

CONFIDENTIAL**Ref: 2017-18/MUM/1953
March 23, 2018**

Mr. Arun K Saha
Director
IL&FS Financial Services Limited
The IL&FS Financial Center
Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051

Dear Sir,

Re: ICRA rating for Rs. 4,000 crore (enhanced from Rs. 3,000 crore) Commercial Paper (CP) Programme of IL&FS Financial Services Limited

This is with reference to the outstanding rating of [ICRA]A1+ (pronounced as ICRA A one plus) assigned to the Rs. 3,000 crore CP programme of your company and last communicated vide our letter dated February 12, 2018. Please refer to your Rating Agreement of March 22, 2018 seeking rating for an enhanced amount of Rs. 1,000 crore. Please note that the Rating Committee of ICRA after due consideration of the latest developments in your company, has assigned the rating of [ICRA]A1+ (pronounced as ICRA A one plus) to your CP programme for an enhanced amount of Rs. 1,000 crore (total rated amount now Rs. 4,000 crore). Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. Within this category modifier {"+" (plus)} may be used to reflect the comparative standing within the category.

In any of your publicity material or other document wherever you are using the above rating, it should be stated as [ICRA]A1+. We would appreciate if you can sign the acknowledgement and send it to us latest by **30/03/2018** as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non accepted and shall be disclosed on ICRA's website as non accepted credit rating. This is in line with requirements as prescribed in the circular dated June 30, 2017 on '**Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)**' issued by the Securities and Exchange Board of India. Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

Additionally, we wish to highlight the following with respect to the rating:

- (a) If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter, the rating would need to be revalidated before issuance;
- (b) Subject to Clause (c) below, our rating is valid from the date of this letter till **June 22, 2019** ("Validity Period"). The rating will generally be due for review at the end of the Validity Period. The maturity date of the Commercial Paper shall not be after the end of the Validity Period. The Commercial Paper will have a maximum maturity of twelve months.
- (c) notwithstanding what is stated in clause (b) above, ICRA reserves the right to review and/or, revise the above rating at any time on the basis of new information or unavailability of information or such circumstances, which ICRA believes, may have an impact on the aforesaid rating assigned to you



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Fax : + 91 22 2433 1390
CIN : L74999DL1991PLC042749

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ICRA

ICRA Limited

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the Commercial Paper issued by you. The rating is restricted to your Commercial Paper Programme size of **Rs. 4,000 crore** only. In case, you propose to enhance the size of the Commercial Paper Programme, the same would be required to be rated afresh. ICRA does not assume any responsibility on its part, for any liability, that may arise consequent to your not complying with any eligibility criteria, applicable from time to time, for issuance of Commercial Paper.

As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

Enclosed herewith is a copy of the rationale of the assigned rating for your reference. Please respond with your comments if any within the aforesaid timeline of **March 30, 2018**.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards,

For ICRA Limited

VIBHOR MITTAL
Vice President
vibhorm@icraindia.com

NEHA PARIKH
Senior Analyst
neha.parikh@icraindia.com



ICRA

ICRA Limited

Acknowledgement

(To be signed and returned to ICRA Limited)

I, _____ (Name), _____ (Designation)

on behalf of the **IL&FS Financial Services Limited** hereby accept and acknowledge the above assigned credit rating.

For IL&FS Financial Services Limited

(Signature)

Name:

Date:

Note: Please return a copy of the above communication along with the acknowledgement to ICRA Limited.

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