

July 27, 2010

Launch of the Pan India Pooled Syndication Facility (PSF)

The above facility is a unique platform for financing Debt of Infrastructure Projects. The launch of the Pan India Pooled Syndication facility by IL&FS Financial Service Ltd was followed by signing of Memorandum of Understanding for the facility among IL&FS Financial Services Ltd, Bank of India, Union Bank of India, Punjab National Bank, Canara Bank and Bank of Baroda



(Left to Right Standing): Mr. Alok Misra - Chairman & MD, Bank Of India, Mr. KR Kamath - Chairman & MD, Punjab National Bank, Mr. Ravi Parthasarathy - Chairman IL&FS Ltd., Mr. MV Nair - Chairman & MD, Union Bank Of India, Mr. AC Mahajan - Chairman & MD, Canara Bank, Mr. MD Mallya - Chairman & MD, Bank Of Baroda, Mr. Ramesh Bawa - MD & CEO, IL&FS Financial Serviced Ltd.

(Left to Right Sitting): Mr. RC Khurana- Bank Of India, Mr. Arvindakshan Punjab National Bank, Mr. Rajesh Kotian IL&FS Financial Serviced Ltd, Mr. Milind Patel IL&FS Financial Serviced Ltd, Mr. SK Sangar Union Bank Of India, Mr. N. Ramani, Bank Of Baroda, Mr. MC Gauba Canara Bank

About the Facility

India is currently the fourth largest economy and one of the fastest growing countries in the world. The development of infrastructure on a sustainable basis is essential for the growth momentum. Towards this endeavor, a robust project finance framework is essential to facilitate ease in resource mobilization and thereby enable developers / promoters to focus energy primarily towards project execution and implementation

As a part of this framework, upfront availability of Funds for a project is of key importance. An early financial closure paves the way for completing project milestones on an accelerated basis. Banks and Financial Institutions are currently geared to meet the increased project funding demands of developers / corporates, and are willing to extend lines of credit / underwriting, on a prudent basis, to projects requiring non-recourse financing. Moreover, given the quantum of funds required in the infrastructure sector, it is equally important for financial intermediaries to de-risk their exposures in projects and participate in an underwriting on a distributed basis

Towards this end, the Company along with Five leading Institutions: Bank of Baroda, Bank of India, Canara Bank, Punjab National Bank and Union Bank of India, have conceptualized the creation of a funding pool aggregating Rs 2,750 Cr for meeting the requirements of Debt financing for Projects. The facility has been christened as the **Pan India Pooled Syndication Facility (“PSF”)** to outline the joint effort of these Institutions to serve customers across India

The **PSF** has thus been conceptualized by the partners to facilitate efficient and faster financial closure of projects. This will complement the ongoing efforts of each participant to keep building up robust project financing capabilities, along with a strong advisory and syndication platform. The facility shall enable developers to keep limited number of projects open for Financial Closure, thereby reducing the project financial closure risk for infrastructure developers. The proposed Facility would provide a quicker decision and faster credit delivery platform to the infrastructure sector

Landmark beginning

The facility was launched at Hotel Trident, Bandra Kurla Complex, Mumbai on July 27, 2010, it was a big event in the financial services space to witness the combination of six large financial services players who had the common vision to enhance the delivery capacity of infrastructure sector. Mr Ramesh C Bawa Managing Director & CEO provided an overview of the facility its benefits as a part of his inaugural speech, Mr Bawa emphasized the effort put in by all the six institutions to ensure that the facility was conceptualized and launched in the fastest possible manner. Mr M V Nair Chairman Union Bank of India appreciated the step taken by all the financial institutions; he was very optimistic in his speech and congratulated all the parties for achieving the above milestone event

The function was attended by various officials across the financial services sector also the event was covered by media and press extensively