June 18, 2021

The Secretary,
Listing Department (Debt Listing)
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Re: **Company Code: 10191**

Name of the Company: IL&FS Financial Services Limited

Sub: **Non servicing of Redemption of Non-Convertible Redeemable Cumulative Preference Shares for ISIN No. INE121H04015**

Dear Sir / Madam,

The Non-Convertible Redeemable Cumulative Preference Shares (NCRCPS) issued by the Company under ISIN – INE121H04015, comprises of :

(a) Nominal Value of ₹ 7,500/- per NCRCPS
(b) Redemption Premium of ₹ 7,500/- per NCRCPS and
(c) Dividend accrued on NCRCPS since FY 2019 till date

The said NCRCPS was due for redemption on March 30, 2021. However, the Company was unable to honour the same. Further, the Company has defaulted with respect to payment of dividend on these NCRCPS since FY 2019 till date.

The Company as part of the IL&FS Group is undergoing a resolution process under various orders of the Hon'ble NCLT/NCLAT, culminating with the Order dated March 12, 2020 of the NCLAT that approved the Resolution Framework under which the resolution of IL&FS Group companies, including that of the Company is currently being carried out. It is also pertinent to mention here that in terms of the Resolution Framework, IL&FS Group companies are classified by Alvarez & Marsal India Private Limited, the resolution consultant to the IL&FS Board ("Resolution Consultant") basis the projected cash flows from the operations of each IL&FS Group company, into categories that determine the concerned company's payment obligations. As per the classification/categorization, an IL&FS Group company classified as a "Red" entity is an entity that is unable to meet its payment obligations towards senior secured financial creditors from its operating cash flows, as and when such amounts fall due in the 12 (twelve) months testing period, and in absence of any senior secured financial debt, it is unable to satisfy its payment obligations towards the unsecured (operational and financial) debt. Under the Resolution Framework, Red entities are permitted to make only *'going concern'* payments to maintain their 'going concern' status.

In this regard, kindly note that the Company has been classified/ categorized as a Red entity under the Resolution Framework, and accordingly is permitted to making only *'going concern'* payments.

We would also like to draw your attention to a moratorium order issued by Hon'ble NCLAT that is currently in operation on enforcement of any claim(s) against IL&FS and IL&FS Group companies.

The above is for your kind information

Sincerely,

For IL&FS Financial Services Limited

Neelam Desai
Company Secretary