

Media release

Successful closure of First Masala Loan between Export Development Canada and IL&FS Group

Mumbai, November 21st, 2016:

IL&FS Group has raised the First Masala Loan aggregating to USD 50 million from Export Development Canada (EDC) for its flagship company in the surface transportation sector, IL&FS Transportation Networks Limited (ITNL). The Masala Loan raised for a tenor of three years will be utilised for refinancing debt and general corporate purposes. IL&FS Financial Services Ltd, (IFIN) was the sole advisor on the transaction.

In September 2015, IL&FS had entered into a Memorandum of Understanding with EDC to enhance the co-operation between IL&FS Group and Canada, in the infrastructure sector, The MOU covers sharing of potential opportunities across India and Canada, facilitating introductions and meetings as well as potential of financial support by EDC to IL&FS Group in respect of procurement from Canada

This Masala Loan marks the first landmark deal between the two Institutions. IL&FS and EDC continue to be engaged on opportunities which will enhance the Indo-Canadian partnership in various areas of infrastructure development in the country

Commenting on the transaction Mr Ramesh C Bawa, Managing Director & CEO of IL&FS Financial Services said, “For a group like IL&FS, which undertakes sponsorship and development of infrastructure projects, the revenue profile is predominantly in Rupees. EDC’s Masala loan is crucial as it enables us to eliminate currency risk entirely and deploy funding directly into the various requirements without having to convert foreign funding to Indian rupees.”

“Today’s transaction is an important milestone for IL&FS. Having a prestigious institution like EDC partner with IL&FS on not only the first ever Masala ECB but also our first funding from a Canadian institution speaks to the importance of the work that we do in India,” adds Mr. Bawa.

Mr Nathan Nelson, Chief Representative for India, EDC said “The financing for IL&FS is a landmark transaction within EDC’s history in India. Not only is this our first time providing a loan in rupees, it is also our first transaction with IL&FS. It demonstrates EDC’s commitment to supporting Indian businesses in the currency of their choice.”

IL&FS is one of India’s leading infrastructure development and finance conglomerates. IL&FS 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. ITNL is the flagship company in the surface transportation sector and the largest private sector BOT road operator in India, with a portfolio of close to 15,000 lane kilometres and over 30 road projects spread across India

Export Development Canada (EDC), Canada's export credit agency, is mandated to support and develop trade between Canada and other countries. EDC’s products and services include insurance, financing for Canadian companies and for their foreign customers, bond and guarantee solutions, as well as information on global opportunities for Canada

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.

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.

About Export Development Canada

Export Development Canada (EDC) is Canada's export credit agency, providing financial services for companies that buy from Canadian companies, or those that have Canadian supply and services in their corporate value chains. EDC's financing can be used for capex and/or project finance requirements, either through bilateral or syndicated corporate facilities. Operating on commercial principles, EDC has a partnership-preferred philosophy to collaborate with private-sector financial institutions to share risk and create greater capacity for Canadian trade transactions. EDC is committed to Corporate Social Responsibility, and it takes into account the environmental and social impacts of its transactions.

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