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IL&FS INFRASTRUCTURE DEBT FUND SIGNS MOU WITH EIGHT PUBLIC SECTOR BANKS; NEED FOR MORE THAN ONE TRILLION US DOLLARS FOR INFRASTRUCTURE SECTOR IN NEXT FIVE YEARS; GOVERNMENT AND PRIVATE SECTOR TO CONTRIBUTE FIFTY PERCENT EACH

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IL&FS Infra Asset Management Limited (IAML), an Asset Management Company (AMC) promoted by IL&FS Financial Services Limited (IFIN) to manage the IL&FS Infrastructure Debt Fund (IIDF), signed a Memorandum of Understanding (MoU) with eight (8) Public Sector Banks (PSBs) including Allahabad Bank, Bank of India, Canara Bank, Central Bank of India, Indian Bank, Indian Overseas Bank, Oriental Bank of Commerce and UCO Bank for acquisition of infrastructure loans. The signing ceremony was attended by Dr Arvind Mayaram, Secretary, Department of Economic Affairs, Ministry of Finance apart from senior dignitaries of the Finance Ministry, LIC, IL&FS and Banks among others.

Speaking on the occasion, Shri Arvind Mayaram, Secretary, Department of Economic Affairs said that we need about 1 trillion US dollars for infrastructure sector funding in next five years i.e. 2012-13 to 2016-17.He said that out of that, 50 percent would be funded by the Government and remaining 50 percent by private sector and financial institutions. He said that there is need for second generation reforms for infrastructure sector. Without infrastructure investment, it would be difficult to achieve the potential growth rate of 8 percent for the country, he added. Shri Mayaram congratulated the IL&FS and 8 PSBs for signing this landmark MoU which will pave the way for setting-up of more such infra debt funds and financing thereof.

Earlier, Shri Ravi Parthasarathy, Chairman-IL&FS Group said that IIDF will complement domestic banks in providing required funding to infrastructure sector and would be integral part of the IL&FS Group’s efforts in taking India’s infrastructure growth story to the next level. Shri Ramesh Bawa, Managing Director and CEO, IFIN further added that we are targeting an initial corpus of approx USD 1.0 billion and hope to increase the overall corpus to USD 5.0 billion under management in the medium term.

After the regulations for Infrastructure Debt Fund were announced by the Government last year, IFIN was amongst the first institutions to announce its intent to launch Infrastructure Debt Fund in partnership with Life Insurance Corporation of India. Its fund, IIDF was launched by the Union Finance Minister P. Chidambaram on February 9, 2013 in Mumbai.

The formulation of final IDF regulations by SEBI set the stage for launching the first set of schemes of the Fund. The first three schemes of Rs. 5.00 billion each of IIDF have been assigned rating of 'IND AAA idf-mf' by India Ratings. The rating denotes the highest strength of the credit protection factors embedded in a fund's investment policies and the quality of the sponsors / investment managers

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