

CARE/HO/RL/2017-18/4678

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

March 14, 2018

Confidential

Dear Sir,

Credit rating for Perpetual Debt issue

Please refer to your request for revalidation of the rating assigned to the Perpetual debt issue of your company.

2. The following rating has been reviewed:

| Instrument | Rated Amount (Rs. crore) | Utilised Amount as on Mar 13, 2018 (Rs. crore) | Rating ¹ | Rating Action |
|----------------|-------------------------------------|---|--|---------------|
| Perpetual Debt | 200 (Rs. Two Hundred Crore only) | 100 (Rs. One Hundred Crore only) | CARE AA+; Stable (Double A Plus; Outlook: Stable) | 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 below- mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

| Instrument type | ISIN | Issue Size (Rs cr) | Coupon Rate | Coupon Payment Dates | Terms of Redemption | Redemption date | Name and contact details of Debenture Trustee | Details of top 10 investors |
|-----------------|------|-----------------------|-------------|----------------------|---------------------|-----------------|---|-----------------------------|
|-----------------|------|-----------------------|-------------|----------------------|---------------------|-----------------|---|-----------------------------|

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 revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

7. Users of this rating may kindly refer our website 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,



[Karan Ved]

Deputy Manager

karan.ved@careratings.com



[Aditya Acharekar]

Assistant General Manager

aditya.acharekar@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/outlooks 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/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook 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.

CARE Ratings Limited

(Formerly known as Credit Analysis & Research Limited)