

## IL&FS Infrastructure Development Fund – Series 1: Schemes 1-A, 1-B and 1-C

### Full Rating Report

Scheme Series 1)	Size (INRbn)	Tenor (in years)	Rating
1-A	5	5	IND AAAidf-mf
1-B	5	7	IND AAidf-mf
1-C	5	10	IND AAidf-mf

### Rating Summary

India Ratings & Research (Ind-Ra) has assigned IL&FS Infrastructure Debt Fund's (IDF or the fund) initial three mutual fund schemes an 'IND AAAidf-mf' rating. The ratings are an opinion regarding the strength of the credit protection factors embedded in the fund's investment policies, expertise and experience of the sponsors and investment managers and vulnerability to losses and prospects of ultimate recovery as a result of defaults in the fund portfolio. The ratings, however, do not measure the expectation of default risk for the scheme itself, as a fund/scheme generally cannot default.

### Key Rating Drivers

**Strong Sponsor Strength and Experience:** The rating benefits considerably from a strong and experienced sponsor, IL&FS Financial Services Ltd (IFIN, 'IND AAA'/Stable), a 100% subsidiary of Infrastructure Leasing & Financial Services Ltd. (IL&FS, 'IND AAA'/Stable). The IL&FS Group is an established lender, equity investor and financial advisor in the infrastructure sector.. In recent years, it has emerged as a major infrastructure developer – often playing a pioneering role - with considerable experience in all the phases of the project lifecycle including conceptualisation, development, financing, construction, maintenance and operation and exits.

The IL&FS group, particularly IFIN, has a strong track record of financing infrastructure projects. Its low non-performing assets (NPA) ratio of 0.60% on a total lending portfolio size of INR110bn (as of 31 December 2012) is particularly noteworthy.

The Group's expertise in the financial advisory and asset management space is likely to be an important success factor in the IDF being able to achieve its objectives. IL&FS' strong working relationship with banks and financial institutions, international and domestic investors, infrastructure developers as well as the central and state governments in India gives it good access to infrastructure business opportunities; it is often one the first ports of call for the policy makers to discuss new projects. The Group has strategic relationships with some 22 states and is often invited to work with various state governments on creating policy frameworks for the development of infrastructure.

Ind-Ra believes that the sponsor's INR2bn investment in the schemes' initial corpus demonstrates its confidence in the IDF's prospects. The agency notes that the state-owned Life Insurance Corporation's (LIC) might make a matching commitment, in its capacity as a co-sponsor/strategic investor, subject to regulatory approval.

**Sound Asset Manager Credentials:** In the agency's view, IL&FS Infra Asset Management Company Ltd (IIAML), as the asset management company (AMC) or the investment manager, possesses impeccable credentials – drawn from its sponsor pedigree – that would reflect in its management of the IDF. IIAML has senior professionals seconded from the sponsor group including nominations to the Board. Also, the AMC has enlisted senior professionals with considerable experience in the infrastructure sector and the financial services business.

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The IL&FS Group's experience – its private equity arm, IL&FS Investment Managers Ltd. (IIML), has managed over 50 exits, securing an average internal rate of return of around 25% – in fund management will be valuable in the AMC effecting timely, orderly and smooth exits from its investments.

Ind-Ra has also taken into consideration the Group's past asset management experience - prior to its sale in 2004, the IL&FS Group had c.INR25bn of AUM, spread over 10 mutual fund schemes.

Investment management policies of the fund, risk management systems including control via the internal audit function – all supported by a comprehensive compliance manual – are deemed robust and conducive to the achievement of the fund's objectives. Board sub-committees have oversight over key functions of the AMC. SEBI-approved trustee, custodian and registrar and transfer agent have already been appointed and should contribute to protection of the interests of investors in the schemes.

**Portfolio Characteristics:** Within the overall ambit of the investment guidelines prescribed by the Securities and Exchange Board of India (SEBI), Ind-Ra expects that the fund, in pursuance of its investment criteria, is able to create a balanced and diversified portfolio that ensures adequate credit quality (not less than 70% of the corpus invested in companies / instruments rated at least in the 'IND BBB' category or equivalent), avoiding concentration to any particular sector and / or entity / group. Exposure to a single entity is not likely to exceed 15%. The IDF is likely to benefit enormously from its sponsor's vast experience and wide reach in sourcing, screening, evaluating, structuring and exiting investments in a profitable manner.

With an average exposure of INR1.5bn – INR2bn per project / company, the fund's strategy of co-investing with a limited number of other investors should provide it with the opportunity to secure favourable transaction structures and play an active role, where necessary, in ensuring that the investee entities perform as per expectations. Should one or more of the portfolio investments come under stress, the agency is of the view that the IDF would be able to quickly step in to exercise creditor rights in order to harness the long-term economic value that is characteristic of several projects in the infrastructure sector despite the short-term volatility in performance/cash flows.

While data on ultimate recovery in infrastructure projects is limited and noting the limitations of India's insolvency regime (characterised by the lack of robust liquidation laws), Ind-Ra believes that the fund is adequately equipped to take timely steps to initiate the recovery process even if certain investments default; this is an important rating consideration.

## Rating Sensitivities

Portfolio composition and characteristics not conforming to Ind-Ra's initial expectations is a negative trigger. Further, any sharp deterioration in the credit quality of the investments that could permanently impair the prospects of full recovery within the tenor of the schemes could also result in a downgrade.

## Transaction Structure

IFIN has set up an IDF under the mutual fund route which will be governed by the SEBI's mutual fund regulations. The IDF (Series 1) initially aims to raise a corpus of INR15bn from both domestic and international investors on a private placement basis the minimum target amount is INR500m. The targetted amount is sought to be equally divided in three close ended schemes with tenors of five, seven and ten years. Once fully paid-up, the units will be listed. The schemes will offer its investors both dividend and growth options.

IFIN proposes to invest INR2bn (13.33%) in IDF (Series 1). LIC has undertaken to invest INR2bn on obtaining approval from the Insurance Regulatory Development Authority. IL&FS Infra Asset Management Ltd (IIAML) has been appointed by the IL&FS AMC Trustee Ltd (IATL

### Applicable Criteria

[Rating Mutual Fund Schemes of Infrastructure Debt Funds \(May 2013\)](#)

[Rating Criteria for Infrastructure and Project Finance \(September 2012\)](#)

[Bond Fund Rating Criteria \(September 2012\)](#)

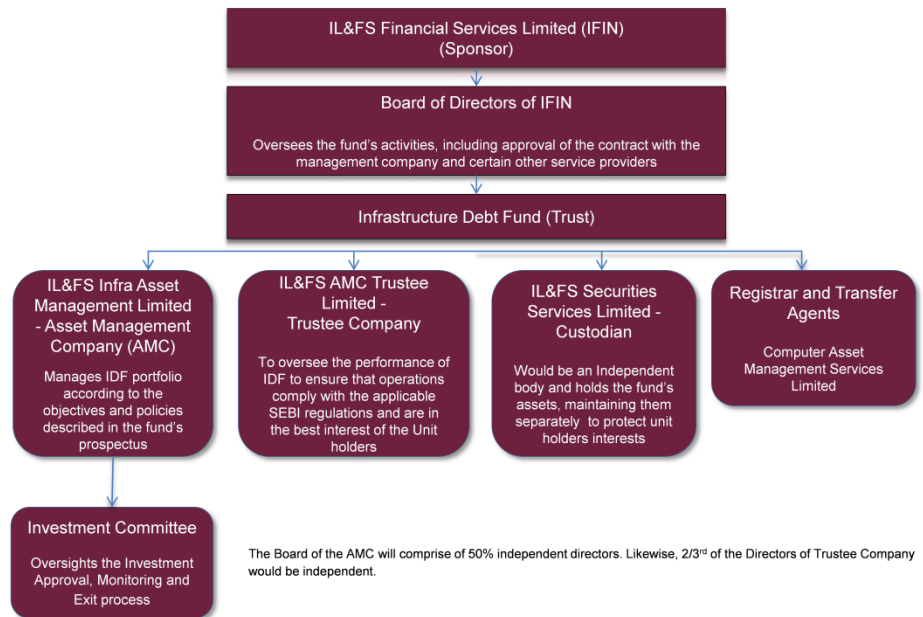
or the “Trustees”) as the investment manager and IL&FS Securities Services Ltd is the Custodian. Computer Age Management Services Pvt. Ltd. (CAMS) will be the Registrar and Transfer Agents.

The IDF’s investment objective is to generate income and capital appreciation by investing at least 90% of the corpus in a portfolio of predominantly infrastructure debt.

The structure of the fund is depicted below:

## Fund Structure

Figure 1



## Sponsor Assessment

The IL&FS Group’s financial strength and the over two-decade track record is likely to benefit the IDF in the following ways:

- Sourcing deals through early identification of attractive investment opportunities
- Weeding out unviable and risky investment proposals where lack of sponsor discipline might have led to aggressive bids resulting in potential stress in the future
- Conducting rigorous appraisal and evaluation of credit risk
- Structuring investments
- Monitoring performance including spotting early warning signals in respect of investments under stress
- Managing an orderly and profitable exit

Established in 1988, IL&FS has evolved into a full-fledged player in the infrastructure sector with well-rounded capabilities in the following:

- Project Development
- Asset and Project Finance
- Asset Management
- Financial Advisory including mobilisation of resources

Playing these multiple roles has allowed it to acquire a unique position in the Indian infrastructure sector. It has the skills to identify bankable projects, extend / raise the requisite financing, identify and manage the various risks (both at the project level as well as systemic risks such as political and legal) and optimise returns for the different stakeholders.

Through the following group companies, IL&FS has demonstrated that it can successfully function in India's extremely challenging infrastructure sector:

**IFIN:** It is an investment banking firm with a focus on asset and structured finance, project debt syndication and corporate advisory services targeted mainly at firms in the infrastructure and related sectors.

**IL&FS Investment Managers Ltd. (IIML):** With assets under management (AUM) of around USD3.2bn. IIML manages private equity funds for domestic and international investors with a focus on the infrastructure and real estate sectors.

**IL&FS Infrastructure Development Co. Ltd. (IIDC):** Engaged in project development in partnership with the central and state governments, IIDC undertakes technical studies and develops implementation frameworks particularly in the Public Private Partnership (PPP) model.

**IL&FS Transportation Network Ltd. (ITNL):** A listed company, ITNL focuses on the group's investments in the surface transportation sector particularly road projects including construction and operations and maintenance on a build-operate-transfer (BOT) model.

**IL&FS Energy Development Co. Ltd. (IEDC):** It develops power projects in the thermal, wind and biomass sectors.

**IL&FS Urban Infrastructure Managers Limited (IUIML):** IUIML assists and partners with urban local bodies to render advisory services, project development and implementation.

**IL&FS Environmental Infrastructure and Services Ltd. (IEISL):** Its objective is to advise, develop and implement environmental and social projects in a sustainable institutional framework.

Please see Appendix 1 for more details.

## IL&FS's Track Record in the Infrastructure Sector

### *Financing – Debt and/or Equity*

The IL&FS group, particularly IFIN, has a strong track record of financing infrastructure projects. IFIN's total lending portfolio size was INR110bn as of 31 December 2012 with a non-performing assets (NPA) ratio of 0.60%, which is lower than its peers and demonstrates monitoring and collection capabilities. Total assets as on 31 December 2012 amount to INR130bn.

IFIN operates an asset and structured finance vertical which offers appropriate lending solutions to projects. The lending portfolio under this facility includes direct infrastructure loans, promoter financing, capital market financing and corporate loans. IFIN has a diversified asset base and its finance book as of March 2012 is as follows:

Figure 2  
**Sectoral Exposure**

Sector	Exposure in %
Power projects	37.45
Project development	28.35
Telecom	11.57
Maritime infrastructure	8.02
Environment solutions	7.27
Surface transportation	4.36
Others	2.97

Source: Placement memorandum

### *Intermediation – Financial Advisory/Syndication*

IFIN has over the years specialised in infrastructure financing. This has helped the group set-up a strong project debt syndication desk that has arranged debt/mezzanine debt for a diverse set of projects with different complexity levels. Since FY08, IFIN has syndicated project loans of around INR 600 bn in the infrastructure sector comprising entities operating in various fields such as roads, power, ports and telecom etc. The Group's experience and domain knowledge has enabled it to pioneer several innovative financing structures both for its own projects as well as third party clients.

### *Project Development, Construction and Maintenance*

The group has a nearly three decade long track record in conceptualising and developing infrastructure projects. IL&FS has a strong project portfolio with exposure to diverse sectors including area development, cluster development, power, ports, transportation, water, waste water and urban infrastructure. Its pool of mature assets and pipeline of projects under development aggregate to over INR250bn and INR1,000bn respectively.

Some of the complex transactions structured by the group include the Ambur Vaniambadi effluent treatment project, New Tirupur Area Development project, Gas based power project in Tripura, Indo-Nepal Transmission line project, and some waste-to-energy projects. Many of the projects are currently operational. The group's experience in implementing projects in geographically challenging terrains and politically sensitive regions has helped it acquire skills to assess the technological and political risks involved.

### *Policy Advisory*

Often, the group is invited to work with various state governments to create policy frameworks for infrastructure development. This has resulted in the initiation of several pioneering structures in the PPP format. Besides state government granted highway concessions, the group has active partnerships with the governments of Rajasthan, Jharkhand and Chhattisgarh - to develop some stretches of their road infrastructure. The group has strategic relationships with 22 state governments and also with the various departments of the central government. It has successfully completed the first phase of road projects (Ridcor- Phase I) in Rajasthan and has been awarded the second phase.

## Asset Manager Evaluation

### Asset Management Structure

IIAML, a 100% subsidiary of IFIN, is the asset manager for the IDF. 50% of the AMC's Board comprises independent directors— mainly retired, senior bankers. Two-thirds of the directors of IATL, the trustees, are also independent.

Figure 3

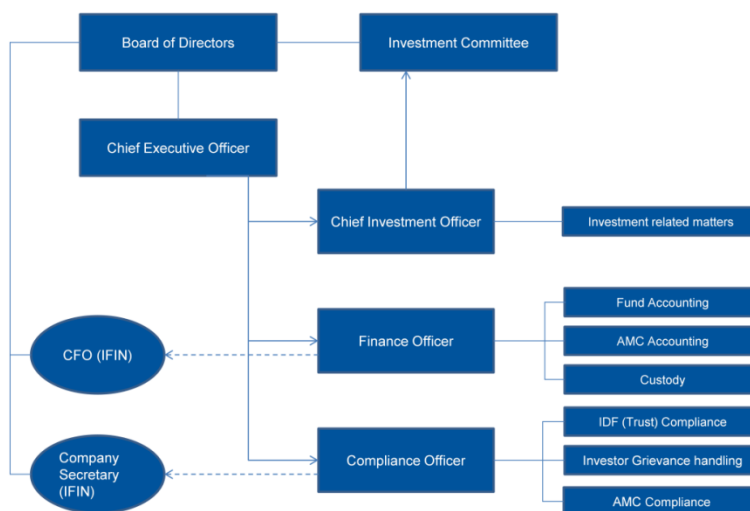
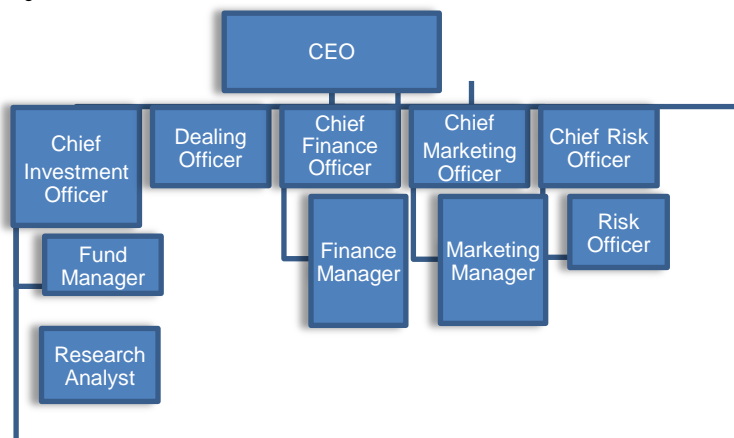


Figure 4



The AMC has senior and experienced professionals, with strong skill sets in the infrastructure sector and investment management. Also, project finance, risk management and financial advisory professionals are being seconded from different group companies of IL&FS.

### Experience and Track Record in Portfolio Management

Ind-Ra has assessed the asset manager, IIAML, as having excellent credentials to capably discharge its obligations to the IDF.

IIAML has been capitalised at INR150m, with the IL&FS group holding a 90% stake and LIC likely to take an exposure of 10%, subject to regulatory approvals.

Ind-Ra views the IL&FS group's rich experience in fund management as being immensely beneficial to the IDF in establishing and managing its investments. The Group undertakes

asset management activities through both IFIN and IIML. IFIN manages debt funds focussed on investment in long term infrastructure projects.

A summary of the different funds managed by the IL&FS Group is as under:

Figure 5

## Some Funds Managed by IL&FS Group

Fund	Vintage	Size (INRm)	Status	Gross returns
<b>IIML Managed</b>				
AIG India Sectoral Equity Fund	1997	4,550	Divested	27% p.a
India Project Development Fund	2000	800	Divested	23% p.a
Leverage India Fund	2004	7,650	Divesting	
Pan Asia Project Development Fund	2006	2,250	Divesting	
Tara India Fund III	2007	11,250	Monitoring	
SCI Asia Fund	2008	32,900	Investing	
<b>IFIN Managed</b>				
Structured Mezzanine Credit Facility	2007	26,500	Financing	14% p.a

Note: Gross returns considers an exchange rate of USD1= INR50; Gross returns in USD terms

Source: IIML

IIML is one of the first movers in the infrastructure private equity market in India. So far, it has deployed USD545m spread over 37 investments in the infrastructure space. Some notable investments managed by IIML include the following:

Figure 6

## Sectoral Investments (not exhaustive)

Year	Sector	Investment
1998	Telecom	Hutchison Max Telecom (Vodafone)
2000	City gas	Indraprastha Gas
2000	Roads	Noida Toll Bridge Co Ltd
2001	Water	Vizag Water Supply Co Ltd
2004	Railways	Pipavav Railway Corporation
2009	Waste management	Ramky Enviro Engineers
2011	Agricultural warehousing	JICS Logistics

Source: IIML

The IL&FS IDF's objective is to maximise returns by investing in subordinated, mezzanine and unsecured debt instruments. Ind-Ra draws comfort from IFIN's experience in operating and managing the structured mezzanine credit facility (SCMF) formed by IL&FS. The SCMF has been formed with a corpus of INR26.5bn in partnership with 14 banks and financial institutions to offer financing for organic growth in infrastructure, industrial and service sectors and inorganic growth through mergers and acquisitions. IFIN is the facility manager for SCMF which has experience in the identification of projects, credit appraisal and monitoring. The instruments under the SCMF include optionally convertible debentures, subordinated debt, guarantees, risk participation agreements, collateralised debt obligations, viability gap instruments and leveraged leases.

As further evidence of the asset manager's credentials, Ind-Ra notes that prior to its sale in 2004, the IL&FS Group had c.INR25bn of AUM, spread over 10 mutual fund schemes.

The agency believes that the organisation and operations of the AMC are structured in compliance with the duties specified under SEBI guidelines.

## Quality and Stability of Credit Selection and Monitoring Process

The credit selection process is governed by an investment committee (IC) formed by the AMC's board, which has designed the investment policy adopted by the company for managing the IDF's investments.

The AMC, leveraging on the existing IL&FS relationships, would identify and source potential investment opportunities. These would be screened from a techno-legal-commercial and

environmental angles to establish *prima-facie* feasibility of making an investment as also identify critical issues, which can then be addressed through an appropriate transaction structure.

Every such proposal is passed through a well-documented, detailed credit evaluation process. The AMC may use a proprietary credit rating model to estimate the risk levels as an aid to appropriate pricing and incorporation of suitable mitigating factors.

After finalising the transaction structure, contractual obligations are captured in legally enforceable documents.

The proposal would then be presented to the Investment Committee (IC), whose approvals are based on a two-thirds majority of members present and voting. The IC would also periodically consider the Fund's investment policy, track portfolio composition and review performance. The Fund's performance will be monitored against its peer group and presented and reviewed at every meeting of the IC.

To better monitor its investment portfolio, the AMC would appoint, where possible, its nominee on the Board of the investee companies. Periodic performance reports would be sought from the investees and presented to the IC.

Ind-Ra believes that the experience and track record of the investment teams and management, gained by managing funds at the sponsor (IFIN) – which has an extremely low 0.50% NPA ratio – will benefit the credit selection and monitoring process at the IDF.

## Extent and Quality of Internal Controls, Operating Policies, Systems and Risk Management Guidelines

The rating benefits from the strong internal control mechanisms, robust risk management practices and operational policies of the IDF.

As required under the relevant SEBI guidelines, the following committees have been constituted:

Figure 7

### Committees

Committee description	Composition	Quorum	Frequency of meeting
Audit Committee	Three Directors including two independent members	Two members or two-third of the members of the Audit Committee, whichever is greater	Quarterly and as often as required
Risk Management Committee	<ul style="list-style-type: none"> <li>• Chief Executive Officer</li> <li>• Chief Risk Officer</li> <li>• Chief Investment Officer</li> <li>• Compliance Officer</li> </ul>	Two members or two-third of the members of the Audit Committee, whichever is greater	Quarterly and as often as required
Investment Committee	Two non-Independent Directors plus <ul style="list-style-type: none"> <li>• Chief Executive Officer</li> <li>• Chief Risk Officer</li> <li>• Chief Investment Officer</li> </ul>	Two members or two-third of the members of the Audit Committee, whichever is greater	Quarterly and as often as required
Valuation committee	One non-Independent Director plus <ul style="list-style-type: none"> <li>• Chief Executive Officer</li> <li>• Chief Investment Officer</li> </ul>	Two members or two-third of the members of the Audit Committee, whichever is greater	Quarterly and as often as required
Investor Grievance Redressal Committee	<ul style="list-style-type: none"> <li>• Chief Executive Officer</li> <li>• Chief Investment Officer</li> <li>• Compliance Officer</li> </ul>	Two members or two-third of the members of the Audit Committee, whichever is greater	Quarterly and as often as required

Source: IIAML

The audit, risk management, investment, valuation and investor grievance redressal committees are headed by Board members or experienced and senior managerial personnel of



the AMC. The risk management team is separated from the fund management activities to maintain independence and avoid conflict of interest in the credit oversight function. The Chief Investment Officer appraises the proposed investments after a holistic evaluation of the proposals and recommends them to the IC. The Chief Risk Officer independently takes a final view of the risks associated with the credit and recommends the same for consideration to the IC.

## Infrastructure

In the agency's view, the AMC is equipped with technological infrastructure commensurate with the fund size and operations including the need to secure effective segregation of various functions (e.g., investment management and risk management) and operations (dealing and back office).

## Portfolio Credit Quality

### Target Portfolio Composition

The following is the asset allocation strategy and the likely risk profile of the fund, according to its investment policy:

Figure 8

### Asset Allocation Strategy

Instrument	Indicative allocation	Risk profile
Debt instruments (including fixed/floating rate debt instruments and securitised debt) of infrastructure companies or infrastructure capital companies or projects or special purpose vehicles which are created to facilitate or promote investment in infrastructure and other permissible assets in accordance with SEBI regulations or bank loans in respect of projects - both completed and under construction	90% to 100%	Medium to high
Money market instruments	0% to 10%	Low to high

Source: IIAML

The target investments, portfolio allocation and target yield range to achieve the investment objective is given in the following table:

Figure 9

### Target Investment and Yield

Target investment	% of portfolio	Yield target- range (%)
Operational Infrastructure Projects with established track record, good concessions, credible promoters – Senior Secured Debt	20	11 to 12
Projects under construction with good concessions, credible promoters, in late stages of construction and with sponsor's undertaking to fund cost overruns	15	12 to 13
Acquisition of bank loans for completed projects with good concessions, credible promoters, regulatory challenges for banks and special situations – senior and subordinated secured bank debt	25	11 to 11.5
Mezzanine debt	10	15 to 17
Funding to promoter vehicles	25	15 to 17
Money market/liquid securities	5	8 to 9
<b>Total/average</b>	<b>100</b>	<b>12 to 13</b>

Source: IIAML

The AMC has already identified two projects which are operational/in advanced stages of

construction completion for an aggregate investment of around INR3.5bn to INR4bn.

The fund would target to invest at least 70% of the corpus in instruments rated 'IND BBB-' (or equivalent) and above. The maturity of the investments will be prior to the maturity of the scheme, or later only when a guaranteed take-out is available from an investment grade rated entity. For any deviations in the credit ratings from the floor, the fund manager shall endeavour to rebalance within 180 days from the deviation subject to market conditions.

The fund's strategy to invest around 20% of the portfolio in operational projects with established track record and credible promoters should help lower risk levels in the portfolio.

According to the fund's investment strategy, 15% of the portfolio could be invested in projects under construction. While these projects are considered riskier, the completion risk (pertaining to IDF's investment) is to a large extent mitigated by the plan to invest in these projects where promoters are experienced and financially strong, have undertaken to finance cost overruns and where construction is fairly advanced.

In Ind-Ra's experience with rated-projects facing construction delays, none of the sponsors have reneged on their obligations relating to cost-overruns, especially in highway concessions. Credible and disciplined sponsors are also known to provide additional (non-contractual) support to the project during the critical revenue ramp-up phase. Provision of such ad-hoc support from sponsors is a common feature in Ind-Ra's rated universe of infrastructure projects. For example, in 2012, on an average, out of the total debt service requirement of under-performing projects, around 30% was brought in by the sponsors.

Take-out financing of bank loans (25% of the portfolio would be invested in bank loans) with respect to completed projects would allow the AMC the benefit of abundant information on which to form well-informed investment decisions. In addition to the risk-appraisal of the projects that would most likely have already been conducted by the banks, insights about the sponsor's relationship with the banks and comparison of actual performance versus initial projections would help the AMC make a more rigorous risk assessment.

The IL&FS Group's investment experience from SCMF will strongly help the IDF in selecting, credit appraisal, structuring and monitoring investments in subordinated debt facilities including funding to promoter vehicles and investments in mezzanine debt instruments. The group has concluded sizable investments through the SCMF. Some of the key projects (aggregate investment value over INR8bn) funded by the facility are as follows:

Figure 10

### Some Projects Funded by SCMF

Sector	Tenor
Water	10 years
Thermal Power	16 years
Wind Energy	12 years
Port	12 years
Roads	14 years
Port	13 years
Telecom Infra	10 years

Source: IIAML

According to the investment policy the internal auditor has to alert the Board when the portfolio falls short of regulatory stipulations and / or prudential internal guidelines. In Ind-Ra's view, this is considered a strength as the portfolio is being constantly monitored.

The agency expects the fund managers to leverage on the IL&FS Group's track record in implementing and financing of infrastructure projects to have the IDF's investments appropriately financially engineered. Where revenue/cash flow volatility is likely, credit

enhancing structures and protective covenants could be built in, thus mitigating overall credit risk. The fund expects to seek and play an active role in its investee entities. By structuring investments that bestow on the IDF share pledges and step-in/substitution rights, the AMC can play a more pro-active role, particularly during periods of prolonged asset stress – options to participate in day-to-management, effect ownership changes or induction of new and stronger sponsors/operators (including, in certain cases, one of the IL&FS group entities) become valuable tools to minimise losses on investments and ensure that residual recovery value in stressed projects is realised to the fullest possible extent.

Ind-Ra believes that the IL&FS Group's experience will be valuable in the AMC effecting timely, orderly and smooth exits from its investments. IIML has successfully managed, in its various private equity funds, over 50 exits at an average multiple of 2.0x, securing an average internal rate of return of around 25%.

The IDF could be investing, subject to regulatory limitations, in entities / projects belonging to the sponsor group. Ind-Ra expects such transactions to be conducted at arm's length in a transparent and fair manner.

Drawing on its expertise and leveraging the sponsor group's experience, Ind-Ra expects the fund managers to construct a well-diversified (in terms of geography and sector) portfolio allowing the IDF to achieve its investment objective, while managing the overall risk levels. Individual investments are likely to include structural enhancements and strong contractual provisions that will allow the fund to maximise recoveries over the life of the schemes even if there are payment defaults.

## Appendix 1

Figure 11

### IL&FS Infrastructure Group Verticals

Sector	Company	Presence
Surface transportation	ITNL	ITNL is IL&FS's group company, handling the road infrastructure vertical. It has 32 road projects in its portfolio of which 11 are operating. The rest are under various stages of construction. ITNL is rated IND A/Stable by Ind-Ra
Energy	IL&FS Energy Development Corporation Ltd	It commenced operations in 2008. Besides development and operation of power projects, the company offers advisory services in project development and implementation to State Governments, large Public Sector companies as well as Private Sector clients. The company has 1,000MW of capacity under operation and around 13,000MW under construction/implementation
Maritime	IL&FS Maritime Company Ltd	The company has mandates for development, implementation and advisory services for a size of around USD3bn. The company has been a co-developer of Dighi port and Pipavav shipyard. The company also undertakes project development activities in the marine sector and is actively working on around five mandates. It also renders advisory services to ports including Gangavaram Port, Krishnapatnam port, Cochin port and Vizhinjam port
Water	IL&FS Water Ltd	This company handles the water and waste water sector for the group. The mandate is to develop, implement and manage water projects on a build-operate-transfer model. Tamilnadu Water Investment Company, New Tirupur Area Development Company Ltd and IL&FS Paradip Refinery Water Ltd are some project companies under IL&FS Water's portfolio
Waste Management and Environmental Services Ltd	IL&FS Waste Management and Urban Services Ltd	This company develops of waste management models for urban local bodies, including innovative disposal methods such as waste to energy, composting and landfill. The company manages around 17 different projects and has been involved in advisory functions for local bodies and at state government level.
Project development	IL&FS Infrastructure Development Co Ltd(IIDC)	IIDC is the project advisory arm of IL&FS. It has over 10 years of experience in project advisory that consists of project management consultancy, project development, bid process management, policy advisory and evaluation. IIDC also actively works with government authorities and has been involved in developing policy framework for the governments.
Education	IL&FS Education and Technology Services Ltd	It has around 30 branches and a tie-up with around 5000 schools and 150 institutions. The company targets public-private partnership in the areas of education services, skill development, cluster development, health and e-governance initiatives. It is rated 'IND A+/'Stable by Ind-Ra

Source: IIAML / Ind-Ra

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