

IL&FS Financial Services Limited

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Registered Office: The IL&FS Financial Centre, Bandra Kurla Complex, Bandra East, Mumbai – 400 051

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Corporate Identity Number – U65990MH1995PLC093241

Statement of Financial Results for the Half Year ended September 30, 2014

	Particulars	Half Year ended		Year ended
		30-Sep-14	30-Sep-13	31-Mar-14
		Audited	Audited	Audited
				(₹ in Lakhs)
1	Interest earned (a)+(b)+(c)+(d)	88,719	75,820	168,559
	(a) Interest/disc. on advances/ bills	72,194	67,251	136,490
	(b) Income on investments	16,525	8,569	32,069
	(c) Interest on balances with Reserve Bank of India and other inter bank funds	-	-	-
	(d) Others	-	-	-
2	Other Income	4,571	3,279	12,940
3	Total Income (1+2)	93,290	79,099	181,499
4	Interest Expended	60,298	56,427	115,547
5	Operating Expenses (i)+(ii)	6,772	6,180	14,670
	(i) Employee cost	2,855	2,305	5,502
	(ii) Other operating expenses (a)+(b)+(c)+(d) (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	3,917	3,875	9,168
	(a) Brand Subscription Charges	907	878	1,755
	(b) Service Charges	1,133	1,039	2,103
	(c) Legal & Professional Expenses	186	129	1,464
	(d) Others	1,691	1,829	3,846
6	Total Expenditure (4+5) excluding provisions and contingencies	67,070	62,607	130,217
7	Operating Profit before Provisions and Contingencies (3-6)	26,220	16,492	51,282
8	Provisions (other than tax) and Contingencies	7,178	9,369	15,774
9	Exceptional Items	-	-	-
10	Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)	19,042	7,123	35,508
11	Tax expense	7,386	2,531	9,000
12	Net Profit(+)/ Loss(-) from Ordinary Activities after tax (10-11)	11,656	4,592	26,508
13	Extraordinary items (net of tax expense)	-	-	-
14	Net Profit (+)/ Loss (-) for the period (12-13)	11,656	4,592	26,508
15	Paid-up equity share capital (Face Value of ₹ 10 each)	26,567	26,567	26,567
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	-	-	167,961
17	Analytical Ratios			
	(i) Capital Adequacy Ratio			
	* Unaudited	21.85%*	21.60%*	21.63%
	(ii) Earnings Per Share (EPS) (Basic & Diluted)			
	** Not Annualised	4.39**	1.73**	9.98
18	NPA Ratios (Unaudited)			
	a) (i) Gross NPA	33,843	30,267	24,305
	(ii) Net NPA	26,879	26,004	18,821
	b) (i) % of Gross NPA	3.31	3.05	2.46
	(ii) % of Net NPA	2.64	2.63	1.91
19	Return on Assets (Unaudited) * (Annualised)	1.63%*	0.69%*	1.95%

Notes:-

- The above financial results of the Company for the half year ended September 30, 2014 have been reviewed by the Audit Committee at their Meeting held on October 31, 2014 and approved by the Board of Directors at their meeting held on November 13, 2014.
- Interest on Advances includes lease income on assets given on lease.
- Income on Investments include interest on investments, dividend, pass through income and profit/ Loss on sale of investments.
- Pursuant to the enactment of the Companies Act 2013 (the Act), the Company has, effective April 1, 2014 modified the useful lives of certain tangible assets in line with Schedule II of the Act. The Company has further decided to change the method of depreciation to Straight Line Method (SLM) in place of Written Down Value Method (WDV). As a result of the change in method of charging depreciation from WDV to SLM and change in useful life of certain category of assets the charge on account of Depreciation for the half year ended September 30, 2014, is lower by ₹ 2.86 mn and profit before tax is higher by ₹ 2.86 mn than the amount that would correspond to the method of depreciation previously used and useful lives previously assessed.
- Provisions (other than tax) and Contingencies includes the following:

Particulars	Half Year Ended		Year ended
	September 30, 2014	September 30, 2013	March 31, 2014
	Audited	Audited	Audited
Provision for Non-Performing Assets	1,480	2,187	4,056*
Provision for Diminution in Investments	54	3,925	4,346
Provision for General Contingencies	4,000	1,500	5,500
Contingent Provision against Standard Assets	50	-	-
Provision for Bad and Doubtful Debts	440	216	456
Other Provisions	1,154	1,541	1,416
Total	7,178	9,369	15,774

* The Company has written off specific loans amounting to ₹ 4,023.31 lakhs utilising NPA Provision of ₹ 648.31 Lakhs and General Contingency Provision of ₹ 3,375.00 Lakhs

- Loans, Investments in Debt and Investments in Pass through certificates only as at respective dates has been considered for calculation of NPA ratio.
- NPA does not include provision for general contingency, Contingent Provision against Standard Assets, Provision for Bad and Doubtful Debts and other provisions.
- Return (Profit after Tax) on Assets has been calculated on average assets. Average Asset is average of the opening & closing total assets for the respective corresponding periods/year.
- The Company is in the business of providing financial services. As such, all activities undertaken by the Company are incidental to the main business segment. There is no separate reportable business segment as per Accounting Standard 17 "Segment reporting".
- Figures of the previous year/period have been regrouped and reclassified wherever necessary.

For and on behalf of the Board

Sd/-

 Managing Director & CEO
Sd/-

 Chief Financial Officer
Sd/

Company Secretary