

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.

(Shyamala Shukla)  
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  
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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)