

December 12, 2013

Centbank Financial Services Limited
15-16, Bajaj Bhavan,
1st Floor,
Opp. INOX / CR2 Multiplex,
Nariman Point,
Mumbai – 400 021

Kind Attention: Mr H V Kamdar

Dear Sir,

Re : Half Yearly Communication for the Half Year ended September 30, 2013

Centbank Financial Services Limited acts as the Debenture Trustee for the Secured / Unsecured Debentures aggregating to ₹ 1,550 Crs issued by the Company till September 30, 2013 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, 2013 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 & Research Limited (formerly known as Fitch Ratings India Private Limited) and Credit Analysis and Research Limited 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, 2013. The Debt Equity ratio of the Company as on September 30, 2013 is 5.84:1

- (d) List of NCD Holders as on December 6, 2013 (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

December 12, 2013

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, 2013 are enclosed as Annexure-I
- (2) Credit Rating : The Company had been granted the following Credit Ratings during the period, April 1, 2013 to September 30, 2013:
 - (a) India Ratings & 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, 2013 is 5.84:1
- (4) The Asset Cover Ratio for the Half Year ended September 30, 2013 is 1.54 times of the outstanding debt as per the Asset Cover certified by the Statutory Auditors of the Company ie Messrs Deloitte Haskins & Sells, 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





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 - 400050

Statement of Financial Results for the half year ended September 30, 2013

(₹ in Lakhs)

Particulars	Half Year ended		Year ended
	September 30, 2013	September 30, 2012	March 31, 2013
	Audited	Audited	Audited
1 Interest earned (a) + (b) + (c) + (d)	75,820	67,470	155,601
(a) Interest/disc. on advances/bills	67,251	60,740	134,930
(b) Income on investments	8,569	6,730	20,671
(c) Interest on balances with Reserve Bank of India and other inter bank funds			
(d) Others			
2 Other Income	3,279	7,582	19,909
3 Total Income (1+2)	79,099	75,052	175,510
4 Interest Expended	56,427	52,411	111,883
5 Operating Expenses (i) + (ii)	6,180	6,336	13,902
(i) Employee cost	2,305	2,602	5,972
(ii) Other operating expenses (a) + (b) + (c) (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	3,875	3,734	7,930
(a) Brand Subscription Charges	878	714	1,428
(b) Service Charges	1,039	846	1,857
(c) Others	1,958	2,174	4,645
6 Total Expenditure (4+5) excluding provisions and contingencies	62,607	58,747	125,785
7 Operating Profit before Provisions and Contingencies (3-6)	16,492	16,305	49,725
8 Provisions (other than tax) and Contingencies	9,369	626	4,694
9 Exceptional Items			
10 Profit (+) / Loss (-) from Ordinary Activities before tax (7-8-9)	7,123	15,679	45,031
11 Tax expense	2,531	4,952	10,070
12 Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)	4,592	10,727	34,961
13 Extraordinary Items (net of tax expense)			
14 Net Profit (+) / Loss (-) for the period (12-13)	4,592	10,727	34,961
15 Paid-up equity share capital (Face Value of Rs 10 each)	26,567	26,567	26,567
16 Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)			158,549
17 Analytical Ratios			
(i) Capital Adequacy Ratio			
Unaudited	21.60%	19.96%**	21.98%
(ii) Earnings Per Share (EPS) - (Basic & Diluted)			
Not annualised	1.73	4.04*	13.16
18 NPA Ratios (Unaudited)			
a) (i) Gross/Net NPA*	30,267	5,956	12,009
(ii) Net NPA	26,004	5,032	9,332
b) (i) % of Gross NPA	3.05	0.60	1.21
(ii) % of Net NPA	2.63	0.50	1.00
19 Return on Assets (Unaudited)	0.69%	1.75%	2.87%

Notes:

- The above financial results of the Company for the half year ended September 30, 2013 have been reviewed by the Audit Committee at their meeting held on October 24, 2013 and approved by the Board of Directors at their meeting held on November 09, 2013.
- 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.
- Provisions (other than tax) and Contingencies includes the following:

(₹ in Lakhs)

Particulars	Half Year ended		Year ended
	September 30, 2013	September 30, 2012	March 31, 2013
	Audited	Audited	Audited
Provision for Non-Performing Assets	2,187	200	1,352
Provision for Diminution in Investments	3,925	(1,149)	(3,817)
Provision for General Contingencies	1,500	1,000	5,000
Contingent Provision against Standard Assets		300	300
Provision for Bad and Doubtful Debts	216	275	167
Other Provisions	1,541		1,692
Total	9,369	626	4,694

- 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.
- 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 periods/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".
- Capital Adequacy ratios as at September 30, 2013 and September 30, 2012 are not audited by the statutory auditors.
- 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

Mumbai, November 09, 2013



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 - 400051

Statement of Financial Results for the half year ended September 30, 2013

(₹ in Lakhs)

Particulars	Half Year ended		Year ended
	September 30, 2013	September 30, 2012	March 31, 2013
	Audited	Audited	Audited
1 Interest earned (a) + (b) + (c) + (d)	75,820	57,470	155,401
(a) Interest/disc. on advances/bills	67,251	50,740	134,930
(b) Income on investments	8,569	6,730	20,871
(c) Interest on balances with Reserve Bank of India and other inter bank funds			
(d) Others			
2 Other Income	3,279	7,582	19,909
3 Total Income (1+2)	79,099	75,052	175,510
4 Interest Expended	56,427	52,411	111,883
5 Operating Expenses (i) + (ii)	6,180	6,336	13,902
(i) Employee cost	2,305	2,607	5,972
(ii) Other operating expenses (a) + (b) + (c) (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	3,875	3,734	7,930
(a) Brand Subscription Charges	878	714	1,428
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(i) Capital Adequacy Ratio			
** Unaudited	21.60%**	19.98%**	21.98%
(ii) Earnings Per Share (EPS) (Basic & Diluted)			
* Not annualised	1.73*	4.04*	13.16
18 NPA Ratios (Unaudited)			
a) (i) Gross/Net NPA*	30,267	5,956	12,009
(ii) Net NPA	26,004	5,032	9,932
b) (i) % of Gross NPA	3.05%	0.60%	1.21%
(ii) % of Net NPA	2.63%	0.50%	1.00%
19 Return on Assets (Unaudited)	0.69%	1.75%	2.87%

Notes:-

- The above financial results of the Company for the half year ended September 30, 2013 have been reviewed by the Audit Committee at their meeting held on October 24, 2013 and approved by the Board of Directors at their meeting held on November 09, 2013.
- 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.
- Provisions (other than tax) and Contingencies includes the following:-

(₹ in Lakhs)

Particulars	Half Year ended		Year ended
	September 30, 2013	September 30, 2012	March 31, 2013
	Audited	Audited	Audited
Provision for Non-Performing Assets	2,187	200	1,352
Provision for Diminution in Investments	3,925	(1,149)	(3,817)
Provision for General Contingencies	1,500	1,000	5,000
Contingent Provision against Standard Assets		300	300
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Other Provisions	1,541		1,692
Total	9,369	626	4,694

- 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.
- 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".
- Capital Adequacy ratios as at September 30, 2013 and September 30, 2012 are not audited by the statutory auditors.
- 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

Mumbai, November 09, 2013

Appendix 3C1

Deloitte Haskins & Sells

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

Tel: +91 (22) 6185 4000
Fax: +91 (22) 6185 4501/4601

REF: KJM/2013-2014/4227

AUDITORS' CERTIFICATE

Introduction

We have verified the attached "Statement of Computation of Asset Coverage as at September 30, 2013" (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, 2013.

Management's Responsibility for the Statement

The Company's Management is responsible for preparation of the Statement. This includes collecting, collating and validating data and designing, implementing, compliance with the Agreement as stated in "criteria" paragraph 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").

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Criteria

We refer to the Ninth Contributory Legal Mortgage dated July 26, 2013 and the Indenture of Mortgage dated January 9, 2009 entered into between the Company and Central Bank of India (acting as Agent) and the Debenture Trust Deed dated November 08, 2012 and April 02, 2013 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

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Deloitte Haskins & Sells

and Central Bank of India (acting as Security Trustee) (together referred to as the "Agreement"), whereby it was agreed that the Company shall maintain at all times and from time to time an asset coverage as defined in the aforesaid Agreement of at least 1.33 times the total outstanding Secured Loans of the Company, excluding the "excluded assets" referred to in the aforesaid Agreement.

The criteria, against which the information contained in the Statement is evaluated, are the unaudited financial statements of the Company for the half year ended September 30, 2013.

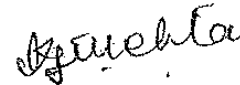
Conclusion

Based on the limited assurance work that we performed as aforesaid, nothing has come to our attention which causes us to believe that the information presented in the Statement contains any material misstatement. The asset coverage ratio as at September 30, 2013, in accordance with Criteria mentioned above, as determined in the attached Statement, read together with and subject to the notes thereon, is 1.54 times.

Restriction on Distribution

The above certificate is issued at the request of the Company for submission to the Senior Lenders and the Debenture Trustee and shall not be used for any other purpose without our prior written consent.

For Deloitte Haskins & Sells
Chartered Accountants
(ICAI Reg. No. 117366W)



Kalpesh J. Mehta
Partner
(Membership No. 48791)

MUMBAI, October 30, 2013
KJM/NDU

IL&FS Financial Services Limited		
Statement of Computation of Asset Coverage Ratio as at Sep 30, 2013		
Rupees in Million		
<u>ASSETS</u>	Amount	Amount
Movable and Immovable Leased Assets (Net)		37.62
Investments-Long Term/Strategic Investments		30,697.44
Loans and Advances (Long Term and Short Term)		87,883.59
Non Current Assets		570.62
Current Assets		6,273.94
		125,463.21
<u>SECURED LOANS OUTSTANDING</u>		
Loans from Banks-Current and Non Current		
Bank of India	13,000.00	
Indian Overseas Bank	6,312.50	
State Bank of Travancore	5,000.00	
Bank of Baroda	5,000.00	
Indian Bank	5,000.00	
Jammu & Kashmir Bank Ltd.	4,300.00	
Punjab & Sind Bank	3,800.00	
Oriental bank of Commerce	3,000.00	
State Bank of Mysore	3,000.00	
Syndicate Bank	2,500.00	
Allahabad Bank	2,500.00	
Dena Bank	2,000.00	
Bank of Maharashtra	2,000.00	
State Bank of Hyderabad	2,000.00	
Vijaya Bank	2,000.00	
IDBI Bank Ltd	1,800.00	
Canara Bank	1,500.00	
IndusInd Bank	1,500.00	
The Bank of Nova Scotia	1,000.00	
Central Bank of India	1,000.00	
Andhra Bank	1,000.00	
State Bank of Bikaner & Jaipur	1,000.00	
Australia and New Zealand Banking Group Limited	750.00	
The Karur Vysya Bank Ltd	500.00	
ING Vysya Bank Ltd.	500.00	
Abu Dhadhi Commercial Bank Ltd	280.00	
UCO Bank	250.00	
State Bank of Patiala	250.00	
		72,742.50
Debtentures		7,500.00
Cash Credit		522.91
Interest Accrued but not due on Secured Loans		709.03
		81,474.44
Asset Coverage Ratio		1.54



Notes:

- Loans from Banks Include certain Loans aggregating Rs. 500 mn whose security creation process is pending.
- Leased Assets and Loans and Advances are net of provision /write off made for non performing assets as per RBI guidelines and accelerated provisions / write off made on a case to case basis as determined by the Management.
- Provision for General Contingency amounting to Rs. 2,950.00 mn created with the objective to cover adverse events that may affect the quality of the Company's Assets, and has therefore not been deducted from the value of assets.
- Company has created contingent provision against standard assets aggregating Rs. 250.00 mn as per Reserve Bank of India Circular DNBS.PD.CC.No.207/ 03.02.002 /2010-11 issued on January 17, 2011. Since it is a contingent provision, it has not been excluded from assets.
- Collateralised Borrowing of Rs.1,069.72 mn as on September 30, 2013 has not been included in secured loans because it is secured against specific assets (Investments in Government Securities) which are excluded assets for the asset cover computation.
- Long term/Strategic Investments also include current maturity of long term investments.
- "Excluded Assets" that are not considered for the purpose of calculating the asset coverage ratio includes residential & commercial immovable properties owned / tenanted by the Company, including the moveable assets within the property, trading stock, gilt securities and equity investments where the Company has given non disposal undertaking, equity investments in affiliate / subsidiary companies. Additionally the Company has excluded the following assets since charge on the assets cannot be created:
 - a) Capital work in progress / Capital Advances
 - b) Deferred tax,
 - c) Advance tax including TDS and
 - d) Prepaid Expenses

For IL&FS FINANCIAL SERVICES LIMITED



[Handwritten Signature]
 Authorised Signatory

Place : Mumbai

Date : October 30 , 2013



Details of Outstanding Position of NCDs as on September 30, 2013

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 th December every year. Last coupon payment will be on redemption date	December 28, 2012	December 28, 2013	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 nd March every year. Last coupon payment will be on redemption date	March 22, 2013	March 22, 2014	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 th June every year. Last coupon payment will be on redemption date	June 29, 2013	June 29, 2014	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 th August every year. Last coupon payment will be on redemption date	August 13, 2013	August 13, 2014	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 rd September every year. Last coupon payment will be on redemption date	September 3, 2013	September 3, 2014	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 th September every year. Last coupon payment will be on redemption date	September 28, 2013	September 28, 2014	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 th November every year. Last coupon payment will be on redemption date	November 27, 2013	November 27, 2014	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 th January every year. Last coupon payment will be on redemption date	Not Applicable	January 7, 2014	January 7, 2016
			January 7, 2013	2,89,000	28.90	9.60 % p.a. payable annually On 7 th January every year. Last coupon payment will be on redemption date	Not Applicable	January 7, 2014	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 February 28 th every year. Last coupon payment will be on redemption date	Not Applicable	February 28, 2014	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 th every year. Last coupon payment will be on redemption date	Not Applicable	September 17, 2014	September 17, 2015
			September 17, 2013	2,00,000	20.00	10.65 % p.a. payable annually On September 17 th every year. Last coupon payment will be on redemption date	Not Applicable	September 17, 2014	September 17, 2016
11	Secured Redeemable Non-Convertible Debentures (NCDs)	2013 Series II	September 17, 2013	17,50,000	175.00	10.50 % p.a. payable annually On September 17 th every year. Last coupon payment will be on redemption date	Not Applicable	September 17, 2014	September 17, 2018
			September 18, 2013	5,00,000	50.00	10.50 % p.a. payable annually On September 18 th every year. Last coupon payment will be on redemption date	Not Applicable	September 18, 2014	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	Not Applicable	December 22, 2014	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 th 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	Not Applicable	September 25, 2014	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 th 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	Not Applicable	September 27, 2014	September 27, 2016
			Total	1,55,00,000	1,550.00				

Certified to be true
For IL&FS Financial Services Limited

Neelam Desai
Company Secretary

Date ; December 12, 2013

Place : Mumbai

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

19 September 2013

Dear Mr. Patel,

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

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

The total amount of long term debt/ non-convertible debentures rated by India Ratings stands at INR 12.0bn (enhanced from INR 7.0bn). India Ratings also rates INR 8.0bn of lower tier II subordinated debt.

I-Fin has already issued INR 5.4bn of non-convertible debentures and INR 8.0bn lower tier II subordinated debt.

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.

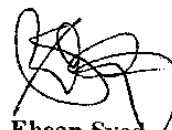
Sincerely,

India Ratings

By:



Ananda Bhoomik
Senior Director



Ehsan Syed
Director



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 04, 2013

Confidential

Dear Sir,

**Revalidation of Credit Rating for Non Convertible Debentures issue of
Rs.500 crore**

Please refer to our letter dated October 01, 2012 and your request for revalidation of the rating assigned to the Non Convertible Debentures issue for a limit of Rs.500 crore.

2. It has been decided to reaffirm the rating of 'CARE AAA' [Triple A] to the Non Convertible Debentures issue of IL&FS Financial Services Ltd. for a limit of Rs.500 crore. (Refer Annexure 1 for details of rated facilities)
3. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. Our rating symbols for various ratings for long term instruments and explanatory notes thereon are annexed.
4. Please arrange to get the rating revalidated, in case the instruments under the long term borrowing programme are not raised within six months from the date of this letter.
5. Please inform us the details of issue [date of issue, name of investor, amount issued, interest-rate, date of payment of interest, date and amount of repayment etc.] as soon as it has been placed.
6. 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.

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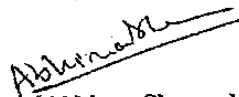
7. CARE reserves the right to suspend / withdraw / revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material and clarifications as may be required by CARE. CARE shall also be entitled to publicize / disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without any reference to you.
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


[Abhinav Sharma]
A.G.M.

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.

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Annexure I

Details of rated instrument

Instrument	Rated Amount (Rs. Crore)	Outstanding Amount (Rs. Crore)	Unutilised Amount (Rs. Crore)
Non Convertible Debentures	500.00	50.00	450.00

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Annexure II

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Rating Symbols and Definitions for Long /Medium Term Debt Instruments

Symbols	Rating Definition
CARE AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
CARE AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CARE A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
CARE BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
CARE BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
CARE B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
CARE C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
CARE D	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE AA to CARE C. The modifiers reflect the comparative standing within the category.

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CERTIFICATE

DSB/2013-14/38

We have examined the audited financial statements as at 30th September 2013 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, 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 30th September 2013 is as under:

PARTICULARS	Schedule Reference	AMOUNT (Rs. in Mn.)
DEBT		
- Long Term Borrowings	1	63,622.20
- Short Term Borrowings	2	23,162.62
- Current Maturity of Long Term Borrowing	3	23,962.40
Total Debt (A)		1,10,747.22
EQUITY		
- Share Capital		2,656.68
- Reserves & Surplus	4	16,314.09
Total Equity (B)		18,970.77
Debt- Equity Ratio (A/B)		5.84

The Debt Equity Ratio of the Company as on September 30, 2013 is 5.84:1

PATEL & DEODHAR
CHARTERED ACCOUNTANTS

DiPIka S. BhIDE

DIPIKA BHIDE
(PARTNER)
M. No. 047902

MUMBAI, 11th December 2013



Schedules to Certificate DSB/13-14/38
Debt Equity Ratio as of 30th September 2013

Schedule 1 : Long Term Borrowings

Particulars	Amount (Rs. In Mn)
Secured	
Debentures	7,500.00
Term Loan from Bank	48,075.00
A	55,575.00
Unsecured	
Subordinate Debt (Tier II Capital)	8,000.00
Loan From Related Parties	47.20
B	8,047.20
Total (A+B)	63,622.20

Schedule 2 : Short Tem Borrowings

Particulars	Amount (Rs. In Mn)
Secured	
Term Loan from Bank	2,272.91
Collateralized Borrowings (CBLO)	1,069.72
A	3,342.63
Unsecured	
Loan From Banks	1,000.00
Loan From Others	2,566.65
Loan From Related Parties	2,672.20
Commercial Papers (Net of unexpired discount)	13,581.14
B	19,819.99
Total (A+B)	23,162.62

Schedule 3 : Current Maturity of Long Term Borrowings

Particulars	Amount (Rs. In Mn)
Secured	
Term Loan From Banks	22,917.50
Unsecured	
Term Loan From Banks	-
Term Loan From Others	120.00
Term Loan From related Parties	924.90
TOTAL	23,962.40

Schedule 4 : Reserves & Surplus

Particulars	Amount (Rs. In Mn)
Securities Premium Account	8,538.84
Special Reserve I	3,096.99
Special Reserve II	40.65
General Reserve	1,537.44
Surplus in statement of Profit & Loss	3,100.17
TOTAL	16,314.09

