

December 30, 2014

Dear Debentureholder,


As per the provisions of the Debt Listing Agreement executed between Bombay Stock Exchange Limited (BSE) and the Company for listing of its Secured / Unsecured (NCDs) issued by the Company and listed on BSE, we are providing herewith :

- (1) The Financial results of the Company for the Half Year ended September 30, 2014 are enclosed as Annexure-I
- (2) Credit Rating : The Company had been granted the following Credit Ratings during the period, April 1, 2014 to September 30, 2014:
  - (a) India Ratings and Research Limited (Formerly known as Fitch Ratings India Private Limited) has assigned "IND AAA" for the long term borrowings of the Company by way of issue of debentures
  - (b) Credit Analysis and Research Limited – has assigned "CARE AAA" for the long term borrowings of the Company by way of issue of debentures
- (3) The debt to equity ratio for the Half Year ended September 30, 2014 is 5.57:1
- (4) The Asset Cover Ratio for the Half Year ended September 30, 2014 is 1.49 times of the outstanding debt as per the Asset Cover certified by the Statutory Auditors of the Company ie Messrs Deloitte Haskins & Sells LLP, Chartered Accounts, Mumbai (Copy enclosed as Annexure-II)
- (5) We are enclosing a statement indicating the details of outstanding NCDs listed on BSE and their coupon payments due and payable for each of Series of NCDs as Annexure-III

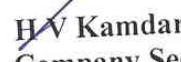
Sincerely,

For IL&FS Financial Services Limited



 Neelam Desai  
Company Secretary

For Centbank Financial Services Limited

  
H V Kamdar  
Company Secretary &  
Assistant Vice President





**IL&FS Financial Services Limited**

IL&FS Financial Services Limited  
Registered Office: The IL&FS Financial Centre, Bandra Kurla Complex, Bandra East, Mumbai - 400 051  
Tel No: +91 22 2653 3333; Fax No: +91 22 2653 3149; Website: www.il&fs.com  
Corporate Identity Number - U65990MH1995PLC093241

**Statement of financial Results for the Half Year ended September 30, 2014**

Particulars	Half Year ended		Year ended
	30-Sep-14	30-Sep-13	
	Audited	Audited	Audited
1 Interest earned (a) + (b) + (c) + (d)	88,719	75,020	168,559
(a) Interest/disc. on advances/bills	72,194	67,251	136,890
(b) Income on Investments	16,525	8,569	32,069
(c) Interest on balances with Reserve Bank of India and other inter bank funds			
(d) Others			
2 Other Income	4,571	3,279	12,940
3 Total Income (1+2)	93,290	79,099	181,499
4 Interest Expended	60,298	56,427	115,547
5 Operating Expenses (i)+(ii)	6,772	6,180	14,470
(i) Employees cost	2,855	2,305	5,502
(ii) Other operating expenses (a)+(b)+(c)+(d) (All items excluding 10% of the total expenditure excluding interest expenditure may be shown separately)	3,917	3,875	9,168
(a) Brand Subscription Charges	907	878	1,755
(b) Service Charges	1,133	1,039	2,103
(c) Legal & Professional Expenses	186	129	1,464
(d) Others	1,691	1,829	3,816
6 Total Expenditure (4+5) excluding provisions and contingencies	67,070	62,607	130,217
7 Operating Profit before Provisions and Contingencies (3-6)	26,220	16,492	51,282
8 Provisions (other than tax) and Contingencies	7,178	9,369	15,274
9 Exceptional Items			
10 Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	19,042	7,123	35,508
11 Tax expense	7,386	2,531	9,000
12 Net Profit (+)/ Loss (-) from Ordinary Activities after tax (10-11)	11,656	4,592	26,508
13 Extraordinary Item (net of tax expense)			
14 Net Profit (+)/ Loss (-) for the period (12-13)	11,656	4,592	26,508
15 Paid-up equity share capital (Face Value of ₹ 10 each)	26,567	26,567	26,567
16 Reserves excluding Revaluation Reserves (at per balance sheet of previous accounting year)			167,961
17 Analytical Ratios:			
(i) Capital Adequacy Ratio * Unaudited	21.86%*	21.60%*	21.63%
(ii) Earnings Per Share (EPS) - (Basic & Diluted) ** Not Annualised	4.39**	1.73**	9.98
18 NPA Ratios (Unaudited)			
a) (i) Gross NPA	33,043	30,267	24,305
(ii) Net NPA	26,879	26,004	18,821
b) (i) % of Gross NPA	3.81	3.05	2.56
(ii) % of Net NPA	2.64	2.43	1.91
19 Return on Assets (Unaudited) * (Annualised)	1.63%*	0.69%*	1.95%

- Notes:-
- The above financial results of the Company for the half year ended September 30, 2014 have been reviewed by the Audit Committee at their Meeting held on October 31, 2014, and approved by the Board of Directors at their meeting held on November 13, 2014.
  - Interest on Advances includes lease income on assets given on lease.
  - Income on Investments include interest on investments, dividend, pass through income and profit/loss on sale of investments.
  - Pursuant to the enactment of the Companies Act 2013 (the Act), the Company has, effective April 1, 2014 modified the useful lives of certain tangible assets in line with Schedule II of the Act. The Company has further decided to change the method of depreciation to Straight Line Method (SLM) in place of Written Down Value Method (WDV). As a result of the change in method of charging depreciation from WDV to SLM and change in useful life of certain category of assets the charge on account of Depreciation for the half year ended September 30, 2014, is lower by ₹ 2.86 mn and profit before tax is higher by ₹ 2.86 mn than the amount that would correspond to the method of depreciation previously used and useful lives previously assessed.
  - Provisions (other than tax) and Contingencies included the following:

Particulars	Half Year ended		Year ended
	September 30, 2014	September 30, 2013	
	Audited	Audited	Audited
Provision for Non-Performing Assets:	1,400	2,187	4,056*
Provision for Diminution in Investments	54	3,925	4,246
Provision for General Contingencies	4,000	1,500	5,500
Contingent Provision against Standard Assets	50		
Provision for Bad and Doubtful Debts	440	216	456
Other Provisions	1,154	1,541	1,418
Total	7,178	9,369	15,774

- \* The Company has written off specific loans amounting to ₹ 4,023.31 lakhs utilizing NPA Provision of ₹ 648.31 Lakhs and General Contingency Provision of ₹ 3,375.00 Lakhs.
- Loans, Investments in Debt and Investments in PEs through certificates only as at respective dates has been considered for calculation of NPA Ratio.
  - NPA does not include provision for general contingency, Contingent Provision against Standard Assets, Provision for Bad and Doubtful Debts and other provisions.
  - Return (Profit after Tax) on Assets has been calculated on average assets. Average Asset is average of the opening & closing total assets for the respective corresponding period/year.
  - The Company is in the business of providing financial services. As such, all activities undertaken by the Company are incidental to the main business segment. There is no separate reportable business segment as per Accounting Standard 17 "Segment reporting".
  - Figures of the previous year/period have been regrouped and reclassified wherever necessary.

For and on behalf of the Board  
Sd/-  
Managing Director & CEO  
Sd/-  
Chief Financial Officer  
Sd/-  
Company Secretary

**IL&FS Financial Services**

**IL&FS Financial Services Limited**

IL&FS Financial Services Limited

Registered Office: The IL&FS Financial Centre, Bandra Kurla Complex, Bandra East, Mumbai - 400 051  
Tel No: +91 22 2653 5333, Fax No: +91 22 2653 3149, Website: www.il&fs.com  
Corporate Identity Number - U65990MH1995PLC053241

**Statement of Financial Results for the Half Year ended September 30, 2014**

Particulars	Half Year ended		Year ended
	30-Sep-14	30-Sep-13	31-Mar-14
	Audited	Audited	Audited
1 Interest earned (a) + (b) + (c) + (d)			
(a) Interest/disc. on advances/bills	88,719	75,820	168,559
(b) Income on investments	72,194	67,251	136,490
(c) Interest on balances with Reserve Bank of India and other inter bank funds	16,525	8,569	32,059
(d) Others			
2 Other Income	4,571	3,279	12,940
3 Total Income (1+2)	93,290	79,099	181,499
4 Interest Expended	60,290	56,427	115,547
5 Operating Expenses (i) + (ii)			
(i) Employee cost	6,772	6,180	14,676
(ii) Other operating expenses (a) + (b) + (c) + (d) (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	2,855	2,305	5,503
(a) Brand Subscription Charges	3,917	3,875	9,162
(b) Service Charges	507	878	1,755
(c) Legal & Professional Expenses	1,133	1,039	2,103
(d) Others	186	129	1,464
6 Total Expenditure (4+5) excluding provisions and contingencies	67,070	62,607	130,217
7 Operating Profit before Provisions and Contingencies (3-6)	25,220	16,492	51,282
8 Provisions (other than tax) and Contingencies	7,178	9,369	15,774
9 Exceptional Items			
10 Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)	19,042	7,123	35,508
11 Tax expense	7,385	2,531	9,000
12 Net Profit (+)/ Loss (-) from Ordinary Activities after tax (10-11)	11,656	4,592	26,508
13 Extraordinary items (net of tax expense)			
14 Net Profit (+)/ Loss (-) for the period (12-13)	11,656	4,592	26,508
15 Paid-up equity share capital (Face Value of ₹ 10 each)	26,567	26,567	26,567
16 Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)			167,961
17 Analytical Ratios			
(i) Capital Adequacy Ratio * Unaudited	21.85%*	21.60%*	21.63%*
(ii) Earnings Per Share (EPS) (Basic & Diluted) ** Not Annualised	4.39%**	1.73%**	9.98
18 NPA Ratios (Unaudited)			
(a) (i) Gross NPA	33,843	30,267	24,305
(ii) Net NPA	26,879	26,004	18,321
(b) (i) % of Gross NPA	3.31	3.05	2.16
(ii) % of Net NPA	2.64	2.63	1.91
19 Return on Asset (Unaudited) * (Annualised)	1.63%*	0.69%*	1.95%*

- Notes:-
- The above financial results of the Company for the half year ended September 30, 2014 have been reviewed by the Audit Committee at their Meeting held on October 31, 2014 and approved by the Board of Directors at their meeting held on November 13, 2014.
  - Interest on Advances includes lease income on assets given on lease.
  - Income on Investments include interest on investments, dividend, pass through income and profit/ Loss on sale of investments.
  - Pursuant to the enactment of the Companies Act 2013 (the Act), the Company has, effective April 1, 2014 modified the useful lives of certain tangible assets in line with Schedule II of the Act. The Company has further decided to change the method of depreciation to Straight Line Method (SLM) in place of Written Down Value Method (WDV). As a result of the change in method of charging depreciation from WDV to SLM and change in useful life of certain category of assets the charge on account of Depreciation for the half year ended September 30, 2014, is lower by ₹ 2.66 mn and profit before tax is higher by ₹ 2.66 mn than the amount that would correspond to the method of depreciation previously used and useful lives previously assessed.
  - Provisions (other than tax) and Contingencies includes the following:

Particulars	Half Year Ended		Year ended
	September 30, 2014	September 30, 2013	March 31, 2014
	Audited	Audited	Audited
Provision for Non-Performing Assets	1,400	2,187	4,056
Provision for Diminution in Investments	51	3,925	4,346
Provision for General Contingencies	4,000	1,500	5,500
Contingent Provision against Standard Assets	50		
Provision for Bad and Doubtful Debts	440	216	450
Other Provisions	1,154	1,541	1,416
Total	7,178	9,369	15,774

- \* The Company has written off specific loans amounting to ₹ 4,023.31 lakhs utilizing NPA Provision of ₹ 648.31 Lakhs and General Contingency Provision of ₹ 3,375.00 Lakhs
- Loans, Investments in Debt and Investments in Pass through certificates only as at respective dates has been considered for calculation of NPA ratio.
  - NPA does not include provision for general contingency, Contingent Provision against Standard Assets, Provision for Bad and Doubtful Debts and other provisions.
  - Return (Profit after Tax) on Assets has been calculated on average assets. Average Asset is average of the opening & closing total assets for the respective corresponding period/year.
  - The Company is in the business of providing financial services. As such, all activities undertaken by the Company are incidental to the main business segment. There is no separate reportable business segment as per Accounting Standard 17 "Segment reporting".
  - Figures of the previously unreported have been regrouped and reclassified wherever necessary.

For and on behalf of the Board  
Sd/-  
Managing Director & CEO  
Sd/-  
Chief Financial Officer  
Sd/-  
Company Secretary

Mav D&A, November 13, 2014

# Deloitte Haskins & Sells LLP

Chartered Accountants  
Indiabulls Finance Centre  
Tower 3, 27th - 32nd Floor  
Senapati Bapat Marg  
Elphinstone Road (West)  
Mumbai - 400 013  
Maharashtra, India

Tel: +91 (022) 6185 4000  
Fax: +91 (022) 6185 4501/4601

REF: KJM/2014-2015/7169

## AUDITORS' CERTIFICATE

### Introduction

We have verified the attached "Statement of Computation of Asset Coverage as at September 30, 2014" (the "Statement") derived from the unaudited financial statements and other records of **IL&FS Financial Services Limited** (the "Company") for the half year ended September 30, 2014.

### Management's Responsibility for the Statement

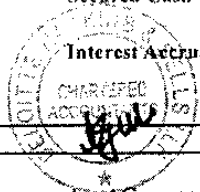
The Company's Management is responsible for preparation of the Statement in accordance with the Eleventh Contributory Legal Mortgage dated July 22, 2014 and the Indenture of Mortgage dated January 09, 2009 entered into between the Company and Central Bank of India (acting as Agent) and the Debenture Trust Deeds dated November 08, 2012 for series 2012 II, 2012 III, 2012 IV, dated April 02, 2013 for series 2012 VI, dated August 23, 2013 for series 2013 I, 2013 II, 2013 III, 2013 IV, 2013 V and dated December 27, 2013 for series 2013 VI, 2013 VII, 2014 I, 2014 II, 2014 III entered into between the Company and Centbank Financial Services Limited (acting as trustee of debenture holders) and the Amended and Restated Security Trustee Agreement dated January 2, 2009 entered into between the Company, Lenders and Central Bank of India (acting as Security Trustee) (together referred to as the "Agreement"). This includes collecting, collating and validating data and designing, implementing and maintaining of internal controls relevant to the preparation of the Statement that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express our conclusion on the information contained in the Statement based on our limited assurance procedures. Our procedures have been planned to obtain all information and explanations that we considered necessary to support our conclusion. Our work was planned to mirror the Company's own compilation process, reviewing how the items in the Statement within our assurance scope were collected, collated and validated by the Company for inclusion in the Statement based on the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI").

*Handwritten signature*

IL&FS Financial Services Limited		
Statement of Computation of Asset Coverage Ratio as at Sep 30, 2014		
Rupees in Million		
ASSETS	Amount	Amount
<u>Tangible Assets</u>		
- Assets Given on Lease	8.23	
- Premises	9.66	17.89
Non-current Investments		27,064.38
Loans and Advances (Long Term and Short Term)		92,876.41
Other Current and Non Current Assets		10,062.57
		<b>130,021.25</b>
<u>SECURED LOANS OUTSTANDING</u>		
<b>Secured Loans from Banks-Current and Non Current</b>		
Bank of India	12,750.00	
State Bank of Travancore	5,000.00	
Bank of Baroda	5,000.00	
Indian Overseas Bank	4,800.00	
Punjab & Sind Bank	4,700.00	
Jammu & Kashmir Bank Ltd.	4,400.00	
Vijaya Bank	4,000.00	
Oriental Bank of Commerce	4,000.00	
Indian Bank	3,250.00	
State Bank of Mysore	3,000.00	
Allahabad Bank	2,500.00	
Syndicate Bank	2,250.00	
Dena Bank	2,000.00	
State Bank of Hyderabad	2,000.00	
UCO Bank	2,000.00	
Australia and New Zealand Banking Group Ltd	1,250.00	
State Bank of Bikaner & Jaipur	1,000.00	
The Karur Vysya Bank Ltd.	1,000.00	
IDBI Bank Ltd	900.00	
Andhra Bank	900.00	
State Bank of Patiala	650.00	
The Bank of Nova Scotia	500.00	
Bhartiya Mahila Bank Ltd	500.00	
IndusInd Bank	333.33	
The South Indian Bank Ltd	280.00	
The Karnataka Bank Ltd	250.00	
ING Vysya Bank Ltd.	166.67	
Abu Dhadhi Commercial Bank Ltd	150.00	
		69,530.00
<b>Secured Debentures</b>		15,407.50
<b>Secured Cash Credit</b>		1,447.87
<b>Interest Accrued but not due on Secured Loans and Debentures</b>		847.31
		<b>87,232.68</b>
<b>Asset Coverage Ratio</b>		<b>1.49</b>





## Details of Outstanding Position of NCDs as on September 30, 2014

Sr No	Description of the NCDs	Series Description	Date of Allotment	No of NCDs (FV: ₹ 1000 each)	Amount (₹ Crs)	Coupon Rate and Frequency of the Interest Payment	Previous Due Date for the payment of Interest/ Principal	Next Due Date for the payment of interest/ principal	Final Redemption Date
1	Tier II - Subordinated Debt in the nature of Unsecured Redeemable Non-Convertible Debentures (NCDs)	2011 Series I	December 28, 2011	20,00,000	200.00	10.30 % p.a. payable annually On 28 <sup>th</sup> December every year. Last coupon payment will be on redemption date	December 28, 2014	December 28, 2015	December 28, 2021
2	Tier II - Subordinated Debt in the nature of Unsecured Redeemable Non-Convertible Debentures (NCDs)	2011 Series II	March 22, 2012	20,00,000	200.00	10.30 % p.a. payable annually On 22 <sup>nd</sup> March every year. Last coupon payment will be on redemption date	March 22, 2014	March 22, 2015	March 22, 2022
3	Tier II - Subordinated Debt in the nature of Unsecured Redeemable Non-Convertible Debentures (NCDs)	2012 Series I	June 29, 2012	20,00,000	200.00	10.15 % p.a. payable annually On 29 <sup>th</sup> June every year. Last coupon payment will be on redemption date	June 29, 2014	June 29, 2015	June 29, 2022



Sr No	Description of the NCDs	Series Description	Date of Allotment	No of NCDs (FV: ₹ 1000 each)	Amount (₹ Crs)	Coupon Rate and Frequency of the Interest Payment	Previous Due Date for the payment of Interest/ Principal	Next Due Date for the payment of interest/ principal	Final Redemption Date
4	Secured Redeemable Non-Convertible Debentures (NCDs)	2012 Series II	August 13, 2012	10,00,000	100.00	9.75 % p.a. payable annually On 13 <sup>th</sup> August every year. Last coupon payment will be on redemption date	August 13, 2014	August 13, 2015	August 13, 2017
5	Secured Redeemable Non-Convertible Debentures (NCDs)	2012 Series III	September 3, 2012	5,00,000	50.00	9.75 % p.a. payable annually On 3 <sup>rd</sup> September every year. Last coupon payment will be on redemption date	September 3, 2014	September 3, 2015	September 3, 2017
6	Secured Redeemable Non-Convertible Debentures (NCDs)	2012 Series IV	September 28, 2012	5,00,000	50.00	9.54 % p.a. payable annually On 28 <sup>th</sup> September every year. Last coupon payment will be on redemption date	September 28, 2014	September 28, 2015	September 28, 2022
7	Tier II Subordinated Debt in the nature of Unsecured Redeemable Non-Convertible Debentures (NCDs)	2012 Series V	November 27, 2012	10,00,000	100.00	9.55 % p.a. payable annually On 27 <sup>th</sup> November every year. Last coupon payment will be on redemption date	November 27, 2014	November 27, 2015	November 27, 2022



Sr No	Description of the NCDs	Series Description	Date of Allotment	No of NCDs (FV: ₹ 1000 each)	Amount (₹ Crs)	Coupon Rate and Frequency of the Interest Payment	Previous Due Date for the payment of Interest/ Principal	Next Due Date for the payment of interest/ principal	Final Redemption Date
8	Secured Redeemable Non-Convertible Debentures (NCDs)	2012 Series VI	January 7, 2013	2,11,000	21.10	9.65 % p.a. payable annually On 7 <sup>th</sup> January every year. Last coupon payment will be on redemption date	January 7, 2014	January 7, 2015	January 7, 2016
			January 7, 2013	2,89,000	28.90	9.60 % p.a. payable annually On 7 <sup>th</sup> January every year. Last coupon payment will be on redemption date	January 7, 2014	January 7, 2015	January 7, 2018
9	Tier II Subordinated Debt in the nature of Unsecured Redeemable Non-Convertible Debentures (NCDs)	2012 Series VII	February 28, 2013	10,00,000	100.00	9.55 % p.a. payable annually On 28 <sup>th</sup> February every year. Last coupon payment will be on redemption date	February 28, 2014	February 28, 2015	February 28, 2023





Sr No	Description of the NCDs	Series Description	Date of Allotment	No of NCDs (FV: ₹ 1000 each)	Amount (₹ Crs)	Coupon Rate and Frequency of the Interest Payment	Previous Due Date for the payment of Interest/ Principal	Next Due Date for the payment of interest/ principal	Final Redemption Date
10	Secured Redeemable Non-Convertible Debentures (NCDs)	2013 Series I	September 17, 2013	4,80,000	48.00	10.75 % p.a. payable annually On September 17 <sup>th</sup> every year. Last coupon payment will be on redemption date	September 17, 2014	September 17, 2015	September 17, 2015
			September 17, 2013	2,00,000	20.00	10.65 % p.a. payable annually On September 17 <sup>th</sup> every year. Last coupon payment will be on redemption date	September 17, 2014	September 17, 2015	September 17, 2016
			September 17, 2013	17,50,000	175.00	10.50 % p.a. payable annually On September 17 <sup>th</sup> every year. Last coupon payment will be on redemption date	September 17, 2014	September 17, 2015	September 17, 2018
11	Secured Redeemable Non-Convertible Debentures (NCDs)	2013 Series II	September 18, 2013	5,00,000	50.00	10.50 % p.a. payable annually On September 18 <sup>th</sup> every year. Last coupon payment will be on redemption date	September 18, 2014	September 18, 2015	August 28, 2018



Sr No	Description of the NCDs	Series Description	Date of Allotment	No of NCDs (FV: ₹ 1000 each)	Amount (₹ Crs)	Coupon Rate and Frequency of the Interest Payment	Previous Due Date for the payment of Interest/ Principal	Next Due Date for the payment of interest/ principal	Final Redemption Date
12	Secured Redeemable Non-Convertible Debentures (NCDs)	2013 Series III	September 20, 2013	3,00,000	30.00	10.71 % p.a. Coupon payment will be made along with the principal amount on the redemption date ie., December 22, 2014	December 22, 2014	December 22, 2015	December 22, 2014
13	Secured Redeemable Non-Convertible Debentures (NCDs)	2013 Series IV	September 25, 2013	10,00,000	100.00	10.50 % p.a. payable annually On September 25 <sup>th</sup> every year. Last coupon payment will be on redemption date. These NCDs are issued with put Option exercisable on December 26, 2014. In case put option is exercisable, balance interest will be paid on put date along with the principal amount	September 25, 2014	September 25, 2015	September 25, 2016



Sr No	Description of the NCDs	Series Description	Date of Allotment	No of NCDs (FV: ₹ 1000 each)	Amount (₹ Crs)	Coupon Rate and Frequency of the Interest Payment	Previous Due Date for the payment of Interest/ Principal	Next Due Date for the payment of interest/ principal	Final Redemption Date
14	Secured Redeemable Non-Convertible Debentures (NCDs)	2013 Series V	September 27, 2013	7,70,000	77.00	10.50 % p.a. payable annually On September 27 <sup>th</sup> every year. Last coupon payment will be on redemption date. These NCDs are issued with put Option exercisable on December 29, 2014. In case put option is exercisable, balance interest will be paid on put date along with the principal amount	September 27, 2014	September 27, 2015	September 27, 2016
15	Secured Redeemable Non-Convertible Debentures (NCDs)	2013 Series VI	January 28, 2014	10,75,000	107.50	9.90 % p.a. payable annually on 28 <sup>th</sup> January every year. Last coupon payment will be on redemption date	Not Applicable	January 28, 2015	January 28, 2019



Sr No	Description of the NCDs	Series Description	Date of Allotment	No of NCDs (FV: ₹ 1000 each)	Amount (₹ Crs)	Coupon Rate and Frequency of the Interest Payment	Previous Due Date for the payment of Interest/ Principal	Next Due Date for the payment of interest/ principal	Final Redemption Date
16	Secured Redeemable Non-Convertible Debentures (NCDs)	2013 Series VII	March 26, 2014	5,00,000	50	9.90 % p.a. payable annually on 26 <sup>th</sup> March every year. Last coupon payment will be on redemption date	Not Applicable	March 26, 2015	September 25, 2015
17	Secured Redeemable Non-Convertible Debentures (NCDs)	2014 Series I	July 03, 2014	30,00,000	300.00	9.50% pa. payable annually on 03 <sup>rd</sup> July every year. Last coupon payment will be on redemption date	Not Applicable	July 03, 2015	July 03, 2019 & July 03, 2024
18	Secured Redeemable Non-Convertible Debentures (NCDs)	2014 Series II	August 28, 2014	4,32,500	43.25	9.60% & 9.55 % pa. payable annually on 28 <sup>th</sup> August every year. Last coupon payment will be on redemption date	Not Applicable	August 28, 2015	August 28, 2019 & August 28, 2024





Sr No	Description of the NCDs	Series Description	Date of Allotment	No of NCDs (FV: ₹ 1000 each)	Amount (₹ Crs)	Coupon Rate and Frequency of the Interest Payment	Previous Due Date for the payment of Interest/ Principal	Next Due Date for the payment of interest/ principal	Final Redemption Date
19	Secured Redeemable Non-Convertible Debentures (NCDs)	2014 Series III	September 18, 2014	29,00,000	290.00	9.60% & 9.65 % pa. payable annually on 18 <sup>th</sup> September every year. Last coupon payment will be on redemption date	Not Applicable	September 18, 2015	September 18, 2016 & September 18, 2017 & September 18, 2019
			<b>Total</b>	<b>2,34,07,500</b>	<b>2340.75</b>				

Certified to be true  
For IL&FS Financial Services Limited



Neelam Desai  
Company Secretary

Date : December 30, 2014

Place : Mumbai



**IL&FS Financial Services Limited**

The IL&FS Financial Centre	T +91 22 2653 3333
3rd Floor, Plot C-22, G-Block	F +91 22 2653 3149
Bandra Kurla Complex	W www.ilfsfin.com
Bandra East	
Mumbai 400 051	
INDIA	

*(CIN U65990MH1995PLC093241)*

December 30, 2014

Centbank Financial Services Limited  
Central Bank of India - MMO Building,  
3rd floor (East),  
55 Mahatma Gandhi Road, Fort  
Mumbai - 400001

**Kind Attention: Mr H V Kamdar**

Dear Sir,

**Re: Half Yearly Communication for the Half Year ended September 30, 2014**

Centbank Financial Services Limited acts as the Debenture Trustee for the Secured / Unsecured Debentures aggregating to ₹ 2,340.75 Crs issued by the Company till September 30, 2014 and listed with Bombay Stock Exchange Limited (BSE)

As per the provisions of Clause 27(b) of the Debt Listing Agreement executed between BSE and the Company for listing of the aforesaid NCDs and listed on BSE, a Half Yearly Communication, counter signed by the Debenture Trustee ie., Centbank Financial Services Limited needs to be sent to the Debenture Holders as well as to be submitted to BSE

In view of the foregoing, we enclose herewith the following documents:

- (a) The Half Yearly Communication for the Half Year ended September 30, 2014 along with the information/ documents as required to be provided to Debenture Holders as per the Debt Listing Agreement is enclosed (in Duplicate)
- (b) Copy of the Credit Rating Letters received from India Ratings and Research Limited and Credit Analysis and Research Limited (CARE) in respect of issue of Long Term Debentures of the Company as referred in the aforesaid Half Yearly Communication

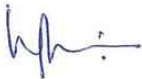



- (c) Certificate from Messrs Patel & Deodhar, Chartered Accountants certifying the debt equity ratio of the Company as on September 30, 2014. The Debt Equity ratio of the Company as on September 30, 2014 is 5.57:1
- (d) List of NCD Holders as on December 19, 2014 (ascertained as per the weekly benpos which was downloaded from NSDL by Link Intime (India) Private Limited, the Registrar of the Company and sent to us) to whom the aforesaid Half Yearly Communication along with the relevant documents would be sent

Request to kindly consider the foregoing and countersign both the copies of the Half Yearly Communication and arrange to send us one copy of the same. Another Copy is for your information and record

Sincerely,

**For IL&FS Financial Services Limited**



 **Neelam Desai**  
Company Secretary

Encl.: as above

Mr. Deepak Pareek  
Chief Financial Officer  
IL&FS Financial Services Ltd  
The IL&FS Financial Center  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai 400 051.

September 12, 2014

**Confidential**

Dear Sir,

**Credit rating for NCD issue**

Please refer to our letters dated January 27, 2014 and January 29, 2014 as well as your request for revalidation of the rating assigned to the Non Convertible Debentures issue of your company, for a limit of Rs.1,000 crore.

2. The following rating has been reviewed:

Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Amt. O/s as on Sept.9, 2014 (Rs. crore)	Remarks
Non-Convertible Debentures issue	1000	CARE AAA (Triple A)	668.25	Reaffirmed

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
4. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of maturity, etc.] as soon as it has been placed.
5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE reserves the right to suspend / withdraw / revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material and clarifications as may be required by CARE.

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

CREDIT ANALYSIS & RESEARCH LTD.

CORPORATE OFFICE: 4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai 400 022.  
Tel.: +91-22-6754 3456; Fax: +91-22-6754 3457 | Email: [care@careratings.com](mailto:care@careratings.com) | [www.careratings.com](http://www.careratings.com)

**Certified True Copy**  
**For IL&FS FINANCIAL SERVICES LIMITED**



Company Secretary

CARE shall also be entitled to publicize / disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without any reference to you.

7. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
8. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

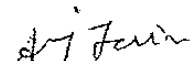
If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

  
[Geeta Chainani]  
Manager

Geeta.chainani@careratings.com

  
[Anuj Jain]  
A.G.M.

Anuj.jain@careratings.com

Encl.: As above

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CREDIT ANALYSIS & RESEARCH LTD.

CORPORATE OFFICE: 4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai 400 022.  
Tel: +91-22-6754 3456 Fax: +91-22-6754 3457 | Email: care@careratings.com | www.careratings.com

**Mr. Milind Patel**  
Deputy Managing Director  
IL&FS Financial Services Limited  
IL&FS Centre, Plot C22, G Block,  
Bandra Kurla Complex, Bandra (E)  
Mumbai 400 051

10 September 2014

Dear Mr. Patel,

**Re: Long-term rating of IL&FS Financial Services Limited's (I-Fin) debt**

India Ratings (see definition below) communicates 'IND AAA' rating to I-Fin's INR 5bn long term debt issuance.

I-Fin has issued INR 0.43bn out of the above rated amount.

I-Fin's Long-term issuer rating is 'IND AAA'/Outlook Stable.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action



commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in a India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings' ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating to investors.

It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

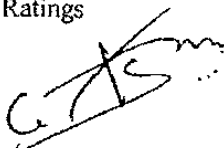
In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.


We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at 91 22 4000 1700.

Sincerely,

India Ratings

By:

  
Kishore Gandhi  
Chief Risk Officer

  
Ananda Bhoumik  
Senior Director

**CERTIFICATE**

**DSB/2014-15/33**

We have examined the audited financial statements as at 30<sup>th</sup> September 2014 of IL&FS Financial Services Limited (IFIN) having its Registered Office at The IL&FS Financial Centre, Plot C- 22, G Block, Bandra Kurla Complex, Bandra (East) Mumbai - 51 as audited by the Statutory Auditors, Deloitte & Haskins & Sells LLP, Chartered Accountants.

On the basis of our examination and based on information and explanation given to us by the management, we certify that the Debt Equity Ratio of IFIN as on 30<sup>th</sup> September 2014 is as under:

<b>PARTICULARS</b>	<b>AMOUNT (Rs. in Mn.)</b>
<b>DEBT</b>	
- Long Term Borrowings	63,365.93
- Short Term Borrowings	21,424.51
- Current Maturity of Long Term Borrowing	29,764.62
<b>Total Debt (A)</b>	<b>1,14,555.06</b>
<b>EQUITY</b>	
- Share Capital	2,656.68
- Reserves & Surplus	17,926.38
<b>Total Equity (B)</b>	<b>20,583.06</b>
<b>Debt- Equity Ratio (A/B)</b>	<b>5.57</b>

**The Debt Equity Ratio of the Company as on September 30, 2014 is 5.57:1**

PATEL & DEODHAR  
CHARTERED ACCOUNTANTS

*DiPIka S. Bhide*

DIPIKA BHIDE  
(PARTNER)

M.No.047902

MUMBAI, 10<sup>th</sup> December 2014

