

No. 2/31/2006
Ministry of Finance
Department of Economic Affairs
(Infrastructure Division)

North Block, New Delhi
December 26, 2006

OFFICE MEMORANDUM

Subject: Establishment of Committee to make recommendations on
Infrastructure Financing

1. The undersigned is directed to communicate the establishment of a Committee to make recommendations on Infrastructure Financing.
2. The Committee has been constituted as follows:

Shri Deepak Parekh- Chairman
Chairman
HDFC

Members

Shri T.S. Bhattacharya
Managing Director
State Bank of India

Mr. S.S. Kohli
Chairman and Managing Director
India Infrastructure Finance Company Limited

Mr. Sanjay Nayar
CEO- India
Citibank

Mr. Nachiket Mor
Deputy Managing Director
ICICI Bank Limited

Mr. Hemendra Kothari

Chairman
DSP Merrill Lynch

Mr. Rajiv Lall
Managing Director & CEO
IDFC Limited

3. The Terms of Reference of the Committee shall be as follows:

- (i) Overview the current systems of infrastructure financing in India (instruments/institutions/players). Develop a vision for private financing of infrastructure in the medium term
- (ii) Identify and estimate the need for different kinds of capital including debt financing (especially long term); sub-debt financing; equity capital; mezzanine and other quasi-equity classes of capital.
- (iii) Assess the existing challenges to, and potential for mobilizing long term debt financing from the domestic banking system for infrastructure development.
- (iv) Recommend steps to improve the availability of long term debt capital for infrastructure financing. Specifically:
 - (a) draw attention to those recommendations of the Patil Committee report that have a bearing on the infrastructure sector
 - (b) supplement these recommendations as necessary
 - (c) Suggest measures to enhance the ability of provident funds and insurance companies to finance infrastructure projects.
- (v) Recommend changes in existing regulations and policies to facilitate the availability of non-debt capital for infrastructure development. In particular, examine the factors constraining the availability of:
 - (a) mezzanine financing
 - (b) “financial” equity (As distinct from “strategic” equity)

from both domestic and foreign investors

4. The Committee shall submit an interim report containing its findings and recommendations to the Ministry of Finance, Department of Economic Affairs within six weeks. The final report of the Committee shall be submitted before March 31, 2007.
5. IIFCL shall act as Secretariat to the Committee and shall bear the expenditure incurred on the same.
6. This has the approval of the Finance Minister.

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Director (Infrastructure)
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Copy for information and necessary action:

1. Shri Deepak Parekh
Chairman
HDFC
2. Shri T.S. Bhattacharya
Managing Director
State Bank of India
3. Mr. S.S. Kohli
Chairman and Managing Director
India Infrastructure Finance Company Limited
4. Mr. Sanjay Nayar
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Deputy Managing Director
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6. Mr. Hemendra Kothari
Chairman
DSP Merrill Lynch

7. Mr. Rajiv Lall
Managing Director & CEO
IDFC Limited

Copy for information:

1. Shri Vinod Rai
Secretary
Financial Sector
Department of Economic Affairs

2. Shri Rajeev Ratna Shah
Member Secretary
Planning Commission

3. Shri A. K. Mohapatra
Secretary
Department of Shipping

4. Shri Ajay Prasad
Secretary
Ministry of Civil Aviation

5. Shri Vijay Singh
Secretary
Department of Road Transport and Highways

6. Shri D.S. Mathur
Secretary
Department of Telecommunications

7. Shri J.P. Batra
Chairman
Railway Board

8. Shri R.V. Shahi
Secretary

Ministry of Power

9. Shri Gajendra Haldea
Advisor to Deputy Chairman
Planning Commission

10. Dr. K.P. Krishnan
Joint Secretary
Capital Markets Division
Department of Economic Affairs

11. Dr. Jayanthi Anand
DGM
Reserve Bank of India

12. Sr. PPS to Finance Secretary
Department of Economic Affairs

13. PPS to Additional Secretary
Department of Economic Affairs

14. PS to Joint Secretary (Infrastructure)