active in mobilizing project and corporate debt and equity for India centric initiatives, including for the IL&FS Group. IFIN has a presence in domestic financial markets with strong relationships with Financial Institutions, Banks, Insurance & Pension Funds and other investors. IFIN enjoys the highest ratings from rating agencies.

Dovetailing increased international linkages with India centric businesses, over the past few years, IFIN has created a strong presence through its offices in Hong Kong, Singapore, London and Dubai - which deliver financing solutions and advisory services to various infrastructure initiatives of the IL&FS Group and its client constituents. The international offices specialize in infrastructure financing, having continuously innovated structured facilities for infrastructure funding.

In recent years, IFIN and its subsidiaries have advised on three unique and pioneering CNH bond issuances for ITNL in the Dimsum bond market.

### **About Industrial and Commercial Bank of China Limited**

Industrial & Commercial Bank of China Limited (ICBC) is a prestigious commercial bank in the People's Republic of China. The Bank is well known for its continuous business innovation efforts and leading position in the domestic banking market and infrastructure financing. With a presence in six continents and a growing overseas network in 43 countries and regions, including India, the Bank provides comprehensive financial products and services by virtue of its distribution centres. ICBC is committed to provide comprehensive but tailor-made solutions and products to support the growing infrastructure requirement in India and would like to actively partake in the growth of Indian infrastructure industry.

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