

July 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 June 30, 2013

In continuation to our letter dated July 16, 2013 on the captioned subject, we are enclosing herewith the Asset Cover Certificate as on June 30, 2013 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 June 30, 2013 is 1.56 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

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

AUDITORS' CERTIFICATE

Introduction

We have verified the attached "Statement of Computation of Asset Coverage as at June 30, 2013" (the "Statement") derived from the unaudited financial Statements and other records of **IL&FS Financial Services Limited (the "Company")** for the period from April 01, 2013 to June 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 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 Eighth Contributory Legal Mortgage dated January 29, 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 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

ASU

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 statements of the Company for the period from April 01, 2013 to June 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 June 30, 2013, in accordance with Criteria mentioned above, as determined in the attached Statement, read together with and subject to the notes thereon, is 1.56 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.

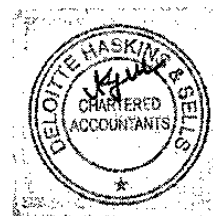
MUMBAI, July 10 2013
KJM/NDU

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



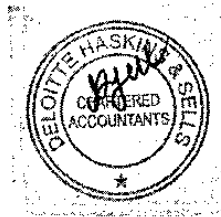
Kalpesh J. Mehta
Partner
(Membership No. 48791)

IL&FS Financial Services Limited		
Statement of Computation of Asset Coverage Ratio as at June 30, 2013		
Rupees in Million		
<u>ASSETS</u>	Amount	Amount
Movable and Immovable Leased Assets (Net)		46.42
Investments-Long Term/Strategic Investments		24,699.89
Loans and Advances (Long Term and Short Term)		91,664.85
Non Current Assets		454.04
Current Assets		6,059.96
		122,925.16
<u>SECURED LOANS OUTSTANDING</u>		
Loans from Banks-Current and Non Current Loans		
The Bank of Nova Scotia	1,000.00	
Australia and New Zealand Banking Group Limited	750.00	
Bank of India	13,000.00	
State Bank of India	600.00	
Dena Bank	2,000.00	
Bank of Maharashtra	2,000.00	
United Bank of India	2,000.00	
Central Bank of India	3,000.00	
Canara Bank	2,500.00	
Syndicate Bank	2,500.00	
State Bank of Travancore	5,000.00	
Vijaya Bank	2,000.00	
Bank of Baroda	5,000.00	
Andhra Bank	1,000.00	
The Karur Vysya Bank Ltd	500.00	
IndusInd Bank	1,666.67	
Abu Dhabi Commercial Bank Ltd	280.00	
ING Vysya Bank Ltd.	666.67	
IDBI Bank Ltd	1,800.00	
Allahabad Bank	2,500.00	
Indian Bank	5,000.00	
Jammu & Kashmir Bank Ltd.	1,050.00	
Oriental bank of Commerce	3,000.00	
Punjab & Sind Bank	4,500.00	
State Bank of Mysore	3,000.00	
State Bank of Bikaner & Jaipur	500.00	
Indian Overseas Bank	6,312.50	
		76,125.84
Debentures		2,500.00
Cash Credit		62.41
Interest Accrued but not due on Secured Loans		209.32
		78,897.57
Asset Coverage Ratio		1.56



Notes:

- Loans from Banks include certain Loans aggregating Rs. 8,300 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. 2,830.00 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.2077/03.02.002/2010-11 issued on January 17, 2011. Since it is a contingent provision, it has not been excluded from assets.
- Collateralised Borrowing of Rs.1,418.98 mn as on June 30, 2013 has not been taken as 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
 - d) Prepaid Expenses



For IL&FS FINANCIAL SERVICES LIMITED

Deepak Parule
 Authorised Signatory

Place : Mumbai

Date : July 30 , 2013