

January 31, 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: Submission of Information / Statement as on December 31, 2012

In continuation to our letter dated January 29, 2013 on the captioned subject, we are enclosing herewith the Asset Cover Certificate as on December 31, 2012 in respect of the Secured NCDs issued by the Company, duly certified by Messrs Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company

The Asset Cover ratio as on December 31, 2012 is 1.71 times of the outstanding debt

Kindly acknowledge receipt of the same

Thanking You,

Sincerely,

For IL&FS Financial Services Limited



Neelam Desai
Company Secretary

Encl.: A/a

REF: KJM/2012-13/1978

AUDITORS' CERTIFICATE

Introduction

We have verified the attached "Statement of Computation of Asset Coverage as at December 31, 2012" (the "Statement") derived from the unaudited financial information and other records of **IL&FS Financial Services Limited (the "Company")** for the period from April 1, 2012 to December 31, 2012.

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 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, verifying 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 Seventh Contributory Legal Mortgage dated July 26, 2012 and the Indenture of Mortgage dated January 9, 2009 entered into between the Company and Central Bank of India (acting as Agent) 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"), 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

KJM

Deloitte Haskins & Sells

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 information and other records for the period from April 1, 2012 to December 31, 2012.

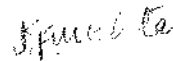
Conclusion

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 December 31, 2012, in accordance with Criteria mentioned above, as determined in the attached Statement, read together with and subject to the notes thereon, is 1.71 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.

BY DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)



Kalpesh J. Mehta
Partner
(Membership No. 48791)

MUMBAI, January 29, 2013
KJM/NDU

IL&FS Financial Services Limited		
Statement of Commitment to Asset Coverage Ratio as at December 31, 2012		
Rupees in Millions		
ASSETS	Amount	Amount
Movable and Immovable Leasehold Assets (Net)		45.22
Investment-Long Term/Strategic Investments		25,678.20
Loans and Advances (Long Term and Short Term)		96,438.74
Non Current Assets		565.33
Current Assets		5,061.66
		127,794.15
SECURED LOANS OUTSTANDING		
Loans from Banks-Current and Non Current Loans		
The Bank of Nova Scotia	250.00	
Bank of India	13,000.00	
State Bank of India	1,700.00	
Deva Bank	1,000.00	
Bank of Maharashtra	1,000.00	
United Bank of India	2,000.00	
Central Bank of India	3,000.00	
Canara Bank	1,500.00	
Syndicate Bank	750.00	
State Bank of Travancore	1,000.00	
Vijaya Bank	4,000.00	
Bank of Baroda	5,000.00	
Andhra Bank	500.00	
The Karur Vysya Bank Ltd	500.00	
Industrial Bank	2,166.67	
Ala Dhanthi Commercial Bank Ltd	280.00	
ING Vysya Bank Ltd	833.33	
India Bank	1,500.00	
Samru & Kalyani Bank Ltd	4,000.00	
Oriental bank of Commerce	1,500.00	
Punjab & Sind Bank	1,450.00	
State Bank of Mysore	1,000.00	
Indian Overseas Bank	6,750.00	
		69,570.00
Debentures		2,000.00
Cash Credit		1,102.87
Interest Accrued but not due on Secured Loans		464.43
		74,137.30
Asset Coverage Ratio		1.71

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- Notes
- Loans from Banks include certain loans, if any, in a currency conversion process is underway.
 - Excluded Assets, and Loans and Advances include provisions for the following:
 - Provision for non performing assets as per RBI guidelines and accelerated provisions for write off made in accordance with the policy as determined by the Management.
 - Provision for General Creditors (by amounting to Rs. 2,00,000 million) 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. 270.00 million 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. 3,154.28 million as on Dec 31, 2012 has not been taken as secured loan 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 / leased by the Company, including the moveable assets within the property, trading stock, gift 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,
 - b) deferred tax,
 - c) advance tax including TDS and
 - d) deferred and unamortised expenses

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For IL&FS FINANCIAL SERVICES LIMITED

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Authorised Signatory

Place: Mumbai

Date: January 28, 2013