

April 8, 2015

Ms Rina Kamath
8, Heliopolis
157A SB Singh Road
Colaba
Mumbai – 400 005

Re : **Appointment as the Independent Director**

Dear Ms Kamath :

I am pleased to inform you that Board of Directors of the Company (“the Board”) in their Meeting held on March 10, 2015 have approved your appointment as the Independent Director of Infrastructure Leasing & Financial Services Limited (“the Company”). The terms of the appointment are as follows :

I **Appointment** :

- (1) Your appointment is pursuant to the provisions of the Companies Act, 2013 (the Act), the Code of Independent Directors in Schedule IV thereto, the Articles of Association of the Company and subject to the Independence criteria prescribed by the Act
- (2) As an Independent Director you will not be liable to retire by rotation
- (3) Your appointment is for an initial period of five years commencing on March 25, 2015, unless terminated earlier by either party giving the other party a written notice
- (4) Your performance shall be evaluated by the Board of Directors of the Company annually and continuation of your appointment shall be subject to such performance evaluation
- (5) A copy of the Code of Independent Directors as prescribed in Schedule IV of the Act is enclosed in **Annexure I**

II IL&FS and it's Board of Directors :

IL&FS was incorporated in 1987 with a special mandate of infrastructure development through use of non-budgetary resources and is pioneer in financing, development and implementation of infrastructure projects. Detailed information about the operations of the Company is available on its website viz www.ilfsindia.com. Any additional information would be provided to you as may be requested

The Board of Directors of the Company consists of Executive, Non-Executive, Independent and Nominee Directors. List of the current members of the Board and the Key Managerial Personnel is provided in the Annexure II to this Letter for your reference

III Appointment on the Committees of the Board and Directorship/s of Group Company/ies :

Various Committees of the Board such as Committee of Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee are operational in the Company to enable the Board to effectively discharge its responsibilities

You may be required to serve on one or more Committees of the Board. You will be provided with the relevant Terms of Reference on your appointment to such a Committee. You may also be requested to serve as a Non-Executive Director or Independent Director on the Board of any of the Company's subsidiaries or joint ventures

Appointment on the Committees and other Directorships would be subject to the applicable regulatory provisions

IV **Time Commitment** :

- (1) You are expected to attend:
 - (a) Meetings of the Board of Directors held each Quarter or more frequently
 - (b) General Meetings of the Company
 - (c) Meetings of various Committees of the Board of which you are a member
 - (d) Separate meetings of the Non-Executive Directors / Independent Directors
 - (e) Other Meetings, if any
- (2) By accepting this appointment you undertake that, taking into account all other commitments you may have, you are able to, and will, devote sufficient time to work as a Non-Executive Independent Director of the Company

V **Duties and Responsibilities** :

- (1) You agree to discharge your duties as the Independent Director in accordance with the provisions of the Act and Code of Independent Directors
- (2) You will be expected to perform your duties, statutory as well as fiduciary; faithfully, efficiently and diligently to a standard commensurate with your role, experience and expertise
- (3) You will exercise your powers in your role as a Non-Executive Independent Director having regard to applicable obligations under prevailing rules and regulations, including provisions of the Act

VI **Remuneration and Expenses** :

- (1) You will receive Sitting Fees for attending the Meetings of the Board and / or Committee thereof as may be decided by the Board from time to time
- (2) You would also be reimbursed out of pocket and other logistic expenses incurred for attending the meetings or for special duties as may be assigned by the Board
- (3) In addition to the foregoing, as may be decided by the Board and / or Committee thereof, you would receive commission in terms of relevant provisions of the Act and rules prescribed thereunder

VII **Confidentiality** :

- (1) You acknowledge that all information acquired during your association with the Company is confidential to the Company and should not be released, communicated, nor disclosed to third parties without prior clearance of the Board
- (2) This restriction shall cease to apply to any confidential information which may (other than by reason of your breach) become available to the public generally
- (3) You acknowledge the need to hold and retain the Company information (in whatever format you may receive it) under appropriately secure conditions
- (4) You will not, except with the prior written consent of the Company, be in any way connected with or interested in any business in competition with that of the Company or its Subsidiaries. This does not prevent you from holding equity in other companies

VIII **Price Sensitive Information and Dealing in the Company's or its Associate Companies' shares :**

- (1) Your attention is drawn to the requirements under the Act and the internal regulations of the Company with reference to the disclosure of price sensitive information
- (2) Few of the IL&FS Group companies have listed their Securities on the Stock Exchange and the prohibition on disclosure of price sensitive information, insider trading and forward dealing in the securities of such listed Group Entities is applicable to you
- (3) You should avoid making any statements that might risk a breach of these requirements. You may contact the Jt MD & CEO or the Company Secretary for further guidance on applicable statutory provisions

IX **Disclosures :**

You are required to disclose to the Company your interests and any matters which affect your independence. At first instance, this disclosure occurs by completion of various forms enclosed in the **Annexure III**. You are required to update these disclosures and notify the Company from time to time on occurrence of any change

X **Vacation and Termination of the Office :**

The office you hold as a Director becomes vacant in certain circumstances which are attached herewith as **Annexure IV**

XI **Insurance :**

The Company has Directors' and Officers' Liability insurance in place and it is intended to maintain such cover for the full term of your appointment. Other details of the cover are available with the Chief Risk Officer of the Company

XII **Orientation** :

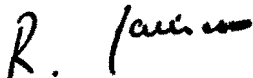
Head Human Resources and/or Company Secretary of the Company would help you with the Orientation Program conducted for the Directors, if any

XIII **Contract** :

It is agreed that this is a contract for services and is not a contract of employment, in terms of applicable Indian laws

Kindly sign and return the duplicate copy of this letter as the token of your acceptance

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Parthasarathy'.

Ravi Parthasarathy
Chairman

Code for the Independent Directors

Schedule IV (Section 149(8))

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of Independent Directors

I Guidelines of professional conduct :

An Independent Director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bonafide manner in the interest of the Company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
- (9) assist the Company in implementing the best corporate governance practices

II **Role and functions** :

The Independent Directors shall :

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest

III **Duties** :

The Independent Directors shall :

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- (3) strive to attend all meetings of the Board of Directors and of the Board Committees of which he is a member;
- (4) participate constructively and actively in the Committees of the Board in which they are chairpersons or members;

- (5) strive to attend the general meetings of the Company;
- (6) where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the Company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- (10) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law

IV **Manner of appointment :**

- (1) Appointment process of Independent Directors shall be independent of the company management; while selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively
- (2) The appointment of Independent Director(s) of the Company shall be approved at the meeting of the shareholders

- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of Independent Director shall include a statement that in the opinion of the Board, the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed Director is independent of the management. The appointment of Independent Directors shall be formalised through a letter of appointment, which shall set out:
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed Director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) insurance, if any;
 - (e) the Code of Business Ethics that the Company expects its Directors and employees to follow;
 - (f) the list of actions that a Director should not do while functioning as such in the company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any
- (4) The terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the Company by any member during normal business hours
- (5) The terms and conditions of appointment of Independent Directors shall also be posted on the Company's website

V **Re-appointment :**

The re-appointment of Independent Director shall be on the basis of report of performance evaluation

VI **Resignation or removal :**

- (1) The resignation or removal of an Independent Director shall be in the same manner as is provided in sections 168 and 169 of the Act
- (2) An Independent Director who resigns or is removed from the Board of the Company shall be replaced by a new Independent Director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be
- (3) Where the company fulfils the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new Independent Director shall not apply

VII **Separate meetings :**

- (1) The Independent Directors of the company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of management;
- (2) All the Independent Directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
 - (a) review the performance of Non-Independent Directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the company, taking into account the views of Executive Directors and Non-Executive Directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties

VIII **Evaluation mechanism :**

- (1) The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director

Annexure II

List of Directors currently on the Board of IL&FS

#	Name of the Director	Designation	Status
(1)	Mr Ravi Parthasarathy	Chairman, IL&FS	Executive Director
(2)	Mr Hari Sankaran	Vice Chairman & Managing Director, IL&FS	Executive Director
(3)	Mr Arun K Saha	Jt Managing Director & CEO, IL&FS	Executive Director
(4)	Mr VK Sharma	Managing Director, Life Insurance Corporation of India	Nominee Director
(5)	Mr S Bandyopadhyay	Managing Director & CEO, LIC Pension Fund Ltd	Nominee Director
(6)	Mr Yoshihiko Miyauchi	Senior Chairman, ORIX Corporation, Japan	Nominee Director
(7)	Mr Hiroshi Nishio	Executive Officer, Deputy Head of Global Business & Alternative Investment Headquarters, ORIX Corporation, Japan	Nominee Director
(8)	Mr Harish H Engineer	Former Executive Director, HDFC Bank Limited	Nominee Director
(9)	Mr Sanjeev Doshi	Head of Strategic Investments, Abu Dhabi Investment Authority	Nominee Director
(10)	Mr Ramesh S Singh	General Manager (Treasury) – Central Bank of India	Nominee Director

#	Name of the Director	Designation	Status
(11)	Mr SB Mathur	(Retd) Administrator of the Unit Trust of India	Independent Director
(12)	Mr RC Bhargava	Chairman, Maruti Suzuki India Limited	Independent Director
(13)	Mr Michael Pinto	(Retd) Secretary, Government of India	Independent Director
(14)	Mr Jaithirth Rao	Chairman, Value and Budget Housing Corporation Private Limited	Independent Director
(15)	Ms Rina Kamath	Legal Practitioner	Independent Director
(16)	Mr Takehisa Kaneda (Alternate to Mr Y Miyauchi)	Senior Vice President, IL&FS	Alternate Director

List of Key Managerial Personnel (KMP) of IL&FS

#	Name of the KMP	Designation
(1)	Mr Ravi Parthasarathy	Chairman
(2)	Mr Hari Sankaran	Vice Chairman & Managing Director
(3)	Mr Arun K Saha	Joint Managing Director & CEO
(4)	Mr Manu Kochhar	Group Chief Financial Officer
(5)	Mr Avinash Bagul	Company Secretary

Annexure III

Disclosure Formats for the Independent Director

- (1) Declaration of Independence (attached as Annexure III A)
- (2) Annual Disclosure in Form MBP-1 (attached as Annexure III B)
- (3) Disclosure as per Reserve Bank of India directives (RBI Annexure VI and VII)

Annexure III A

Format of the Declaration of Independence

[Pursuant to section 149(7) of the Companies Act, 2013]

**(TO BE FILLED IN BY THE INDEPENDENT DIRECTOR AND HANDED OVER TO
THE COMPANY SECRETARY)**

The Board of Directors
Infrastructure Leasing & Financial Services Limited
The IL&FS Financial Centre
Bandra-Kurla Complex
Bandra (East), Mumbai – 400 051

Dear Sir,

Sub: Declaration to act as an Independent Director of the Company

I _____, D/o Mr. _____, residing at _____ hereby declare that I am not disqualified to act as an Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013, and further I declare that:

- (1) I am not related to Promoters or Directors of the Company or its Holding, Subsidiary or Associate Company
- (2) I do not have or had pecuniary relationship with the Company, its Holding Company, its Subsidiary Company or Associate Company, or their Promoters or Directors, during the two immediately preceding financial years or during the current financial year
- (3) None of my relatives has or had pecuniary relationship or transaction with the Company, its Holding, Subsidiary Company or Associate Company, or Promoters, or Directors, amounting to 2% or more of its gross turnover or total income or ₹ 50 lakhs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- (4) I neither myself nor with my relatives :
- (a) hold or have held the position of a Key Managerial Personnel or have been employee of the Company or its Holding, Subsidiary or Associate Company in any of the three financial years immediately preceding the financial year in which he/she is proposed to be appointed;
 - (b) is or have been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he/she is proposed to be appointed, of :
 - (i) a firm of auditors or company secretaries in practice or cost auditors of the company or its Holding, Subsidiary or Associate Company; or
 - (ii) any legal or a consulting firm that has or had any transaction with the Company, its Holding, Subsidiary or Associate Company amounting to ten per cent or more of the gross turnover of such firm;
 - (c) hold together with his relatives two per cent or more of the total voting power of the Company; or
 - (d) is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its Promoters, Directors or its Holding, Subsidiary or Associate Company or that holds two per cent or more of the total voting power of the Company; or
- (5) I have complied with Code of Independent Directors of Infrastructure Leasing & Financial Services Limited which was approved by the Board of Directors of the Company at their meeting held on August 26, 2014

Signature : _____
Name :
DIN :

Place:
Date: April 8, 2015

Annexure III B

FORM MBP-1
Notice of Interest by Director
[Pursuant to section 184 (1) and rule 9(1)]

The Board of Directors
Infrastructure Leasing & Financial Services Limited
The IL&FS Financial Centre
Bandra-Kurla Complex
Bandra (East), Mumbai – 400 051

Dear Sirs;

I, _____, Son of Mr _____, resident of _____, being a Director in the Company hereby give notice of my interest or concern in the following company or companies, bodies corporate, firms or other association of individuals :

Sr. No.	Body Corporates (Public / Private / Foreign Companies/LLP) in which I am Director/Promoter/Manager/CEO/Designated Partner				
	Names of the Companies / bodies corporate/ firms/ association of individuals	Nature of interest or concern / Change in interest or concern	No. Shares	2 % or more Shareholding as Director alongwith with other Directors	Date on which interest or concern arose / changed
(1)					
(2)					
<u>Director in Foreign Companies</u>					
(1)					
(2)					
<u>Limited Liability Partnership</u>					
(1)					
(2)					

II	Firm/Other Entities (AOP/ HUF/Trust/ Society/ Club/Sole Proprietor) in which I am Partner / Owner / Member				
<u>AOP</u>					
(1)					
<u>HUF</u>					
(1)					
<u>Trust</u>					
(1)			-	-	-
<u>Society</u>					
(1)					
<u>Club</u>					
(1)					
<u>Sole Proprietor</u>					
(1)					

Signature : _____
 Name :
 DIN :

Date : April 8, 2015

Committee Memberships

Sr No.	<u>Name of the Companies / Firms</u>		<u>Name of the Committee</u>
(1)		:	
(2)		:	
(3)		:	

Signature : _____
Name :
DIN :

Date : April 8, 2015

Related Party Disclosures

I List of Relatives :

Pursuant to section 2(77), Section 2(76) & Section 188 of the Companies Act 2013(the Act) and Rule 4 of the Companies (Specification of definitions details) Rules, 2014

<u>Sr No.</u>	<u>Relationship</u>	<u>Full Name</u>
1	HUF in which I am member/Karta	
2	Other members of HUF in which I am member/ Karta	
3	Husband/Wife	
4	Father (Including Step Father)	
5	Mother (Including Step Mother)	
6	Son (Including Step Son)	
7	Son's Wife	
8	Daughter	
9	Daughter's husband	
10	Brother (Including Step Brother)	
11	Sister (Including Step Sister)	

II Entity in which my relative is partner or proprietor :

Name of Relative	Nature of Relationship	Name of the Entity	Date on which interest is concern arose / change	PAN

III Private Companies where I am a member :

Name of the Private Company	Shareholding

IV **Public Company in which I am Director and hold along with my relatives 2% or more of the paid up share capital of the Company :**

Name of Relative	Nature of Relationship	Name of the Public Company	Shareholding		Date on which interest is concern arose / change
			No of shares	%	

V **Appointment of a Relative in the Company or in its Subsidiary or in its Associate Company (Place of Profit u/s 188 (1)(f) of the Act) :**

Signature : _____
 Name : _____
 DIN : _____

Date: April 8, 2015

Disqualification of Directors

I. Disclosure u/s 164(1) of the Act

- (i) I am not of an unsound Mind;
- (ii) I am not discharged as an insolvent;
- (iii) I have not applied to be adjudicated as an insolvent and my application is not pending;
- (iv) I am not convicted by a court for any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months;
- (v) An order disqualifying me for appointment as a Director has not been passed by a court or Tribunal and no such order is in force;
- (vi) I have paid calls in respect of shares held by me in the Company in which I am Director, whether alone or jointly with others;
- (vii) I am not convicted of the offence dealing with related party transactions u/s 188 at any time during the last preceding five years;
- (viii) I have Director Identification Number as required u/s 152(3) of the Act

II. Disclosure u/s 164(2) of the Act

None of the Companies in which I am Director :

- (i) has defaulted in filing Financial Statements or Annual Return for any continuous period of three financial years
- (ii) has failed to repay its deposits or interest thereon on or redeem its debenture or interest on due date or pay dividend declared, for one year or more
- (iii) thus, I confirm that I do not attract disqualification u/s 164(2) of the Act

Signature : _____
Name : _____
DIN : _____

Date: April 8, 2015

Register of Directors and KMPs

Pursuant to Section 170(1) of the Act and Rule 17 of the Companies (Appointment and Qualification of Directors) Rules, 2014

Director Identification Number	
Permanent Account Number	
Present Name and Surname in full	
Any former name and Surname in full	
Fathers' Name and Surname in Full	
Mothers' Name and Surname in Full	
Spouse's Name and Surname in full	
Date of Birth	
Residential Address (Present as well as Permanent)	
Nationality (including the nationality of origin, if different)	
Occupation	
Membership no of the ICSI in case of Company Secretaries, if applicable	

Signature : _____
 Name : _____
 DIN : _____

Date: April 8, 2015

Declaration and undertaking by Director

Date : _____

To
Infrastructure Leasing & Financial Services Limited
The IL&FS Financial Centre
Plot No C – 22, G Block,
Bandra Kurla Complex
Bandra (East),
Mumbai – 400 051

I PERSONAL DETAILS OF DIRECTORS		
#	Details required	Remark
a	Full name	
b	Date of Birth	
c	Educational Qualifications	
d	Relevant Background and Experience	
e	Permanent Address	
f	Present Address	
g	E-mail Address / Telephone Number	
h	Permanent Account Number under the Income Tax Act and name and address of Income Tax Circle	
i	Relevant knowledge and experience	
j	Any other information relevant to Directorship of the NBFC	

II RELATIONSHIPS OF DIRECTORS		
#	Details required	Remark
a	List of Relatives	
b	List of entities if any in which he/she is considered as being interested	
c	List of entities in which he/she is considered as holding substantial interest within the meaning of NBFC Prudential Norms Directions, 2007	
d	Name of NBFC in which he/she is or has been a member of the board (giving details of period during which such office was held)	
e	Fund and non-fund facilities, if any, presently availed of by him/her and/or by entities listed in II (b) and (c) above from the NBFC	
f	Cases, if any, where the Director or entities listed in II (b) and (c) above are in default or have been in default in the past in respect of credit facilities obtained from the NBFC or any other NBFC / bank	

III PROFESSIONAL ACHIEVEMENTS		
#	Details required	Remark
a	Professional achievements	

IV	PROCEEDINGS, IF ANY	
#	Details required	Remark
a	If the Director is a member of a professional association/body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry into any profession/occupation at any time	
b	Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the Director and/or against any of the entities listed in II (b) and (c) above for violation of economic laws and regulations	
c	Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the last five years against the Director	
d	Whether the Director attracts any of the disqualifications envisaged under Section 274 of the Companies Act 1956 and Section 164 of New Companies Act, 2013?	
e	Has the Director or any of the entities listed in II (b) and (c) above been subject to any investigation at the instance of Government department or agency?	

f	<p>Has the Director at any time been found guilty of violation of rules/regulations/ legislative requirements by customs/ excise /income tax/foreign exchange /other revenue authorities, if so give particulars</p>	
g	<p>Whether the Director has at any time come to the adverse notice of a regulator such as SEBI, IRDA, MCA</p> <p>Note : Though it shall not be necessary for a candidate to mention in the column about orders and findings made by the regulators which have been later on reversed/set aside in toto, it would be necessary to make a mention of the same, in case the reversal/setting aside is on technical reasons like limitation or lack of jurisdiction, etc and not on merit, If the order of the regulator is temporarily stayed and the appellate/ court proceedings are pending, the same also should be mentioned</p>	

V	<p>ANY OTHER EXPLANATION / INFORMATION IN REGARD TO ITEMS I TO III AND OTHER INFORMATION CONSIDERED RELEVANT FOR JUDGING FIT AND PROPER</p>

Undertaking

I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the Company fully informed, as soon as possible, of all events which take place subsequent to my appointment which are relevant to the information provided above.

I also undertake to execute the deed of covenant required to be executed by all Directors of the Company

Signature : _____
Name : _____
DIN : _____

Place :

Date : 8th day of April, 2015

This Deed of Covenants is for your information only. We will send you a stamped copy for execution

Annexure VII

Form of Deed of Covenants with a Director

THIS DEED OF COVENANTS is made this _____ day of _____ Two thousand fifteen **BETWEEN Infrastructure Leasing & Financial Services Limited**, having its registered office at The IL&FS Financial Centre, Plot C-22, 'G' Block, Bandra-Kurla Complex, Bandra (East) Mumbai – 400 051, (hereinafter called the 'IL&FS') of the one part and Mr / Ms _____ of _____ (hereinafter called the "Director") of the other part

WHEREAS

- A. The Director had been appointed as a Director on the Board of Directors of the IL&FS on _____ (hereinafter called "the Board") and is required as a term of his / her appointment to enter into a Deed of Covenants with the IL&FS
- B. The Director has agreed to enter into this Deed of Covenants, which has been approved by the Board, pursuant to his said terms of appointment

NOW IT IS HEREBY AGREED AND THIS DEED OF COVENANTS WITNESSETH AS FOLLOWS :

- (1) The Director acknowledges that his / her appointment as Director on the Board of the IL&FS is subject to applicable laws and regulations including the Memorandum and Articles of Association of the IL&FS and the provisions of this Deed of Covenants
- (2) The Director covenants with IL&FS that :
 - (i) The Director shall disclose to the Board the nature of his / her interest, direct or indirect, if he / she has any interest in or is concerned with a contract or arrangement or any proposed contract or arrangement entered into or to be entered into between the IL&FS and any other person, immediately upon becoming aware of the same or at meeting of the Board at which the question of entering into such contract or arrangement is taken into consideration or if the Director was not at the date of that meeting concerned or interested in such proposed contract or arrangement, then at the first meeting of the Board held after he / she becomes so concerned or interested and in case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement

- (ii) The Director shall disclose by general notice to the Board his / her other Directorships, his / her memberships of bodies corporate, his / her interest in other entities and his / her interest as a partner or proprietor of firms and shall keep the Board apprised of all changes therein
- (iii) The Director shall provide to IL&FS a list of his / her relatives as defined in the Companies Act, 1956 or 2013 and to the extent the Director is aware of directorships and interests of such relatives in other bodies corporate, firms and other entities
- (iv) The Director shall in carrying on his / her duties as Director of IL&FS:
 - (a) use such degree of skill as may be reasonable to expect from a person with his / her knowledge or experience;
 - (b) in the performance of his / her duties take such care as he / she might be reasonably expected to take on his / her own behalf and exercise any power vested in him / her in good faith and in the interests of the IL&FS;
 - (c) shall keep himself / herself informed about the business, activities and financial status of IL&FS to the extent disclosed to him / her;
 - (d) attend meetings of the Board and Committees thereof (collectively for the sake of brevity hereinafter referred to as "Board") with fair regularity and conscientiously fulfil his / her obligations as Director of the IL&FS;
 - (e) shall not seek to influence any decision of the Board for any consideration other than in the interests of the IL&FS;
 - (f) shall bring independent judgment to bear on all matters affecting the IL&FS brought before the Board including but not limited to statutory compliances, performance reviews, compliances with internal control systems and procedures, key executive appointments and standards of conduct;
 - (g) shall in exercise of his / her judgment in matters brought before the Board or entrusted to him / her by the Board be free from any business or other relationship which could materially interfere with the exercise of his / her independent judgment; and

- (h) shall express his / her views and opinions at Board meetings without any fear or favour and without any influence on exercise of his / her independent judgment;

- (v) The Director shall have :
 - (a) fiduciary duty to act in good faith and in the interests of IL&FS and not for any collateral purpose;
 - (b) duty to act only within the powers as laid down by IL&FS's Memorandum and Articles of Association and by applicable laws and regulations; and
 - (c) duty to acquire proper understanding of the business of IL&FS

- (vi) The Director shall :
 - (a) not evade responsibility in regard to matters entrusted to him / her by the Board;
 - (b) not interfere in the performance of their duties by the Whole-Time Directors and other officers of the IL&FS and wherever the Director has reasons to believe otherwise, he / she shall forthwith disclose his / her concerns to the Board; and
 - (c) not make improper use of information disclosed to him / her as a member of the Board for his / her or someone else's advantage or benefit and shall use the information disclosed to him / her by IL&FS in his / her capacity as Director of IL&FS only for the purposes of performance of his / her duties as a Director and not for any other purpose

- (3) The IL&FS covenants with the Director that:
- (i) the IL&FS shall apprise the Director about:
 - (a) Board procedures including identification of legal and other duties of Director and required compliances with statutory obligations;
 - (b) control systems and procedures;
 - (c) voting rights at Board meetings including matters in which Director should not participate because of his / her interest, direct or indirect therein;
 - (d) qualification requirements and provide copies of Memorandum and Articles of Association;
 - (e) corporate policies and procedures;
 - (f) insider dealing restrictions;
 - (g) constitution of, delegation of authority to and terms of reference of various committees constituted by the Board;
 - (h) appointments of Senior Executives and their authority;
 - (i) remuneration policy;
 - (j) deliberations of committees of the Board, and
 - (k) communicate any changes in policies, procedures, control systems, applicable regulations including Memorandum and Articles of Association of IL&FS, delegation of authority, Senior Executives, etc. and appoint the compliance officer who shall be responsible for all statutory and legal compliance
 - (ii) IL&FS shall disclose and provide to the Board including the Director all information which is reasonably required for them to carry out their functions and duties as a Director of IL&FS and to take informed decisions in respect of matters brought before the Board for its consideration or entrusted to the Director by the Board or any committee thereof;

- (iii) the disclosures to be made by IL&FS to the Directors shall include but not be limited to the following :
 - (a) all relevant information for taking informed decisions in respect of matters brought before the Board;
 - (b) IL&FS's strategic and business plans and forecasts;
 - (c) organisational structure of IL&FS and delegation of authority;
 - (d) corporate and management controls and systems including procedures;
 - (e) economic features and marketing environment;
 - (f) information and updates as appropriate on IL&FS's products;
 - (g) information and updates on major expenditure;
 - (h) periodic reviews of performance of the IL&FS; and
 - (i) report periodically about implementation of strategic initiatives and plans;
- (iv) IL&FS shall communicate outcome of Board deliberations to Directors and concerned personnel and prepare and circulate minutes of the meeting of Board to Directors in a timely manner and to the extent possible within two business days of the date of conclusion of the Board meeting; and
- (v) advise the Director about the levels of authority delegated in matters placed before the Board
- (4) IL&FS shall provide to the Director periodic reports on the functioning of internal control system including effectiveness thereof
- (5) IL&FS shall appoint a compliance officer who shall be a Senior executive reporting to the Board and be responsible for setting forth policies and procedures and shall monitor adherence to the applicable laws and regulations and policies and procedures including but not limited to directions of Reserve Bank of India and other concerned statutory and governmental authorities

- (6) The Director shall not assign, transfer, sublet or encumber his / her office and his / her rights and obligations as Director of IL&FS to any third party provided that nothing herein contained shall be construed to prohibit delegation of any authority, power, function or delegation by the Board or any committee thereof subject to applicable laws and regulations including Memorandum and Articles of Association of IL&FS
- (7) The failure on the part of either party hereto to perform, discharge, observe or comply with any obligation or duty shall not be deemed to be a waiver thereof nor shall it operate as a bar to the performance, observance, discharge or compliance thereof at any time or times thereafter
- (8) Any and all amendments and / or supplements and / or alterations to this Deed of Covenants shall be valid and effectual only if in writing and signed by the Director and the duly authorised representative of IL&FS
- (9) This Deed of Covenants has been executed in duplicate and both the copies shall be deemed to be originals

IN WITNESS WHEREOF THE PARTIES HAVE DULY EXECUTED THIS AGREEMENT ON THE _____(DAY), _____(MONTH) AND _____(YEAR) FIRST ABOVE WRITTEN.

For Infrastructure Leasing & Financial Services Limited

Director

By _____

Name :

Title :

Name :

In the presence of :

1. _____

2. _____

Annexure IV

Provisions with respect to Vacation and Termination of the Office of the Independent Director

- (1) The resignation or removal of an Independent Director shall be in the same manner as is provided in sections 168 and 169 of the Act
- (2) An Independent Director who resigns or is removed from the Board of the Company shall be replaced by a new Independent Director within a period of not more than 180 days from the date of such resignation or removal, as the case may be
- (3) Where the company fulfills the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new Independent Director shall not apply